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TOWN OF ROWLESBURG

Water Revenue Bonds, Series 2006 A
(United States Department of Agriculture)

Date of Closing: October 13, 2006

BOND TRANSCRIPT

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TOWN OF ROWLESBURG

**Water Revenue Bonds, Series 2006 A
(United States Department of Agriculture)**

BOND TRANSCRIPT

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TOWN OF ROWLESBURG
Water Revenue Bonds, Series 2006 A
(United States Department of Agriculture)

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TOWN OF ROWLESBURG

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE TOWN OF ROWLESBURG, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$385,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2006 A (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

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

ARTICLE I

STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance is adopted and enacted pursuant to the provisions of Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. The Town of Rowlesburg (the "Issuer") is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia in Preston County of said State.

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

A. The Issuer currently owns and operates a public waterworks system and desires to acquire, construct and operate certain additional public waterworks facilities consisting of additions, betterments and improvements to such existing waterworks facilities, with all appurtenant facilities.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly,

it is hereby ordered, that there be acquired and constructed certain additions, betterments and improvements to the existing waterworks system of the Issuer, consisting of construction of a water treatment plant and upgrade of raw water pumping system (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Recorder of the Issuer. The existing waterworks facilities of the Issuer, together with the Project and any further additions, betterments and improvements, are herein called the "System". The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. The estimated revenues to be derived in each year from the operation of the System after completion of the Project will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Bonds (as hereinafter defined) and all debt service, reserve fund and other payments provided for herein.

D. The estimated maximum cost of the acquisition and construction of the Project is \$4,126,640, of which \$385,000 will be obtained from the proceeds of sale of the Bonds herein authorized, \$2,241,640 will be obtained from a grant from the Purchaser, and \$1,500,000 will be obtained from a Small Cities Block Grant.

E. It is necessary for the Issuer to issue its Water Revenue Bonds Series 2006 A (United States Department of Agriculture), in the aggregate principal amount of \$385,000 (the "Series 2006 A Bonds"), to finance a portion of the cost of acquisition and construction of the Project. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the acquisition of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Series 2006 A Bonds prior to and during acquisition and construction, and for a period not exceeding six months after completion of such acquisition or construction, of the Project; engineering, fiscal agents and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the Project, administrative expense, and such other expenses as may be necessary or incidental to the acquisition and construction of the Project and the financing authorized hereby; provided that, reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2006 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

F. The period of usefulness of the System, as herein defined, after completion of the Project is not less than 40 years.

G. There are no outstanding bonds or obligations of the Issuer which will rank prior to or on a parity with the Series 2006 A Bonds as to liens, pledge and source of and security for payment.

H. It is in the best interest of the Issuer that the Series 2006 A Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letter of Conditions dated August 19, 2002, and any amendments, thereto (collectively, the "Letter of Conditions").

I. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2006 A Bonds, or will have so complied prior to issuance of the Series 2006 A Bonds, including, among other things and without limitation, obtaining a certificate of convenience and necessity and approval of the financing and necessary user rates and charges from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired or shall have been duly waived or otherwise provided for.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2006 A Bonds by those who shall be the Registered Owner of the same from time to time, this Ordinance (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owner, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Series 2006 A Bonds.

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

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

"Bond Legislation" or "Ordinance" means this Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory hereof.

"Bond Registrar" or "Registrar" means the Issuer, which shall usually so act by its Recorder.

"Bonds" means the Water Revenue Bonds, Series 2006 A (United States Department of Agriculture), authorized hereby to be issued pursuant to this Bond Legislation.

"Closing Date" means the date upon which there is an exchange of the Series 2006 A Bonds for the proceeds, or at least a de minimus portion, thereof representing the purchase price of the Series 2006 A Bonds from the Purchaser.

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

"Consulting Engineer" means Thrasher Engineering, Inc., Clarksburg, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Depository Bank" means the First Community Bank, Rowlesburg, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

"Facilities" or "waterworks facilities" means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"FDIC" means the Federal Deposit Insurance Corporation.

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

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

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

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

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

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated August 19, 2002, and all amendments thereto, if any.

"Mayor" means the Mayor of the Issuer.

"Minimum Reserve" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2006 A Bonds in the then current or any succeeding year.

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the Project and the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, materials and supplies, pumping costs, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the Project and the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed one-sixth of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital, provided that all monthly amortization payments upon the Series 2006 A Bonds and into the respective reserve accounts and the Renewal and Replacement Fund have been made to the last monthly date prior to the date of such retention.

"Ordinances" means, the Bond Legislation.

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

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

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

(a) Government Obligations;

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

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

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

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

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

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

(h) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6(c) of the West Virginia Code of 1931, as amended; and

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

"Recorder" means the Recorder of the Issuer.

"Registered Owner," "Bondholder," "Holder of the Bond" or any similar term means any person who shall be the registered owner of the Series 2006 A Bonds.

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

"Revenues" or "Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

"State" means the State of West Virginia.

"System" means the complete waterworks system of the Issuer and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks systems, including the Project, and any and all additions, betterments, improvements, properties or other facilities at any time acquired or constructed for the Waterworks system from any source whatsoever.

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Series 2006 A Bonds or any certificate or other document by the Mayor or the Recorder shall mean that such Series 2006 A Bonds, certificate or other documents may be executed or attested by an Acting Mayor or Acting Recorder.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND
CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project.

There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of \$4,126,640, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2006 A Bonds hereby authorized shall be applied as provided in Article IV hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of this Bond Legislation, the Series 2006 A Bonds of the Issuer, to be known as "Water Revenue Bonds, Series 2006 A (United States Department of Agriculture)," are hereby authorized to be issued in the principal amount of \$385,000 for the purpose of permanently financing a portion of the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bonds. The Series 2006 A Bonds shall be issued in single form, numbered AR-1, only as a fully registered Bond, and shall be dated on the date of delivery thereof. The Series 2006 A Bonds shall bear interest from date of delivery, payable monthly at the rate of 4.5% per annum, and shall be sold for the par value thereof.

The Series 2006 A Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Series 2006 A Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Series 2006 A Bonds, and the right to the principal of and stated interest on the Series 2006 A Bonds, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Series 2006 A Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Series 2006 A Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Bond Registrar with respect to such transfer.

No registration of transfer of the Series 2006 A Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2006 A Bonds.

Section 3.04. Bond Registrar. The Issuer shall be the Bond Registrar and will keep or cause to be kept at its office by its agent, sufficient books for the registration and

transfer of the Series 2006 A Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2006 A Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2006 A Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2006 A Bonds for registration of transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust, and/or such other identifying number and information as may be required by law. The Series 2006 A Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2006 A Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Execution of Bonds. The Series 2006 A Bonds shall be executed in the name of the Issuer by the Mayor and the seal of the Issuer shall be affixed thereto and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2006 A Bonds shall cease to be such officer of the Issuer before the Series 2006 A Bonds so signed and sealed has been actually sold and delivered, such Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2006 A Bonds had not ceased to hold such office. The Series 2006 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Series 2006 A Bonds shall hold the proper office in the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2006 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2006 A Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2006 A Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2006 A Bonds the Issuer may pay the same, and, if such Series 2006 A Bonds be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service of the Series 2006 A Bonds shall be secured forthwith by a first lien on the Gross Revenues derived from the System, in addition to the statutory mortgage lien on the System hereinafter provided for as to the Series 2006 A Bonds. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 2006 A Bonds and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2006 A Bonds as the same becomes due.

Section 3.08. Form of Bonds. Subject to the provisions hereof, the text of the Series 2006 A Bonds and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any ordinance enacted after the date of enactment hereof and prior to the issuance thereof:

(FORM OF SERIES 2006 A BOND)

TOWN OF ROWLESBURG

WATER REVENUE BONDS, SERIES 2006 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$ _____

No. AR-1

Date: _____, 2006

FOR VALUE RECEIVED, the TOWN OF ROWLESBURG (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of _____ DOLLARS (\$ _____), plus interest on the unpaid principal balance at the rate of _____% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of this Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof, and \$ _____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the waterworks system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized

denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly enacted on _____, 2006, authorizing issuance of this Bond (the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

IN WITNESS WHEREOF, the TOWN OF ROWLESBURG has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Recorder, all as of the date hereinabove written.

TOWN OF ROWLESBURG

[CORPORATE SEAL]

Mayor
P.O. Box 458
Rowlesburg, West Virginia 26425

ATTEST:

Recorder

(Form of)

RECORD OF ADVANCES

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

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

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

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

Dated: _____, _____.

In presence of:

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank.

The following special funds or accounts are created and established with, and shall be held by, the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund; and
- (3) Project Construction Account.

Section 4.02. Establishment of Funds and Accounts with Commission.

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

- (1) Series 2006 A Bonds Reserve Account.

Section 4.03. Bond Proceeds; Project Construction Account.

The proceeds of sale of the Series 2006 A Bonds shall be deposited upon receipt by the Issuer in the Project Construction Account. The monies in the Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Monies in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Monies in the Project Construction Account shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installment payments on the Series 2006 A Bonds if there are not sufficient Gross Revenues to make such monthly payment.

Pending application as provided in this Section 4.03, money and funds in the Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When acquisition and construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 4.04. Covenants of the Issuer as to Revenues and Funds. So long as any of the Series 2006 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2006 A Bonds Reserve Account, sums sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2006 A Bonds remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the holder of the Series 2006 A Bonds as follows:

A. **REVENUE FUND.** The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Ordinances and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Ordinances.

B. **DISPOSITION OF REVENUES.** All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority, subject to the provisions of the Prior Ordinances not otherwise modified herein:

(1) The Issuer shall first, each month, beginning on the 12th monthly anniversary of the Closing Date, transfer from the Revenue Fund and remit to the National Finance Office, the amounts required to pay the interest on the Series 2006 A Bonds. Beginning on the 24th monthly anniversary of the Closing Date and continuing on each monthly anniversary of the Closing Date thereafter, the Issuer shall transfer from the Revenue Fund and remit to the National Finance Office the amounts required to amortize the interest on and principal of the Series 2006 A Bonds over the life of the Bond issue.

(2) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Commission for deposit into the Series 2006 A Bonds Reserve Account, an amount equal to 10% of your monthly payment each month, until the amount in the Series 2006 A Bonds Reserve Account equals the Minimum Reserve; provided that, no further payments shall be made into the Series 2006 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Minimum Reserve. Monies in the Series 2006 A Bonds Reserve Account shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Series 2006 A Bonds to the National Finance Office as the same shall become due

or for prepayment of installments on the Series 2006 A Bonds, or for mandatory prepayment of the Series 2006 A Bonds as hereinafter provided, and for no other purpose; provided, however, earnings from monies in the Series 2006 A Bond Reserve Account, so long as the Series 2006 A Bonds Reserve Requirement is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer, to be deposited in the Revenue Fund.

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

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

(5) After all the foregoing provisions for use of monies in the Revenue Fund have been fully complied with, any monies remaining therein and not permitted to be retained therein, may be used to prepay installments of the Bonds, pro rata, or for any lawful purpose.

Whenever the monies in the Series 2006 A Bonds Reserve Account shall be sufficient to prepay the Series 2006 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2006 A Bonds, at the earliest practical date and in accordance with applicable provisions hereof.

The Depository Bank is hereby designated as the Fiscal Agent for the administration of the Renewal and Replacement Fund as herein provided, and all amounts required for the Renewal and Replacement Fund will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written directions stating the amount remitted for deposit into each such fund.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2006 A Bonds Reserve Account as herein provided, and all amounts required for said account shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said account shall be automatically debited from the Revenue Fund and Electronically transferred to the Commission on the dates required hereunder.

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

The Revenue Fund, the Series 2006 A Bonds Reserve Account and the Renewal and Replacement Fund shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Series 2006 A Bonds and the interest thereon, but the Depository Bank shall not be a trustee as to such funds.

If on any payment date the Revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates.

The Commission and the Depository Bank, at the direction of the Issuer, shall keep the monies in the Series 2006 A Bonds Reserve Account and the Renewal and Replacement Fund invested and reinvested to the fullest extent possible, in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of

discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia Board of Investment Management. Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings from monies in the Series 2006 A Bonds Reserve Account so long as the Minimum Reserve is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer to be deposited in the Revenue Fund.

C. CHANGE OF DEPOSITORY BANK AND FISCAL AGENT. The Issuer may designate another bank or trust company insured by FDIC as Depository Bank and Fiscal Agent if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Series 2006 A Bonds, provide evidence that there will be at least 285 bona fide users upon the System on completion of the Project, in full compliance with the requirements and conditions of the Purchaser.

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

F. INVESTMENT OF EXCESS BALANCES. The monies in excess of the sum insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, in lawful manner for securing deposits of State and municipal funds under the laws of the State of West Virginia.

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

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

Section 4.05. Interim Construction Financing. In order to pay certain costs of the Project pending receipt of proceeds of the grants and advances of principal of the Series 2006 A Bonds, the Issuer may issue and sell its interim construction notes in an aggregate principal amount not to exceed \$385,000 (the "Notes"). The Notes shall be in the form of a line of credit from a commercial bank or other lender, and the Issuer is hereby authorized to enter into a credit agreement with such bank or other lender. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall

mature on such date or dates and be subject to such prepayment or redemption, all as provided in the credit agreement.

The Notes shall be special obligations of the Issuer payable as to principal and interest solely from proceeds of the Series 2006 A Bonds or the Grants. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer, if any, is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth herein.

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Series 2006 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2006 A Bonds Reserve Account a sum sufficient to prepay the entire principal of the Series 2006 A Bonds remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Holder of the Series 2006 A Bonds.

Section 5.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the maximum annual debt service on the Series 2006 A Bonds and sufficient to make the payments required herein into all funds and accounts and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Revenues for such purposes.

Section 5.03. Sale of the System. The System will not be sold without the prior written consent of the Purchaser so long as the Series 2006 A Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

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

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

No additional parity bonds or obligations payable out of any of the Revenues of the System shall be issued after the issuance of the Series 2006 A Bonds pursuant hereto, except with the prior written consent of the Purchaser.

The foregoing limitation may be waived or modified by the written consent of the Holder of the Series 2006 A Bonds.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2006 A Bonds remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Series 2006 A Bonds.

C. VEHICULAR PUBLIC LIABILITY INSURANCE, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than \$500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than \$200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

D. WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF THE ISSUER ELIGIBLE THEREFOR AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Clerk of the

County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' Compensation coverage will be maintained as provided by law.

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

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

G. Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Series 2006 A Bonds are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 5.06. Statutory Mortgage Lien. For the further protection of the Holder of the Series 2006 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Series 2006 A Bonds and shall be for the equal benefit of the Series 2006 A Bonds.

Section 5.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

A. Failure to make payment of any monthly amortization installment upon the Series 2006 A Bonds at the date specified for payment thereof; or

B. Failure to duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2006 A Bonds or herein, or violation of or failure to observe any provision of any pertinent law.

Section 5.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

Upon application by the Purchaser, such court may, upon proof of such default appoint a receiver for the affairs of the Issuer and the System. The receiver so appointed shall administer the System on behalf of the Issuer, shall exercise all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the System, and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct.

Section 5.09. Fiscal Year; Budget. While the Series 2006 A Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the first day of any Fiscal Year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than 10%; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 5.10. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the acquisition and construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Recorder on the date of adoption hereof, subject to permitted changes.

Section 5.11. Books and Records; Audits. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions

relating to the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the Purchaser. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 5.12. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Series 2006 A Bonds are outstanding.

Section 5.13. No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules.

A. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the rate ordinance of the Issuer enacted on November 5, 2001, which rate ordinance is incorporated herein by reference as a part hereof.

B. There shall not be any discrimination or differential in rates between customers in similar circumstances.

C. All delinquent fees, rates and charges for services or facilities of the System shall be a lien on the premises served if not paid when due. The Issuer shall have all remedies and powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges, including, without limitation, any right and power of foreclosure under the Act and/or such other applicable provisions of law.

D. The Issuer will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the Issuer or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other revenues of the System.

E. The Issuer may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

F. The Issuer, to the extent permitted by law, will not accept payment of any water bill from a customer served with water and sewer services by the Issuer without payment at the same time of a sewer bill owed by such customer for the same premises.

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

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

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

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holder of the Series 2006 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2006 A Bonds, the pledge of Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 2006 A Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Except through such direct payment to the Holder of the Series 2006 A Bonds, the Issuer may not defease the Series 2006 A Bonds or otherwise provide for payment thereof by escrow or like manner.

Section 7.02. Modification or Amendment. Prior to issuance of the Series 2006 A Bonds, this Ordinance may be amended or supplemented in any way by ordinance or resolution. Following issuance of the Series 2006 A Bonds, no modification or amendment of this Ordinance, or any ordinance or resolution amendatory hereof or supplemental hereto, shall be made without the prior written consent of the Purchaser.

Section 7.03. Delivery of Bonds. The Mayor is hereby authorized and directed to cause the Series 2006 A Bonds, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed seeperable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Series 2006 A Bonds.

Section 7.05. Conflicting Provisions Repealed. All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this section shall not be applicable to the Loan Resolution (Form FmHA 442-47).

Section 7.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 7.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption and enactment of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, Recorder and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 7.08. Effective Time. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

Section 7.09. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Legislation, determined by the Council to contain sufficient information as to give notice of the contents hereof, shall be published once a week for two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in the *Preston County Journal*, being qualified newspapers of general circulation in the Town of Rowlesburg, no newspaper being published therein, together with a notice stating that this Ordinance has been adopted, and that the Issuer contemplates the issuance of the Bond, and that any person interested may appear before the Council upon a date certain, not less than ten days subsequent to the date of the first publication of the said abstract and notice and not prior to the last date of such publication, and present protests, and that a certified copy of the Ordinance is on file in the office of the Recorder of the Issuer for review by interested parties during regular office hours. At such hearing, all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

Passed on First Reading:	August 28, 2006
Passed on Second Reading:	September 11, 2006
Passed on Final Reading Following Public Hearing:	September 25, 2006

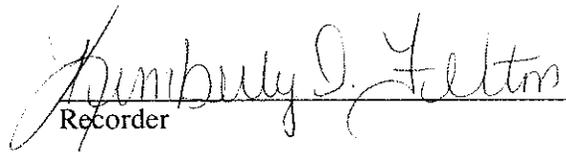


Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the Town of Rowlesburg on the 25th day of September, 2006, which Ordinance has not been repealed, rescinded, modified, amended or revoked, as witness my hand and the seal of the Town of Rowlesburg on this 13th day of October, 2006.

[SEAL]


Recorder

09.19.06
780880.00002

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

Entered: May 24, 2006

FINAL

6-13-06

CASE NO. 06-0243-W-CN

TOWN OF ROWLESBURG

Application for a certificate of convenience and necessity.

RECOMMENDED DECISION

On February 27, 2006, the Town of Rowlesburg (Rowlesburg), a municipally operated public water utility, filed an application with the Public Service Commission under *West Virginia Code* §24-2-11 for a certificate of public convenience and necessity to construct, operate and maintain a new 200-gallon per minute water treatment plant, upgrade the raw water intake pumping system and rehabilitate various distribution lines throughout Rowlesburg. Rowlesburg requested that the Commission expedite its decision in this matter so that Rowlesburg can bid the project and get it under contract for construction. Rowlesburg has indicated that the project will not cause it to have to increase its rates.

Also on February 27, 2006, the Commission required that Rowlesburg publish a Notice of Filing once in a newspaper duly qualified by the Secretary of State, published and generally circulated in Preston County, providing a 30-day protest period. The Notice of Filing also provided that, if no protests were received within the 30-day protest period, the Commission may waive formal hearing and grant the certificate based upon its review of the evidence submitted with the application. Responding thereto, on April 12, 2006, Rowlesburg submitted publication affidavits indicating that it had published the Notice of Filing on March 15, 2006, in *The Preston County Journal*, a newspaper published and generally circulated in Preston County. No protests were filed with the Commission within the 30-day protest period.

On March 28, 2006, Staff Attorney Richard M. Allen, Esquire, submitted the Initial Joint Staff Memorandum, attaching the March 21, 2006 Initial Internal Memorandum from Utilities Analyst Supervisor David L. Accord, Water and Wastewater Division, and from Staff Engineer Jonathan Fowler, P.E., Engineering Division, indicating that, once it had completed its investigation, Commission Staff would submit a final substantive recommendation. Rowlesburg has estimated that the project will cost approximately \$4,126,640, to be funded with a \$1,500,000 Small Cities Block Grant (SCB Grant), a \$2,241,640 Rural Utilities Service (RUS) grant and a \$385,000 RUS loan with at 4.5% interest rate for a 40-year term. Commission Staff indicated that Rowlesburg needed to

submit additional information and documents before Staff can complete its evaluation of the application, including a copy of RUS Form RD 1940-1.

On April 12, 2006, Rowlesburg submitted the RUS Form RD 1940-1, a request for obligation of funds, confirming the \$2,241,640 grant and \$385,000 loan.

By the April 12, 2005 Commission Referral Order, the Commission referred this case to the Division of Administrative Law Judges (ALJ Division) for decision on or before September 25, 2006.

On May 10, 2006, Staff Attorney Allen submitted the Final Joint Staff Memorandum, attaching the May 3, 2006 Final Internal Memorandum from Utility Analyst Supervisor Accord and from Technical Analyst Audra Blackwell, Engineering Division. Together, these Memoranda comprise Commission Staff's final substantive recommendation. Staff noted that Rowlesburg's application contained the necessary documentation, including design drawings, facilities and final design report, technical specifications and contract documents. Rowlesburg's water treatment plant, constructed in the 1960s, needs to be replaced in order to continue providing potable water for the area. The distribution system, also initially constructed in the 1960s and extended in the mid-1980s, has been damaged by flooding and experiences 68% water loss, which is proof alone that it needs a major upgrade. The State of West Virginia Office of Environmental Health Services (Health Services) issued Rowlesburg Permit No. 16,606 on June 23, 2005, to install approximately 5,096 linear feet of 8-inch water line, 60 linear feet of 4-inch water line, 1,201 of 2-inch water line, one solenoid operated control valve, one 88,000-gallon water storage tank and all necessary valves, controls and appurtenances and to install a new 200-gallon per minute duplex water treatment plant and all necessary intake lines and appurtenances associated with the new plant. Altogether, Rowlesburg will be replacing about 7.8 miles of water lines. The facilities will serve about 300 existing customers.

Staff also reported that the project, which will cost \$4,126,640, including \$3,206,000 in construction costs, will be funded with a \$1,500,000 SCB Grant, a \$2,241,640 RUS grant and a \$385,000 RUS loan with at 4.5% interest rate for a 40-year term. This cost represents a cost of \$13,800 per customer, which Staff opined is reasonable. The project will increase annual operation and maintenance (O&M) expenses by \$3,584, which Staff opined is reasonable. The project will increase Rowlesburg's debt service requirement by \$21,166, plus Rowlesburg will have to fund a debt service reserve in the amount of \$2,117 and a renewal and replacement reserve in the amount of \$3,298. Rowlesburg has obtained all of the necessary letters of financial commitment. The total increased revenue requirement related to the project is \$30,165. On November 28, 2005, Rowlesburg adopted an ordinance increasing its rates and charges for providing water service by 35%, which rates became effective on January 12, 2006. These rates, which are sufficient to cover all current O&M expenses, additional O&M expenses related to the project, all current debt service and all additional debt service related to the project, will provide a cash flow surplus of \$15,004 and a debt service coverage ratio of 196.4%. Staff opined that the project is financially feasible and reasonable and that it should be approved. Staff attached a tariff for Rowlesburg to follow the next time that it passes a rate ordinance, so that the language in Rowlesburg's tariff would comply with the Commission's *Rules for the Construction and Filing of Tariffs*. Specifically, Staff recommended that:

1. The Commission grant Rowlesburg a certificate of convenience and necessity to construct, operate and maintain a new 200-gallon per minute water treatment plant, upgrade the raw water intake pumping system and rehabilitate various distribution lines as described in the plans and documents submitted with the application;
2. The Commission approve the financing, comprised of the \$1,500,000 SCB grant, the \$2,241,640 RUS grant and the \$385,000 RUS loan at an interest rate not to exceed 4.5% and a term not to exceed 40 years;
3. If the plans or scope of the project change to the point of affecting Rowlesburg's rates, Rowlesburg must request a reopening of the certificate case for further approval;
4. If the change in costs does not affect rates, Rowlesburg does not need to obtain separate Commission approval, but must file an affidavit signed by a certified public accountant verifying that the rates are not affected;
5. Should the bids exceed the estimated construction costs, Rowlesburg must first obtain separate Commission approval for any revisions, including submitting the necessary engineering and financial data in support of the revisions;
6. Rowlesburg submit a copy of the bids to the Commission and make the bids a part of the Commission's file in this case as soon as the bids are tabulated; and
7. The Town must notify the Commission when its engineer has performed the substantial completion inspection.

On May 16, 2006, Rowlesburg submitted a letter from counsel, Sheila Kae Williams, attaching a copy of a July 9, 2002 letter from the West Virginia Division of Culture and History opining that the possibility of the project affecting intact archaeological deposits was virtually nonexistent. Ms. Williams also clarified that, due to increased costs for the project, Rowlesburg has had to delete items that are not absolutely necessary, including the proposed water tank and line extension. The actual project now is comprised of constructing a 200-gallon per minute water treatment plant, upgrading the raw water intake pumping system and rehabilitating various distribution lines throughout Rowlesburg.

On May 17, 2006, Staff Attorney Allen submitted a Further Final Joint Staff Memorandum, attaching the May 16, 2006 Further Internal Memorandum from Technical Analyst Blackwell. Staff explained that, while some confusion might have been caused by reference in its May 10, 2006 final substantive recommendation to an 88,000-gallon water storage tank and a 75,000-gallon water storage tank, now that it is clear from Ms. Williams' May 16, 2006 letter that the tank is not part of the

project, this apparent discrepancy is now moot. As clarified or amended by Ms. Williams' May 16, 2006 letter, Commission Staff recommended that the Commission approve the application.

DISCUSSION

Having considered all of the above, since no dispute remains to be resolved in this proceeding, 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 holds that, since the project will not increase Rowlesburg's rates; since Rowlesburg published the Notice of Filing on March 15, 2006, in *The Preston County Journal*, a newspaper published and generally circulated in Preston County; since no protests were filed with the Commission within the 30-day protest period; since Rowlesburg's water treatment plant, constructed in the 1960s, needs to be replaced in order to continue providing potable water for the area; since Rowlesburg's distribution system, also initially constructed in the 1960s and extended in the mid-1980s, has been damaged by flooding and experiences 68% water loss; since Rowlesburg has obtained all of the necessary permits from other governmental agencies; since Staff has opined that the project's cost of \$13,800 per customer is reasonable; since the project will increase annual O&M expenses by \$3,584, which Staff opined is reasonable; since the project will increase Rowlesburg's debt service requirement by \$21,166, plus funding a debt service reserve in the amount of \$2,117 and a renewal and replacement reserve in the amount of \$3,298; since the total increased revenue requirement related to the project is \$30,165; since, on November 28, 2005, Rowlesburg adopted an ordinance increasing its rates and charges for providing water service by 35%, which rates became effective on January 12, 2006; since these rates, which are sufficient to cover all current O&M expenses, additional O&M expenses related to the project, all current debt service and all additional debt service related to the project, will provide a cash flow surplus of \$15,004 and a debt service coverage ratio of 196.4%; and since Staff opined that the project, as clarified and amended by Ms. Williams' May 16, 2006 letter, is financially feasible, reasonable and should be approved, the public convenience and necessity require the project and the ALJ will grant the application.

Since the project, which will cost \$4,126,640, including \$3,206,000 in construction costs, will be funded with a \$1,500,000 SCB Grant, a \$2,241,640 RUS grant and a \$385,000 RUS loan with a 4.5% interest rate for a 40-year term; since Rowlesburg has documented that all of the proposed financing has been approved; and since Commission Staff, opining that the cost per customer and the proposed financing is reasonable, has recommended that the Commission approve the proposed financing for the project, the ALJ will approve the proposed financing.

Should the cost of the project change, and should this change affect rates, Rowlesburg must first obtain separate Commission approval for any revisions prior to commencing construction. Should the change in the cost not affect rates, Rowlesburg is not required to obtain separate Commission approval prior to commencing construction, but Rowlesburg must submit an affidavit signed by a certified public accountant verifying that the rates are not affected. Should either the scope or the financing change, Rowlesburg must obtain Commission approval prior to commencing

construction. Finally, Rowlesburg shall submit a copy of the bids to the Commission, making the bids a part of the Commission's file in this case as soon as the bids are tabulated, and shall notify the Commission when its engineer has performed the substantial completion inspection.

FINDINGS OF FACT

1. Rowlesburg filed an application with the Commission under *West Virginia Code* §24-2-11 for a certificate of public convenience and necessity to construct, operate and maintain a new 200-gallon per minute water treatment plant, upgrade the raw water intake pumping system and rehabilitate various distribution lines throughout Rowlesburg. (See, February 27, 2006 application).
2. Rowlesburg published the Notice of Filing, which provided a 30-day protest period, on March 15, 2006, in *The Preston County Journal*, a newspaper published and generally circulated in Preston County. (See, April 12, 2006 publication affidavit).
3. No one protested the application within the 30-day protest period. (See, Commission's file).
4. Rowlesburg's application contained the necessary documentation, including design drawings, facilities and final design report, technical specifications and contract documents. Rowlesburg's water treatment plant, constructed in the 1960s, needs to be replaced in order to continue providing potable water for the area. The distribution system, also initially constructed in the 1960s and extended in the mid 1980s, has been damaged by flooding and experiences 68% water loss, which is proof alone that it needs a major upgrade. (See, May 10, 2006 Final Joint Staff Memorandum, with attachment).
5. Health Services issued Rowlesburg Permit No. 16,606 on June 23, 2005, to install approximately 5,096 linear feet of 8-inch water line, 60 linear feet of 4-inch water line, 1,201 of 2-inch water line, one solenoid operated control valve, one 88,000-gallon water storage tank and all necessary valves, controls and appurtenances and to install a new 200-gallon per minute duplex water treatment plant and all necessary intake lines and appurtenances associated with the new plant. Altogether, Rowlesburg will be replacing about 7.8 miles of water lines. The facilities will serve about 300 existing customers. (See, May 10, 2006 Final Joint Staff Memorandum, with attachment).
6. The project, which will cost \$4,126,640, including \$3,206,000 in construction costs, will be funded with a \$1,500,000 SCB Grant, a \$2,241,640 RUS grant and a \$385,000 RUS loan with at 4.5% interest rate for a 40-year term. This cost represents a cost of \$13,800 per customer, which Staff opined is reasonable. (See, May 10, 2006 Final Joint Staff Memorandum, with attachment).
7. The project will increase Rowlesburg's debt service requirement by \$21,166, plus Rowlesburg will have to fund a debt service reserve in the amount of \$2,117 and a renewal and replacement reserve in the amount of \$3,298. Rowlesburg has obtained all of the necessary letters

of financial commitment. (See, Application, filed February 27, 2006; Final Joint Staff Memorandum, with attachment, filed May 10, 2006).

8. The total increased revenue requirement related to the project is \$30,165. On November 28, 2005, Rowlesburg adopted an ordinance increasing its rates and charges for providing water service by 35%, which rates became effective on January 12, 2006. These rates, which are sufficient to cover all current O&M expenses, additional O&M expenses related to the project, all current debt service and all additional debt service related to the project, will provide a cash flow surplus of \$15,004 and a debt service coverage ratio of 196.4%. (See, Application, filed February 27, 2006; Final Joint Staff Memorandum, with attachment, filed May 10, 2006).

9. Staff recommended that the Commission grant Rowlesburg a certificate of convenience and necessity to construct, operate and maintain a new 200-gallon per minute water treatment plant, upgrade the raw water intake pumping system and rehabilitate various distribution lines, as described in the plans and documents submitted with the application, and that the Commission approve the financing. (See, May 10, 2006 Final Joint Staff Memorandum, with attachment).

10. Rowlesburg submitted a letter from counsel, Sheila Kae Williams, attaching a copy of a July 9, 2002 letter from the West Virginia Division of Culture and History opining that the possibility of the project affecting intact archaeological deposits was virtually nonexistent. Ms. Williams also clarified that, due to increased costs for the project, Rowlesburg has had to delete items that are not absolutely necessary, including the proposed water tank and line extension. The actual project now is comprised of constructing a 200-gallon per minute water treatment plant, upgrading the raw water intake pumping system and rehabilitating various distribution lines throughout Rowlesburg. (See, May 16, 2006 letter).

11. Staff explained that, while some confusion might have been caused by reference in its May 10, 2006 final substantive recommendation to an 88,000-gallon water storage tank and a 75,000-gallon water storage tank, now that it is clear from Ms. Williams' May 16, 2006 letter that the tank is not part of the project, this apparent discrepancy is now moot. As clarified or amended by Ms. Williams' May 16, 2006 letter, Commission Staff recommended that the Commission approve the application. (See, May 17, 2006 Further Final Joint Staff Memorandum, with attachment).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed project.
2. It is reasonable to approve the proposed financing, comprised of a \$1,500,000 SCB Grant, a \$2,241,640 RUS grant and a \$385,000 RUS loan with at 4.5% interest rate for a 40-year term.

3. A certificate of convenience and necessity should be granted to Rowlesburg to construct the project described in the application, as modified by the May 16, 2006 letter from Rowlesburg's counsel.

4. Should the cost of the project change, and should this change affect rates, Rowlesburg first must obtain separate Commission approval for any revisions, prior to commencing construction. Should the change in the cost not affect rates, Rowlesburg is not required to obtain separate Commission approval prior to commencing construction, but Rowlesburg must submit an affidavit signed by a certified public accountant verifying that the rates are not affected.

5. Should the scope or financing of the project change, it is reasonable to require Rowlesburg to obtain Commission approval of the changes prior to commencing construction.

6. It is reasonable to direct that Rowlesburg submit a copy of the bids to the Commission, making the bids a part of the Commission's file in this case, as soon as the bids are tabulated, and to require that Rowlesburg notify the Commission when its engineer has performed the substantial completion inspection.

ORDER

IT IS, THEREFORE, ORDERED that the application filed with the Commission on February 27, 2006, by the Town of Rowlesburg under *West Virginia Code* §24-2-11 for a certificate of public convenience and necessity to construct, operate and maintain a new 200-gallon per minute water treatment plant, upgrade the raw water intake pumping system and rehabilitate various distribution lines throughout Rowlesburg, be, and hereby is, granted.

IT IS FURTHER ORDERED that the proposed financing for the project, comprised of a \$1,500,000 SCB Grant, a \$2,241,640 RUS grant and a \$385,000 RUS loan with at 4.5% interest rate for a 40-year term, be, and hereby is, approved.

IT IS FURTHER ORDERED that, should the cost of the project change, and should this change affect rates, Rowlesburg be, and hereby is, directed to first obtain separate Commission approval for any revisions, prior to commencing construction.

IT IS FURTHER ORDERED that, should the change in the cost not affect rates, Rowlesburg is not required to obtain separate Commission approval prior to commencing construction, but, in such case, Rowlesburg is directed to submit an affidavit signed by a certified public accountant verifying that the rates are not affected.

IT IS FURTHER ORDERED that, should the scope or financing of the project change, Rowlesburg be, and hereby is, directed to first obtain separate Commission approval of any such revision prior to commencing construction.

IT IS FURTHER ORDERED that Rowlesburg be, and hereby is, directed to submit a copy of the bids to the Commission, making the bids a part of the Commission's file in this case, as soon as the bids are tabulated.

IT IS FURTHER ORDERED that Rowlesburg be, and hereby is, required to notify the Commission when its engineer has performed the substantial completion inspection.

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

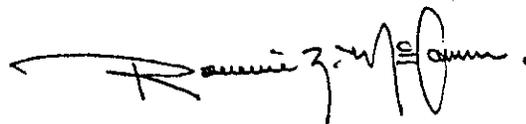
IT IS FURTHER ORDERED that this matter be, and hereby is, removed from the Commission's docket of open cases.

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

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

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

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



Ronnie Z. McCann
Deputy Chief Administrative Law Judge

RZM:s
060243a.wpd

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 13th day of September, 2006.

CASE NO. 06-0243-W-CN (Reopened)

TOWN OF ROWLESBURG

Application for a certificate of convenience and necessity.

COMMISSION ORDER

By Recommended Decision issued May 24, 2006, which became a final order as of June 13, 2006, the Public Service Commission granted the Town of Rowlesburg (Town) a certificate of convenience and necessity to construct, operate and maintain a new 200-gallon per minute water treatment plant, upgrade its raw water intake pumping system and rehabilitate various distribution lines throughout Rowlesburg. The Commission approved the projected project cost of \$4,126,640, to be funded with a \$1,500,000 Small Cities Block (SCB) grant, a \$2,241,640 Rural Utilities Service (RUS) grant, and a \$385,000 RUS loan, at 4.5% interest, for a 40-year term. There was to be no rate impact associated with the project.

On August 29, 2006, the Town filed a petition to reopen its certificate case for approval of changes in project scope due to the fact that bids received were much higher than expected. As revised, the project will include only the water plant construction. The Town proposed to delete the water line rehabilitation portion of the project and noted that project funding would remain unchanged. Attached to the petition is a letter from the West Virginia Infrastructure and Jobs Development Council (IFJDC) approving the water plant project, as well as documentation from the low bidder for the project. The letter indicates that bids will expire September 14, 2006.

On September 8, 2006, Commission Staff filed an Initial and Final Joint Staff Memorandum recommending that the revised scope of the project be approved. Staff noted that the funding for the project remains unchanged, and is very advantageous as it consists of 91% grants. Staff recommended that the Commission's approval be conditioned upon the Town's implementation of a comprehensive distribution system improvement project. Staff noted that the Town distribution system suffers from an

extremely high level of unaccounted for water losses (UFW) at 68%. Staff opined that it is unacceptable for the high UFW to continue. Accordingly, although Staff recommended that the Commission approve the revised scope of this certificate, Staff opined that the Town should be required to expeditiously address a comprehensive water distribution improvement project.

DISCUSSION

Upon consideration of the petition to reopen and Staff's response thereto, the Commission finds that as the construction bids were significantly higher than expected, and in light of the favorable funding for this certificate project, the revised scope proposed by the Town should be approved. The Commission remains concerned regarding the high UFW suffered by the Town's water distribution system, which will no longer be addressed in this certificate case. Therefore, it is reasonable to require the Town to meet the following conditions:

- Within thirty (30) days of the date of this Order, and prior to commencing construction on the water treatment plant, the Town shall file in this docket number both short-term and long-term water loss mitigation plans. The filings must include plans for leak detection surveys, maintenance programs, meter testing, and identification and quantification of non-revenue water usages. The filing shall also state actions taken by the Town since the date of this Order to reduce water loss and the results of those actions.
- Beginning January 2, 2007, the Town shall file quarterly reports with the Commission's Engineering Division which shall update the status of the foregoing short-term and long-term water loss mitigation efforts. The Town shall continue to file quarterly status reports until its UFW is reduced to less than 20%.

The Commission expects the Town to pursue future courses of action, including capital improvement projects that will serve to eliminate the excessive UFW levels in its water distribution system.

FINDINGS OF FACT

1. By Recommended Decision issued May 24, 2006, which became a final order as of June 13, 2006, the Commission granted the Town a certificate of convenience and necessity to construct, operate and maintain a new 200-gallon per minute water treatment plant, upgrade its raw water intake pumping system and rehabilitate various distribution lines throughout Rowlesburg.

2. The approved project cost was \$4,126,640, to be funded with a \$1,500,000 Small Cities Block (SCB) grant, a \$2,241,640 Rural Utilities Service (RUS) grant, and a \$385,000 RUS loan, at 4.5% interest, for a 40 year term. There was to be no rate impact associated with the project.

3. On August 29, 2006, the Town filed a petition to reopen its certificate case for approval of changes in project scope due to the fact that bids received were much higher than expected.

4. The revised project would include only the water plant construction. The Town proposed to delete the water line rehabilitation portion of the project and noted that project funding would remain unchanged.

5. As revised, there will still be no rate impact as a result of the project.

6. Project bids will expire September 14, 2006.

7. Commission Staff recommends that the revised scope of the project be conditionally approved. See September 8, 2006, Staff Memorandum.

8. Staff opined that the Town should be required to expeditiously address a comprehensive water distribution improvement project.

CONCLUSIONS OF LAW

1. As the construction bids were significantly higher than expected, and in light of the favorable funding for this certificate project, the revised project scope proposed by the Town should be approved.

2. Due to the high UFW suffered by the Town's water distribution system, which will no longer be addressed in this certificate case, the Commission will require the Town to meet the following conditions:

- Within thirty (30) days of the date of this Order, and prior to commencing construction on the water treatment plant, the Town shall file in this docket number both short-term and long-term water loss mitigation plans. The filings must include plans for leak detection surveys, maintenance programs, meter testing, and identification and quantification of non-revenue water usages. The filing shall also state actions taken by the Town since the date of this Order to reduce water loss and the results of those actions.

- Beginning January 2, 2007, the Town shall file quarterly reports with the Commission's Engineering Division which shall update the status of the foregoing short-term and long-term water loss mitigation efforts. The Town shall continue to file quarterly status reports until its UFW is reduced to less than 20%.

3. The Commission expects the Town to pursue future courses of action, including capital improvement projects that will serve to eliminate the excessive UFW levels in its water distribution system.

ORDER

IT IS THEREFORE ORDERED that the Town of Rowlesburg's petition to reopen and for approval of revised project scope, is hereby granted.

IT IS FURTHER ORDERED that the scope of the project may be reduced to include only construction, operation, and maintenance of a new 200-gallon per minute water treatment plant.

IT IS FURTHER ORDERED that within thirty (30) days of the date of this Order, and prior to commencing construction on the water treatment plant, the Town shall file in this docket number both short-term and long-term water loss mitigation plans.

IT IS FURTHER ORDERED that the foregoing filing must include plans for leak detection surveys, maintenance programs, meter testing, and identification and quantification of non-revenue water usages. The filing shall also state actions taken by the Town since the date of this Order to reduce water loss and the results of those actions.

IT IS FURTHER ORDERED that beginning January 2, 2007, the Town shall file quarterly reports with the Commission's Engineering Division which shall update the status of the Town's short-term and long-term water loss mitigation efforts. The Town shall continue to file quarterly status reports until its UFW is reduced to less than 20%.

IT IS FURTHER ORDERED that the Town shall pursue future courses of action, including capital improvement projects that will serve to eliminate the excessive UFW levels in its water distribution system.

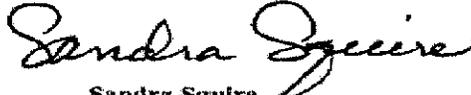
IT IS FURTHER ORDERED that should there be any additional changes to the scope or financing of the certificated project, the Town is directed to again obtain separate Commission approval of any revisions, prior to commencing construction.

IT IS FURTHER ORDERED that except as amended herein, the June 13, 2006, final order in this case remains in full force and effect.

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

IT IS FURTHER ORDERED that the Commission's Executive Secretary serve a copy of this Order upon all parties to this proceeding by **facsimile** and United States Mail and upon Commission Staff by hand delivery.

A True Copy, Teste:



Sandra Squire
Executive Secretary

JML/ljm
060243ca.wpd

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE Town Council

OF Town of Rowlesburg

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS Town of Rowlesburg - Water Works

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

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

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

THREE HUNDRED EIGHTY-FIVE THOUSAND AND XX / 100 DOLLARS

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

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

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

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

12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities, and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ 2,241,640.00

under the terms offered by the Government; that Mayor

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

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

Yeas 4 Nays _____ Absent 1

IN WITNESS WHEREOF, the Town Council of the

Town of Rowlesburg has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this 26 day of August 2002

Town of Rowlesburg

By F. Margaret Schollar
 Title Mayor

(SEAL)
 Attest: Kimberly O. Helton
 Title Recorder

CERTIFICATION TO BE EXECUTED AT LOAN

I, the undersigned, as Mayor of the Town of Rowlesburg

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

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

held on the 26th day of August 2002; and that the foregoing resolution was adopted at such meeting

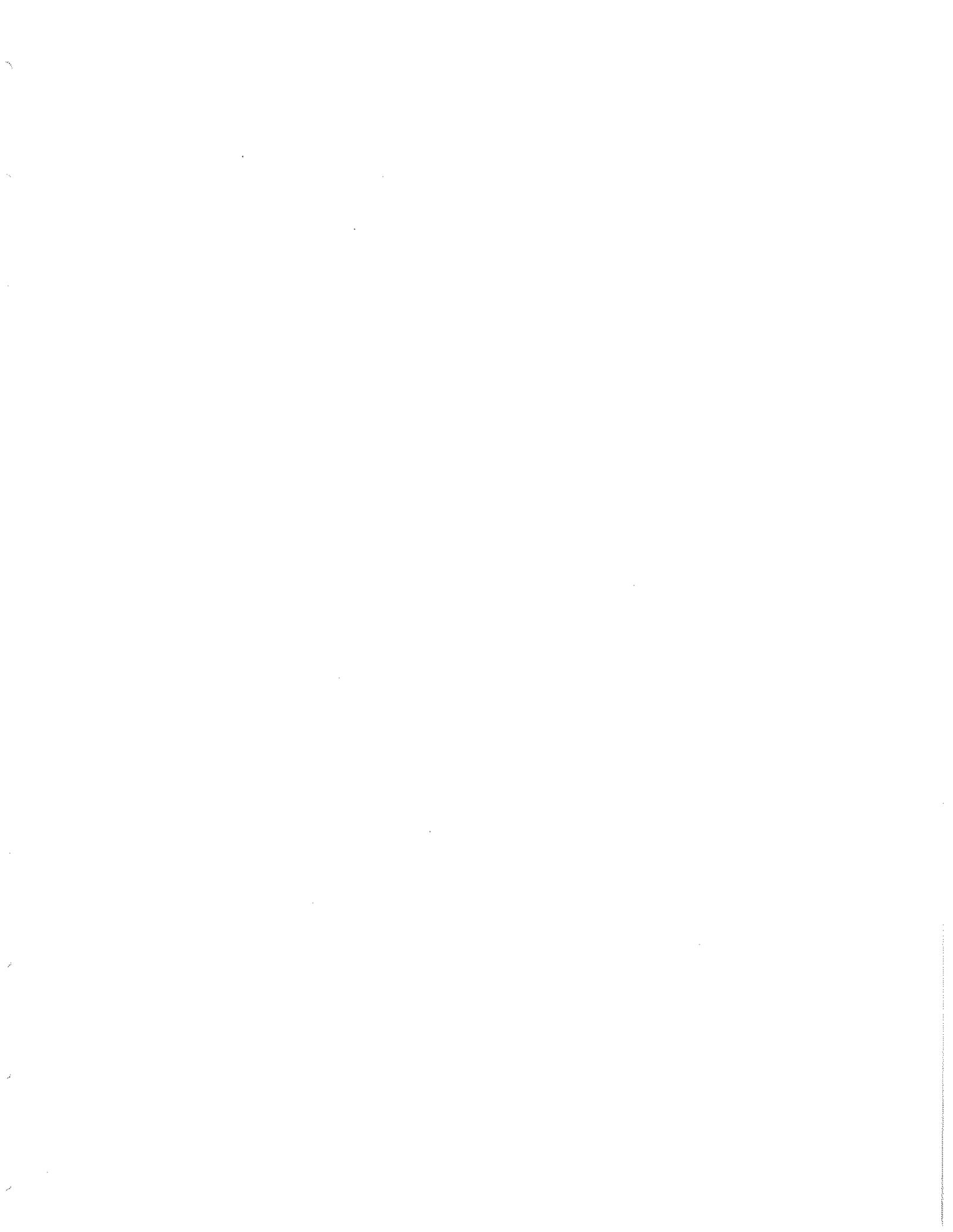
by the vote shown above, I further certify that as of October 13, 2006,

the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this 13th day of October 2006

Barbara Banister

Title Mayor



TOWN OF ROWLESBURG

Water Revenue Bonds, Series 2006 A
(United States Department of Agriculture)

RECEIPT FOR BOND

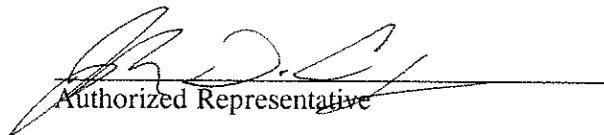
The undersigned, authorized representative of the United States Department of Agriculture, Rural Utilities Service, for and on behalf of the United States of America (the "Purchaser"), hereby certifies as follows:

1. On the 13th day of October, 2006, at Rowlesburg, West Virginia, the undersigned received for the Purchaser the single, fully registered Town of Rowlesburg Water Revenue Bonds, Series 2006 A (United States Department of Agriculture), No. AR-1 (the "Bond"), in the principal amount of \$385,000, dated as of the date hereof, bearing interest at the rate of 4.375% per annum, and payable in monthly installments as stated in the Bond. The Bond represents the entire above-captioned Bond issue.

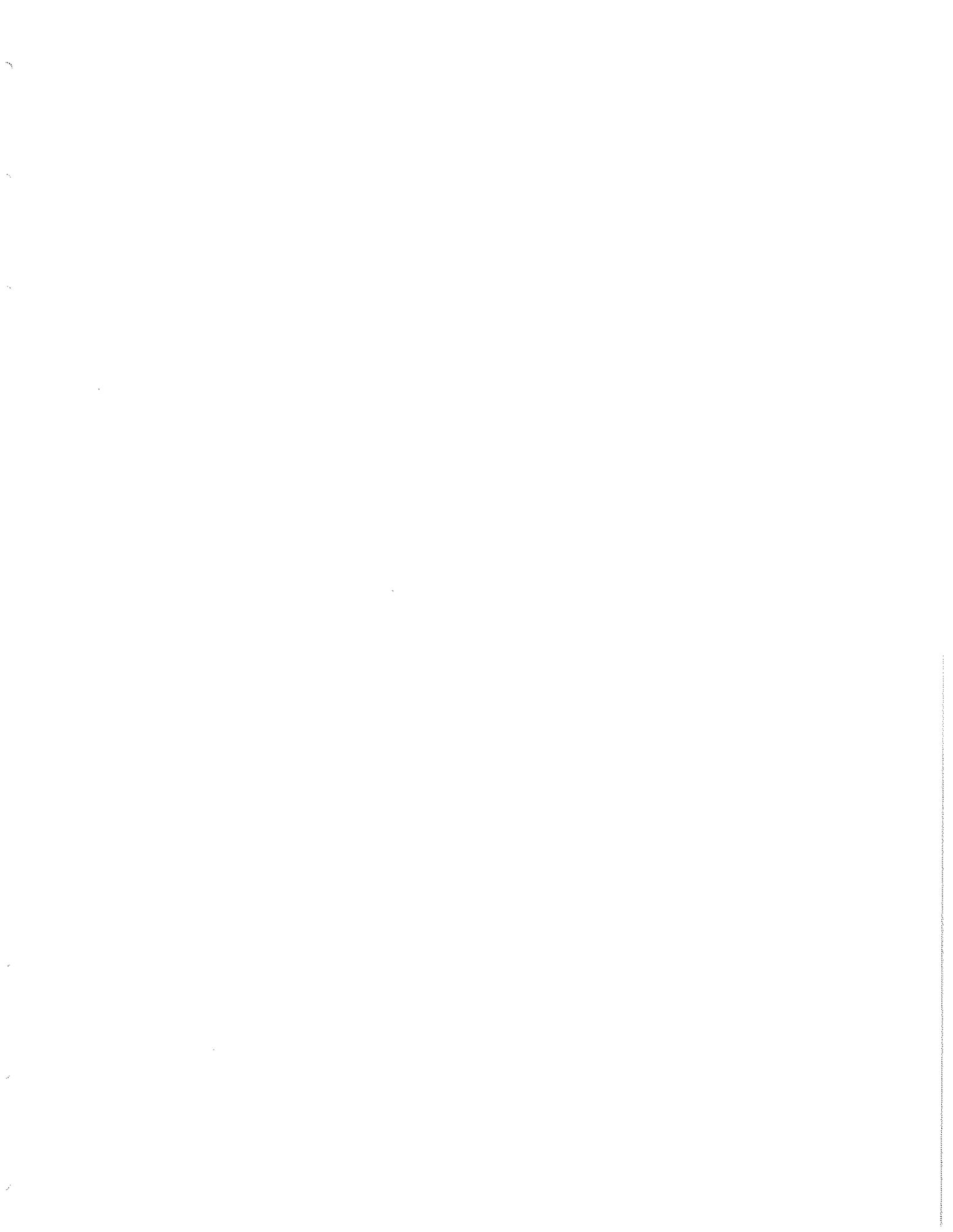
2. At the time of such receipt, the Bond had been executed and sealed by the designated officials of the Town of Rowlesburg (the "Issuer").

3. At the time of such receipt, there was paid to the Issuer the sum of \$110,100, being a portion of the principal amount of the Bond. The balance of the principal amount of the Bond will be paid to the Issuer as acquisition and construction of the Project progresses.

WITNESS my signature on this 13th day of October, 2006.


Authorized Representative

10.06.06
780880.00002



TOWN OF ROWLESBURG

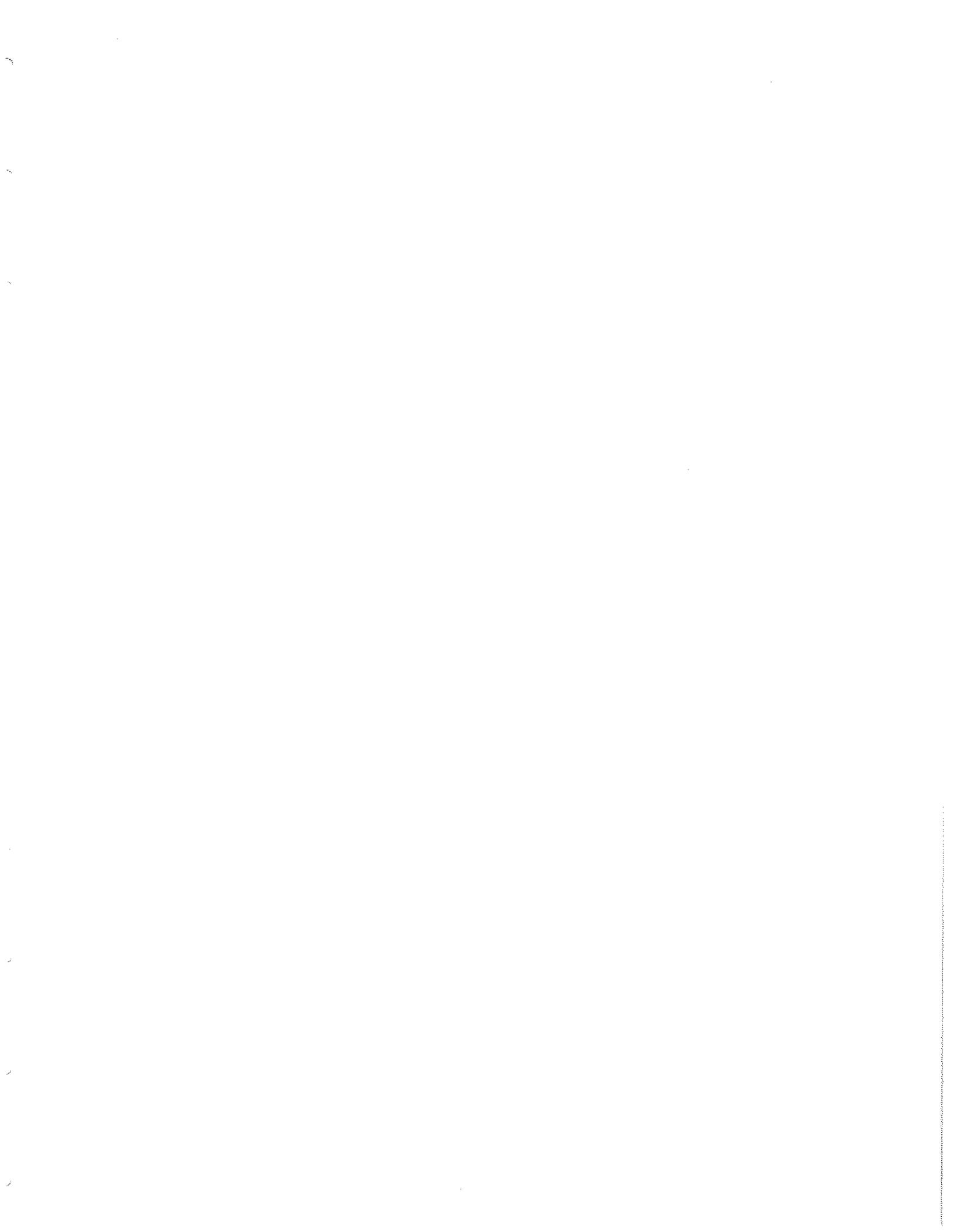
WATER REVENUE BONDS, SERIES 2006 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$385,000

REGISTRATION BOOKS

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

Bond No.	Date of Registration	In Whose Name Registered	Signature of Secretary of Registrar
AR-1	October 13, 2006	United States Department of Agriculture	



SPECIMEN

TOWN OF ROWLESBURG

WATER REVENUE BONDS, SERIES 2006 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$385,000

No. AR-1

Date: October 13, 2006

FOR VALUE RECEIVED, the TOWN OF ROWLESBURG (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of THREE HUNDRED EIGHTY FIVE THOUSAND DOLLARS (\$385,000), plus interest on the unpaid principal balance at the rate of 4.375% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of this Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof, and \$1,737.00, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided herein below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of acquisition and construction of additions, betterments and improvements to the waterworks system (the "System") of Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (herein called the "Act"), and an Ordinance of Borrower duly enacted on September 25, 2006, authorizing issuance of this Bond (the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act of 1965, as amended. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

IN WITNESS WHEREOF, the TOWN OF ROWLESBURG has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Recorder, all as of the date hereinabove written.

TOWN OF ROWLESBURG

[CORPORATE SEAL]

Barbara M. Myster

Mayor
P.O. Box 458
Rowlesburg, West Virginia 26425

ATTEST:

Kimberly Helton

Recorder

(Form of)

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	\$110,100	10.13.06	(19)	\$	
(2)	\$		(20)	\$	
(3)	\$		(21)	\$	
(4)	\$		(22)	\$	
(5)	\$		(23)	\$	
(6)	\$		(24)	\$	
(7)	\$		(25)	\$	
(8)	\$		(26)	\$	
(9)	\$		(27)	\$	
(10)	\$		(28)	\$	
(11)	\$		(29)	\$	
(12)	\$		(30)	\$	
(13)	\$		(31)	\$	
(14)	\$		(32)	\$	
(15)	\$		(33)	\$	
(16)	\$		(34)	\$	
(17)	\$		(35)	\$	
(18)	\$		(36)	\$	

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

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

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

Dated: _____, _____.

In presence of:





Clarksburg Charleston Morgantown Martinsburg Wheeling Huntington

Bank One Center, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

October 13, 2006

Town of Rowlesburg
Water Revenue Bonds, Series 2006 A
(United States Department of Agriculture)

Town of Rowlesburg
Rowlesburg, West Virginia

United States Department of Agriculture
Elkins, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Town of Rowlesburg, in Preston County, West Virginia (the "Issuer"), of its \$385,000 Water Revenue Bonds, Series 2006 A, dated the date hereof (the "Bond"), pursuant to Chapter 8, Article 19 of the West Virginia Code of 1931, as amended (the "Act"), and a bond ordinance of the Issuer duly enacted on September 25, 2006 (the "Bond Legislation"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

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

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

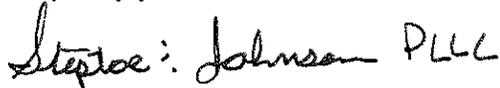
1. The Issuer is duly created and validly existing as a municipal corporation and political subdivision of the State of West Virginia with full power and authority to adopt and enact the Bond Legislation, perform the agreements on its part contained therein and issue and sell the Bond, pursuant to the provisions of the Act and other applicable provisions of law.
2. The Bond Legislation has been duly adopted and enacted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.
3. Pursuant to the Act, the Bond Legislation creates a valid lien on the funds pledged by the Bond Legislation for the security of the Bond, but subject to no other lien granted under the Act.
4. The Bond has been duly authorized, executed and delivered by the Issuer and is a valid and binding special obligation of the Issuer, payable solely from the sources provided therefor in the Bond Legislation.

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

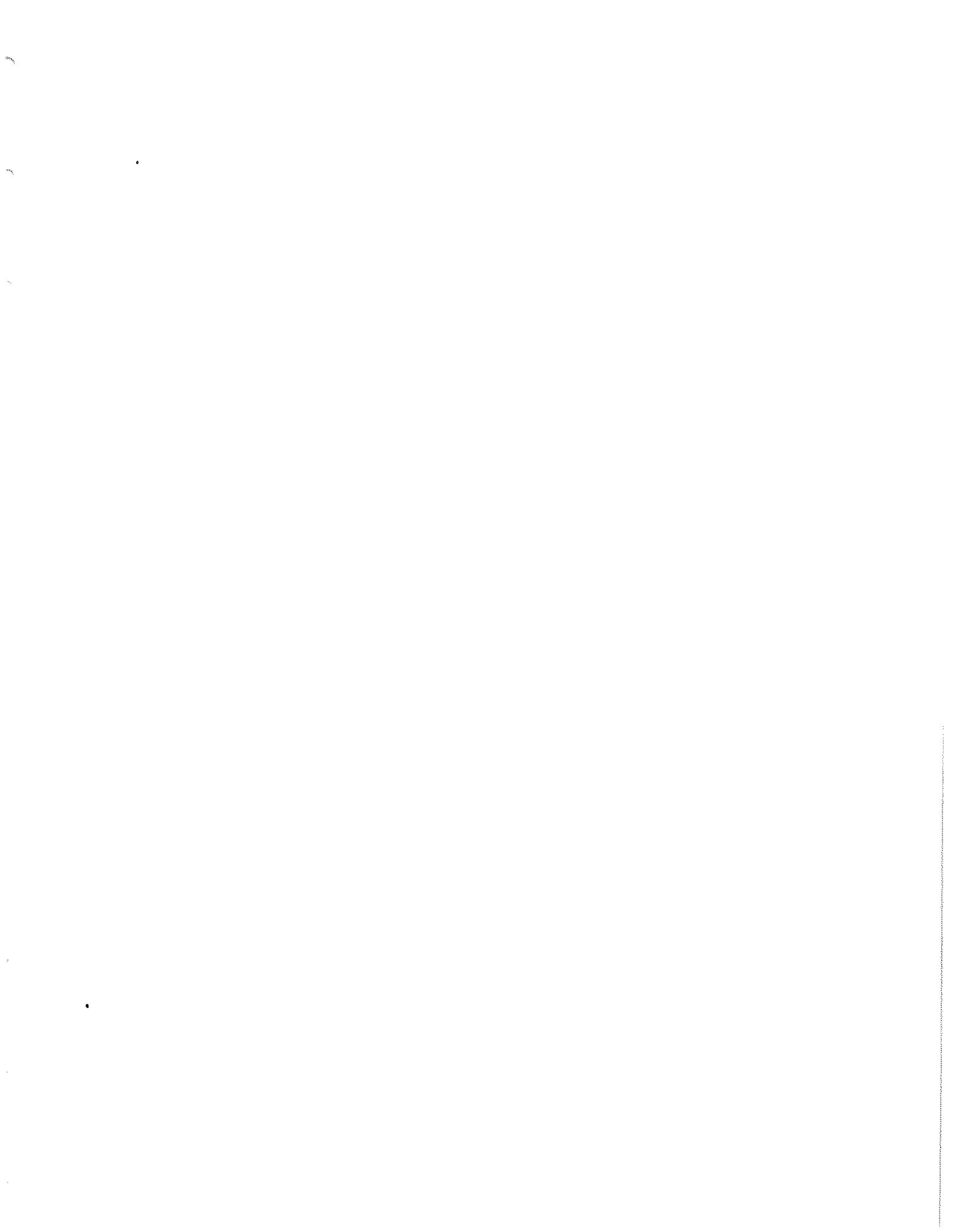
6. The Bond is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality or county commission, political subdivision or agency thereof, and interest on the Bond is exempt from personal and corporate net income taxes imposed directly thereon by the State of West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

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

Very truly yours,

A handwritten signature in black ink that reads "Steptoe & Johnson PLLC". The signature is written in a cursive, flowing style.

STEPTOE & JOHNSON PLLC



Sheila Kae Williams

ATTORNEY AT LAW

GARDEN TOWERS, SUITE 314
202 TUNNELTON STREET

Kingwood, West Virginia 26537

(304) 329-1173
(304) 329-1203 FAX

October 13, 2006

Town of Rowlesburg
Water Revenue Bonds, Series 2006 A
(United States Department of Agriculture)

Town of Rowlesburg
Rowlesburg, West Virginia

Step toe & Johnson PLLC
Clarksburg, West Virginia

Ladies and Gentlemen:

I am counsel to the Town of Rowlesburg, a municipal corporation and political subdivision of the State of West Virginia in Preston County of said State (the "Issuer"). As such counsel, I have examined a copy of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a bond ordinance of the Issuer duly enacted on September 25, 2006 (the "Bond Legislation"), and other documents and papers relating to the Issuer and the above-captioned Bond of the Issuer (the "Bond"). Terms used in the Bond Legislation and not otherwise defined herein shall have the same meanings as in the Bond Legislation when used herein.

I am of the opinion that:

1. The Issuer is duly created and validly existing as a municipal corporation and a political subdivision of the State of West Virginia.
2. The Mayor, Recorder and members of the Council of the Issuer have been duly, lawfully and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.
3. The Bond Legislation has been duly adopted and enacted by the Issuer and is in full force and effect.
4. The execution and delivery of the Bond and the consummation of the transactions contemplated by the Bond and the Bond Legislation, and the carrying out of the terms thereof, do not and will

not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any agreement, document or instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

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

6. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bond and the Bond Legislation, the acquisition and construction of the Project, the operation of the System, or the validity of the Bond, or the collection or pledge of the Gross Revenues therefor.

All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Very truly yours,



SHEILA KAE WILLIAMS

TOWN OF ROWLESBURG

Water Revenue Bonds, Series 2006 A
(United States Department of Agriculture)

COMBINED CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned MAYOR and RECORDER of the Town of Rowlesburg, in Preston County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the Issuer, acting for the Issuer and in its name, hereby state and certify in connection with the Town of Rowlesburg Water Revenue Bonds, Series 2006 A (United States Department of Agriculture), No. AR-1, fully registered, dated the date hereof, in the principal amount of \$385,000, and bearing interest at the rate of 4.375% per annum (the "Bond"), as follows:

1. AUTHORIZATION AND AWARD OF BOND: The undersigned are authorized to execute this certificate on behalf of the Issuer and are knowledgeable with respect to the matters set forth herein. The entire issue of the Bonds has been duly awarded to the United States of America, acting by the United States Department of Agriculture, Rural Utilities Service (the "Purchaser"), pursuant to a Letter of Conditions from the Purchaser, as amended, and as appears in Section 7.03 of the Bond Ordinance duly enacted

on 25th day of September, 2006 , authorizing issuance of the Bond (the "Ordinance" or "Bond Ordinance"). Terms used herein and not otherwise defined herein shall have the same meaning as defined in the Bond Ordinance when used herein. The Bond is being issued on this date to permanently finance a portion of the acquisition and construction of the Project located within the boundaries of the Issuer.

2. **NO LITIGATION:** No controversy or litigation of any nature is now pending, or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting the issuance and delivery of the Bond or receipt of any grant moneys committed for the System; nor questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Bond; nor in any way questioning or affecting the validity of the grants committed for the System or the Bond, or any provisions made or authorized for the payment thereof, including, without limitation, the pledge or application of any moneys or security therefor; nor questioning the existence, powers or proceedings of the Issuer or the Council of the Issuer (the "Governing Body") or the title of the members and officers thereof to their respective offices; nor questioning the operation of the waterworks system of the Issuer (the waterworks, as improved and expanded by the Project, as defined in the Ordinance, is herein called the "System") or the acquisition and construction of the Project being financed in part out of the proceeds of sale of the Bond; nor questioning the rates and charges provided for services of the System.

3. **GOVERNMENTAL APPROVALS:** All applicable and necessary approvals, permits, authorizations, registrations, exemptions, consents and certificates required by law for the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Bond have been duly and timely obtained and remain in full force and effect, the time for appeal of which or rehearing having expired. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the Official West Virginia Code of 1931, as amended, which bids remain in full force and effect.

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

There are no outstanding obligations of the Issuer which will rank on a parity with the Bond as to liens, pledge and source of and security for payment.

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

6. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true, correct and complete copies of the originals of the documents of which they purport to be copies, and such original documents are in full force and effect and have not been repealed, rescinded, amended, supplemented or changed in any way unless modification appears from later documents also listed below.

Town Charter

Oaths of Office of Officers and Council members

Bond Ordinance

Rate Ordinance

Affidavit of Publication on Rate Ordinance

Minutes on Adoption and Enactment of Rate Ordinance

Affidavit of Publication on Bond Ordinance

Minutes on Adoption and Enactment of Bond Ordinance

United States Department of Agriculture of Conditions and all amendments thereto

Public Service Commission Order

United States Department of Agriculture Grant Agreement

Evidence of Small Cities Block Grant

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

<u>Name</u>		<u>Date of Commencement of Term of Office</u>	<u>Date of Termination of Term of Office</u>
Barbara L. Banister	- Mayor	07/01/2005	06/30/2007
Kimberly Felton	- Recorder	07/01/2005	06/30/2007
James Turner	- Councilman	07/01/2005	06/30/2007
Bill Simmons	- Councilman	07/01/2005	06/30/2007
Mark Goff	- Councilman	07/01/2005	06/30/2007
Charles B. Felton, Jr.	- Councilman	07/01/2005	06/30/2007
Kristina Bolyard	- Councilman	07/01/2005	06/30/2007

The duly appointed and acting Counsel to the Issuer is Sheila Williams, Esquire, Kingwood, West Virginia.

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

At the time of delivery of the Bond, the amount of \$110,100 was received by the undersigned Mayor, being a portion of the principal amount of the Bond, the balance to be paid as acquisition and construction of the Project progresses.

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

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

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

on behalf of the Issuer in any way connected with the acquisition, construction, operation and financing of the Project and the System were authorized, enacted or adopted at meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Charter of the Issuer and any Rules of Procedure of the Governing Body and all applicable statutes, including particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed (as applicable), qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be published and/or posted were so published and/or posted.

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

12. **CONNECTIONS, ETC.:** The Issuer will serve at least 674 bona fide full time users of the System, upon completion of the Project, in full compliance with the requirements of the Purchaser.

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

14. **GRANTS:** As of the date hereof, the grant from the Purchaser in the amount of \$2,241,640 and the grant from the Small Cities Block Grant Program in the amount of \$1,500,000 are committed and in full force and effect.

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

16. **PROCUREMENT OF ENGINEERING SERVICES:** The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Bonds.

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

WITNESS our signatures and the official corporate seal of the TOWN OF ROWLESBURG on this 13th day of October, 2006.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Barbara Bonister

Mayor

Thimbleby L. Felton

Recorder

Teola Kae Williams

Counsel to Issuer

10.06.06
780880.00002

TOWN OF ROWLESBURG

Water Revenue Bond, Series 2006 A
(United States Department of Agriculture)

ENGINEER'S CERTIFICATE

I, H. Wood Thrasher, Registered Professional Engineer, West Virginia License No.9478, of Thrasher Engineering, Inc., Clarksburg, West Virginia, hereby certify that my firm is the engineer for the acquisition and construction of improvements and extensions to the existing waterworks system (the "Project") of the Town of Rowlesburg (the "Issuer"), to be acquired and constructed in Preston County, West Virginia, which acquisition and construction are being financed in part by the above-captioned revenue bond of the Issuer.

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

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

WITNESS my signature on this 13th day of October, 2006.

THRASHER ENGINEERING, INC.

(SEAL)



H. Wood Thrasher
West Virginia License No. 9478

09.19.06
780880.00002

ROTH & WHITE, A.C.
CERTIFIED PUBLIC ACCOUNTANTS
202 Tunnelton Street
Kingwood, WV 26537
(304) 329-1020

October 13, 2006

Town of Rowlesburg
Water Revenue Bonds, Series 2006 A
(United States Department of Agriculture)

Town of Rowlesburg
Rowlesburg, West Virginia

United States Department of Agriculture
Morgantown, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the water rates and charges set forth in the Recommended Decisions and Commission Order of the Public Service Commission of West Virginia in Case No. 06-0243-W-CN, entered May 24, 2006 and September 13, 2006, respectively, and projected operating expenses and anticipated customer usage as furnished to me by Thrasher Engineering, Inc., Consulting Engineer, to the Town of Rowlesburg (the "Issuer") it is my opinion that such rates and charges will be sufficient to provide Revenues in each Fiscal Year sufficient to produce Net Revenues and equal to not less than 110% of the annual debt service on the Water Revenue Bonds, Series 2006 A (United States Department of Agriculture) (the "Bonds"), and all the necessary expenses of operating and maintaining the System during such Fiscal Year.

Very truly yours,

Roth & White

I hereby certify that this is a true copy of the charter of the town Rowlesburg.
My commission expires 11 day March month 2013



OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
BARBARA L. BANNISTER
P. O. BOX 194
ROWLESBURG, WV 26425
My commission expires March 11, 2013

CHAR. 295.—An ACT to incorporate the town of Rowlesburg in the county of Preston.

Passed February 27, 1858.

Town of Rowlesburg incorporated.

1. Be it enacted by the general assembly, that the town of Rowlesburg in the county of Preston, as the same has heretofore been laid off into lots, streets and alleys, and as the same may hereafter be laid off into lots, streets and alleys, shall be and the same is hereby made a town corporate, by the name of 'The Town of Rowlesburg; and by that name, shall have and exercise the powers conferred upon towns by and be subject to the provisions of the fifty-fourth chapter of the Code of Virginia.

Officers of the town.

2. The officers of the said town shall consist of a mayor, five councilmen and a sergeant, who shall have the powers and perform the duties of a constable within the limits of said corporation, who shall be elected by the white male inhabitants of the said town of the age of twenty-one years and upwards, who shall have been residents thereof six months and of the state two years preceding the election. The said election shall take place on the first Saturday in April annually; and the mayor and councilmen shall continue in authority until the first Saturday in April in each successive year, and until others shall be qualified in their stead, and no longer.

Powers of mayor.

3. That the mayor of said town shall be and is hereby constituted ex officio justice of the peace within the limits of the said town.

Election, when held.

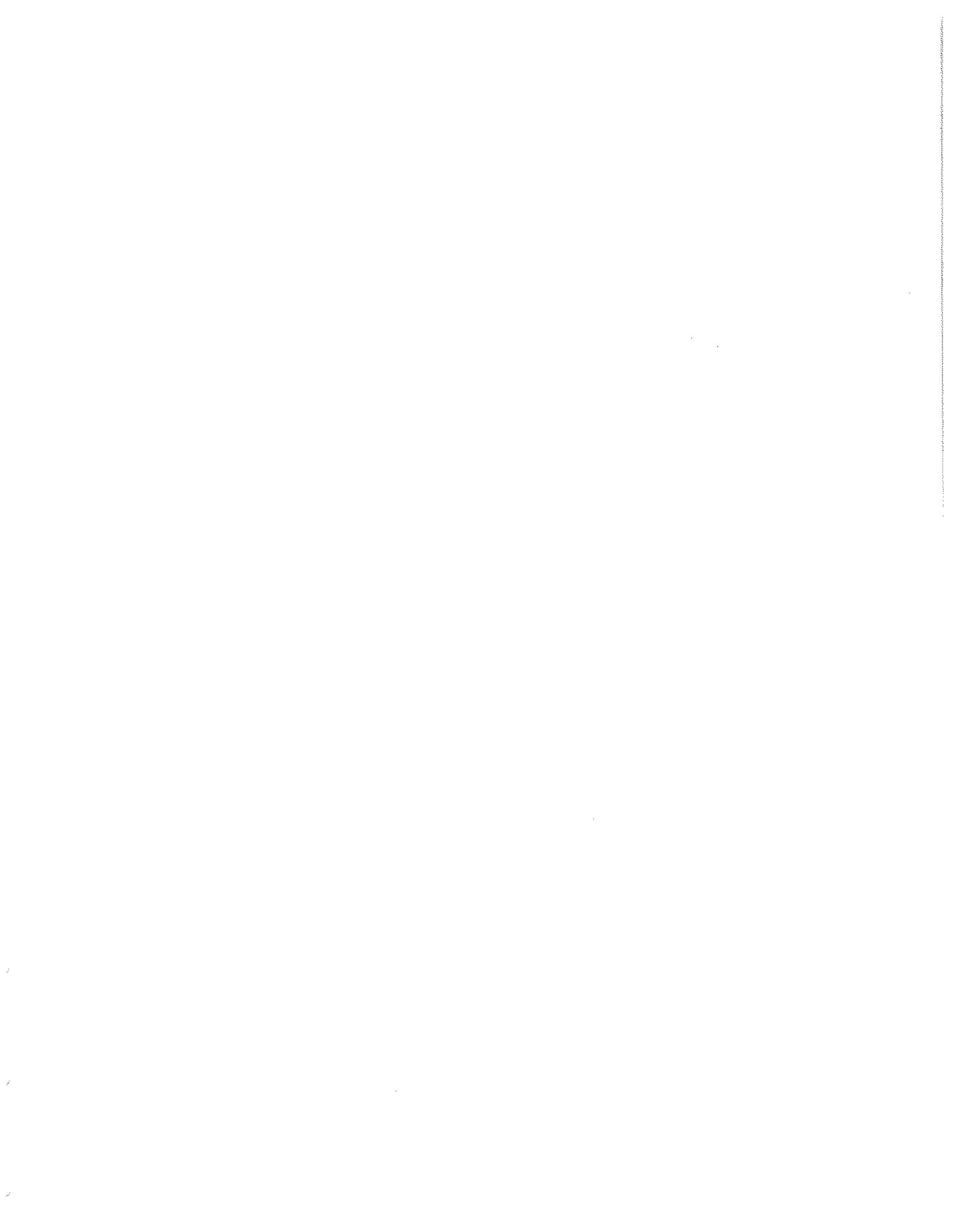
4. Russell Finnell, H. H. Wheeler, D. Wonderly, junior, T. F. Hebb and William Hall are hereby authorized to hold an election, agreeably to the charter aforesaid, for said officers, on the first Saturday in April next, at the house of Mrs. Maria Hooton, any three of whom may act.

Subject to the Code.

5. The fifty-fourth chapter of the Code of Virginia shall be held and deemed a part of this act, so far as the provisions of said chapter are not in conflict with the provisions of this act.

Commencement

6. This act shall be in force from its passage.



TOWN OF ROWLESBURG
P.O. BOX 458
ROWLESBURG, WEST VIRGINIA 26425
(304) 454-2441

STATE WEST VIRGINIA, COUNTY OF PRESTON, SS

I, Barbara Banister, so solemnly swear that I will support the support the Constitution - the United States and the Constitution of this State, and that I will faithfully discharge the duties of my office of MAYOR of The Town of Rowlesburg of Preston County, for the term commencing on the First day of July, 2005 for the period of 2 years to the best of my skill and judgment. So help me God.

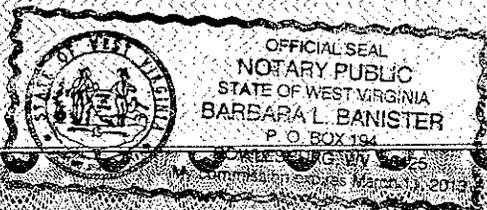
Barbara Banister

Subscribed and sworn to before me the undersigned this 27 day of June, 2005

Lumbury J. Galt

I hereby certify this is a true copy

My comission expires 11 day March month 2013



Barbara Banister

TOWN OF ROWLESBURG
P.O. BOX 458
ROWLESBURG, WEST VIRGINIA 26425
(304) 454-2441

STATE WEST VIRGINIA, COUNTY OF PRESTON, SS:

I, Kimberly D. Felton, so solemnly swear that I will support the support the Constitution - the United States and the Constitution of this State, and that I will faithfully discharge the duties of my office of RECORDER of The Town of Rowlesburg of Preston County, for the term commencing on the First day of July, 2005, for the period of 2 years to the best of my skill and judgment. So help me God.

Kimberly D. Felton

Subscribed and sworn to before me the undersigned this 27 day of June, 2005

Barbara Banister

~~I hereby certify this is a true copy~~

My commission expires 31 day Oct month 2011.



Kimberly D. Felton

TOWN OF ROWLESBURG
P.O. BOX 458
ROWLESBURG, WEST VIRGINIA 26425
(304) 454-2441

STATE WEST VIRGINIA, COUNTY OF PRESTON, SS

I, Lou E Poling, so solemnly swear that I will support the support the Constitution - the United States and the Constitution of this State, and that I will faithfully discharge the duties of my office of COUNCILMAN of The Town of Rowlesburg of Preston County, for the term commencing on the First day of July, 2005, for the period of 2 years to the best of my skill and judgment. So help me God.

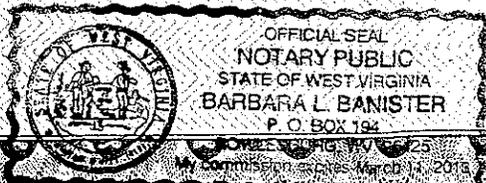
Lou E. Poling

Subscribed and sworn to before me the undersigned this 27th day of June, 2005.

Lumberly D. Felts

I hereby certify this is a true copy

My commission expires 11 day March month 2013



Barbara Banister

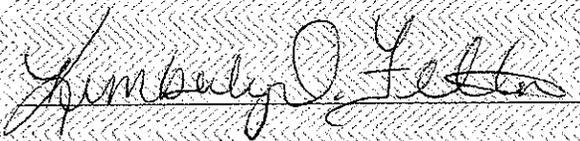
TOWN OF ROWLESBURG
P.O. BOX 458
ROWLESBURG, WEST VIRGINIA 26425
(304) 454-2441

STATE WEST VIRGINIA, COUNTY OF PRESTON, SS

I, Bill Simmons, so solemnly swear that I will support the support the Constitution - the United States and the Constitution of this State, and that I will faithfully discharge the duties of my office of COUNCILMAN of The Town of Rowlesburg of Preston County, for the term commencing on the First day of July, 2005, for the period of 2 years to the best of my skill and judgment. So help me God.

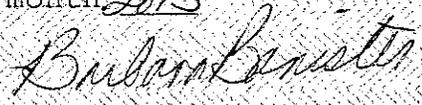


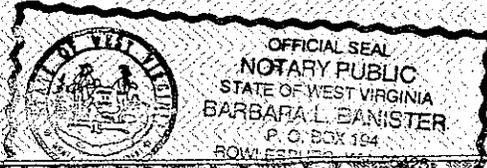
Subscribed and sworn to before me the undersigned this 27th day of June, 2005.



~~I hereby certify this is a true copy~~

My commission expires 11 day March month 2013





TOWN OF ROWLESBURG
P.O. BOX 458
ROWLESBURG, WEST VIRGINIA 26425
(304) 454-2441

STATE WEST VIRGINIA, COUNTY OF PRESTON, SS:

I, Mark Goff, so solemnly swear that I will support the support the Constitution - the United States and the Constitution of this State, and that I will faithfully discharge the duties of my office of COUNCILMAN of The Town of Rowlesburg of Preston County, for the term commencing on the First day of July, 2005, for the period of 2 years to the best of my skill and judgment. So help me God.

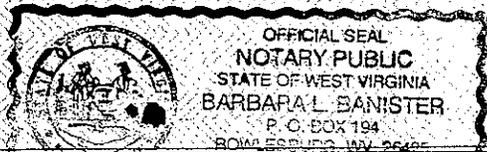
Mark Goff

Subscribed and sworn to before me the undersigned this 27th day of June, 2005

Hembury O. Felton

I hereby certify this is a true copy

My commission expires 11 day March month 2013



Barbara Banister

TOWN OF ROWLESBURG
P.O. BOX 458
ROWLESBURG, WEST VIRGINIA 26425
(304) 454-2441

STATE WEST VIRGINIA, COUNTY OF PRESTON, SS

I, Kristina Bolyard, so solemnly swear that I will support the support the Constitution - the United States and the Constitution of this State, and that I will faithfully discharge the duties of my office of COUNCILMAN of The Town of Rowlesburg of Preston County, for the term commencing on the First day of July, 2005 for the period of 2 years to the best of my skill and judgment. So help me God.

Kristina Bolyard

Subscribed and sworn to before me the undersigned this 27 day of June, 2005

Kimberly O. Felb

I hereby certify this is a true copy

MY COMMISSION EXPIRES 11 day March month 2013



OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
BARBARA L. BANISTER
P. O. BOX 194
ROWLESBURG, WV 26425

Barbara Banister

TOWN OF ROWLESBURG
P.O. BOX 458
ROWLESBURG, WEST VIRGINIA 26425
(304) 454-2441

STATE WEST VIRGINIA, COUNTY OF PRESTON, SS.

I, Jim Turner, so solemnly swear that I will support the support the Constitution - the United States and the Constitution of this State, and that I will faithfully discharge the duties of my office of COUNCILMAN of The Town of Rowlesburg of Preston County, for the term commencing on the First day of July, 2005, for the period of 2 years to the best of my skill and judgment. So help me God.

Jim Turner

Subscribed and sworn to before me the undersigned this 27th day of June, 2005

Barbara J. Baugher

~~I hereby certify this is a true copy~~

My comission expires 11 day March month 2013



OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
BARBARA J. BAUGHER

ROWLESBURG, WV 26425

NOTARY PUBLIC, WEST VIRGINIA, 2013

Barbara J. Baugher

TOWN OF ROWLESBURG

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

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

1. Regular Meetings. A notice shall be posted and maintained by the Recorder at the front door or bulletin board of the Town Hall of the date, time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the Recorder not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same location as soon as feasible after such cancellation or postponement has been determined.

2. Special Meetings. A notice shall be posted by the Recorder at the front door or bulletin board of the Town Hall not less than 72 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined.

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

Adopted this 8th day of December, 2003.

Barbara C. Bonistell
Mayor

ATTEST:

Ann Marie C. Hillier
Recorder

12/05/03
780880.00002

RECEIVED
UTILITIES DIVISION
SPECIAL STUDIES SECTION

2006 JAN 31 AM 8:33

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA

P.S.C. W. Va. No. 13
Canceling P.S.C. W. Va. No. 12

TOWN OF ROWLESBURG, a municipal utility

OF

ROWLESBURG, WEST VIRGINIA

RATES, RULES AND REGULATIONS FOR FURNISHING

WATER

at Rowlesburg and vicinity, Preston County, West Virginia

Filed with THE PUBLIC SERVICE COMMISSION
of
WEST VIRGINIA

Public Service Commission
of W. VA. Tariff Office
JAN 31 2006
Special Studies Section

Issued January 24, 2006

Effective for service rendered on and after January 12, 2006
or as otherwise provided herein

Adopted by Town Council

Issued by Town of Rowlesburg, a municipal utility

By Barbara L. Banister

Mayor
Title

RULES AND REGULATIONS

- I. Rules and Regulations for the Government of Water 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.

APPLICABILITY

Applicable to entire area served

AVAILABILITY OF SERVICE

Available for general domestic, commercial, industrial and resale water service

(I) RATES

Town of Rowlesburg direct sales:

<u>Number of Gallons/Month</u>		<u>Rate</u>
First	2,000 gallons used per month	\$14.26 per 1,000 gallons
Next	3,000 gallons used per month	\$ 5.60 per 1,000 gallons
Next	5,000 gallons used per month	\$ 4.16 per 1,000 gallons
Next	10,000 gallons used per month	\$ 3.50 per 1,000 gallons
Next	20,000 gallons used per month	\$ 2.67 per 1,000 gallons
All over	40,000 gallons used per month	\$ 2.35 per 1,000 gallons

(C,I) MINIMUM BILL

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

5/8 x 3/4 inch meter, or less	\$ 28.52 per month
3/4 inch meter, or less	\$ 30.79 per month
1 inch meter, or less	\$ 70.82 per month
2 inch meter, or less	\$226.64 per month
3 inch meter, or less	\$426.07 per month
4 inch meter, or less	\$710.40 per month

The minimum monthly bill shall be \$28.52 per month and over 4,500 gallons, the monthly bill shall be \$42.52.

- (C) Indicates change in text
- (I) Indicates increase

DELAYED PAYMENT PENALTY

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

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

WATER CONNECTION CHARGE (TAP FEE)

A charge of \$250.00 will be made for every new subscriber requiring a new connection where the meter is one inch or less in size.

Where new connections involve meters larger than one inch, the new connection will be \$300.00 or actual cost, whichever is greater.

RECONNECTION SERVICE CHARGE

- (a) Whenever the supply of water is turned off for violation of rules and regulations, nonpayment of bills, or fraudulent use of water, a reconnection charge in the amount of Twenty Dollars (\$20.00) shall be paid as tariff for reconnecting service.
- (b) If service is discontinued at the request of a customer, the Rowlesburg Water Works may refuse service to such customer, at the same premises, within eight (8) months, unless said Water Works shall first receive payment in the amount of Twenty Dollars (\$20.00) as a tariff for reconnecting services.

RETURNED CHECKS FOR INSUFFICIENT FUNDS

If a check received is returned by the bank for any reason, the bank's charge to the Town shall be the Town's charge to the customer for such a bad check, but such charge to the customer shall not exceed \$20.00.

(N) LEAK ADJUSTMENT INCREMENT

\$0.85 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate is used to calculate consumption above the customer's historical average usage.

(N) Indicates new

Certificate of Publication

SECRET
W. VA. DEPT. OF STATE
06 APR 12
PHE

I, **Carol Peters**, the undersigned Advertising Manager of The Preston County Journal, a weekly newspaper of general circulation, published at Kingwood, Preston County, West Virginia, do hereby certify that the notice

Public Service Commission case # 06-0243-W-CN Town of Rowlesburg

a copy of which notice is hereto annexed, was published in said paper for one successive weeks, beginning with its issue of

3/15/06
and expiring with its issue of
3/15/06

And, I do further certify that on 3/15/06

I posted and left posted, a copy of said notice at the front door of the Courthouse of said county.

Carol Peters

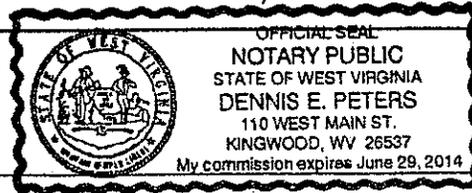
ADVERTISING MANAGER

Subscribed and sworn to before me this the 22nd day of March, 2009

Dennis E. Peters

NOTARY PUBLIC

My commission expires 6/29/2014



Kingwood, WV

Received of _____

Amount for publishing notice hereto \$ _____

ADVERTISING MANAGER

LEGAL NOTICE

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered by the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 27th day of February, 2006.

CASE NO. 06-0243-W-CN
TOWN OF ROWLESBURG
Rowlesburg, WV 26425.

Application for a certificate of convenience and necessity to construct, operate and maintain a 200 gallon per minute water treatment plant, upgrade to the raw water intake pumping station and rehabilitation of various distribution lines throughout the Town of Rowlesburg.

NOTICE OF FILING

WHEREAS, on February 27, 2006, Town of Rowlesburg, Rowlesburg, Preston County, filed an application, duly verified, for a Certificate to construct certain additions and improvements to the water system in the Town of Rowlesburg, Preston County, West Virginia. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

WHEREAS, the Town of Rowlesburg, (Town) estimates that construction will cost approximately Four Million, One Hundred Twenty Six Thousand Dollars (\$4,126,000.00). It is proposed that the construction will be financed as follows: a grant of \$1,500,000.00 from Small Cities Block Grant; a grant of \$2,241,000.00 from USDA Rural Development; and a loan from the USDA Rural Development in the amount of \$385,000.00 at 4.5% for forty (40) years.

WHEREAS, the Town anticipates charging the following water rates for its customers:

APPLICABILITY

Applicable in entire area served

AVAILABILITY OF SERVICE

Available for general, domestic, commercial, industrial and resale water service

RATE

First 2,000 gallons used per month	\$14.26 per 1,000 gallons
Next 3,000 gallons used per month	\$ 5.60 per 1,000 gallons
Next 5,000 gallons used per month	\$ 4.16 per 1,000 gallons
Next 10,000 gallons used per month	\$ 3.50 per 1,000 gallons
Next 20,000 gallons used per month	\$ 2.67 per 1,000 gallons
All over 40,000 gallons used per month	\$ 2.35 per 1,000 gallons

IT IS FURTHER ORDERED that if no protests are received within said thirty (3) day period, the Commission may waive formal hearing and grant the application based on the evidence submitted with said application and its review thereof.

FOR THE COMMISSION:

Sandra Squire
Executive Secretary
3/

MINIMUM MONTHLY BILL

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

5/8 x 3/4 inch meter, or less	\$ 28.52 per month
3/4 inch meter, or less	\$ 30.79 per month
1 inch meter, or less	\$ 70.82 per month
2 inch meter, or less	\$226.64 per month
3 inch meter	\$426.07 per month
4 inch meter	\$710.40 per month

DELAYED PAYMENT PENALTY

The above tariff is net. On all accounts not paid in full within twenty (20) days of the latest pay date, 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.

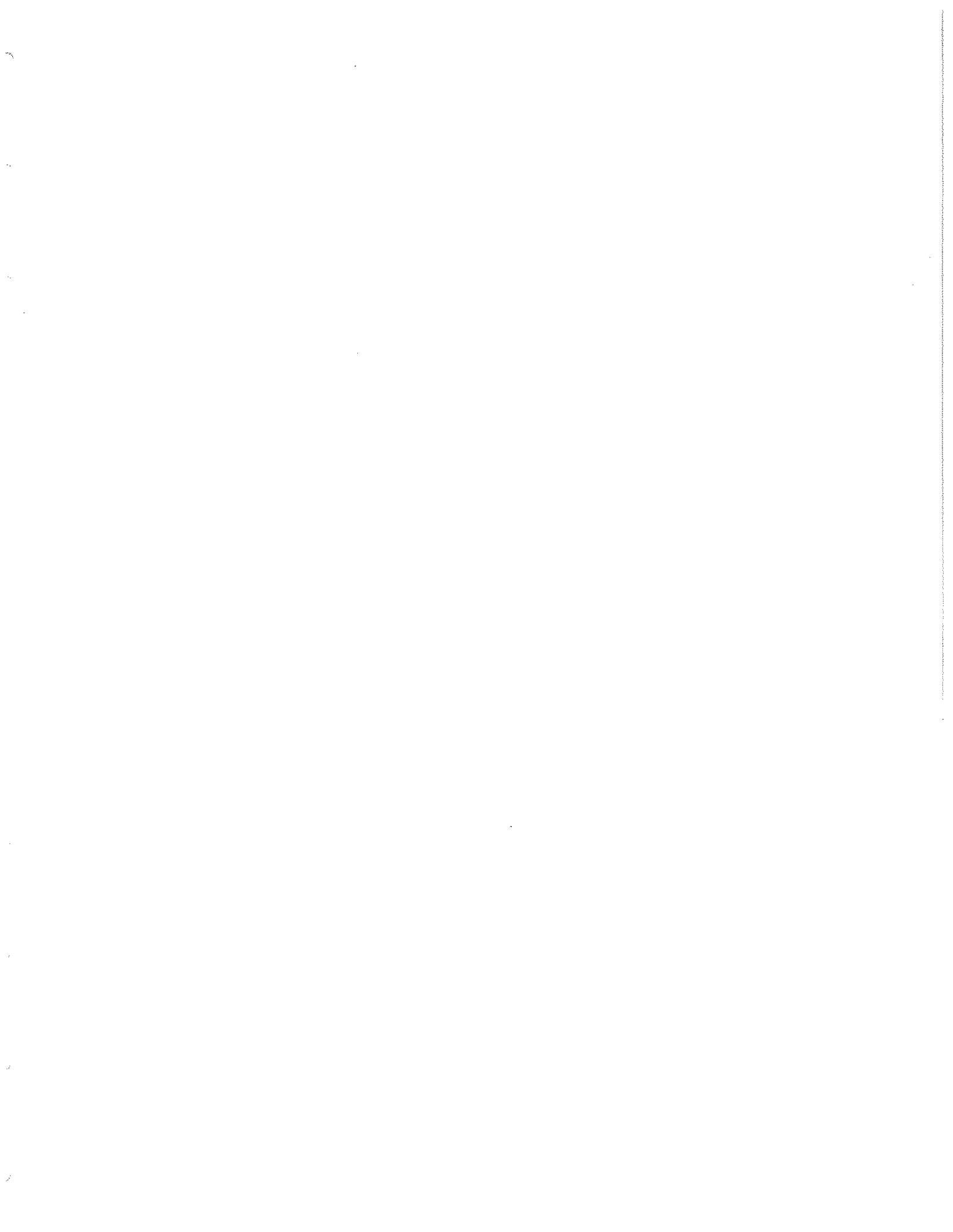
CONNECTION CHARGE

A charge of \$250.00 will be made for every new subscriber requiring a new connection where the meter is one inch or less in size. Where new connections involve meters larger than one inch, the new connection will be \$300.00 or actual cost, whichever is greater.

There is no rate increase due to the construction project. The project has grant funds and the current rates support the loan payments which will be incurred in constructing the new water plant and the rehabilitation of the water lines and the water intake system.

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

RECEIVED
06 APR 12 AM 10:28
WV PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE



November 14, 2005

The Town Council of the Town of Rowlesburg met in regular session on November 14, 2005 in the Community Building with 7 people. Barbara Panister presiding. Those present were Frank Poling, Kyle Colvard, Bill Demmon, Jim Lauer, Mark Hoff and Jim Lettin. Also in attendance were City Mayor, Delora Rizer, Lura Larnuk, Jeff L. Larnuk, Gayle Lynn Ayersman, John Parkinson, Alma Park, and Cindy Spinks, Donny Shaffer, and Dora Buckingham.

Roll call led by Barbara Panister.

Motion from the previous meeting was read and approved in a motion by Bill Demmon and seconded by Mark Hoff. All in favor.

Bill Johnson gave engineering report. Small site development. If any required file. Bill Poling on site. Ordinance working. In order to certify applications checked. Sec. 42 completed. USA-US for Cuttensburg. Has given verbal approval to proceed.

Agenda updates on Lower Station. Kyle Colvard gave ward report on day we discussed with rate ordinance. Fee, and other advertisement for bills at work. and City.

Post of maintenance could be done by the. Motion to move agenda items. Bill Demmon made business motion made by Jim Poling and seconded by Kyle Colvard and Bill Demmon.

Order to accept ordinance first reading. Motion to accept made by Frank Poling and seconded by Mark Hoff. All in favor.

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John Francis, Bill Simmons and Major
Barnista met with Gatta New York
Mollahan's Office concerning 5 year
grant. She asked that a letter be submitted
outlining time line of the grants.

Bill understood that there could be a
possible award on number of offices.
Motion to buy a letter in Gatta
New York Mollahan's Office made by
John Bilyard and seconded by Jim Lunn
All in favor.

Forby Taylor from PLO has found
a grant for a police camera from
New York. It has to be applied for
by a non-profit non-government
organization. The Historical Society
has agreed to apply for this year
the grant.

Major Barnista will also speak to
James to obtain software for the
camera.

Employee policy handbook - change
on county level law enforcement
office. Motion to accept made by
Mark Hoff seconded by Jim Lunn.
Discussion Kris said a lot of work but
will probably be changed by another
Council. All in favor.

RRB would like to sponsor
grant for Int and Byways - Milton
New York to do so made by
John Bilyard seconded by Jim Lunn - Bill
Simmons and John Bilyard abstaining
All others in favor.

the grant. Yes for and Jim
 Abstaining.

Motion made by Yes seconded by
 Mark Hoff to remove part of letter
 that was wrote to Lotta Neer
 concerning COPS grant.

Jim Adami to replace Mark Hoff ^{as}
 Fire Dept. representative from Council.

Josephine Ayer was asked to
 sponsor second grant for Cannon Hill. Did
 not get first or Council all in
 agreement.

Jeff Warrick asked about the answering
 of Leonard Neer's property. Mayor said
 he did not want tax money back. Jeff
 asked if all workers will be made
 aware that he is not in the cooperative.
 Mayor said yes. He also asked
 about old clean-up list.

Mayor said that there will be ~~two~~
~~at~~ out.

Questions asked about hydrants
 being flushed.

Motion to adjourn meeting made
 by Mark Hoff and seconded by Yes
 Edward All in favor.

Respectfully Submitted,

Kimberly J. Allen
 Recorder

Building permits were approved on a motion by Jim Poling and seconded by Bill Simmons All in favor for M. Joly Thomas to dismantle house in Manheim and for Steve Wraybright for house repair on Buffalo St.

Monthly bills presented to Council and Motion to pay bills made by Jim Poling and seconded by Jim Poling All in favor.

Tom Ames has worked on Christmas lights they are ready to be put up. Report on class that Mayor Burster and Clerk attended last week in Morgantown. Sewer & Storm drains do not have to be ~~separate~~ separate.

Mayor Burster will not be attending Judge Manning did not report water issue. Emergency generator for water during emergency. Town received generator free of charge. (Water plant where power comes from. Only last time having it hooked up).

\$200.00 on Poplar St. property not paid. They are \$146.00. Sheila said Town would have to pay these.

For ~~more~~ Tourism Committee meeting held. Will meet again Nov. 30th at 10:00 am.

Motion made by Jim Poling and seconded by Jim Poling to go into executive session to discuss personnel matters. All in favor.

Back to Open meeting. Motion made by Jim Poling ~~seconded~~ seconded by Mark Hoff to replace Ryan Peck. Motion of

November 28, 2005

The Town Council of the Town of Guilford met in regular session on November 28, 2005 in the Community Building with Mayor Barbara Brunster Presiding. Those present were Kris Bolyard, Mark Hoff, Jim Turner, Lew Poling, and Bill Simmons. Those in attendance were Peggy DeFoss, Judy Atkins, Doray Shuffe, Lisa Wainard, Jeff Wainick, Hallie Knotts, John Atkins, Pat Atkins, Almack Parkinson, John B. Parkinson, Jocelyn Ayersman, and David Buckingham.

Pledge led by Kris Bolyard.

Minutes from the previous meeting were read and approved on a motion by Bill Simmons seconded by Jim Turner all in favor.

Town does not have to pay taxes on the Poplar St. (Water plant) property.

~~Common~~ Tourism meeting to be held at 7:00 instead of 6:00 p.m.

Bob Johnson gave engineering report. No information from ~~Tom~~ Idum. PSC filing of rate ordinance. Rule 42 and platform statement completed. Shelia is working on CSX insurance issues. Council July 10 set contractor bids.

Questions on water rate increase.

Hallie Knotts asked why a raise of \$7.00. Because of the supply we need to buy. Hallie asked what the present minimum is now and with the rate increase what will it be? 7/10 it is 21.12 and the new rate will be 28.52. Bob explains that with the standards of the Safe Water Drinking

Act is something new that we have to comply with. Malle said we were adding over 60% water and that's why we started this project. Now with Clinton the lines will this help. Bob explained that with the safe drinking water act is what we are trying to fix.

Jeff Wamick said if we didn't replace line in Manheim's Centur. How was this going to help with safe water drinking act. He said the water is still terrible. He also asked if tank was still going in Manheim? Bob said no.

Don Shaffer said ~~why~~ raising water bill. Why can't we raise 1 min gal. of water. He would like to see 1000 gal 1 min. to help people. Bob said this would have to be looked at a case by case basis.

Judy Atkins asked about the elderly that uses less than the minimum.

Jeff Wamick - How does the minimum of our town compare with those of other towns? Bob said no way to have this by next meeting.

David Buckingham asked when project was going to start? Bob said if everything goes good we will be able to take bids soon.

Jeff Wamick asked about delinquent water bills.

Donny Shaffer asked about deadend lines. Mayor Barnoth said that they are going to be wiped of what lines are

Open.

Discussion on what and where new lines
fill

Second Reading of water rate Ordinance.
Motion to accept made by Mark Hoff
and seconded by Bill Simmons All in
favor.

Motion to pay bills made by Lou Poling
and seconded by Mark Hoff All in
favor.

Mrs. Bayard said Christmas lights look
nice but, Allegheny Power needs to come
and give other two poles.

Bill Simmons said that there ~~was~~ ^{was} snow
problems with the bricks he asked why they
were not treated earlier.

Mayer to contact Shaly Venson about
putting a guardrail on her property.

David Buckingham to see if he can get
grate for bank. He will check with Mayer
to get measurements.

Mark Hoff asked about letters to clean-up
properties. One called and they did pick up
some stuff. The other two did not respond. Mark
asked what is the next step. Mayer advised
said fine will be next step.

Lou Warrick said nothing else will be done
with disputes.

Gayle Ayermond - asked about how to stop
you know what plant. B. Mayer Business
Mayer to put it on agenda. Will be on
next meeting agenda.

Mr. Poling gave Park report of \$1500.00
went toward playing for new pit. Balance

April 4 way 2743.20. The total 12,728.00.
 Jeff Warnick asked about Tourism Task
 Force. What is this group? Jim told me
 is trying to form a Commission for Tourism.
 Mayor Benista told him he needs to attend
 meeting. Mr. Weaver is trying to increase
 the amount of people coming through
 Kowalski for the whole town to benefit.
 Motion to adjourn meeting made by
 Mark Hoff and seconded by Jim, Jim
 all in favor.

W. J. Tera
 Jim Benista

NOTICE OF PUBLIC HEARING ON
TOWN OF ROWLESBURG WATER RATE ORDINANCE

A public hearing will be held on Monday, November 28, 2005, at 7:00 p.m. on the following ordinance which has been introduced on November 14, 2005. Any person interested may appear before the Town Council of the Town of Rowlesburg at the Community Building, Poplar Street, Rowlesburg, West Virginia and present any comment or protest thereto. Following which hearing Council shall take such action as it shall deem proper.

AN ORDINANCE SETTING FORTH WATER RATES, CONNECTION CHARGES, RECONNECTION CHARGES, DELAYED PAYMENT PENALTY AND OTHER CHARGES FOR SERVICE TO CUSTOMERS OF THE WATERWORKS SYSTEM OF THE TOWN OF ROWLESBURG.

THE TOWN COUNCIL OF THE TOWN OF ROWLESBURG HEREBY ORDAINS:
The following rules, rates and charges are hereby fixed, determined and established for water services provided to all general domestic, commercial, and industrial users and customers of the Town of Rowlesburg Municipal Waterworks System, commencing upon the effective date as hereinafter provided, and in accordance with the following Rates and Schedules:

SECTION 1. SCHEDULE OF RATES, CHARGES AND PENALTIES

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY OF SERVICE

Available for general, domestic, commercial and industrial service.

RATES

Town of Rowlesburg direct sales:

Number of Gallons/Month	Rate
First 3,000 gallons used per month	\$14.26 per 1,000 gallons
Next 3,000 gallons used per month	\$5.50 per 1,000 gallons
Next 5,000 gallons used per month	\$4.16 per 1,000 gallons
Next 10,000 gallons used per month	\$3.50 per 1,000 gallons
Next 20,000 gallons used per month	\$2.87 per 1,000 gallons
All over 40,000 gallons used per month	\$2.35 per 1,000 gallons

MINIMUM BILL

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

5/8 x 3/4 inch meter, or less	\$28.52 per month
3/4 inch meter, or less	\$30.78 per month
1 inch meter, or less	\$70.82 per month
2 inch meter, or less	\$228.64 per month
3 inch meter	\$428.07 per month
4 inch meter	\$710.40 per month

The minimum monthly bill shall be \$28.52 per month and over 4,500 gallons, the monthly bill shall be \$42.52.

DELAYED PAYMENT PENALTY

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

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

WATER CONNECTION CHARGE (TAP FEE)

A charge of \$250.00 will be made for every new subscriber requiring a new connection where the meter is one inch or less in size.

Where new connections involve meters larger than one inch, the new connection will be \$300.00 or actual cost, whichever is greater.

RECONNECTION SERVICE CHARGE

(a) Whenever the supply of water is turned off for violation of rules and regulations, nonpayment of bills, or fraudulent use of water, a reconnection charge in the amount of Twenty Dollars (\$20.00) shall be paid as tariff for reconnecting service.

(b) If service is discontinued at the request of a customer, the Rowlesburg Water Works may refuse service to such customer, at the same premises, within (8) months, unless said Water Works shall first receive payment in the amount of Twenty Dollars (\$20.00) as a tariff for reconnecting service.

RETURNED CHECKS FOR INSUFFICIENT FUNDS

If a check received is returned by the bank for any reason, the bank's charge to the Town shall be the Town's charge to the customer for such bad check, but such charge to the customer shall not exceed \$20.00.

LEAK ADJUSTMENT INCREMENT

To be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This bill is used to calculate consumption above the customer's historical average usage.

SECTION 2. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

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

SECTION 3. EFFECTIVE DATE

The rates, charges and penalties provided herein shall become effective forty-five (45) days after final enactment hereof, or as soon thereafter as the same may be approved by the Public Service Commission of West Virginia.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the Recorder shall cause to be published a copy of this Ordinance once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) days between each publication, in the Preston County Journal, a qualified newspaper of general circulation in the Town of Rowlesburg, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on November 28, 2005, at 7:00 p.m., which date is not less than ten days after the date of the first publication of the Ordinance and notice, and present any comment or protest thereto, following which hearing, Council shall take such action as it shall deem proper. Copies of this Ordinance shall be available to the public for inspection at the office of the Recorder, Town Hall, Rowlesburg, West Virginia.

First Reading: November 14, 2005

Second Reading: _____

CERTIFICATION AND NOTICE

I hereby certify that the foregoing is a true and accurate copy of an Ordinance which has been introduced and adopted on first reading at a meeting of the Town Council of the Town of Rowlesburg held on November 14, 2005, pursuant to proper notice, at which meeting a quorum was present and acting throughout. Any person interested may appear before the Town Council of the Town of Rowlesburg at the Community Building, Poplar Street, Rowlesburg, West Virginia, on the 28th day of November, 2005, at 7:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be inspected by the public at the Office of the Town Recorder, Community Building, Poplar Street, Rowlesburg, West Virginia, during regular office hours.

Kimberly Felton
Recorder

Certificate of Publication

LEGAL NOTICE

NOTICE OF PUBLIC HEARING ON

TOWN OF ROWLESBURG BOND ORDINANCE

A public hearing will be held on the following entitled Ordinance at a regular meeting of the Council of the Town of Rowlesburg (the "Town") to be held on Monday, September 25, 2006, at 7:00 p.m. in the Council Chambers at the Community Building, Poplar Street, Rowlesburg, West Virginia, and at such hearing any person interested may appear before the Council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE TOWN OF ROWLESBURG, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$385,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2006 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

The above-entitled Ordinance was approved by the Council on September 11, 2006.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The Town contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to provide permanent financing of the costs of acquisition and construction of betterments, additions and improvements to the waterworks system of the Town and to pay certain costs of issuance of the Bonds and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the waterworks system of the Town. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

A certified copy of the above-entitled Ordinance is on file with the Council at the office of the Recorder for review by interested parties during regular office hours.

Following the public hearing, the Council intends to enact the Ordinance upon its next reading.

Dated: September 13, 2006

Kimberly Felton
Recorder
9/13/2006

I, **Carol Peters**, the undersigned Advertising Manager of The Preston County Journal, a weekly newspaper of general circulation, published at Kingwood, Preston County, West Virginia, do hereby certify that

the notice of water revenue bonds Series A Town of Rowlesburg

a copy of which notice is hereto annexed, was published in said paper for two successive weeks, beginning with its issue of 9/13/06

and expiring with its issue of 9/20/06

And, I do further certify that on 9/20/06

I posted and left posted, a copy of said notice at the front door of the Courthouse of said county.



ADVERTISING MANAGER

Subscribed and sworn to before me this the

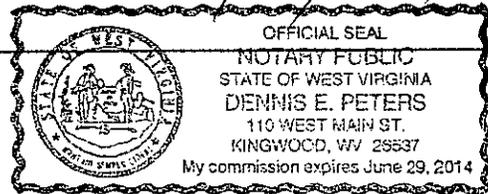
20th day of September, 2006



NOTARY PUBLIC

My commission expires

6/29/2014



Kingwood, WV

Received of _____

Amount for publishing notice hereto \$ _____

ADVERTISING MANAGER

TOWN OF ROWLESBURG

Water Revenue Bonds, Series 2006 A
(United States Department of Agriculture)

MINUTES ON ENACTMENT OF BOND ORDINANCE

The undersigned Recorder of the Town of Rowlesburg (the "Town") hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the Council of the Town.

* * *

* * *

* * *

The Council of the Town met in regular session, pursuant to notice duly given, on the 25th day of September, 2006, in Rowlesburg, West Virginia, at the hour of 7:00 p.m.

PRESENT:	Barbara L. Banister	-	Mayor
	Kimberly Felton	-	Recorder
	James Turner	-	Councilman
	Bill Simmons	-	Councilman
	Mark Goff	-	Councilman
	Charles B. Felton, Jr.	-	Councilman
	Kristina Bolyard	-	Councilman

ABSENT: None

Barbara L. Banister, Mayor, presided, and Kimberly Felton, acted as Recorder.

The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

The Mayor presented a proposed Bond Ordinance in writing entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND
CONSTRUCTION OF CERTAIN ADDITIONS,
BETTERMENTS AND IMPROVEMENTS TO THE EXISTING
PUBLIC WATERWORKS FACILITIES OF THE TOWN OF

NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$385,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2006 A (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

and caused the same to be read and there was discussion.

Thereupon, on motion duly made and seconded, it was unanimously ordered that the above-entitled Ordinance be finally enacted and put into effect immediately.

* * *

* * *

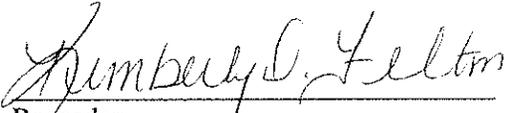
* * *

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

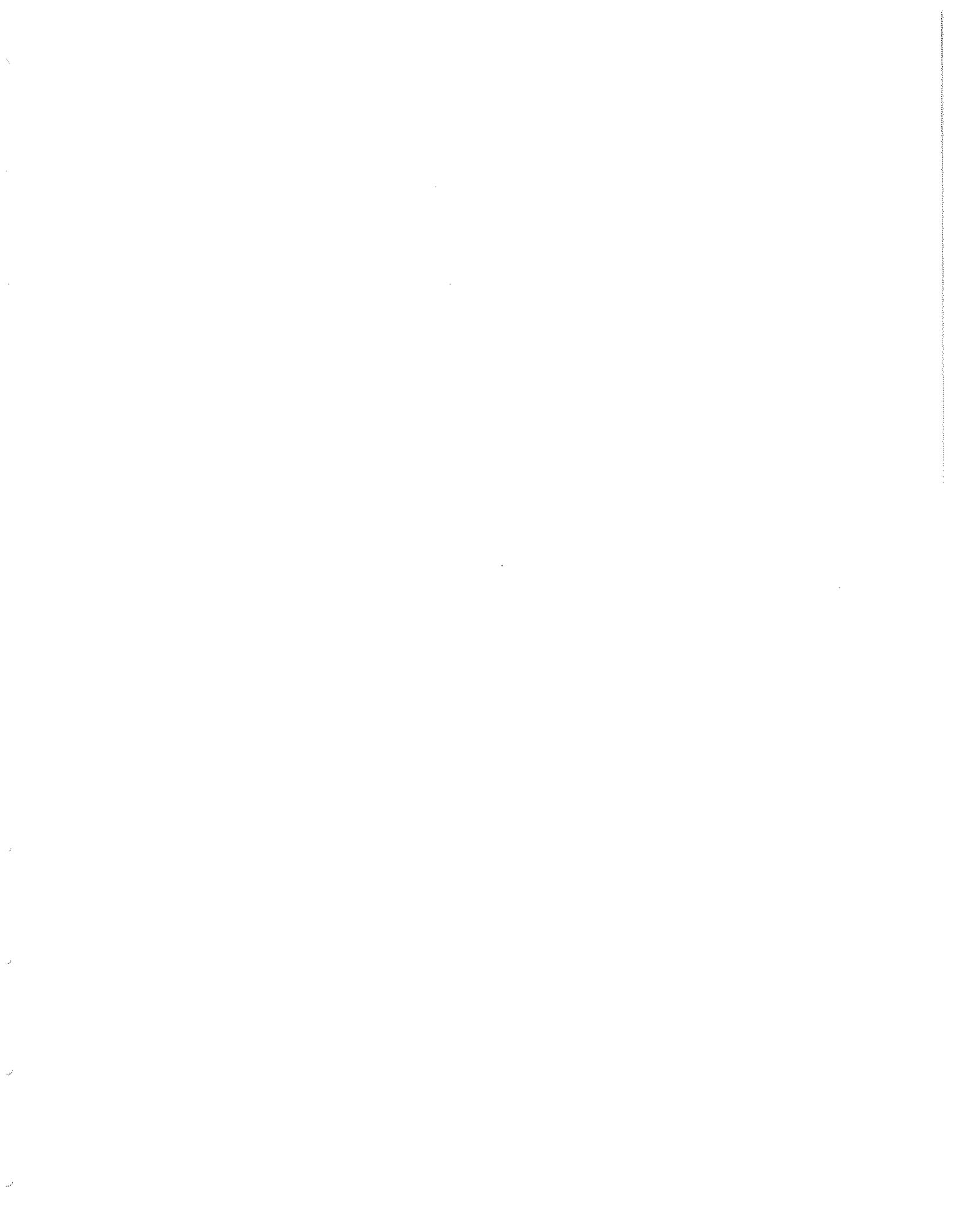
CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of the Town of Rowlesburg and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 13th day of October, 2006.


Recorder

09.19.06
780880.00002



WV MUNICIPAL BOND COMMISSION
 8 Capitol Street
 Suite 500, Terminal Building
 Charleston, WV 25301
 (304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: October 13, 2006

ISSUE: Town of Rowlesburg Water Revenue Bonds, Series 2006 A (United States Department of Agriculture)

ADDRESS: P. O. Box 458, Rowlesburg, West Virginia 26425 COUNTY: Preston

PURPOSE OF ISSUE: New Money: X
 Refunding: _____ REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: October 13, 2006 CLOSING DATE: October 13, 2006

ISSUE AMOUNT: \$385,000 RATE: 4.375%

1ST DEBT SERVICE DUE: N/A 1ST PRINCIPAL DUE: N/A

1ST DEBT SERVICE AMOUNT: N/A PAYING AGENT: Issuer

BOND COUNSEL: Step toe & Johnson PLLC
 Contact Person: John C. Stump, Esquire
 Phone: 304.353.8196

UNDERWRITERS COUNSEL: _____
 Contact Person: _____
 Phone: _____

CLOSING BANK: 1st Community Bank, NA
 Contact Person: Vicky Taylor
 Phone: (304) 454-2431

ESCROW TRUSTEE: _____
 Contact Person: _____
 Phone: _____

KNOWLEDGEABLE ISSUER CONTACT
 Contact Person: Barbara L. Banister
 Position: Mayor
 Phone: 304.454.2441

OTHER: United States Department of Agriculture
 Contact Person: Joe Crickenberger
 Function: Rural Development Specialist
 Phone: 304.636.2158

DEPOSITS TO MBC AT CLOSE:	Accrued Interest:	\$ _____
By: _____ Wire	Capitalized Interest:	\$ _____
_____ Check	Reserve Account:	\$ _____
	Other:	\$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE	To Escrow Trustee:	\$ _____
By: _____ Wire	To Issuer:	\$ _____
_____ Check	To Cons. Invest. Fund:	\$ _____
_____ IGT	To Other:	\$ _____

NOTES Monthly debt service payments will be made by the Town directly to the National Finance Office. The Municipal Bond Commission will hold the Series 2006 A Bonds Reserve Account. Payments into the Reserve Account will commence within 24 months of the closing date.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: _____
 TRANSFERS REQUIRED: _____

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

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

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

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

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

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



United States
Department of
Agriculture

Rural
Development

Federal Building
75 High Street, Room 320
Morgantown, WV 26505-7500
Phone (304) 284-4888
FAX (304) 284-4892
TTY/TDD (304) 284-4836

August 19, 2002

The Honorable Margaret Schollar
Mayor, Town of Rowlesburg
P.O. Box 458
Rowlesburg, WV 26452

COPY

Dear Mayor Schollar:

This letter, with Attachments 1 through 12 and enclosures, establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RUS loan in the amount of \$385,000, an RUS grant in the amount of \$2,241,640, and other funding in the amount of \$1,500,000, for a total project cost of \$4,126,640. The other funding is planned in the form of a grant from the HUD Small Cities Block Grant Program.

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

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

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

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

The conditions referred to above are as follows:

1. Loan Repayment - The loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. Payments for the remaining 456 months will be equal amortized monthly installments. For planning purposes use a 4.50% interest rate and a monthly amortization factor of .00459, which provides for a monthly payment of **\$1,768**. You have the option of participating in the PREAUTHORIZED DEBIT (PAD) payment process. It will allow for your payment to be electronically debited from your account on the day your payment is due. Your authority must establish and fund monthly a debt service reserve account, which equals 10% of your monthly payment each month until you accumulate the equivalent of one annual installment on your loan.

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

2. Security - The loan must be secured by a statutory lien of first priority, a pledge of the system's revenues and other agreements between you and RUS as set forth in the bond ordinance which must be properly adopted and executed by the appropriate officials of your organization. Additional security requirements are contained in RUS Bulletin 1780-12 and RUS Bulletin 1780-27 which are mentioned later.
3. Users - This conditional commitment is based upon you providing evidence that there will be at least 285 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of a certification from you that identifies and attests to the number of users that are actually connected to the Town's existing water system which is to be totally replaced by the new system, at the time you request authorization to advertise the project for construction bids.

Before RUS can agree to the project being advertised for construction bids, you must provide evidence that the total required number of bona fide users has been acquired and currently using the system.

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

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

6. Legal Services - The agreement provided between you and your attorney for legal services has been reviewed and determined to be acceptable.
7. Accounting Services - The agreement provided between you and your accountant for accounting services has been reviewed and determined to be acceptable.

RUS regulations (Attachment No. 3) outline requirements for the submission of management reports and audits. Appropriate state statutes place certain audit requirements on your Town. The attached booklets, "Government Auditing Standards (Revised 1994)" (Attachment No. 8), and RUS Bulletins 1780-30 and 1780-31 (Attachment Nos. 9 & 10) outline audit requirements.

You are reminded that certain provisions of the Office of Management and Budget Circular A-133 are applicable to any public body or nonprofit association that expends \$300,000 or more in federal funds in any one fiscal year. You must enter into an agreement annually with an accountant (or the State Tax Department) to perform the audit. The agreement must be in accordance with the requirements of the State Tax Commissioner of West Virginia. Compensation for preparation of the A-133 audit or your annual audit are not included in project funds and should be paid from the operational revenues generated from your system operation.

8. Facility Control - Prior to advertisement for construction bids, you must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights needed for the project. Such evidence must be in the following form:

- a. A right-of-way map showing clearly the location of all lands and rights needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.
 - b. A copy of deeds, contracts or options for any lands needed other than rights-of-way, along with a preliminary title opinion covering such lands. Form RD 1927-9, "Preliminary Title Opinion" may be used. In the case of your existing system or where the Town already acquired real property (land or facilities), a preliminary title opinion(s) concerning all such property(s) will be provided.
 - c. A narrative opinion from your attorney concerning all permits, certifications and other items necessary to show that all legal requirements can be met and stating how they will be met. This narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled.
 - d. A certification and legal opinion relative to title to rights-of-way and easements. Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way," may be used. This form may contain a few exceptions such as properties that must be condemned; however, prior to the start of construction or loan closing, whichever occurs first, a new Form RD 442-22, must be provided which does not provide for any exceptions.
 - e. On the day of loan closing, the Town's attorney must furnish final title opinions on all land(s) being acquired. Form RD 1927-10, "Final Title Opinion" may be used. In the case of your existing system or where the Town has already acquired real property(s) (land or facilities), the Town's attorney will provide a separate final title opinion(s) covering such property(s) on the day of loan closing.
9. Permits - Copies of all permits needed for the project must be provided for review prior to advertisement for construction bids. Such permits will include but are not limited to the following:
- West Virginia Department of Highways
 - Railroads
 - State Department of Health
 - Department of Environmental Protection
 - Corps of Engineers
 - Public Land Corporation

10. Public Service Commission Approvals and Rates - You must determine that the Certificate of Convenience and Necessity which you now have from the Public Service Commission of West Virginia is adequate to cover the entire area to be served by the proposed system. If it is not adequate, a new certificate must be obtained and a copy provided for RUS. If it is determined the Town's present certificate is adequate, the Town must properly develop, adopt, and promulgate the required rates in accordance with the applicable provisions of Article I, Chapter 24 of the Code of West Virginia, as amended, and to the satisfaction of your bond counsel. The rate ordinance as adopted must include, as a minimum, all the rate related items (everything except project costs section, the use analysis section, and the operation and maintenance expense breakdown section) contained in the attached project construction budget (Attachment No. 1). The draft rate ordinance must be provided for RUS review and concurrence prior to its adoption.
11. Insurance and Bonding Requirements - Prior to preliminary loan closing, you must acquire the following insurance and bond coverage:
- a. Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000 - \$200,000. The limits of liability coverage noted herein should be considered as suggested amounts only. RUS recommends that you consider analyzing your actual needs in detail before you obtain coverage in a specific amount.
 - b. Workers' Compensation - In accordance with appropriate State laws.
 - c. Position Fidelity Bond(s) - All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. As a good business practice you will probably wish to have each position bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. The minimum coverage acceptable to RUS will be for each position to be bonded for an amount at least equal to one annual installment on your loan(s).
 - d. National Flood Insurance - In addition to meeting the requirements for the type of assistance requested, the following requirements must be met for financial assistance for acquisition and/or construction in designated special flood or mudslide prone areas:
 - (1) If flood insurance is available, you must purchase a flood insurance policy at the time of loan closing.
 - (2) Applicants whose buildings, machinery or equipment are to be located in a community which has been notified as having special flood or mudslide prone areas will not receive financial assistance where flood

insurance is not available.

- e. Real Property Insurance - Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all above-ground structures, to include machinery and equipment housed therein. This does not apply to water reservoirs, standpipes, elevated tanks or noncombustible materials used in treatment plants, clearwells, filters and the like.

12. Contract Documents, Final Plans and Specifications -

- a. The contract documents should consist of the following:

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

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

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

- (1) Liability Insurance - Personal Liability - \$500,000; Property Damage - \$200,000 - \$200,000. This coverage must include indemnification of the Town and its engineer. RUS Bulletin 1780-13, Attachment 9, suggests certain limits of liability for insurance coverage. Those limits should be considered as minimum requirements only. It is recommended you consider increasing the given limits of liability after analyzing your specific needs.
- (2) Builder's Risk Insurance - On all structures and mechanical and electrical equipment in place or stored on the site to the full insurable value thereof.
- (3) Workers' Compensation - In accordance with applicable State laws.

- c. The contract documents and final plans and specifications must be submitted to RUS for approval.

- d. The project must be designed in compliance with Section 504 of the

Rehabilitation Act of 1973.

13. Interim Financing - Interim financing will be used for the RUS loan if it is available at reasonable rates and terms. You must provide RUS with a copy of the tentative agreement reached in connection with interim financing. A copy of the proposed agreement should be provided for RUS review. A Sample Credit Agreement is attached for your use in meeting this requirement (Attachment No. 11).
14. Disbursement of Funds - The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of any disbursements required of your Town, over 30 day periods. Any grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account.

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

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

15. Other Grants - Prior to advertisement for construction bids, you must provide evidence showing the approval of the other grants. This evidence should include a copy of the grant award. Prior to award of the contract(s) to the contractor(s), you must provide evidence that the "other" grant funds are available for expenditure. This evidence should consist of at least a letter from the grantor stating the funds are available for expenditure.
16. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided:

Form RD 442-7 - "Operating Budget"

Form RD 1940-1 - "Request for Obligation of Funds"

RUS Bulletin 1780-12 - "Water or Waste System Grant Agreement"

RUS Bulletin 1780-27 - "Loan Resolution (Public Bodies)"

Form RD 400-1 - "Equal Opportunity Agreement"

Form RD 400-4 - "Assurance Agreement"

Form AD 1047 - "Certification Regarding Debarment - Primary"

Form AD 1049 - "Certification Regarding Drug-Free Workplace"

Form RD 1910-11 - "Applicant Certification, Federal Collection Policies"

FmHA Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans"

Standard Form LLL - "Disclosure of Lobbying Activities" (If Applicable)

Certification of Compliance

Form RD 1942-46, "Letter of Intent to Meet Conditions"

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

When all parties agree that the closing requirements can be met, a mutually acceptable date for the loan closing will be scheduled.

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

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

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

Sincerely yours,


JENNY N. PHILLIPS
State Director

Enclosures

cc: Rural Development Specialist
Elkins, WV

Roth & White, CPAs
202 Tunnelton Street
Kingwood, WV 26537

Sheila Kae Williams, Attorney at Law
202 Tunnelton Street
Kingwood, WV 26537

Thrasher Engineering, Inc.
P.O. Box 1532
Clarksburg, WV 26302

Steptoe & Johnson
P.O. Box 2190
Clarksburg, WV 26302

Attachment No. 1 to Letter of Conditions
 For: Town of Rowlesburg
 Date: August 19, 2002

Project Construction Budget

<u>PROJECT COST</u>	<u>SCBG</u>	<u>RUS GRANT</u>	<u>RUS LOAN</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 1,463,500	\$ 1,498,000	\$ 244,500	\$ 3,206,000
CONST. CONTINGENCY		\$ 193,400	\$ 31,600	\$ 225,000
LAND & RIGHTS		\$ 30,100	\$ 4,900	\$ 35,000
LEGAL FEES		\$ 15,000	\$ 2,500	\$ 17,500
ACCOUNTING		\$ 4,300	\$ 700	\$ 5,000
BOND COUNSEL		\$ 7,700	\$ 1,300	\$ 9,000
ENGINEERING FEES		\$ 404,900	\$ 66,100	\$ 471,000
Basic - \$237,500				
Insp. - \$207,500				
Special - \$26,000				
ADMINISTRATION	\$ 36,500			\$ 36,500
INTEREST			\$ 19,000	\$ 19,000
WVDOH Inspection Fee		\$ 8,600	\$ 1,400	\$ 10,000
PROJECT CONTG.		\$ 79,640	\$ 13,000	\$ 92,640
TOTAL	\$ 1,500,000	\$ 2,241,640	\$ 385,000	\$ 4,126,640

Rates

Available for general domestic, commercial, and industrial service.

First	2,000	gallons @	\$ 10.81	per M gallons
Next	3,000	gallons @	\$ 4.26	per M gallons
Next	5,000	gallons @	\$ 3.17	per M gallons
Next	10,000	gallons @	\$ 2.67	per M gallons
Next	20,000	gallons @	\$ 2.04	per M gallons
Over	40,000	gallons @	\$ 1.79	per M gallons

Minimum Charge

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

5/8" x 3/4"	meter	\$ 21.62	per month
3/4"	meter	\$ 32.43	per month
1"	meter	\$ 54.05	per month
1 1/2"	meter	\$ 108.10	per month
2"	meter	\$ 172.96	per month
3"	meter	\$ 324.30	per month
4"	meter	\$ 540.50	per month

Minimum Monthly Bill \$ 21.62 for 2,000 gallons

Delayed Payment Penalty :

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

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

Connection Charge

Meter size of one inch or less - \$250.00

Meter size greater than one inch - \$300.00 or actual cost (whichever is greater)

Reconnection Charge

\$12.00

Use and Income Analysis - See Attached

Cash Flow Analysis - See Attached

WATER OR WASTE SYSTEM GRANT
UNITED STATES DEPARTMENT OF
RURAL UTILITIES

THIS AGREEMENT dated October 13, 2006 between
Town of Rowlesburg

a public corporation organized and operating under _____
Chapter 8, Article 19, West Virginia Code
(Authorizing Statute)

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

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement
of a (water) (sewer) system to serve the area under jurisdiction at an estimated cost of \$ 4,126,640.00
and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$ 1,885,000.00 of the development cost through revenues,
charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge

Said sum of \$ 1,885,000.00 has been committed to and by Grantee for such project
development costs.

Grantor has agreed to grant the Grantee a sum not to exceed \$ 2,241,640.00 or 54.32% percent
of said development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor.
Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant
purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part,
at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with
the conditions of the grant.

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

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to
Section 306 (a) of the Consolidated Farm and Rural Development Act the purpose only of defraying a part not
to exceed 54.32% percent of the development costs, as defined by applicable Rural Utilities Service
Instructions.

GRANTEE AGREES THAT GRANTEE WILL:

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

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

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

D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes

of service. adopted by resolution dated _____, as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.

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

F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.

G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.

I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.

K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

[Revision 1, 04/17/1998]

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

All property associated with the Town of Rowlesburg water system including structures, storage facilities, distribution system and appurtenances associated therewith.

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A Grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

[Revision 1, 04/17/1998]

1. Use of equipment.

(a) The Grantee shall use the equipment in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other Federally sponsored activities, if any, in the following order of priority:

(1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the project for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the equipment was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other

2. Disposition of equipment. When the Grantee no longer needs the equipment as provided in paragraph (a) above, the equipment may be used for other activities in accordance with the following standards:

(a) Equipment with a current per unit fair market value of less than \$5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.

(b) Equipment with a current per unit fair market value of \$5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee requests and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share ten percent of the proceeds, for Grantee's selling and handling expenses.

(2) If the Grantee is instructed to ship the equipment elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall also include:

(a) Records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the project for which the equipment was acquired; location, use and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.

(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

This Grant Agreement covers the following described equipment (use continuation sheets as necessary).

N/A

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's government which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

P. Provide an audit report prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or instrumentality's of states shall not be held accountable for interest earned on grant funds pending their disbursement.

R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item K above.

S. To include in all contracts for construction or repair a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.

T. To include in all contracts in excess of \$100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:
[Revision 1, 11/20/1997]

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.

2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

[Revision 1, 11/20/97]

3. To include or cause to be included the above criteria and the requirements in every nonexempt subcontract and that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

As used in these paragraphs the term "facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$ 2,241,640.00 which it will advance to Grantee to meet not to exceed 54.3% percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

Mayor

and attested and its corporate seal affixed by its duly authorized

Recorder

Attest:

By:

Humbly D. Lelton

(Title):

Recorder

By:

Barbara Bonetto

(Title):

Mayor

UNITED STATES OF AMERICA

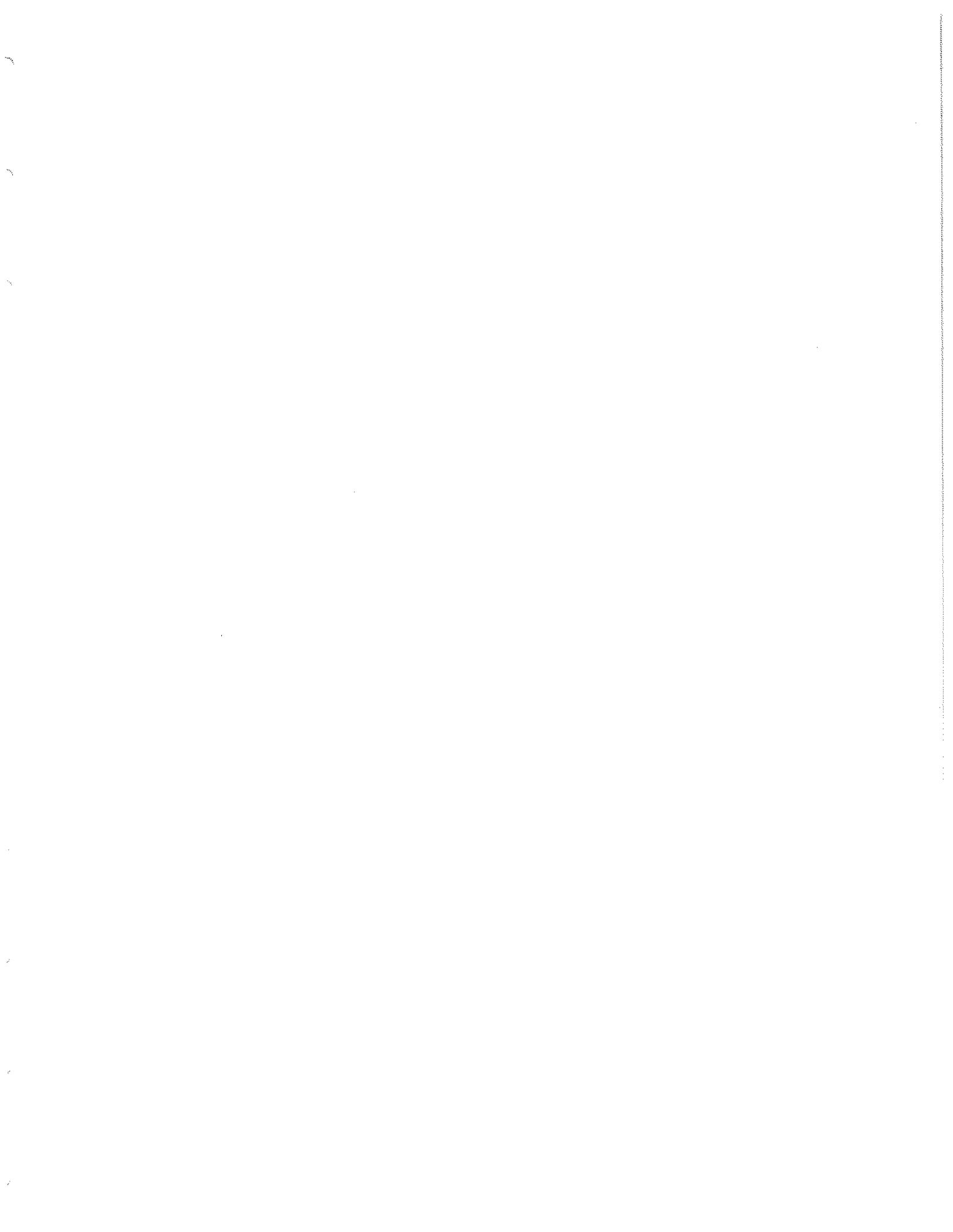
RURAL UTILITIES SERVICE

By:

J. D. Coy

Rural Development Specialist

(Title)





STATE OF WEST VIRGINIA
OFFICE OF THE GOVERNOR
CHARLESTON 25305

November 18, 2003

Bob Wise
GOVERNOR

The Honorable Barbara Banister
Mayor
Town of Rowlesburg
Post Office Box 458
Rowlesburg, West Virginia 26425

Dear Mayor Banister:

Thank you for your application to the Small Cities Block Grant program.

Your request has been approved in the amount of \$1,500,000. These funds will enable you to complete an upgrade of the water distribution system and the water treatment plant.

In order to effectively use the limited dollars available, I hereby commit \$620,000 from our fiscal year 2003 allocation that will immediately be available to you. The remaining \$880,000 necessary to complete this project will be evaluated and committed in the coming year. I encourage you to expedite this project and reach its completion as quickly as possible with this funding strategy in mind.

Please contact Mrs. Pamela K. King of the West Virginia Development Office, at (304) 558-4010, to complete the necessary contract in order to proceed with your project.

The West Virginia Development Office reserves the right to withdraw these funds if your project does not proceed on schedule. These funds would be replaced with a letter of intent for consideration from future allocations.

I am pleased to assist with these improvements for the citizens of the Town of Rowlesburg.

Very truly yours,

Bob Wise
Governor

BW:pkd

STATE OF WEST VIRGINIA



SMALL CITIES BLOCK GRANT AWARD

THIS IS TO CERTIFY THAT A GRANT OF \$1,500,000 HAS BEEN
AWARDED TO THE **TOWN OF ROWLESBURG** TO UPGRADE
THE WATER DISTRIBUTION SYSTEM AND WATER TREATMENT PLANT

Bob Wise

**BOB WISE
GOVERNOR**

TOWN OF ROWLESBURG

Water Revenue Bonds, Series 2006 A
(United States Department of Agriculture)

RECEIPT OF DEPOSITORY BANK

The undersigned duly authorized representative of First Community Bank, Rowlesburg, West Virginia (the "Bank"), hereby certifies that on October 13, 2006, the Bank received an automated transfer in the amount of \$110,100 to the credit of the Series 2006 Bonds Construction Trust Fund, Account Number 3336518.

WITNESS my signature on this 13th day of October, 2006.

FIRST COMMUNITY BANK

By: Victoria A Taylor
Its: Authorized Officer

10.06.06
780880.00002

Rowlesburg

780880.00002