

TOWN OF WAYNE

**Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)**

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TOWN OF WAYNE
Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

CONFORMED BOND ORDINANCE

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TOWN OF WAYNE

ORDINANCE AUTHORIZING THE PAYMENT OF THE SERIES 2008 A BONDS, THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE TOWN OF WAYNE, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2012 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; 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 WAYNE:

ARTICLE I

**STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS**

Section 1.01. Authority for this Ordinance. This Ordinance is adopted and enacted pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. The Town of Wayne (the "Issuer") is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia in Wayne County of said State.

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

A. The Issuer currently owns and operates a public sewerage system and desires to acquire, construct and operate certain additional public sewerage facilities consisting of additions, betterments and improvements to such existing sewerage 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 sewerage system of the Issuer, consisting of improvements to the existing sanitary sewer system including separation of the sanitary sewer and stormwater systems and all necessary appurtenances (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Recorder of the Issuer. The existing sewerage 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 Series 2012 A Bonds 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 \$2,500,000 which a portion of which will be obtained from the proceeds of sale of the Bonds herein authorized.

E. The Issuer has heretofore temporarily financed the design and other preliminary costs of the Project by the issuance of its Sewerage System Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), dated February 20, 2008, issued in the original aggregate principal amount of \$80,000 (the "Series 2008 A Bonds").

F. It is deemed necessary and desirable for the Issuer to pay the Series 2008 A Bonds.

G. It is necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2012 A (United States Department of Agriculture) in one or more series, in the aggregate principal amount of \$2,500,000 (the "Series 2012 A Bonds"), to pay the Series 2008 A Bonds and permanently 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 2012 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 2012 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project.

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

I. Upon payment of the Series 2008 A Bonds, the Issuer will not have any outstanding obligations which will rank on a parity with the Series 2012 A Bonds as to liens, pledge, source of and security for payment.

J. It is in the best interest of the Issuer that the Series 2012 A Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letter of Conditions dated July 24, 2009, and any amendments, thereto (collectively, the "Letter of Conditions").

K. 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 2012 A Bonds, or will have so complied prior to issuance of the Series 2012 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 2012 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 2012 A Bonds.

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

"Act" means Chapter 16, Article 13 of the West Virginia Code of 1931, as amended.

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

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

"Bonds" means collectively, the Series 2012 A Bonds and where appropriate, any bonds on a parity herewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2012 A Bonds for the proceeds, or at least a de minimus portion, thereof representing the purchase price of the Series 2012 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 E.L. Robinson Engineering Co., Cross Lanes, 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 a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns as designated in the Supplemental Resolution.

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

"FDIC" means the Federal Deposit Insurance Corporation.

"Fiscal Year" means each 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.

"Grant" means any grant monies committed to the Project.

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

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

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated July 24, 2009, 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 2012 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 2012 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 6C of the West Virginia Code of 1931, as amended; and

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

"Recorder" means the Recorder of the Issuer.

"Registered Owner," "Bondholder," "Holder of the Bond" or any similar term means any person who shall be the registered owner of the Series 2012 A Bonds.

"Reserve Funds" means, the respective reserve funds for the Series 2012 A Bonds.

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

"Series 2008 A Bonds" means the Issuer's Sewerage System Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), dated February 20, 2008, issued in the original aggregate principal amount of \$80,000.

"Series 2012 A Bonds" means the Sewer Revenue Bonds (United States Department of Agriculture), issued in one or more series authorized by this Ordinance.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded with the article "the", refers specifically to the supplemental resolution authorizing the sale of the Series 2012 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2012 A Bonds, and not so included may be included in another supplemental resolution.

"System" means the complete sewerage system of the Issuer and all sewerage facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the sewerage systems, including the Project, and any and all additions, betterments, improvements, properties or other facilities at any time acquired or constructed for the sewerage 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 2012 A Bonds or any certificate or other document by the Mayor or the Recorder shall mean that such Series 2012 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 AND PAYMENT OF THE SERIES 2008 A BONDS

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 not to exceed \$3,451,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2012 A Bonds hereby authorized shall be applied as provided in Article IV hereof.

The project is estimated to cost \$3,451,000 of which approximately \$2,500,000 will be received from the proceeds of the Series 2012 A Bond and approximately \$951,000 will be received as United States Department of Agriculture grants.

Section 2.02. Authorization of Payment of the Series 2008 A Bonds. There is hereby authorized and ordered the payment in full of the entire outstanding principal and the interest on the Series 2008 A Bonds on the Closing Date, the cost of which will be paid from the proceeds of the Series 2012 A Bonds. Upon payment in full of the Series 2008 A Bonds, any funds pledged in favor of the Holders of the Series 2008 A Bonds are hereby ordered terminated, discharged and released.

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 2012 A Bonds of the Issuer, to be known as "Sewer Revenue Bonds, Series 2012 A (United States Department of Agriculture)," are hereby authorized to be issued in the principal amount of not to exceed \$2,500,000 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 2012 A Bonds shall be issued in one or more series, only as a fully registered Bond in an aggregate principal amount to be prescribed in the Supplemental Resolution, and shall be dated on the date of delivery thereof. The Series 2012 A Bonds shall bear interest from date of delivery, payable monthly at the rate not to exceed 2.625% per annum, which interest rate shall be prescribed in the Supplemental Resolution and shall be sold for the par value thereof.

The Series 2012 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 2012 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 2012 A Bonds, and the right to the principal of and stated interest on the Series 2012 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 2012 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 2012 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 2012 A Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2012 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 2012 A Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe,

register the Series 2012 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 2012 A Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2012 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 2012 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 2012 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 2012 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 2012 A Bonds shall cease to be such officer of the Issuer before the Series 2012 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 2012 A Bonds had not ceased to hold such office. The Series 2012 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 2012 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 2012 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 2012 A Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2012 A Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2012 A Bonds the Issuer may pay the same, and, if such Series 2012 A Bonds be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2012 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, in addition to the statutory mortgage lien on the System hereinafter provided for as to the Series 2012 A Bonds. The Net Revenues

derived from the System, in an amount sufficient to pay the principal of and interest on the Series 2012 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 2012 A Bonds as the same becomes due.

Section 3.08. Form of Bonds. Subject to the provisions hereof, the text of the Series 2012 A Bonds and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any supplemental resolution enacted after the date of enactment hereof and prior to the issuance thereof:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2012 A BOND)

TOWN OF WAYNE

SEWER REVENUE BONDS, SERIES 2012 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\
\$ _____

No. AR-1

Date: _____, 2012

FOR VALUE RECEIVED, the TOWN OF WAYNE (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 (i) paying the Series 2008 A Bonds; and (ii) permanently financing costs of acquisition and construction of additions, betterments and improvements to the sewerage 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 16, Article 13 of the West Virginia Code of 1931, as amended (herein called the "Act"), an Ordinance of Borrower duly enacted on _____, 2012, and a Supplemental Resolution duly adopted by the Issuer on _____, 2012 authorizing issuance of this Bond (collectively, the "Ordinance").

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

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

There are no outstanding bonds or obligations secured by the revenues or assets of the System.

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the TOWN OF WAYNE 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 WAYNE

[CORPORATE SEAL]

Mayor

P.O. Box 186
Wayne, West Virginia 25570

ATTEST:

Recorder

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

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

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

Dated: _____, 20____.

In presence of:

ARTICLE IV

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

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created 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 2012 A Bonds Reserve Account.

Section 4.03. Bond Proceeds; Project Construction Account. The proceeds of sale of the Series 2012 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 2012 A Bonds if there are not sufficient Net 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 2012 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2012 A Bonds Reserve Account, sums sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2012 A Bonds remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the holder of the Series 2012 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:

- (1) The Issuer shall first, each month, pay from the Revenue Fund the Operating Expenses of the System.
- (2) The Issuer shall next, each month, on or before the due date thereof, transfer from the Revenue Fund and remit to the National Finance Office, commencing 30 days following the date of delivery of the Series 2012 A Bonds, the amounts required to pay interest on the Series 2012 A Bonds over the life of the bond issue.
- (3) The Issuer shall next, each month, transfer from the Revenue Fund and, on or before the due date thereof, remit to the National Finance Office, commencing 24 months following the date of delivery of the Series 2012 A Bonds, the amount required to amortize the principal of the Series 2012 A Bonds over the life of the bond issue.
- (4) The Issuer shall next, each month, transfer from the Revenue Fund beginning on the date specified by the Purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, thereafter, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 2012 A Bonds Reserve Account, an amount equal to 10% of the monthly payment amount each month, until the amount in the Series 2012 A Bonds Reserve Account equals the Series 2012 A Bonds Reserve Requirement; provided that, no further payments shall be made

into the Series 2012 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 Series 2012 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2 ½ % of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article IV hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Accounts (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

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

Whenever the monies in the Series 2012 A Bonds Reserve Account shall be sufficient to prepay the Series 2012 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2012 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 2012 A Bonds Reserve Account as herein provided, and all amounts required for said account shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

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

The Revenue Fund 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 2012 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 2012 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 Treasury Investments. 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 2012 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 2012 A Bonds, provide evidence of 756 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.

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Series 2012 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2012 A Bonds Reserve Account a sum sufficient to prepay the entire principal of the Series 2012 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 2012 A Bonds.

Section 5.02. Rates. Prior to the issuance of the Series 2012 A Bonds, the Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the annual debt service on the Series 2012 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 2012 A Bonds are outstanding.

Section 5.04. Issuance of Additional Parity Bonds or Obligations. No additional Parity Bonds or obligations payable out of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser.

So long as the Series 2012 A Bonds are outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues 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 then Outstanding;
- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and
- (3) The Parity Bonds then proposed to be issued.

The foregoing limitation may be waived or modified by the written consent of the Holders of the Series 2012 A Bonds, representing 75% of the then-outstanding principal indebtedness.

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 2012 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 2012 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 Recorder 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 2012 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 2012 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 2012 A Bonds and shall be for the equal benefit of the Series 2012 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 2012 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 2012 A Bonds or herein, or violation of or failure to observe any provision of any pertinent law.

Section 5.08. Enforcement. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2012 A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2012 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2012 A Bonds, or the rights of such Registered Owners.

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

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

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

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

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

Section 5.09. Fiscal Year; Budget. While the Series 2012 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 2012 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 September 12, 2011 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 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.

G. 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.

H. 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 2012 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 2012 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 2012 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 2012 A Bonds, the Issuer may not defease the Series 2012 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 2012 A Bonds, this Ordinance may be amended or supplemented in any way by ordinance or resolution. Following issuance of the Series 2012 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 2012 A Bonds, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 7.04. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Series 2012 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. 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 Wayne County News*, being qualified newspapers of general circulation in the Town of Wayne, 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.

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Section 7.09. Effective Date. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

Passed on First Reading: June 11, 2012

Passed on Second Reading: July 9, 2012

Passed on Final Reading
Following Public Hearing: August 13, 2012



Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the
Town of Wayne on the 13th day of August, 2012.

Dated this 17th day of December, 2012.

[SEAL]


Recorder

946610.00004

TOWN OF WAYNE

Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION MAKING PROVISIONS AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2012 A OF THE TOWN OF WAYNE; APPROVING A CONFORMED BOND ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of the Town of Wayne (the "Issuer") has duly and officially adopted and enacted a bond ordinance, August 13, 2012 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE TOWN OF WAYNE, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2012 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

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

WHEREAS, the Bond Ordinance provides for the issuance of Sewer Revenue Bonds, Series 2012 A, of the Issuer (the "Series 2012 A Bonds"), in an aggregate principal amount not to exceed \$2,500,000, and has authorized the execution and delivery of the documents relating to the Bonds, all in accordance with Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (collectively, the "Act");

WHEREAS, the Issuer desires to amend the Bond Ordinance through this Supplemental Resolution and Conformed Bond Ordinance (collectively, the "Bond Legislation");

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

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

Section 1. The Issuer hereby approves the Conformed Bond Ordinance attached hereto as Exhibit A.

Section 2. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 2012 A (United States Department of Agriculture), of the Issuer, originally represented by a single Bond, numbered AR-1 in the principal amount of \$2,061,000. The Series 2012 A Bonds shall be dated the date of delivery thereof, shall bear interest at the rate of 2.125% per annum, interest only payable in monthly installments for the first 24 months commencing 30 days following delivery of the Series 2012 A Bonds and continuing on the corresponding day of each month and, thereafter, principal and interest are payable in monthly installments of \$6,596 on the corresponding day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of the Series 2012 A Bonds, in the sum of the unpaid principal and interest due on the date thereof, except that prepayments may be made as hereinafter provided and as provided in the Series 2012 A Bonds, all such payments to be made at the National Finance Office, St. Louis, Missouri 63103, or at such other place as the Purchaser may designate after issuance of the Series 2012 A Bonds. Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer.

Section 3. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about December 17, 2012, to the Purchaser.

Section 4. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 5. The Issuer does hereby appoint and designate City National Bank, Wayne, West Virginia for the purpose of serving in the capacity of Depository Bank.

Section 6. The cost of the Project is estimated not to exceed \$3,012,000, of which \$2,061,000 will be obtained from proceeds of the Series 2012 A Bonds and \$951,000 will be obtained from a grant from the Purchaser.

Section 7. Series 2012 A Bonds proceeds in the amount of \$68,161.13 shall be deposited with the West Virginia Municipal Bond Commission, Charleston, West Virginia, to pay the outstanding principal of and interest on the Issuers Sewerage System Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), dated February 20, 2008, issued in the original aggregate principal amount of \$80,000 (the "Series 2008 A Bonds").

Section 8. This Supplemental Resolution and Conformed Bond Ordinance shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 13th day of December, 2012.

A handwritten signature in cursive script, appearing to read "Michael Swann", written in black ink.

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the Town of Wayne on the 13th day of December, 2012.

Dated: December 17, 2012.

[SEAL]


Recorder

946610.00004

Exhibit A

Conformed Bond Ordinance
(See Tab 1 of Bond Transcript)

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

Issued: April 30, 2012

5/20/2012

CASE NO. 11-1526-S-CN

TOWN OF WAYNE

a municipal utility, Wayne County.

Application for a Certificate of Convenience and Necessity to construct sanitary sewers and storm sewers to separate existing combined sewers and upgrade five pump stations with new piping, electrical equipment and controls.

RECOMMENDED DECISION

INTRODUCTION

This Recommended Decision approves the certificate application and associated financing.

PROCEDURE

On October 18, 2011, the Town of Wayne (Town or Applicant) filed a verified application for a certificate of public convenience and necessity in order to construct some improvements to its existing combined sanitary and storm water system, including the separation of the existing sanitary and storm water systems into individual systems, at a cost of \$3,012,000 to be financed by a Rural Utilities Services (RUS) Loan in the amount of \$2,061,000 with terms of 2.625% for 40 years and a Rural Utilities Services Grant in the amount of \$951,000. As a result of the proposed project, rates will increase by 51.97%.

On October 19, 2011, the Town filed a Form No. 4 and a Form No. 14.1.

On October 20, 2011, the Commission entered an Order directing the Town of Wayne to give notice of the certificate application by publishing a copy of the Notice of Filing as a Class I legal advertisement in a qualified newspaper, published and of general circulation, in each of the counties where the Town provides service, making due return to the Commission of proper certification of publication within 30 days from the date of publication.

On November 2, 2011, an affidavit of publication was filed by the Town evidencing that the Notice of Filing was published as a Class I legal advertisement in the Wayne County News,

a qualified newspaper, published and of general circulation in the Town of Wayne, Wayne County, on October 26, 2011.

By Commission Order entered on November 4, 2011, the matter was referred to the Division of Administrative Law Judges with a decision due date of March 1, 2012, if no substantial protest was received within 30 days after the publication of the Notice of Filing. However, if substantial protest was received within 30 days after the publication of the Notice of Filing, the decision due date would be April 2, 2012.

On November 16, 2011, Commission Staff filed an Initial Joint Staff Memorandum consisting of a Legal Division Memorandum prepared by Staff Attorney L.R. Sammons and a technical memorandum prepared by Utilities Analyst Karen L. Buckley and Technical Analyst Lisa Bailey. Collectively, Staff advised the Commission as to the deficiencies regarding the certificate filing and requested that the Applicant cure the deficiencies within twenty (20) days.

Also on November 16, 2011, Staff filed its first set of data requests to the Town requesting the information that it needed to complete the review of the certificate application.

On November 23, 2011, the Town filed a Motion to Extend the time for it to file responses to Staff's first data requests.

On November 30, 2011, the Town filed a response to Staff's first data requests.

On January 10, 2012, Staff filed a Final Joint Staff Memorandum recommending dismissal of the certificate application because of the Town's failure to provide the requisite information necessary for Staff to complete its review. In the alternative, Staff recommended that the Town seek and obtain a tolling of its application. Staff noted that the 90-day final recommendation could not be filed without the Town filing the missing information. A tolling of the certificate application would provide time for the Town to gather and file the missing information.

On January 11, 2012, the Town filed an additional response to Staff's first data requests.

On January 12, 2012, the Town filed a Motion to Toll Statutory Due Date. As cause to grant its motion, the Town cited the need to have more time to provide the information sought by Staff to complete the review of the certificate application and to also provide Staff with sufficient time to review the information, once provided.

Also on January 12, 2012, the Town filed additional information related to its certificate application for Staff's review. Likewise, the Town filed additional information on January 17, 2012.

On January 18, 2012, Staff filed a response to the Town's request to toll the statutory due date of the case. Staff stated, in part, that the statutory deadline should be tolled for sixty (60) days to allow the Town additional time to respond to Staff's requests for information, and to amend the certificate application to the extent necessary.

On January 19, 2012, the Town filed a copy of the pre-adoption notice of its ordinance, the affidavit of publication related thereto and a copy of the Town's ordinance correcting a typographical error regarding a prior ordinance that increased rates.

On January 24, 2012, the Commission entered an Order extending the statutory deadline until June 14, 2012, and the decision due date until April 30, 2012.

On January 27, 2012, the Town filed additional information related to its certificate application that had been requested by Staff.

On February 2, 2012, the Town filed an affidavit of publication, an affidavit of public notice and an excerpt from the newspaper, all related to the Town's ordinance correcting a typographical error.

On February 2, 2012, Commission Staff filed a Further Final Joint Staff Memorandum recommending again that the certificate application may be dismissed, if the missing information related to the bill analysis issue was not filed within 20 days.

On February 3, 2012, the Administrative Law Judge issued a Procedural Order which set the matter for evidentiary hearing to be held on March 15, 2012, in Wayne, West Virginia. The Administrative Law Judge pointed out to the Town that, if it did not file the missing information identified in Staff's February 2, 2012 Memorandum, such non-compliance may be construed as a failure to prosecute the certificate application.

On February 21, 2012, the Town filed an updated Rule 42 exhibit.

On March 8, 2012, a Second Further Final Joint Staff Memorandum was filed by Commission Staff recommending approval of the certificate application.

On March 9, 2012, the Administrative Law Judge issued a Procedural Order cancelling the procedural schedule adopted on February 3, 2012, including the March 15, 2012 hearing.

As of today's date, no protest or objection has been filed in response to either the publication or the Notice of Filing by members of the public or to Staff's Second Further Final Joint Staff Memorandum by the Town of Wayne.

DISCUSSION

The project in question has been engineered to separate the sanitary and storm sewers which will help eliminate the combined sewer overflow (CSO) as required by the Town's NPDES permit. Also, the project will replace substandard sewers and upgrade the five (5) pump stations to reduce system inflow and infiltration (I&I) as is also required to meet the NPDES permit's limitations of operation. Specifically, the project will separate combined sanitary/storm sewers; replace existing deteriorated sanitary sewers; and upgrade existing

deteriorated pump station piping and controls. The Town has four (4) identified CSO points. The Front Street overflow, C006 Manhole B1-11, will be eliminated as a result of the project. The project, if constructed, will eliminate the discharge of untreated sewage into the Twelvepole Creek which ultimately flows into the Ohio River. In sum, the project will allow the Town to meet the conditions of its NPDES permit and upgrade substandard sewers and pump stations.

Currently, the Town operates and maintains a combined sewer/wastewater collection system and an extended aeration wastewater treatment plant with three permitted discharge points. The system serves approximately 750 customers. The proposed project will not add any customers to the system, although the constructed proposed improvements to the collection system will allow the Town to restore adequate treatment capacity, eliminate one of its CSOs and correct I&I issues, as previously noted. The project has been issued Permit No. WV 0024562, by the West Virginia Department of Environmental Protection. Under the Town's NPDES permit, at Section C.9., the Town is required to submit a plan of action if it experiences three consecutive months of average monthly flow of effluent that meets or exceeds 90% of the system's average design flow. Engineering Division Staff determined that, in the last two years, there are several months in which the Town's system exceeded the 90% flow level. Engineering Staff recommends that the Town invest some additional time in defining, correcting and quantifying the system's inflow and infiltration problems in order to gain some additional capacity without major investment, since the project will not change the system's design capacity. Engineering Staff identified two sources likely contributing to the I&I problems being experienced by the Town, which, if rectified, would improve the system's I&I without major investment. The first possible source is faulty customer service laterals. The second source is roof drains and downspouts improperly connected to the Town's sanitary sewer. Staff recommends that the Town utilize the applicable provisions of the Commission's Sewer Rules and the Town's current tariff to enforce the correction and repair of these sources of inflow and infiltration.

As a result of the project, the Town anticipates that the annual operation and maintenance (O&M) costs of the system will increase by \$1,080 per year. However, when the project was submitted to the West Virginia Infrastructure and Jobs Development Council, the O&M costs were estimated to decrease due to improvements to I&I and a decrease in electrical costs associated with less frequent pumping. The proposed increase is associated with the cost of monitoring the pump stations following project start-up. Since the increase proposed for annual O&M cost is not significant, Engineering Staff approves the O&M increase for the project.

Engineering Staff recommends that the Town of Wayne submit a statement that it has secured the required 70% of rights-of-way prior to awarding project bids. The funding documents require that at least 70% of rights-of-way be secured before the project bids are awarded.

The Town was issued Permit No. 18,799 on April 6, 2011, for the project by the West Virginia Bureau of Public Health's Office of Environmental Services, indicating that agency's approval of the proposed construction. Engineering Staff reviewed the plans and specifications

for the project and finds no apparent conflict with the Commission's Sewer Rules. Therefore, based on its limited review, Engineering Staff recommends approval of the project, without specifically approving the project's plans and specifications.

From a financial standpoint the project is feasible. Based on the funding secured for the project, the Town is required to make annual payments of \$85,824. In addition, the RUS requires that the Town maintain a 10% debt service reserve equal to \$8,582 and a renewal and replacement reserve equal to 2.5% of operating revenues. After construction of the project the Town will have a cash surplus of \$8,630 with debt service coverage of 119%.

Based on the above, Staff collectively recommended approval of the project and its related financing.

Before closing, the Administrative Law Judge notes that the technical report filed in this case is one of the most detailed reports reviewing a certificate application that she has read. The technical report describes in great detail the source material, review and analysis undertaken by Staff in order to reach its conclusions. Staff is to be commended for being steadfast in acquiring the needed information and for its thoroughness.

FINDINGS OF FACT

1. The Town of Wayne filed a verified application for a certificate of public convenience and necessity on October 18, 2011, in order to construct some improvements to its existing combined sanitary and storm water system, including the separation of the existing sanitary and storm water systems into individual systems, at a cost of \$3,012,000 to be financed by a Rural Utilities Services Loan in the amount of \$2,061,000 with terms of 2.625% for 40 years and a Rural Utilities Services Grant in the amount of \$951,000. As a result of the proposed project, rates will increase by 51.97%. (See, application filed on October 18, 2011, with the Public Service Commission).

2. The Town revised its application by filing various items omitted from the initial application which were needed by Staff to complete its investigation and review. These items had been requested by Staff through data requests and various memoranda filed in the case. (See, Staff data requests filed on November 16, 2011; memoranda filed on November 16, 2011, January 10, 2012, and February 2, 2012; Town of Wayne's filings made on November 30, 2011, January 11, 12 and 27, 2012, and February 21, 2012).

3. The need for the project is well-documented. The project will separate the sanitary and storm sewers which will help eliminate the combined sewer overflows (CSO) as required by the Town's NPDES permit. Also, the project will replace substandard sewers and upgrade the five (5) pump stations to reduce system inflow and infiltration (I&I) as is also required to meet the NPDES permits limitations of operation. (See, Second Further Final Joint Staff Memorandum filed on March 8, 2012).

4. All funding commitment letters are contained in the case file. (See, Second Further Final Joint Staff Memorandum filed on March 8, 2012).

5. After investigation and review, Commission Staff recommended that the project be approved after verifying that the Town's rates are sufficient to support the proposed project; finding no inconsistencies with the proposed project and the Commission's rules; and confirming that the requisite permits for the project have all been issued. The project has been issued Permit No. WV 0024562, by the West Virginia Department of Environmental Protection, and the West Virginia Bureau of Public Health's Office of Environmental Services issued Permit No. 18,799 on April 6, 2011, for the project, indicating that agency's approval of the project. (See, Second Further Final Joint Staff Memorandum filed on March 8, 2012).

6. An affidavit of publication was filed by the Town evidencing that the Notice of Filing was published as a Class I legal advertisement in the Wayne County News, a qualified newspaper, published and of general circulation in the Town of Wayne, Wayne County, on October 26, 2011. As of today's date, no protest has been filed in response to that publication. (See, Town's November 2, 2011 filing; case file generally).

CONCLUSIONS OF LAW

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

2. The project is financially feasible and fully funded.

3. It is reasonable to issue a certificate of public convenience and necessity for the Town of Wayne's project so that the Town's sanitary and storm sewers will be separated to help eliminate the combined sewer overflow as required by the Town's NPDES permit and because the project will replace substandard sewers and upgrade the five pump stations to reduce system inflow and infiltration as is also required to meet the limitations of the Town's NPDES permit.

ORDER

IT IS, THEREFORE, ORDERED that the verified certificate application filed by the Town of Wayne with the Public Service Commission on October 18, 2011, as amended, to make certain improvements to its sewer system pursuant to West Virginia Code §24-2-11, at an estimated cost not to exceed \$3,012,000, be, and hereby is, granted.

IT IS FURTHER ORDERED that the financing for the project, consisting of a Rural Utilities Services (RUS) Loan in the amount of \$2,061,000 with terms of 2.625% for 40 years and a Rural Utilities Services Grant in the amount of \$951,000, be, and hereby is, approved.

IT IS FURTHER ORDERED that the Town of Wayne obtain additional Commission approval, prior to construction, if the plans or scope of the project changes.

IT IS FURTHER ORDERED that, if a change in the project cost does not change project rates, no additional Commission approval is necessary; however, the Town of Wayne will be required to file an affidavit executed by its certified public accountant, verifying that the Town of Wayne's rates and charges are not affected.

IT IS FURTHER ORDERED that the Town of Wayne file with the Commission a copy of the engineer's certified bid tabulations for all contracts awarded for the project and submit a copy of the Certificate of Substantial Completion issued for each construction contract associated with the project, as soon as they become available.

IT IS FURTHER ORDERED that, if the project certificated herein requires the use of any West Virginia Department of Highways' rights-of-way, the Town of Wayne follow all applicable rules and regulations of the Department of Highways regarding those rights-of-way.

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

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and by electronic service upon all parties of record who have filed an e-service agreement with the Commission and by United States Certified Mail, return receipt requested, upon all parties of record who have not filed an e-service agreement with the Commission.

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

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

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's order by filing an appropriate petition in writing with the Secretary. No such waiver will be effective until approved by order of the Commission.


Meyisha Pearl Blair
Administrative Law Judge

MPB:s:cdk
111526ab.doc



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JOHNSON**
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(304) 353-8180 – Facsimile
John.stump@steptoeh-johnson.com

November 30, 2012

Via Hand Delivery

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

01:19 PM NOV 30 2012 PSC EXEC SEC DIV

Case No.: 11-1526-S-CN

TOWN OF WAYNE
a municipal utility, Wayne County.

Application for a Certificate of Convenience and Necessity to construct sanitary sewers and storm sewers to separate existing combined sewers and upgrade five pump stations with new piping, electrical equipment and controls.

Dear Ms. Squire:

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

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

Best Regards,

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

Enclosures

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

Case No.: 11-1526-S-CN

TOWN OF WAYNE

a municipal utility, Wayne County.

Application for a Certificate of Convenience and Necessity to construct sanitary sewers and storm sewers to separate existing combined sewers and upgrade five pump stations with new piping, electrical equipment and controls.

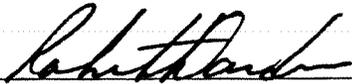
STATE OF WEST VIRGINIA
COUNTY OF WAYNE, TO-WIT:

AFFIDAVIT

We have reviewed the Recommended Decision of the Public Service Commission of West Virginia in Case No. 11-1526-S-CN entered April 30, 2012 which became a Final Order on May 20, 2012 approving funding consisting of: (a) a Rural Utilities Services ("RUS") Loan in the amount of \$2,061,000 with terms of 2.625% for 40 years; and (b) a RUS Grant in the amount of \$951,000.

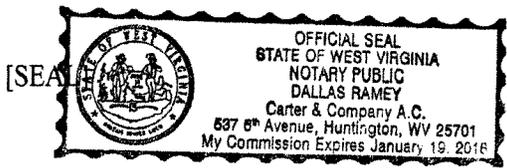
Based upon all the information that has been provided, to date, we are of the opinion that the rates and charges are not affected by the revised funding consisting of: (a) a Rural Utilities Services ("RUS") Loan in the amount of \$2,061,000 with terms of 2.125% for 40 years; and (b) a RUS Grant in the amount of \$951,000.

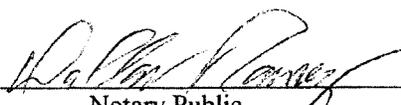
This Affidavit is executed on the 29th day of November, 2012.


Carter & Company

Taken, subscribed and sworn to before me this 29th day of November, 2012.

My commission expires January 19, 2016




Notary Public

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE _____ **Town Council**

OF THE _____ **Town of Wayne**

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS **Sewer System**

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO

WHEREAS, it is necessary for the _____ **Town of Wayne**
(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

TWO MILLION SIXTY-ONE THOUSAND AND XX / 100 DOLLARS (\$2,061,000.00)

pursuant to the provisions of _____ ; 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.

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

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

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

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

held on the 17 day of August, 2009; and that the foregoing resolution was adopted at such meeting

by the vote shown above, I further certify that as of December 17, 2012, 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 13 day of Dec. 2012



Title Mayor

TOWN OF WAYNE

Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

RECEIPT FOR BONDS

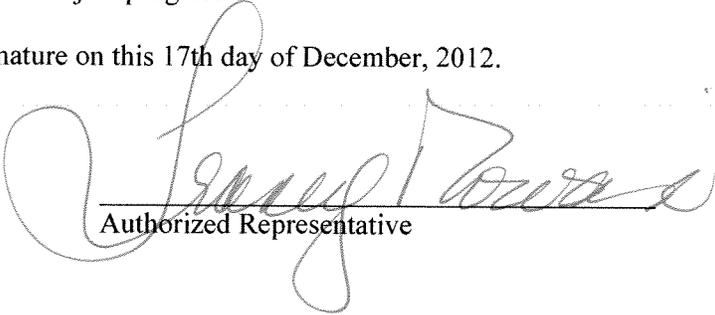
The undersigned, authorized representative of the United States Department of Agriculture, Rural Utilities Service, for and on behalf of the United States of America (the "Purchaser"), hereby certifies as follows:

1. On the 17th day of December, 2012, at Wayne, West Virginia, the undersigned received for the Purchaser the single, fully registered the Town of Wayne Sewer Revenue Bonds, Series 2012 A (United States Department Agriculture), No. AR-1 (the "Series 2012 A Bonds"), in the principal amount of \$2,061,000, dated as of the date hereof, bearing interest at the rate of 2.125% per annum, and payable in monthly installments as stated in the Bond.

2. At the time of such receipt, the Series 2012 A Bonds had been executed and sealed by the designated officials of the Town of Wayne (the "Issuer").

3. At the time of such receipt, there was paid to the Issuer the sum of \$512,883.27, being a portion of the principal amount of the Series 2012 A Bonds. The balance of the principal amount of the Series 2012 A Bonds will be paid to the Issuer as acquisition and construction of the Project progresses.

WITNESS my signature on this 17th day of December, 2012.



Authorized Representative

946610.00004

5746931

SPECIMEN

TOWN OF WAYNE

SEWER REVENUE BONDS, SERIES 2012 A (UNITED STATES DEPARTMENT OF AGRICULTURE)

\$2,061,000

No. AR-1

Date: December 17, 2012

FOR VALUE RECEIVED, the TOWN OF WAYNE (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 TWO MILLION SIXTY-ONE THOUSAND DOLLARS (\$2,061,000), plus interest on the unpaid principal balance at the rate of 2.125% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of this Bond and continuing on the corresponding day of each month for the first twenty-four months after the date hereof, and \$6,596, 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 (i) paying the Series 2008 A Bonds; and (ii) permanently financing costs of acquisition and construction of additions, betterments and improvements to the sewerage 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 16, Article 13 of the West Virginia Code of 1931, as amended (herein called the "Act"), an Ordinance of Borrower duly enacted on August 13, 2012, and a Supplemental Resolution and Conformed Bond Ordinance duly

adopted by the Issuer on December 13, 2012 authorizing issuance of this Bond (collectively, the "Ordinance").

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

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

There are no outstanding bonds or obligations secured by the revenues or assets of the System.

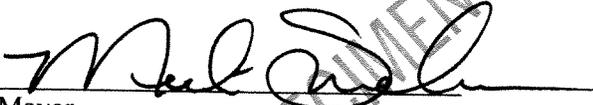
In accordance with the requirements of the United States Department of Agriculture, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the TOWN OF WAYNE 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 WAYNE

[CORPORATE SEAL]



Mayor

P.O. Box 186
Wayne, West Virginia 25570

ATTEST:



Recorder

SPECIMEN

EXHIBIT A
RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$512,883.27	12/17/2012	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL \$ _____

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, 20 ____.

In presence of:

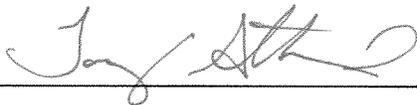
TOWN OF WAYNE

SEWER REVENUE BONDS, SERIES 2012 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$2,061,000

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	December 17, 2012	United States Department of Agriculture	

946610.00004

5746923

December 17, 2012

Town of Wayne
Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

Town of Wayne
Wayne, West Virginia

United States Department of Agriculture
Cross Lanes, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the Town of Wayne, in Wayne County, West Virginia (the "Issuer"), of its \$2,061,000 Sewer Revenue Bonds, Series 2012 A (United States Department of Agriculture), dated the date hereof (the "Series 2012 A Bonds"), pursuant to Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Ordinance of the Issuer duly enacted on August 13, 2012 as supplemented by Supplemental Resolution and Conformed Bond Ordinance duly adopted on December 13, 2012 (collectively, the "Bond Legislation"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

The Bonds are issued for the purposes of: (i) paying the Issuer's Sewerage System Revenue Bonds, Series 2008 A (the "Series 2008 A Bonds"); (ii) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (iii) paying certain issuance and other costs in connection therewith.

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 Series 2012 A Bonds, 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 Legislation for the security of the Series 2012 A Bonds. There are no other outstanding bonds or obligations of the Issuer which rank prior to or on a parity with the Series 2012 A Bonds as to liens, pledge and/or source of and security for payment.

4. The Series 2012 A Bonds have 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 Series 2012 A 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; therefore, the interest on the Series 2012 A Bonds is not excluded from gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences arising with respect to the Series 2012 A Bonds.

6. With proceeds from the Series 2012 A Bonds, the Series 2008 A Bonds have been paid in full within the meaning and with the effect expressed in the ordinances and resolutions authorizing such Series 2008 A Bonds, and the covenants, agreements and other obligations of the Issuer to the owners of such Series 2008 A Bonds have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the Receipt and Release from the West Virginia Municipal Bond Commission, the paying agent of the Series 2008 A Bonds that they have received payment for the entire outstanding principal of and all interest accrued thereon on the date hereof and that such Series 2008 A Bonds have been paid in full.

7. The Series 2012 A Bonds are, under the Act, exempt from all taxation by the State of West Virginia, and the other taxing bodies of said State, and interest on the Series 2012 A Bonds 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 Series 2012 A Bonds and the enforceability of the Series 2012 A Bonds, 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,



STEPTOE & JOHNSON PLLC

FRAZIER & OXLEY, L.C.

THE ST. JAMES MEZZANINE

401 TENTH STREET

HUNTINGTON, WEST VIRGINIA 25727-2808

WILLIAM M. FRAZIER
LEON K. OXLEY
W. MICHAEL FRAZIER

POST OFFICE BOX 2808
TELEPHONE (304) 697-4370
FAX (304) 525-8858

December 17, 2012

Town of Wayne
Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

Town of Wayne
Wayne, West Virginia

United States Department of Agriculture
Cross Lanes, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

We are counsel to the Town of Wayne, a municipal corporation and political subdivision of the State of West Virginia in Wayne County of said State (the "Issuer"). As such counsel, we have examined a copy of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a Bond Ordinance of the Issuer duly enacted on August 13, 2012 as supplemented by Supplemental Resolution and Conformed Bond Ordinance duly adopted on December³¹⁰~~31~~, 2012 (collectively, the "Bond Legislation"), and other documents and papers relating to the Issuer and the above-captioned Bonds of the Issuer (the "Bonds"). Terms used in the Bond Legislation and not otherwise defined herein shall have the same meanings as in the Bond Legislation when used herein.

We are 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 and 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 Bonds and the consummation of the transactions contemplated by the Bonds 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.

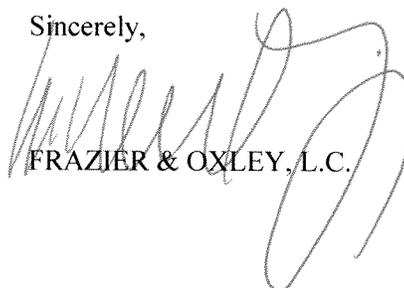
5. We are of the opinion that the Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Recommended Decision dated April 30, 2012, which became a Final Order on May 20, 2012 in Case No. 11-1526-S-CN approving the financing for the Project. The time for appeal of the Commission Orders has expired prior to the date hereof. All Orders remain in full force and effect.

6. 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 successful appeal.

7. To the best of our 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 Bonds and the Bond Legislation, the acquisition and construction of the Project, the operation of the System, or the validity of the Bonds, or the collection or pledge of the Net Revenues therefor.

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

Sincerely,



FRAZIER & OXLEY, L.C.

946610.00004

FRAZIER & OXLEY, L.C.

THE ST. JAMES MEZZANINE

401 TENTH STREET

HUNTINGTON, WEST VIRGINIA 25727-2808

WILLIAM M. FRAZIER
LEON K. OXLEY
W. MICHAEL FRAZIER

POST OFFICE BOX 2808
TELEPHONE (304) 697-4370
FAX (304) 525-8858

December 17, 2012

USDA-Rural Development
418 Goff Mountain Road Rm. 113
Cross Lanes, WV 25313
Attn: Tracey Rowan

Re: Town of Wayne

Dear Mrs. Rowan:

Please accept this letter as the narrative opinion required by Item 4 of your letter of conditions for the above-referenced project.

I hereby certify that all necessary permits, certifications and other items legally necessary have been obtained for the above-referenced project.

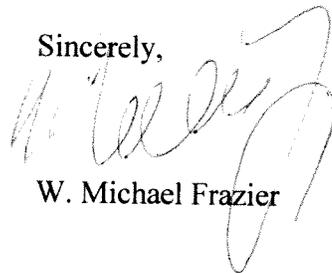
I hereby certify that the rights-of-way and easement agreements needed to be obtained prior to construction have been secured. I hereby certify that there are no additional rights-of-way or easements that need to be secured before closing.

I hereby certify that no condemnation proceedings were needed in this matter.

I hereby certify that all title opinions have been submitted for this project, and no problems exist in reference to those titles.

I also certify that all requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and WV State Code Chapter 54 have been met with all acquisitions.

Sincerely,



W. Michael Frazier

WMF/bl

OPINION OF COUNSEL RELATIVE TO RIGHTS-OF-WAY

Date December 17, 2012

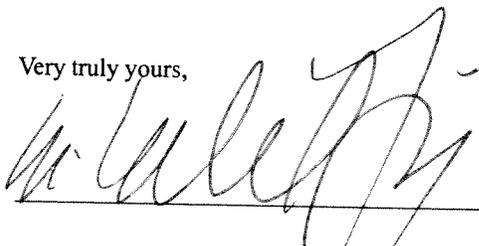
Dear Sir:

I have reviewed the action taken by Town of Wayne
(hereinafter called the "Corporation") in obtaining a right-of-way for the construction, operation, and maintenance of the facilities to be installed, repaired, or enlarged with the proceeds of a loan made or insured by, and/or a grant from Rural Development to the Corporation. I have examined the right-of-way instruments, permits, or licenses obtained from landowners, public bodies, and public utilities and made such searches of the public records necessary to determine the legal sufficiency of the instruments covered by the "Right-of-way Certificate," executed by the Corporation on _____, 19 _____. I also have examined the "Right-of-way Map" to determine whether continuous and adequate land and rights-of-way are owned or have been acquired by the instruments covered in the "Right-of-way Certificate."

Based on the foregoing examination, and to the best of my knowledge, information, and belief, I am of the opinion that:

- A. The legal instruments by which the Corporation has acquired said rights-of-way (a) are in appropriate and due legal form and adequately confer upon the Corporation the necessary rights-of-way for the construction, operation, and maintenance of its facilities in their present or proposed location, and such omissions or defects as may exist will in no substantial way or manner endanger the value or operation of the facilities, and (b) have each been properly recorded in the appropriate public land records of each County in which any of the land affected thereby is situated. Such consents, releases, or subordinations from lienholders recommended by me or required by Rural Development have been obtained.
- B. The legal instruments referred to above give unto the Corporation a continuous and adequate right-of-way to permit the construction, operation, and maintenance of the Corporation's facilities except as below noted.
- C. Exceptions: NONE

Very truly yours,



Attorney for Town of Wayne

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to U.S. Department of Agriculture, Clearance Officer, STOP 7602, 1400 Independence Avenue, S.W., Washington, D.C. 20250-7602. Please DO NOT RETURN this form to this address. Forward to the local USDA office only. You are not required to respond to this collection of information unless it displays a currently valid OMB control number.

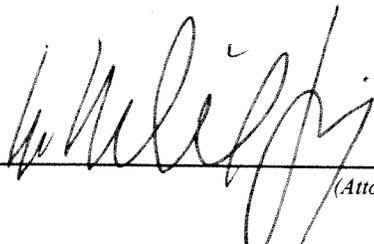
FINAL TITLE OPINION

LOAN APPLICANT Town of Wayne	ADDRESS OR PROPERTY COVERED BY THIS OPINION 7006 US Route 52 (Treatment Plant)	
APPLICANT FOR TITLE EXAMINATION	COUNTY Wayne	STATE WV

- I. I have examined title to the property described in the security instrument described in paragraph II. B. below. My examination covered the period from the time of termination of title search covered by my Preliminary Title Opinion on Form RD 1927-9; or the time of recordation of the initial loan security instrument if this opinion covers land already owned by the loan applicant in a subsequent loan case, to November 20, 2012, at 11:00 a.m. (including the time of filing the current security instrument).
(Date) *p.m.*
- II. Based on said title examination, my preliminary title examination if any, and any additional information concerning the title which has come to my attention, it is my opinion that:
- A. Good and marketable title, in accordance with title examination standards prevailing in the area, to said property (real estate and any water rights offered as security) is now vested in Town of Wayne
- as N/A
(Joint tenants, tenants by the entirety, etc.)
- B. The United States of America holds a valid Statutory First lien on said property as required by Rural Development or the Farm Service Agency, or their successor (Agency), which lien was filed for record on _____, _____, at _____ a.m. and is recorded in _____ p.m.
(Priority) *(Mortgage, etc.)* *(Date)* *(Book, page, and office)*
- C. Said property and lien are subject only to encumbrances, reservations, exceptions, and defects which were approved by written administrative waivers of the Agency attached hereto or to my Preliminary Title Opinion.
- III. If a water right is involved and is not covered by the current security instrument, it is subject only to the encumbrances, reservations, exceptions, and defects set forth in said administrative waivers and was made available as security in the following manner (Water stock would normally be reissued in the names of said land owners and the United States of America and delivered to the Agency Official at the time of loan closing):

- IV. The term "encumbrances, reservations, exceptions, and defects" means all matters which would prevent the United States from obtaining the required lien on the property identified in paragraph I, including but not limited to (a) mortgages, deeds of trust, and vendors', mechanics', materialmen's, and all other liens, including any provisions thereof for future advances which could take priority over the said lien to the United States, (b) Federal, State, and local taxes, including county, school, improvement, water, drainage, sewer, inheritance, personal property, and income, (c) State and Federal bankruptcy, insolvency, receivership, and probate proceedings, (d) judgments and pending suits, in State and Federal courts, (e) recorded covenants; conditions; restrictions; reservations; liens; encumbrances; easements; rights-of-way; leases; mineral, oil, gas, and geothermal rights (regardless of the right of surface entry); timber rights; water rights; pending court proceedings and other matters of record which affect the title of the property or the ability of the buyer or seller to convey or accept title.
- V. This opinion is issued expressly for the benefit of the above-named applicant for title examination and the United States of America acting through the United States Department of Agriculture Agency which provided the assistance, and I assume liability to each hereunder.

December 17, 2012
(Date)



(Attorney's signature)

Post Office Box 2808
Huntington, WV 25727

(Address, include ZIP Code)

Attachments

Form RD 1927-10
(Rev. 7-98)

FINAL TITLE OPINION

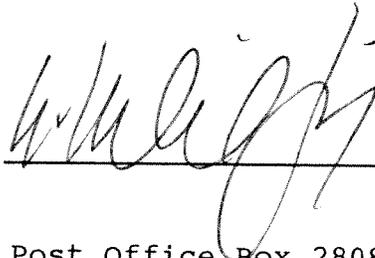
LOAN APPLICANT Town of Wayne	ADDRESS OR PROPERTY COVERED BY THIS OPINION 6896 US Route 152 (Maple Heights)	
APPLICANT FOR TITLE EXAMINATION	COUNTY Wayne	STATE WV

- I. I have examined title to the property described in the security instrument described in paragraph II. B. below. My examination covered the period from the time of termination of title search covered by my Preliminary Title Opinion on Form RD 1927-9; or the time of recordation of the initial loan security instrument if this opinion covers land already owned by the loan applicant in a subsequent loan case, to November 20, 2012, at 11:00 a.m. (including the time of filing the current security instrument).
(Date) p.m.
- II. Based on said title examination, my preliminary title examination if any, and any additional information concerning the title which has come to my attention, it is my opinion that:
- A. Good and marketable title, in accordance with title examination standards prevailing in the area, to said property (real estate and any water rights offered as security) is now vested in Town of Wayne

as N/A
(Joint tenants, tenants by the entirety, etc.)
- B. The United States of America holds a valid Statutory First lien on said property as required by Rural
(Priority) (Mortgage, etc.)
Development or the Farm Service Agency, or their successor (Agency), which lien was filed for record on _____,
(Date)
_____, at _____ a.m. and is recorded in _____
p.m. (Book, page, and office)
- C. Said property and lien are subject only to encumbrances, reservations, exceptions, and defects which were approved by written administrative waivers of the Agency attached hereto or to my Preliminary Title Opinion.
- III. If a water right is involved and is not covered by the current security instrument, it is subject only to the encumbrances, reservations, exceptions, and defects set forth in said administrative waivers and was made available as security in the following manner (Water stock would normally be reissued in the names of said land owners and the United States of America and delivered to the Agency Official at the time of loan closing):

- IV. The term "encumbrances, reservations, exceptions, and defects" means all matters which would prevent the United States from obtaining the required lien on the property identified in paragraph I, including but not limited to (a) mortgages, deeds of trust, and vendors', mechanics', materialmen's, and all other liens, including any provisions thereof for future advances which could take priority over the said lien to the United States, (b) Federal, State, and local taxes, including county, school, improvement, water, drainage, sewer, inheritance, personal property, and income, (c) State and Federal bankruptcy, insolvency, receivership, and probate proceedings, (d) judgments and pending suits, in State and Federal courts, (e) recorded covenants; conditions; restrictions; reservations; liens; encumbrances; easements; rights-of-way; leases; mineral, oil, gas, and geothermal rights (regardless of the right of surface entry); timber rights; water rights; pending court proceedings and other matters of record which affect the title of the property or the ability of the buyer or seller to convey or accept title.
- V. This opinion is issued expressly for the benefit of the above-named applicant for title examination and the United States of America acting through the United States Department of Agriculture Agency which provided the assistance, and I assume liability to each hereunder.

December 17, 2012
(Date)



(Attorney's signature)

Post Office Box 2808
Huntington, WV 25727

(Address, include ZIP Code)

Attachments

TOWN OF WAYNE

Sewer Revenue Bonds, Series 2012 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. PUBLICATION AND NO PROTEST
5. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
6. SIGNATURES, ETC.
7. CERTIFICATION OF COPIES OF DOCUMENTS
8. INCUMBENCY AND OFFICIAL NAME, ETC.
9. DELIVERY AND PAYMENT
10. USE OF PROCEEDS
11. LAND AND RIGHTS OF WAY
12. MEETINGS; PUBLICATION AND POSTING OF NOTICES, ETC.
13. CONTRACTORS' INSURANCE, ETC.
14. CONNECTIONS, ETC.
15. MANAGEMENT
16. GRANTS
17. CONFLICT OF INTEREST
18. PROCUREMENT OF ENGINEERING SERVICES
19. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and RECORDER of the Town of Wayne, in Wayne County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the Issuer, acting for the Issuer and in its name, hereby state and certify on this 17th day of December, 2012, in connection with the Town of Wayne Sewer Revenue Bonds, Series 2012 A (United States Department of Agriculture), No. AR-1, fully registered, dated the date hereof, in the principal amount of \$2,061,000, and bearing interest at the rate of 2.125% per annum (the "Series 2012 A Bonds") 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 Series 2012 A Bonds have been duly awarded to the United States of America, acting by the United States Department of Agriculture, Rural Utilities Service (the "Purchaser"), pursuant to the Letter of Conditions from the Purchaser, as amended, and as appears in Section 7.03 of the Bond Ordinance duly enacted on August 13, 2012, as supplemented by Supplemental Resolution and Conformed Bond Ordinance duly adopted by the Issuer on December 13, 2012 authorizing issuance of the Bond (collectively, 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 Series 2012 A Bonds are being

issued on this date to permanently finance a portion of the cost of acquisition and construction of the Project located within the boundaries of the Issuer and to pay costs of issuance thereof.

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 Series 2012 A Bonds 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 Series 2012 A Bonds; nor in any way questioning or affecting the validity of the grants committed for the System or the Series 2012 A Bonds, 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 sewerage system of the Issuer (the sewerage system, 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 Series 2012 A Bonds; 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 Series 2012 A Bonds have been duly and timely obtained and remain in full force and effect, the time for appeal of which or rehearing having expired. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the Official West Virginia Code of 1931, as amended, which bids remain in full force and effect.

The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia dated April 30, 2012 which became a Final Order on May 20, 2012 in Case No. 11-1526-S-CN, granting to the Issuer a certificate of public convenience and necessity for the Project, and approving the financing for the Project. The time for appeal of the Commission Orders have expired prior to the date hereof. Such Order remains in full force and effect.

The Issuer enacted sewer rates and charges for the System on September 12, 2011. The time for appeal of such rates has expired prior to the date hereof without any timely appeals having been filed.

4. **PUBLICATION AND NO PROTEST:** Notice of public hearing upon the Bond Ordinance as supplemented, was duly published as required by law.

There was not any protest to the passage of the Bond Ordinance, oral or written, and the Bond Ordinance became fully effective following the public hearing thereon and remains in full force and effect.

5. 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 Series 2012 A Bonds as to liens, pledge and source of and security for payment.

6. SIGNATURES, ETC.: The undersigned Mayor and Recorder did, for the Issuer on the date hereof, officially execute and seal the Series 2012 A Bonds 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 Series 2012 A Bonds for the Issuer.

7. 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.

Bond Ordinance

Public Service Commission Order

United States Department of Agriculture Loan Resolution

Specimen Series 2012 A Bond

Town Charter

Oaths of Office of Officers and Council Members

Resolution on Open Governmental Proceedings

Sewer Rate Ordinance

Affidavit of Publication on Rate Ordinance

Minutes on Adoption and Enactment of Rate Ordinance

Petition of Sanitary Board

Affidavit of Publication on Bond Ordinance

Minutes on Adoption and Enactment of Bond Ordinance

United States Department of Agriculture Letter of Conditions

Receipt of Depository Bank

Receipt and Release

United States Department of Agriculture Grant Agreement

8. INCUMBENCY AND OFFICIAL NAME, ETC.: The proper corporate title of the Issuer is the "Town of Wayne." The Issuer is a municipal corporation in Wayne County and is presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its council, consisting of a Mayor, a Recorder and 5 councilmembers, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Mick Sanders, Mayor	August 22, 2012	June 30, 2013
Toney Adkins, Recorder	July 1, 2011	June 30, 2013
Jon Reed, Councilmember	July 1, 2011	June 30, 2013
Rosie Whipkey, Councilmember	July 1, 2011	June 30, 2013
Danny Grace, Councilmember	July 1, 2011	June 30, 2013
Scott Robertson, Councilmember	August 22, 2012	June 30, 2013
Terry Ramey	July 1, 2011	June 30, 2013

The duly elected or appointed officers of the Sanitary Board for 2012 are as follows:

Mick Sanders, Chairman
Randy Frye
Roger Randolph, P.E.

The duly appointed and acting Clerk is Karen Clay and the duly appointed and acting Counsel to the Issuer is Frazier & Oxley, L.C.

9. DELIVERY AND PAYMENT: On the date hereof, the Series 2012 A Bonds were delivered to the Purchaser at Wayne, West Virginia, by the undersigned Mayor for the purposes herein set forth, and at the time of such delivery, the Series 2012 A Bonds 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 Series 2012 A Bonds, the amount of \$512,883.27 was received by the undersigned Mayor, being a portion of the principal

amount of the Series 2012 A Bonds, the balance to be paid as acquisition and construction of the Project progresses.

The Series 2012 A Bond is dated the date hereof and interest on advances thereon at the rate of 2.125% per annum is payable from the date of each respective advance.

10. USE OF PROCEEDS: The Series 2012 A Bonds and the entire proceeds thereof will be used for the purposes herein set forth and for no other purposes. The total cost of the Project is estimated at \$3,012,000. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2012 A Bonds	\$2,061,000.00
Proceeds of the Grant from the USDA	<u>\$951,000.00</u>
Total Sources	<u>\$3,012,000.00</u>

USES

Costs of Acquisition and Construction	\$2,943,838.87
Payoff Series 2008 A Bonds	\$68,161.13
Costs of Issuance	<u>\$21,000.00</u>
Total Uses	<u>\$3,012,000.00</u>

11. 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 Series 2012 A Bonds.

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

13. 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 of the Purchaser, as amended, and the Bond Ordinance. The successful bidders have provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code.

14. CONNECTIONS, ETC.: The Issuer will serve at least 756 bona fide full time users of the System, upon completion of the Project, in full compliance with the requirements of the Purchaser.

15. 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.

16. GRANTS: As of the date hereof the \$951,000 United States Department of Agriculture grant is committed and in full force and effect.

17. 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.

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

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

[Remainder of Page Intentionally Blank]

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

[CORPORATE SEAL]

<u>SIGNATURE</u>	<u>OFFICIAL TITLE</u>
	Mayor
	Recorder
	Counsel to Issuer

946610.00004

TOWN OF WAYNE

Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

ENGINEER'S CERTIFICATE

I, Joseph Carney, Registered Professional Engineer, West Virginia License No. 007254, of E.L. Robinson Engineering Co., Cross Lanes, West Virginia, hereby certify that my firm is the engineer for the acquisition and construction of improvements and extensions to the existing sewerage system (the "Project") of the Town of Wayne (the "Issuer"), to be constructed in Wayne County, West Virginia, which acquisition and construction are being financed in whole or in part by the above-captioned revenue bonds of the Issuer.

1. The Bonds are being issued: (i) to pay the Issuer's Sewerage System Revenue Bonds, Series 2008 A; (ii) to pay a portion of the costs of acquisition and construction of the Project; and (iii) to pay certain costs of issuance and related costs.

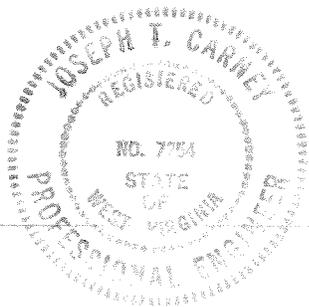
2. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Bureau for Public Health; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 40 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; and (vii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the construction of the Project and operation of the System.

3. The Project will serve no new customers.

WITNESS my signature on this 17th day of December, 2012.

E.L. ROBINSON ENGINEERING CO.

(SEAL)



Joseph Carney, P.E. 
West Virginia License No. 007254

946610.00004

5746932

Carter & Company

ACCOUNTING CORPORATION

537 SIXTH AVENUE

HUNTINGTON, WV 25701

carterandcompanyac.com

LUCIAN R. CARTER, P A
ROBERT M. DAVIDSON CPA MBA
CARL E. BLACK
DALLAS RAMEY EA

TELEPHONE
(304) 529-7156
FACSIMILE
(304) 529-1062

December 17, 2012

Town of Wayne
Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

West Virginia Water Development Authority
Charleston, West Virginia

Town of Wayne
Wayne, West Virginia

United States Department of Agriculture
Cross Lanes, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the sewer rate ordinance enacted by the Town of Wayne (the "Issuer") on September 12, 2011 and projected operation and maintenance expenses and anticipated customer usage as furnished to us by the Issuer, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system (the "System") of the Issuer, will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Sewer Revenue Bonds, Series 2012 A (United States Department of Agriculture) issued in the original aggregate principal amount of \$2,061,000.

Sincerely,

Carter & Company
ACCOUNTING CORPORATION

At a Circuit Court for Wayne County continued and held at the Court House thereof on Monday, November 20, 1911, present the Honorable John B. Wilkinson, Judge.

IN THE MATTER of Petition of B.J. Prichard and others, for the amendment of the Charter of the town of Fairview, Wayne County, West Virginia, by changing the charter name of said town to the town of Wayne, Wayne County, West Virginia.

This day this cause came on again to be heard before the Court of B.J. Prichard and others asking an amendment to the charter of the town of Fairview, Wayne County, West Virginia, which said petition was filed by an order of this court at the August term 1911 thereof which said order directed that said notice of the filing of said petition be given by the publication of the order filing the same and the posting thereof, as required by Chapter 47 of the Code of West Virginia; and it appearing to the court from a printed copy of said notice filed with the papers in this cause to which affidavits are attached showing that said publication and posting has been duly made for the time and in the manner required by law and as directed by said former order in these proceedings; and there having been heretofore no exceptions or objections filed or made herein to any of the proceedings had hereunder, and none now being presented or made to the making and entering of this order herein; and the court being of opinion, upon due consideration, that the petitioners are entitled to have the order entered herein set forth in their said petition and prayer thereto. It is therefore adjudged, ordered and decreed by the Court that the charter heretofore made by this court incorporating the said town of Fairview, Wayne County, West Virginia be and the same is hereby amended by striking out the word therein "Fairview" therein and substituting for and in lieu of the word "Fairview" in said charter the word "Wayne". And that hereafter the legal name of said municipal corporation shall be, and shall be known and designated as the town of Wayne, Wayne County, West Virginia.

It is further ordered and decreed that this amendment to said charter of said corporation shall not have effect, alter or change in any manner what-so-ever the rights or liabilities of said corporation now heretofore or existing at the time of the entering of this order. The Clerk of this Court is hereby directed to certify a copy of this order for the Common Council of said Municipal Corporation for Record on the books of said corporation.

And it appearing to the court that this this proceeding has fully accomplished its purpose and that there remains nothing further to be done herein the same is ordered to be stricken from the docket.

STATE OF WEST VIRGINIA
WAYNE COUNTY CIRCUIT COURT CLERK'S OFFICE:

I, Beulah Kahle, Clerk of the Circuit Court of Wayne County, West Virginia, do hereby certify that the foregoing is a true and correct copy of an Order entered in Law Order Book No. 29, at Page 308, as fully as is of record and on file in my said office.

Given under my hand and the Seal of the Court, this the 24th day of September, 1971.

BEULAH KAHLE
Clerk, Circuit Court, Wayne County,
West Virginia.

By Charles S. Suggs
Deputy

AFIDAVIT

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

I Micky Sanders, AFTER FIRST BEING DULY SWORN,
STATES AND DEPOSES; THAT I Micky Sanders MAKE OATH
AND AFFIRMATION THAT I WILL SUPPORT THE CONSTITUTION OF THE
UNITED STATES, THE CONSTITUTION OF THIS STATE, AND THE TOWN OF
WAYNE AND THAT I WILL FAITHFULLY DISCHARGE THE DUTIES OF THE
SAID OFFICE OF Mayor OF THE TOWN OF WAYNE TO
THE BEST OF MY SKILL AND JUDGEMENT.

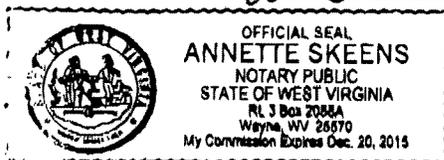


TAKEN, SUBSCRIBED AND SWORN TO BEFORE THE UNDERSIGNED

AUTHORITY THIS 22nd DAY OF August 2012.

MY COMMISSION EXPIRES : Dec. 20, 2015

NOTARY Annette Skeens



AFIDAVIT

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

I Toney Atkins, AFTER FIRST BEING DULY SWORN,
STATES AND DEPOSES; THAT I Toney Atkins MAKE OATH
AND AFFIRMATION THAT I WILL SUPPORT THE CONSTITUTION OF THE
UNITED STATES, THE CONSTITUTION OF THIS STATE, AND THE TOWN OF
WAYNE AND THAT I WILL FAITHFULLY DISCHARGE THE DUTIES OF THE
SAID OFFICE OF Recorder OF THE TOWN OF WAYNE TO
THE BEST OF MY SKILL AND JUDGEMENT.

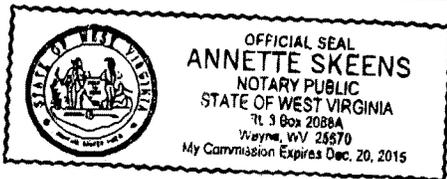
Toney Atkins

TAKEN, SUBSCRIBED AND SWORN TO BEFORE THE UNDERSIGNED

AUTHORITY THIS 30th DAY OF June 2011.

MY COMMISSION EXPIRES : Dec. 20, 2015

NOTARY Annette Skeens



AFIDAVIT

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

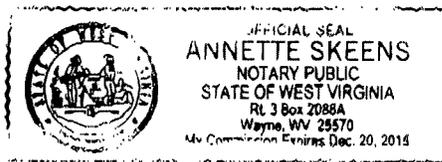
I Jon Reed, AFTER FIRST BEING DULY SWORN,
STATES AND DEPOSES; THAT I Jon Reed MAKE OATH
AND AFFIRMATION THAT I WILL SUPPORT THE CONSTITUTION OF THE
UNITED STATES, THE CONSTITUTION OF THIS STATE, AND THE TOWN OF
WAYNE AND THAT I WILL FAITHFULLY DISCHARGE THE DUTIES OF THE
SAID OFFICE OF Council OF THE TOWN OF WAYNE TO
THE BEST OF MY SKILL AND JUDGEMENT.

Jon Reed

TAKEN, SUBSCRIBED AND SWORN TO BEFORE THE UNDERSIGNED
AUTHORITY THIS 14th DAY OF July 2011.

MY COMMISSION EXPIRES : Dec. 20, 2015

NOTARY Annette Skeens



AFIDAVIT

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

I Rosie Whipkey, AFTER FIRST BEING DULY SWORN,
STATES AND DEPOSES; THAT I Rosie Whipkey MAKE OATH
AND AFFIRMATION THAT I WILL SUPPORT THE CONSTITUTION OF THE
UNITED STATES, THE CONSTITUTION OF THIS STATE, AND THE TOWN OF
WAYNE AND THAT I WILL FAITHFULLY DISCHARGE THE DUTIES OF THE
SAID OFFICE OF Council OF THE TOWN OF WAYNE TO
THE BEST OF MY SKILL AND JUDGEMENT.

Rosie Whipkey

TAKEN, SUBSCRIBED AND SWORN TO BEFORE THE UNDERSIGNED

AUTHORITY THIS 30th DAY OF June 2011.

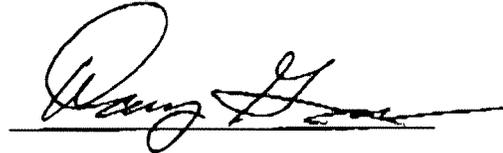
MY COMMISSION EXPIRES : Dec. 20, 2015

NOTARY Annette Skeena

AFIDAVIT

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

I Danny Grace, AFTER FIRST BEING DULY SWORN,
STATES AND DEPOSES; THAT I Danny Grace MAKE OATH
AND AFFIRMATION THAT I WILL SUPPORT THE CONSTITUTION OF THE
UNITED STATES, THE CONSTITUTION OF THIS STATE, AND THE TOWN OF
WAYNE AND THAT I WILL FAITHFULLY DISCHARGE THE DUTIES OF THE
SAID OFFICE OF Council OF THE TOWN OF WAYNE TO
THE BEST OF MY SKILL AND JUDGEMENT.



TAKEN, SUBSCRIBED AND SWORN TO BEFORE THE UNDERSIGNED
AUTHORITY THIS 30th DAY OF June 2011.

MY COMMISSION EXPIRES : Dec. 30, 2015

NOTARY Annette Skeena

AFIDAVIT

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

I Terry Ramey, AFTER FIRST BEING DULY SWORN,
STATES AND DEPOSES; THAT I Terry Ramey MAKE OATH
AND AFFIRMATION THAT I WILL SUPPORT THE CONSTITUTION OF THE
UNITED STATES, THE CONSTITUTION OF THIS STATE, AND THE TOWN OF
WAYNE AND THAT I WILL FAITHFULLY DISCHARGE THE DUTIES OF THE
SAID OFFICE OF Council OF THE TOWN OF WAYNE TO
THE BEST OF MY SKILL AND JUDGEMENT.

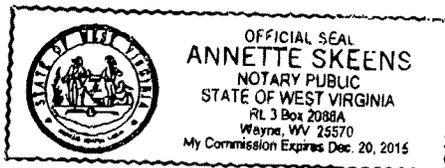
Terry L Ramey

TAKEN, SUBSCRIBED AND SWORN TO BEFORE THE UNDERSIGNED

AUTHORITY THIS 30th DAY OF June 2011.

MY COMMISSION EXPIRES : Dec. 20, 2015

NOTARY Annette Skeens



TOWN OF WAYNE

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 Wayne 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 specialy 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.

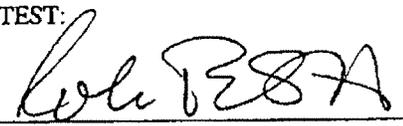
These rules regarding notice of meetings shall replace any and all previous rules heretofore adopted by Council.

Adopted this 18th day of October, 2004.

[SEAL]


Mayor

ATTEST:


Recorder

946610.00001

**AN ORDINANCE OF THE COUNCIL OF THE TOWN OF WAYNE ADOPTING
INCREASED RATES AND CHARGES FOR THE SEWER UTILITY SERVICE
PROVIDED FOR THE TOWN OF WAYNE AND SETTING AN EFFECTIVE
DATE FOR SUCH RATES**

WHEREAS, the Town of Wayne, a municipal corporation, through its Sewer Department, has a duty to provide quality sewer service to the residents and customers of the Town of Wayne; and

WHEREAS, the rates and charges for such sewer service are required by law to be just, reasonable, nondiscriminatory, non-preferential, and based primarily on costs of service; and

WHEREAS, the Council of the Town of Wayne finds an increase in rates is necessary to carry out the storm sewer/sanitary sewer separation project, in order to bring the Town in compliance with State EPA regulations; and

WHEREAS, the Council for the Town of Wayne finds that in order to maintain the operation of the Town of Wayne Sewer System at efficient levels, to comply with the West Virginia Public Service Commission requirements, and to comply with the provisions of the financial requirements of the Town of Wayne, it is necessary to increase the rates and charges for the Sewer Utility Service.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE
TOWN OF WAYNE:**

Section 1: The rates and charges established by the Town of Wayne by Ordinance adopted and approved April 2, 2010, and approved by Order of the Public Service Commission of the State of West Virginia, are hereby repealed, effective as provided in Section 4., hereinafter, and shall hereafter be as follows:

09:19 AM SEP 19 2011 PSC EXEC SEC DIV

Section 2: That there shall be and there is hereby established a schedule of monthly rates or charges for the use and services of the portion of the combined waterworks and sewerage system furnishing sewer and sewerage services as follows:

MONTHLY SEWERAGE RATES

0	-	2,000 gallons per month at	\$7.30 per 1,000 gallons
2,001	-	5,000 gallons per month at	\$6.64 per 1,000 gallons
Over	-	5,000 gallons per month at	\$6.23 per 1,000 gallons

MINIMUM CHARGE

The minimum monthly bill will be \$9.60.

DELAYED PAYMENT PENALTY

The above schedule 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. This delayed payment penalty is not interest and is to be collected only once for each bill, when appropriate. Customers are subject to termination, and may have their service disconnected, if any bill is not paid within the time period dictated by rules and regulations adopted by the Public Service Commission of West Virginia. If terminated, water and sewer service to said customer will not be restored until all past due bills have been paid in full, together with all penalty charges and a reconnection fee, subject to applicable rules of the Public Service Commission of West Virginia.

SERVICE CONNECTION FEE

A service connection fee (Sewer Tap Fee) in the amount of Three Hundred Fifty Dollars (\$350.00) shall be charged for all new sewer connection installations.

09:19 AM SEP 19 2011 PSC EXEC SEC DIV

FEE FOR THE DISCONNECTION AND RECONNECTION OF WATER SERVICE

Non-payment of sewerage bills will result in the disconnection of water service.

Fees for the disconnection and reconnection of water service are as follows:

Disconnection Fee:	\$25.00
Reconnection Fee:	\$20.00

LEAK ADJUSTMENT

A leak adjustment is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. The rate to be applied to all such consumption above the customer's historical average usage is as follows:

\$0.91 per 1,000 gallons

RETURNED CHECK CHARGE

A service charge equal to the actual fee assessed to the sewer utility up to a maximum of \$25.00 will be imposed upon any customer whose check for payment of charges is returned by the bank for any reason.

MUNICIPAL EXCISE TAX SURCHARGE

The municipality listed below may impose a public utility tax, computed on the basis of two percent (2%) of the revenues from sewer sales by the Town of Wayne sewer utility within the corporate limits of such municipality, which shall be billed as a "surcharge" to the customers receiving service within said corporate limits. Prior to imposing such tax, the municipality shall comply with the requirements of West Virginia Code §8-13-5a.

09:19 AM SEP 19 2011 PSC EXEC SEC D:

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

APPLICABILITY

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

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

S – the surcharge in dollars

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

R – the measured monthly rainfall in inches

.0006233 – the conversion factor to change inches of rain x square feet of surface to thousand gallon of water

C - \$4.80 – The Town's approved rate per thousand gallons of metered water usage

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

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

Section 3: The rates, fees, charges, delayed payment penalty charges, service connection fee, and fees for the disconnection and reconnection of water service, leak adjustment charge, and returned check charges as shown in Section 2 are hereby fixed and determined to be the rates, fees, charges, delayed payment penalty charges, service connection fee, and fees for the disconnection and reconnection of water service, leak adjustment charge, and returned check charges to be charged to customers of the sewage facilities of the Town of Wayne throughout the territory served.

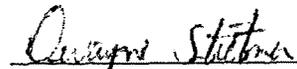
Section 4: The rates, fees, charges, delayed payment penalty charges, service connection fee, and fees for the disconnection and reconnection of water service provided herein shall be effective forty-five (45) days after the adoption of this Ordinance.

Section 5: Upon introduction hereof, the Town of Wayne shall cause a copy of this Ordinance to be published as a Class II Legal Advertisement in compliance with the provisions of West Virginia Code §59-3-1 pursuant to the provisions of Chapter 16, Article 12, Section 16 of the West Virginia Code. Said notice shall state the subject matter and general title of this proposed Ordinance, the date, time, and place of the proposed final vote on the adoption of the Ordinance, the place within the municipality where such proposed Ordinance may be inspected by the public, and that interested parties may appear at the meeting and may be heard with respect to the proposed Ordinance.

Section 6: A reasonable number of copies of this Ordinance shall be kept at the Town of Wayne office and will be available for public inspection.

Section 7: The Mayor or Recorder shall file the rates, fees, charges, delayed payment penalty charges, service connection fee, and fees for the disconnection and reconnection of water service, leak adjustment charge, and returned check charges established by this Ordinance with the Public Service Commission of the State of West Virginia, together with such information showing the basis of such rates, fees, charges, delayed payment penalty charges, service connection fee, and fees for the disconnection and reconnection of water service, leak adjustment charge and returned check charges established as the Commission deems necessary.

ADOPTED this 12th day of September, 2011.



Dwayne Stiltner, Mayor



Toney Atkins, Recorder

FIRST READING: 8/8/11

SECOND READING: 9/12/11

**TOWN OF WAYNE
REGULAR COUNCIL MEETING
AUGUST 8, 2011**

Present:	Mayor Recorder Council	Dwayne Stiltner Toney Atkins Terry Ramey Rosie Whipkey Mick Sanders Jon Reed Danny Grace
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Meeting called to order at 6:54 pm.

Mr. Ramey moved to accept the minutes of July 13, 2011, second by Mrs. Whipkey and the same passed unanimously.

1st Reading of Sewer Rate Ordinance

Mrs. Whipkey moved to have Recorder Toney Atkins read the sewer rate ordinance by title only, second by Mr. Reed and the same passed unanimously. Mr. Atkins read the ordinance by title only: An ordinance of the council of the Town of Wayne adopting increased rates and charges for the sewer utility service provided for the Town of Wayne and setting an effective date for such rates. Motion passed unanimously.

CWEP Contract

Mr. Reed moved to accept the conditions of the contract and approval for the Mayor to sign the contract, second by Mrs. Whipkey and the same passed unanimously.

Parking Meter Tickets

Mr. Reed moved to increase the parking tickets effective October 1, 2011 as follows: \$6.00 for parking violations and \$35.00 for fire lane violations, second by Mr. Sanders and the same passed unanimously.

Plaque

Mr. Sanders moved to accept the new plaque from Mrs. Crews renaming the building Russell Prichard Wayne Town Hall, second by Mrs. Whipkey and the same passed unanimously.

Amend Purchase Ordinance

Mr. Reed moved to change the purchase ordinance to not include getting signatures for monthly utilities and ordinary monthly bills that have already been approved by council, second by Mr. Sanders and the same passed unanimously.

Public Comment

Rosie Whipkey asked that the Veterans Park be mowed and kept up. Mrs. Whipkey also asked the council to change vacation days to the first of the year rather than at anniversary dates.

Jon Reed added the Town has no authority over the neighborhood watch to make clear a previous issue.

Jamie Blankenship asked the council to start charging \$10.00 per day to have a permit to have rummage sales.

Personnel

Mr. Sanders moved to enter into executive session, second by Mr. Grace and the same passed unanimously. The council entered executive session at 7:34 pm. The council returned from executive session at 8:03 pm and was called back to order by Mayor Stiltner.

Community Center

The council moved to elect the new board members as follows:

Daniel Adkins, Toney Atkins, Vickey Boyd, Mark Bradshaw, Jim Dorton, John Egnor, Alvis Ferguson, Fred Francis, Danny Grace, Danny Parsons, Tim Ross. The council also requires the board to hold monthly meetings and report financials quarterly.

As there was no further business pending before the council Mr. Ramey moved to adjourn, second by Mrs. Whipkey and the same passed unanimously.

Meeting adjourned at 8:09 pm.

Dwayne Stiltner, Mayor

Toney Atkins, Recorder

TOWN OF WAYNE
REGULAR COUNCIL MEETING
SEPTEMBER 12, 2011

Present:	Mayor	Dwayne Stiltner
	Recorder	Toney Atkins
	Council	Terry Ramey
		Mick Sanders
		Jon Reed
		Danny Grace

Meeting called to order at 6:36 pm by Mayor Stiltner.

Mr. Sanders moved to accept the minutes of August 8, 2011, second by Mr. Ramey and the same passed unanimously.

2nd Reading of Sewer Rate Ordinance and Public Hearing

Mr. Ramey moved to have Recorder Toney Atkins read the sewer rate ordinance by title only, second by Mr. Sanders and the same passed unanimously. Mr. Atkins read the ordinance by title only: An ordinance of the council of the Town of Wayne adopting increased rates and charges for the sewer utility service provided for the Town of Wayne and setting an effective date for such rates. Mr. Ramey moved to accept the second reading, second by Mr. Grace and the same passed unanimously. There was no public comment. Mr. Sanders moved to waive the 3rd reading of the ordinance second by Mr. Reed and the same passed unanimously. The ordinance will go into affect in 45 days.

Old Urlings Building

Brandon Dennison told the council that he would be using the building for a non profit organization providing on the job training for building trade graduates and for people wanting to start their own business as well as a place where artisans can display and sell their artwork for a small fee. The initial meeting will be held on Oct. 10th at 8:30 am at the Wayne United Methodist Church. Everyone is welcome and lunch will be provided.

Dangerous Dogs

No action taken. The issue is tabled until next month.

Public Comment

Shadow Wolf- told the council to help with the water runoff problem on his street and that the town could put a drain in his yard.

Debbie Queen- asked the council to fix her sidewalk from damage caused by the garbage truck. Mayor Stiltner told her it would be fixed.

Sis Clay- asked the council if Gino's could put a street light on the pole in front of the Old Town Hall. Mayor Stiltner told her after we checked with the renters to see if it was OK with them it could be done.

Diane Potorff- asked the council to help with advertising for the counties tourism. Mr. Reed told her we would help when we are able to afford it, but not at this time.

Mick Sanders- asked DeWayne Cole to talk to the Sheriff's dept. about getting a patrolman at the high school in the mornings to help with traffic. Mr. Cole replied he would contact them. Mr. Sanders also asked Mr. Cole if the DUI checkpoints the town was involved in were reimbursed by the state. Mr. Cole replied yes we are.

James Stafford- told the council the cost for the electrical inspection for the pole needed for the fall festival would be \$95.00. The council said the cost was OK.

Personnel

None

As there was no further business pending before the council Mr. Ramey moved to adjourn, second by Mr. Sanders and the same passed unanimously.

Meeting adjourned at 7:10 pm.

Dwayne Stiltner, Mayor

Toney Atkins, Recorder

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LEGAL ADVERTISEMENT

**NOTICE
TOWN OF WAYNE**

Notice is hereby given that the Town of Wayne, a municipal corporation, will hold a hearing before the final vote on a proposed ordinance, the principal object of which is the increase of sewer rates for customers of the sewer system operated by the Town of Wayne. The title of such ordinance is "An ordinance of the council of the Town of Wayne adopting increased rates and charges for the sewer utility service provided for the Town of Wayne and setting an effective date for such rates". The rates and charges being proposed are:

0 - 2,000 gallons per/mth at \$7.30 per 1,000 gallons

2,001- 5,000 gallons per/mth at \$6.64 per 1,000 gallons

Over - 5,000 gallons per/mth at \$6.23 per 1,000 gallons

The final vote on adoption of said proposed ordinance shall be held in the Council Chambers of the Town of Wayne, Town Hall, 10328 Rt. 152 Road, Wayne, WV, 25570 on September 12, 2011, at 6:00 p.m. Interested parties may appear and be heard at such time with respect to the passage of the proposed ordinance. Copies of the proposed ordinance are available at the Office of the Clerk, Town Hall, in Wayne.

Wayne Sewer
P.O. Box 25
Wayne, WV, 25570
8/24, 8/31

**Affidavit of Legal
Publication and Posting
STATE OF WEST VIRGINIA
COUNTY OF WAYNE, TO-WIT:**

I, Thomas J. George publisher of the WAYNE COUNTY NEWS, a newspaper published in the COUNTY OF WAYNE, STATE OF WEST VIRGINIA, hereby certify that the annexed publication was inserted in said newspaper on the following dates:

Commencing on August 24, 2011

And Ending on August 31, 2011

Given under my hand this 31st day

of August 20 11

[Signature]

Sworn to and subscribed before me this

31st day of August,

20 11, at Wayne, Wayne County,

West Virginia.

[Signature]

NOTARY PUBLIC

of, in and for WAYNE COUNTY,
WEST VIRGINIA.

MY COMMISSION EXPIRES: September 9,
2015

Amount Due for Publishing Annexed Notice:

\$ 49.08



POST

RECEIVED

11 OCT 11 AM 8:03

W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

Affidavit of Legal
Publication and Posting
STATE OF WEST VIRGINIA
COUNTY OF WAYNE, TO-WIT:

I, Thomas J. George publisher of the WAYNE COUNTY NEWS, a newspaper published in the COUNTY OF WAYNE, STATE OF WEST VIRGINIA, hereby certify that the annexed publication was inserted in said newspaper on the following dates:

Commencing on September 14, 2011

And Ending on September 21, 2011

Given under my hand this 21st day

of September 2011

Thomas J. George

Sworn to and subscribed before me this

21st day of September

20 11, at Wayne, Wayne County,

West Virginia.

Ruth A. Adkins
NOTARY PUBLIC

of, in and for WAYNE COUNTY,
WEST VIRGINIA.

MY COMMISSION EXPIRES: September 9,
2015

Amount Due for Publishing Annexed Notice:

\$ 266.98



11 OCT 11 AM 8:09
PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

NOTICE is hereby given that Wayne Sewer (name of utility) public utility, has adopted by ordinance on September 12, 2011 (date) a tariff containing increased rates, tolls and charges for furnishing sewer (type of utility service) service to 765 (number of customers) customers at Town of Wayne (name localities) in the County(ies) of Wayne.

The proposed increased rates and charges will become effective October 27, 2011 (date) unless otherwise ordered by the Public Service Commission and will produce approximately \$ 89881 annually in additional revenue, an increase of 53.72 %. The average monthly bill for the various classes of customers will be changed as follows:

	(\$)	INCREASE	INCREASE (%)
Residential	\$ <u>6.70</u>	<u>52</u>	%
Commercial	\$ <u>13.69</u>	<u>52</u>	%
Industrial	\$ <u>N/A</u>	<u>N/A</u>	%
Resale	\$ <u>N/A</u>	<u>N/A</u>	%
Other	\$ <u>15.36</u>	<u>52</u>	%

Resale customers of Wayne Sewer (name of utility) include None
(List all resale customers by name).

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

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

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

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

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

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

(List with each publication only those offices applicable.)

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

NOTICE OF PUBLIC HEARING ON THE TOWN OF WAYNE BOND ORDINANCE

A public hearing will be held on the following entitled Ordinance at a regular meeting of the Council of the Town of Wayne (the "Town") to be held on Monday, August 13, 2012, at 6:00 p.m. at the Town of Wayne, Town Hall, Wayne, West Virginia, and at such hearing any person interested may appear before the Town and present protests, and all protests and suggestions shall be heard by the Town and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

TOWN OF WAYNE, ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE TOWN OF WAYNE, AND THE FINANCING OF THE COST NOT OTHERWISE PROVIDED THEREOF THROUGH THE ISSUANCE BY THE TOWN OF NOT MORE THAN \$2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2012 A (UNITED STATES DEPARTMENT OF AGRICULTURE) IN ONE OR MORE SERIES; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

The above quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The Town contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to: (i) pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system of the issuer (the "Project"); and (ii) pay certain costs of issuance hereof and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the sewer system of the Town. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

The above-entitled Ordinance was adopted by the Council of the Town of Wayne on July 9, 2012. A certified copy of the above entitled Ordinance is on file with the Town for review by interested parties during regular office hours.

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

Annette Skeens
Clerk
8/1 2tc 8/8

**Affidavit of Legal
Publication and Posting
STATE OF WEST VIRGINIA
COUNTY OF WAYNE, TO-WIT:**

I, Thomas J. George publisher of the **WAYNE COUNTY NEWS**, a newspaper published in the **COUNTY OF WAYNE, STATE OF WEST VIRGINIA**, hereby certify that the annexed publication was inserted in said newspaper on the following dates:

Commencing on August 1, 2012

And Ending on August 8, 2012

Given under my hand this 10th day

of August 20 12

Thomas J. George

Sworn to and subscribed before me this

10th day of August,

20 12, at Wayne, Wayne County,

West Virginia.

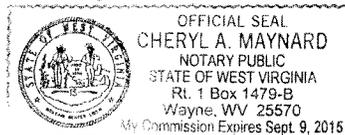
Cheryl A. Maynard
NOTARY PUBLIC

of, in and for **WAYNE COUNTY,
WEST VIRGINIA.**

MY COMMISSION EXPIRES: September 9, 2015

Amount Due for Publishing Annexed Notice:

\$ 80.47



TOWN OF WAYNE
REGULAR COUNCIL MEETING
JUNE 11, 2012

Present: Recorder
Council

Toney Atkins
Terry Ramey
Rosie Whipkey
Mick Sanders

Meeting called to order at 6:10 pm by Toney Atkins.

Mrs. Whipkey moved to accept the minutes of May 21, 2012, the monthly expenses for May 2012 and the financial statements for April 2012, second by Mr. Sanders and the same passed unanimously.

Proposed Bond Ordinance

Mr. Ramey moved to accept the first reading of the proposed bond ordinance for the issuance of Sewer Revenue Bonds, Series 2012 A, second by Mrs. Whipkey and the same passed unanimously. Mr. Atkins read the proposed bond ordinance by title only. John Stump, the bond counsel from Steptoe and Johnson told the Council the bond would be \$2,061,000.00 the amount being borrowed for the project with an interest rate of 2.625% for 40 years.

Public Comment

Scott Robertson: told the Council he was applying for a grant for the Veteran's Park and asked that the Council write a letter of support to help acquire the grant. The Council agreed to do so. Mr. Robertson also asked that the park be mowed every seven to ten days.

As there was no further business pending before the Council Mr. Sanders moved to adjourn, second by Mr. Ramey and the same passed unanimously.

Meeting adjourned at 6:20 pm.



Toney Atkins, Recorder

TOWN OF WAYNE
REGULAR COUNCIL MEETING
AUGUST 13, 2012

Present: Recorder
Council

Toney Atkins
Terry Ramey
Rosie Whipkey
Mick Sanders
Jon Reed
Danny Grace

Meeting called to order at 6:36 pm by Recorder Toney Atkins
Mrs. Whipkey moved to accept the minutes of July 9, 2012 and July 16, 2012, the monthly expenses for July 2012 and the financial statements for June 2012, second by Mr. Sanders and the same passed unanimously.

Resignation

Mr. Atkins read Mayor Stiltner's resignation letter before the first order of business. I Dwayne Stiltner do to the recent tragedy to my family I am stepping down from the position as Mayor to be with my family. I would like to thank everyone for all your support and to have had the opportunity to serve the people of the Town of Wayne, I just wish it could have been different circumstances!!! Once again thank you to all the people who supported me and helped me and my family through this troubled time. May God bless each and every one.

Sincerely, Dwayne Stiltner

Mr. Reed moved to accept his resignation, second by Mrs. Whipkey and the same passed unanimously.

Public Hearing/Proposed Bond Ordinance

Mr. Atkins asked if anyone had any comment on the bond ordinance. There was no discussion raised. Mr. Ramey moved to have the third reading of the proposed bond ordinance for the issuance of Sewer Revenue Bonds, Series 2012 A, second by Mr. Grace and the same passed unanimously. Mr. Atkins read the proposed bond ordinance by title only. Mrs. Whipkey moved to accept the third reading, second by Mr. Ramey and the same passed unanimously.

Backflow Ordinance 2nd Reading

Mrs. Whipkey moved to have the 2nd reading of the ordinance, second by Terry Ramey and the same passed unanimously. Mr. Atkins read the backflow ordinance by title only. Mr. Sanders moved to accept the 2nd reading of the backflow ordinance, second by Mrs. Whipkey and the same passed unanimously.

Floodplain Ordinance 1st Reading

Mr. Reed moved to have the 1st reading of the floodplain ordinance, second by Mr. Sanders and the same passed unanimously. Mr. Atkins read the floodplain ordinance by title only. Mr. Reed moved to accept the 1st reading of the floodplain ordinance, second by Mr. Sanders and the same passed unanimously.

Speed Bumps

Mr. Sanders told the council that he would like to get rubber speed bumps placed on certain streets. Martha Fry asked if we could put speed bumps on Asbury Road or have the police patrol. Mr. Sanders added that he did not believe we could put them on her road because it was a state maintained road. Mr. Atkins advised he would check into it. The council discussed the speed bumps with the public. Mr. Reed moved to purchase rubber speed bumps for two streets to try them out, second by Mrs. Whipkey and the same passed unanimously.

Hotel Occupancy Tax

Scott Robertson told the council about the proposed Hotel Occupancy Tax that the CBB had implemented in Kenova and that the money is used by the organization to promote tourism and local events as well as possibly funding Town projects for such things as beautification and children's projects. He added that the County Commission would be implementing this policy county wide in the near future. Scott presented the council with all the information regarding the Tony Hawk Foundation grant for a skate park. Scott also told the council that the Veterans Park had been awarded a \$1400.00 grant for fencing.

Public Comment

Charlie Ramey- asked about the railroad drain. Annette responded that the attorney had not been able to reach anyone with the phone number we had. David Ramey added that he would talk to the railroad workers that are working on the bridge in town to find out who to contact.

Diane Pottorff- asked the council if it planned on putting a flagpole at Town Hall. Mr. Atkins replied that we would get one. It was advised to talk to someone at solid waste authority about getting their pole.

Harold Robertson- asked about getting the ditch cleaned on South Pine Street. David Ramey said he would take care of it. Mr. Robertson also asked about getting street signs put up in Spunky. Mr. Atkins replied that the council would check on prices of signs.

Gay Vance- asked about getting a 40ft. section paved in front of her home. Mr. Sanders said we would look into it for her.

Mick Sanders- asked about the traffic light at the elementary school if we could redirect traffic because it backs up on 152. After some discussion it was decided there is nothing that could be done by the town.

James Blankenship- asked who got the bid to weld the garbage truck. Mr. Sanders advised him that he welded it to save the town money. Mr. Blankenship replied because the town had him bid on it and not do the work he wanted the town to pick up the dumpster he didn't need our garbage service.

Josh Milum- was interested in full time employment.

Robert Woodrum- was interested in employment with the town.

Personnel

Mr. Ramey moved to enter executive session to discuss personnel, second by Mrs. Whipkey and the same passed unanimously. Council entered executive session at 7:32 pm. The council returned at 7:46 pm and was called back to order by Mr. Atkins.

No action was taken regarding personnel.

Mr. Atkins introduced Josh Stephens as the new police chief.

As there was no further business pending before the council Mr. Ramey moved to adjourn, second by Mr. Reed and the same passed unanimously.

Meeting adjourned at 7:54 pm.



Toney Atkins, Recorder

TOWN OF WAYNE
SPECIAL MEETING
DECEMBER 13, 2012
8:30 am

AGENDA

1. SUPPLEMENTAL RESOLUTION MAKING PROVISIONS AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2012 A OF THE TOWN OF WAYNE; APPROVING A CONFORMED BOND ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.
2. RESOLUTION OF THE TOWN OF WAYNE APPROVING INVOICES RELATING TO ACQUISITION AND CONSTRUCTION AND OTHER SERVICES FOR THE PROPOSED SEWER PROJECT AND AUTHORIZING PAYMENT THEREOF.

TOWN OF WAYNE

MINUTES ON ADOPTION OF
SUPPLEMENTAL RESOLUTION AND DRAW RESOLUTION

The undersigned RECORDER of the Town of Wayne of hereby certifies that the following are the minutes of a special meeting of the said Council:

Pursuant to notice duly posted, the Council of the Town of Wayne met in special session on the 13th day of December, 2012, in Wayne, West Virginia, at the hour of 8:30 a.m.

PRESENT:

Mick Sanders, Mayor
Toney Adkins, Recorder
Jon Reed, Councilmember
Danny Grace, Councilmember
Scott Robertson, Councilmember
Terry Ramey

ABSENT:

Rosie Whipkey, Councilmember

VISITORS:

Karen Clay, Town of Wayne
Joe Carney, E.L. Robinson
Tracey Rowan, USDA
Katy Mallory, Steptoe & Johnson PLLC
Mike Webb, Region II

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

A proposed Supplemental Resolution was presented in writing entitled:

SUPPLEMENTAL RESOLUTION MAKING
PROVISIONS AS TO PRINCIPAL AMOUNT, DATE,
MATURITY DATE, REDEMPTION PROVISION,
INTEREST RATE, INTEREST AND PRINCIPAL

PAYMENT DATES, SALE PRICE AND OTHER
TERMS OF THE SEWER REVENUE BONDS, SERIES
2012 A OF THE TOWN OF WAYNE; APPROVING A
CONFORMED BOND ORDINANCE; AND MAKING
OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Terry Ramey and seconded by Scott Robertson, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Mayor presented a proposed Draw Resolution for the payment of invoices. Thereupon, upon motion duly made by Scott Robertson and seconded by Danny Grace, it was unanimously ordered that the said Draw Resolution be adopted and be in full force and effect on and from the date hereof.

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

[Remainder of Page Intentionally Blank]

CERTIFICATION

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

Dated: December 17, 2012.



Recorder

TOWN OF WAYNE

ORDINANCE CREATING A SANITARY BOARD
OF THE TOWN OF WAYNE

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

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

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

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

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

Section 3. Organizational Meetings; Vice Chairman, Secretary, Treasurer; Official Bonds. As soon as may be practicable following the appointment of a new member of the Sanitary Board, the Board shall hold an organizational meeting and choose a vice chairman from among its members, and a secretary and treasurer, who may be one person and need not be a Board member, and such officers shall hold office at the will of the Board. No

bond shall be required of the Board members as such, but the treasurer, whether a member of the Board or not, shall give bond as required under Section 9 hereof.

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

Section 5. Powers, Duties and Limitations.

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

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

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

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

E. After the construction, acquisition, installation and completion of such works, the Sanitary Board shall operate, manage and control the same and may order and complete any extensions, betterments and improvements of and to the works that the Board may deem expedient if funds therefor be available or made available as provided by the Act,

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

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

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

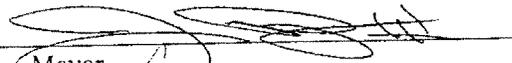
Section 8. Procedure for Disbursement of Funds. All funds under the supervision of the Sanitary Board shall be disbursed, as disbursements are required, by check drawn upon the proper fund or account, and such checks shall be properly signed by the authorized officer or agent of the Board. All such disbursements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

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

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

Passed on First Reading: June 11, 2007

Passed on Second Reading: July 9, 2007

By: 
Mayor

By: 
Recorder

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the TOWN
OF WAYNE on July 9, 2007.

Dated: July 9, 2007.

By: 
Recorder

05.25.07
946610.00003

**WAYNE WATER & SEWER BOARD
REGULAR MEETING
JUNE 11, 2007**

Present:	Mayor	James Ramey III
	Recorder	Robert E. Scott
	Council	Rosie Whipkey
		Lucille Prichard
		Martha Ann Fry
		Terry L. Ramey

Meeting called to order at 6:10 PM by Mayor Ramey.
Mrs. Whipkey moved to accept the regular meeting minutes of May 14, 2007, second by Mrs. Fry, and the same passed unanimously.

Managers Report

A report was presented to the Board by Supervisor David Ramey covering the period of May 1, through May 31, 2007. Water loss for the period was 5% (copy attached to minutes).

Sanitary Board Ordinance-First Reading

Mrs. Fry moved that the proposed ordinance be read by title only, second by Mr. Ramey, and the same passed unanimously. Recorder Robert E. Scott read the following ordinance: "Town of Wayne-Ordinance Creating A Sanitary Board Of The Town Of Wayne", Mrs. Prichard moved to accept the first reading of the ordinance, second by Mrs. Whipkey, and the same passed unanimously.

E.L. Robinson Engineering

Joe Carney of E.L. Robinson reports that \$80,000.00 is available from the Water Development Authority to fund a study of the current status of the sanitary and storm lines.

Public Comment

Kim Wooten-requested a status report on the Two-Mile Road extension and the status of a proposed booster station to extend the lines beyond the current project scope.

As there was no further business pending before the Board, Mrs. Fry moved to adjourn, second by Mr. Ramey.

Meeting adjourned at 6:15 PM.


James Ramey III, Mayor


Robert E. Scott, Recorder

**WAYNE WATER & SEWER BOARD
REGULAR MEETING
JULY 9, 2007**

Present:	Mayor	James Ramey III
	Recorder	Robert E. Scott
	Council	Millard A. Bradshaw II
		Rosie Whipkey
		Lucille Prichard
		Martha Ann Fry
		Terry L. Ramey

Meeting called to order at 6:06 PM by Mayor Ramey.
Mrs. Prichard moved to accept the regular meeting minutes of June 11, 2007, second by Mrs. Fry, and the same passed unanimously.

Managers Report

A report was presented to the Board by Supervisor David Ramey covering the period of June 1, through June 30, 2007. Water loss for the period was 5% (copy attached to minutes).

Sanitary Board Ordinance-Second Reading

Mrs. Prichard moved that the proposed ordinance be read by title only, second by Mrs. Whipkey, and the same passed unanimously. Recorder Robert E. Scott read the following ordinance: "Town of Wayne-Ordinance Creating A Sanitary Board Of The Town Of Wayne" Mr. Ramey moved to accept the second reading of the ordinance, second by Mrs. Fry, and the same passed unanimously.

E.L. Robinson Engineering

Joe Carney of E.L. Robinson presented the board with the following resolution, "A resolution authorizing the Town of Wayne to apply for USDA Rural Development 2007 Farm Bill funding for the Sanitary Sewer System Project." Mrs. Whipkey moved to accept the Resolution, second by Mrs. Prichard, and the same passed unanimously.

Water System Budget July 2007 – June 2008

Mayor Ramey presented the board with a proposed budget in the amount of \$2,605,000.00. Mrs. Prichard moved to accept the budget in the amount of \$2,605,000.00, second by Mrs. Fry, and the same passed unanimously. (Copy of budget attached to minutes).

Public Comment

Kim Wooten – requested a status report on the Two-Mile Road/Big Branch Road extension.

Mrs. Fry moved for the Board to enter executive session to discuss personnel matters, second by Mr. Bradshaw, and the same passed unanimously.

The board entered executive session at 6:17 pm.

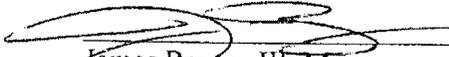
The board returned from executive session and was called to order by Mayor Ramey at 6:35 pm.

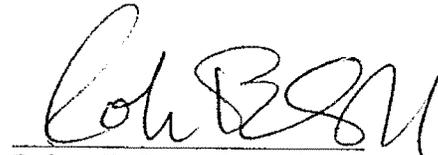
Personnel

No action taken.

As there was no further business pending before the board, Mr. Ramey moved to adjourn, second by Mrs. Fry.

Meeting adjourned at 6:36 pm.


James Ramey III, Mayor


Robert E. Scott, Recorder

TOWN OF WAYNE

Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

PETITION OF SANITARY BOARD

The Sanitary Board of the Town of Wayne (the "Town") hereby petitions the Council of the Town to enact an ordinance directing that sewer revenue bonds of the Town be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended, such bonds to be in an amount not to exceed \$2,500,000 for the purpose of financing a portion of the cost of acquisition and construction of certain additions, betterments and improvements to the existing sewerage system of the Town, together with all necessary appurtenances, and the costs of issuance and related costs.

Directed this 11th day of June, 2012.

SANITARY BOARD OF THE TOWN OF WAYNE

By: 
Its: Chairman

946610.00004

5746921

**SANITARY BOARD MEETING
JUNE 11, 2012**

Present: Toney Atkins
Randy Fry

Meeting called to order at 5:45 pm by Mr. Atkins.

Petition

Randy Fry moved to accept the petition of the Council of the Town to enact an ordinance for the sewer revenue bonds, second by Mr. Atkins and the same passed unanimously. (copy attached)

As there was no further business pending before the Sanitary Board Mr. Atkins moved to adjourn, second by Mr. Fry and the same passed unanimously.

Meeting adjourned at 5:47 pm.



Toney Atkins

Randy Fry

WV MUNICIPAL BOND COMMISSION

900 Pennsylvania Avenue
Suite 1117
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 17-Dec-12

ISSUE: Town of Wayne
Sewer Revenue Bonds, Series 2012 A (United States Department of Agriculture)

ADDRESS: Box 186, Wayne, West Virginia 25570 COUNTY: Wayne

PURPOSE OF ISSUE:

New Money: x
Refunding: _____

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 17-Dec-12

CLOSING DATE: 17-Dec-12

ISSUE AMOUNT: \$2,061,000

RATE: 2.125%

1ST DEBT SERVICE DUE: NA

1ST PRINCIPAL DUE NA

1ST DEBT SERVICE AMOUNT NA

PAYING AGENT: Issuer

BOND COUNSEL:

Firm: Steptoe & Johnson PLLC
Contact: John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL

Firm: _____
Contact: _____
Phone: _____

CLOSING BANK:

Bank: City National Bank
Contact: Melissa Fry-Roland
Phone: 304.272.9955

ESCROW TRUSTEE:

Firm: _____
Contact: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT

Contact: Karen Clay
Position: Clerk
Phone: 304.272.3221

OTHER:

Agency: United States Department of Agriculture
Contact: Tracey Rowan
Position: Rural Development Specialist
Phone: 304.776.5298 x116

DEPOSITS TO MBC AT CLOSE

By: x Wire _____
x Check _____
Accrued Interest: \$ _____
Capitalized Interest: \$ _____
Reserve Account: \$ _____
x Other: payoff 2008 A \$ 68,161.13

REFUNDS & TRANSFERS BY MBC AT CLOSE

By: _____ Wire _____
_____ Check _____
_____ IGT _____
To Escrow Trustee \$ _____
To Issuer \$ _____
To Cons. Invest. Fun. \$ _____
To Other: _____ \$ _____

NOTES: Monthly debt service payments will be made directly to the National Finance Office.
The Municipal Bond Commission will only hold the Series 2012 A Bonds Reserve Account.
Payments into the Series 2012 A Bonds Reserve Account will commence 24 months following the date hereof.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____



United States Department of Agriculture
Rural Development
West Virginia State Office

July 24, 2009

The Honorable James Ramey, III, Mayor
Town of Wayne
P.O. Box 186
Wayne, West Virginia 25570

Dear Mayor Ramey:

This letter, with Attachments 1 through 8 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 \$2,061,000, and an RUS grant in the amount of \$951,000 for a total project cost of \$3,012,000.

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. All parties may access our web-site located at www.usda.gov/rus/water/ for the following:

- a. RUS Instruction 1780
- b. RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance"
- c. RUS Bulletin 1780-30, "Water Programs Audit Guide and Compliance Supplement"
- d. RUS Bulletin 1780-31, "Water Programs Compliance Supplement For OMB Circular A-133 Audits"

Government Auditing Standards (Revision 2007) (Accountant Copy) may be accessed at www.gao.gov/govaud/ybk01.htm.

75 High Street, Federal Building, Suite 320, Morgantown, WV 26505-7500
304.284.4860 • 1.800.295.8228 • 304.284-4893 • TTY/TDD 304.284.4836 • Web: <http://www.rurdev.usda.gov>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202)720-6382 (TDD).

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
- Attachment No. 3 – Form RD 442-22, “Opinion of Counsel Relative to Rights-of-Way” (Attorney Copy)
- Attachment No. 4 – Sample Credit Agreement (Applicant Copy)
- Attachment No. 5 – Form RD 1927-9, “Preliminary Title Opinion” (Attorney Copy)
- Attachment No. 6 – Form RD 1927-10, “Final Title Opinion” (Attorney Copy)
- Attachment No. 7 – Labor Standards Provisions
- Attachment No. 8 – Various other RD forms as identified on Attachment No. 2

The conditions referred to above are as follows:

1. **American Recovery and Reinvestment Act of 2009 ("Recovery Act").**

Recovery Act requirements apply to this financing. In addition to the other conditions contained in this Letter of Conditions, you must understand and agree to these following conditions specific to the Recovery Act:

- (a). Certifications. With respect to Recovery Act funds made available to State or local governments for infrastructure investments, Section 1511 of the Recovery Act requires the Governor, mayor or other chief executive, as appropriate, to certify that the infrastructure investment has been properly approved as required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars. Rural Development personnel will provide specific guidance on the information required in the certification.
- (b). Reports on Use of Funds. Section 1512 of the Recovery Act requires each recipient receiving Recovery Act funding to provide specific information to the government on a periodic basis for inclusion in various internal and publicly-available reports. Rural Development personnel will provide specific guidance on the type and frequency of information required to assist Recovery Act recipients in complying with this condition.
- (c). Buy American. Section 1605 of the Recovery Act requires that all projects financed with Recovery Act funds be bid and constructed using only iron, steel and manufactured goods produced in the United States in accordance with Section 1605 of the Recovery Act. Specific guidance,

including contract provisions to be included in any construction contracts, is being formulated and drafted as of the date of this Letter of Conditions. Rural Development personnel will provide specific guidance related to this condition as soon as it is available.

(d). **Wage Rate Requirements.** Section 1606 of the Recovery Act requires that all laborers and mechanics employed by contractors and subcontractors for the project will be paid wages at rates not less than those prevailing on projects of a character similar in the locality where this project will occur. Specific guidance, including contract provisions to be included in any construction or otherwise related contracts, is being formulated and drafted as of the date of this Letter of Conditions. Rural Development personnel will provide specific guidance related to this condition as soon as it is available.

Compliance with the conditions in this section is required for financing under the Recovery Act. However, these conditions are not substitutes for, or in lieu of, the remaining conditions contained in this Letter of Conditions. Each of the conditions in this Letter of Conditions must also be understood and complied with to receive financing for your project.

2. **Fund Usage** – Funds obligated under the terms of this letter of conditions are committed on the basis that your project will proceed to the construction stage in an expedient manner. In accordance with RUS Staff Instruction 1782-1, Section 1782.20(u)(5), any funds not disbursed within 60 months from the date of obligation will be de-obligated and returned to the Department of Treasury for further disposition to other Rural Development project applicants. In the event that USDA determines that your project has not progressed within the five (5) year timeline and that funds will be recaptured, you will be given appeal rights and due process to document reasons why you believe the decision to de-obligate your project funds is not justified.
3. **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 2.625% interest rate and a monthly amortization factor of .00347, which provides for a monthly payment of \$7,152.00. You have the option of participating in the PREAUTHORIZED DEBIT (PAD) payment process. It will allow for your payment to be electronically debited from your account on the day your payment is due. Your authority must establish and fund monthly a debt service reserve account, which equals 10% of your monthly payment each month until you accumulate the equivalent of one annual installment on your loan.

You are reminded that your authority may be required to refinance (graduate) the unpaid balance of its Rural Development loan, in whole or in part, upon the request of Rural Development 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 or time.

4. **Security** – The loan must be secured by a statutory lien of shared first priority, a pledge of the system’s revenues and other agreements between you and Rural Development 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.
5. **Users** – This conditional commitment is based upon you providing evidence that you will have at least 756 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will a signed certification from you that identifies and attests to the number of users actually connected to and using the Town’s existing sewer system, which is to be partially replaced by the new system, at the time you request authorization to advertise the proposed project for construction bids.
6. **Bond Counsel Services** – The services of a recognized bond counsel are required. The bond counsel will prepare the form of ordinance to be used, in accordance with Subpart D of RUS Instruction 1780. You should immediately provide your bond counsel with a copy of this letter of conditions, its attachments and enclosures.
7. **Engineering Services** – It will be necessary for you to obtain the services of an engineer. EJCDC No. 510-FA, “Standard Form of Agreement between Owner and Engineer for Professional Services” (2002 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.
8. **Legal Services** – It will be necessary for you to obtain the services of a local attorney. For your convenience “RUS Legal Services Agreement” is enclosed for your use.
9. **Accounting Services** – It will be necessary for you to obtain the services of a qualified accountant. The accountant must agree to develop and provide the following:

- a. All necessary accounting material required by the Public Service Commission of West Virginia (Rule 42 Exhibit).
- b. Prior to loan/grant closing, your accountant must certify that the accounts and records as required by your bond ordinance have been established and are operational.

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

Rural Development regulations noted above outline requirements for the submission of management reports and audits. Appropriate state statutes place certain audit requirements on the Town. "Government Auditing Standards (Revised 2007)", which may be accessed at www.gao.gov/govaud/ybk01.htm, and RUS Bulletins 1780-30 and 1780-31, which may be accessed at our agency website listed above, outline audit requirements.

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

10. **Facility Control** – Prior to advertisement for construction bids, you must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights needed for the project. Such evidence must be in the following form:
 - a. A right-of-way map showing clearly the location of all lands and rights needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.
 - b. A copy of deeds, contracts or options for any lands needed other than rights-of-way, along with a preliminary title opinion covering such lands. Form RD 1927-9, "Preliminary Title Opinion" may be used. In the case of your existing system or where the Town already acquired real property (land or facilities), a preliminary title opinion(s) concerning all such property(s) will be provided.

c. A narrative opinion from your attorney concerning all permits, certifications and other items necessary to show that all legal requirements can be met and stating how they will be met. This narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled.

d. A certification and legal opinion relative to title to rights-of-way and easements. Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way," may be used. This form may contain a few exceptions such as properties that must be condemned; however, prior to the start of construction or loan closing, whichever occurs first, a new Form RD 442-22, must be provided which does not provide for any exceptions. The attorney's legal opinion should include a certification that all requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and West Virginia State Code Chapter 54 have been met in the acquisition of both real property and rights-of-way. Such requirements may include, but are not limited to, distributing informational material to all affected property owners, and completing appraisals of the affected properties.

e. On the day of loan closing, the Town's attorney must furnish final title opinions on all land(s) being acquired. Form RD 1927-10, "Final Title Opinion" may be used. In the case of your existing system or where the Town has already acquired real property(s) (land or facilities), the Town's attorney will provide a separate final title opinion(s) covering such property(s) on the day of loan closing.

11. **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

12. **Public Service Commission Approvals** – You must obtain the following from the West Virginia Public Service Commission:

- a. A Certificate of Convenience and Necessity.
- b. Approval of user charges that are acceptable to you and the Rural Utilities Service.
- c. Approval of financing for the project's proposed financing arrangements.

The "Rule 42" Exhibit to be attached to the Public Service Commission application must contain at least the information shown in Attachment No. 1. A copy of the Public Service Commission application and its "Rule 42" Exhibit must be provided for review.

13. **Insurance and Bonding** - Prior to loan closing or start of construction, whichever occurs first, you must acquire the types of insurance and bond coverage shown below. The use of deductibles may be allowed providing you have the financial resources to cover potential claims requiring payment of the deductible. RD strongly recommends that you have your engineer, attorney, and insurance provider(s) review proposed types and amounts of coverage, including any exclusions and deductible provisions. It is your responsibility and not that of RD to assure that adequate insurance and fidelity or employee dishonesty bond coverage is maintained.

- a. General Liability Insurance – This should include vehicular coverage.
- 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. (Next three sentences are only for projects that do not have property insurance through the West Virginia State Board of Risk) During the construction phase of your project, this maximum amount will be much greater than normal; therefore, it is our recommendation that you temporarily increase your coverage to the estimated highest monthly construction drawdown. This estimate should be provided by your consulting engineer. Once construction is complete, you may decrease the amount of your coverage. Please note that the cost of the temporary increase in coverage is an eligible project cost.

The minimum coverage acceptable to Rural Development once your project is in operation will be for each position to be bonded for an amount at least equal to one annual installment on your loan(s).

- d. National Flood Insurance – In addition to meeting the requirements for the type of assistance requested, the following requirements must be met for financial assistance for acquisition and/or construction in designated special flood or mudslide prone areas:
 - i. If flood insurance is available, you must purchase a flood insurance policy at the time of loan closing.
 - ii. 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.

14. **Environmental Requirements** –

Project Modifications – The project as proposed has been evaluated to be consistent with all applicable environmental requirements. If the project or any project element deviates from or is modified from the original approved project, additional environmental review may be required.

15. **Vulnerability Assessments (VA) and Emergency Response Plans (ERP)** –

Congress enacted the Public Health Security and Bioterrorism Preparedness Response Act of 2002, Public Law 107-188 (Bioterrorism Act). The Bioterrorism Act amended the Safe Drinking Water (SDWA) to require all medium and large sized community water systems (serving populations greater than 3,300) to assess vulnerability to terrorist attack and develop emergency plans for response to such an attack. Medium and large community water systems are being monitored by the U.S. EPA for completion of VA's and ERP's.

Rural Development requires all financed water and wastewater systems to have a vulnerability assessment (VA) and an emergency response plan (ERP) in place. New water or wastewater systems must provide a certification that an ERP is complete prior to the start of operations. A certification that a VA is complete must be submitted within one year of the start of operations. All other borrowers must provide a certification that a VA and ERP are complete prior to bid authorization.

You will also be required to provide a certification that the VA and ERP is complete and is current every three years after the start of operations. RD does not need or want a copy of the VA or ERP. The requested certification will be sufficient to meet our needs. Technical assistance providers are available to provide you with on site assistance if desired.

16. **Civil Rights & Equal Opportunity** – You should be aware of and will be required to comply with other federal statute requirements including but not limited to:

Section 504 of the Rehabilitation Act of 1973 – Under section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving RD financial assistance.

Civil Rights Act of 1964 – All borrowers are subject to, and facilities must be operated in accordance with, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and subpart E of part 1901 of this title, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this title.

The Americans with Disabilities Act (ADA) of 1990 – This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by State and local public entities which provides services, programs and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities which accommodate the public.

Age Discrimination Act of 1975 – This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

RD financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap.

17. **Contract Documents, Final Plans and Specifications** –

a. The contract documents should consist of the following:

- (1) EJCDC Document No. C-521, 2002 Edition, "Suggested Form of Agreement between Owner and Contractor on the Basis of Stipulated Price" and EJCDC Document No. C-710, 2002 Edition, "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."
- (3) "Labor Standards Provisions" – Title 29, Subtitle A, Part 5, Section 5.5, Contract Provisions and Related Matters. One copy of this item is attached hereto (Attachment No. 7). Additional copies must be reproduced by the engineer.

RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance (September 10, 2003 Version)," can be accessed at www.usda.gov/rus/water/ for use by your engineer in the preparation of the contract documents.

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. EJCDC Document C-710, "Standard General Conditions of the Construction Contract" (Funding Agency Edition) and Exhibit G to RUS Bulletin 1780-26, "Supplementary Conditions" both suggest 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.

18. **Interim Financing** – Interim financing will be used for the RD loan if it is available at reasonable rates and terms. You must provide RD 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. 4).

19. **Disbursement of Funds** – The RD funds will be advanced as they are needed in the amount(s) necessary to cover the RD proportionate share of any disbursements required of the Town, over 30 day periods. Funds will be disbursed by electronic transfer of funds.

Any RD grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account except as follows:

- a. Federal grant awards (includes all federal funding sources) are less than \$120,000 per year.
- b. The best available interest bearing account would not be expected to earn in excess of the following:

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.

- c. The depository would require a minimum balance so high that it would not be feasible.

The Town will establish a separate fund, to be known and hereafter referred to as the Construction Account, with a lending institution insured by the Federal Deposit Corporation. The account shall be used solely for the purpose of paying the costs of the project as outlined in the construction budget. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the Construction Account. All deposits in excess of \$250,000 will be secured by a collateral pledge in accordance with Treasury Circular Number 176.

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

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

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”
RD 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”

21. 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.

22. Upon receipt of the loan and grant docket, which contains all the items required above, RD 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 RD 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.

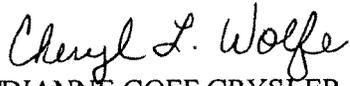
Any applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining RD project funds will be considered to be RD grant funds and refunded to RD. If the amount of unused RD project funds exceeds the RUS grant, that part would be RD loan funds.

If the conditions set forth in this letter are not met within twelve (12) months from the date hereof, RUS reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within the twelve-month

period and it is determined the authority still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If during that review, it is determined the budget is no longer current and/or adequate, RD 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,


for DIANNE GOFF CRYSLER
Acting State Director

Enclosures

cc: Community Programs Specialist
Cross Lanes, WV

E. L. Robinson Engineering Co.
Charleston, WV

Carter and Company
Huntington, WV

Frazier and Oxley, L.C.
Huntington, WV

Attachment No. 1 to Letter of Conditions
 For: Town of Wayne
 Date: July 24, 2009

Project Construction Budget

<u>PROJECT COST</u>	<u>RUS GRANT</u>	<u>RUS LOAN</u>	<u>TOTAL</u>
CONSTRUCTION	\$ 660,900	\$ 1,358,400	\$ 2,019,300
CONST. CONTINGENCY	\$ 59,500	\$ 122,100	\$ 181,600
LAND & RIGHTS	\$ 8,200	\$ 16,800	\$ 25,000
LEGAL FEES	\$ 9,800	\$ 20,200	\$ 30,000
BOND COUNSEL	\$ 8,000	\$ 16,500	\$ 24,500
ACCOUNTING	\$ 8,200	\$ 16,800	\$ 25,000
ENGINEERING FEES	\$ 175,270	\$ 360,230	\$ 535,500
Basic - \$365,000			
Insp. - \$170,500			
INTEREST		\$ 110,000	\$ 110,000
PROJECT CONTG.	\$ 21,130	\$ 39,970	\$ 61,100
TOTAL	\$ 951,000	\$ 2,061,000	\$ 3,012,000

Rates

Available for general domestic, commercial, and industrial service.

First	1,000	gallons @	\$ 11.00	per M gallons
Next	2,000	gallons @	\$ 7.70	per M gallons
Next	2,000	gallons @	\$ 7.32	per M gallons
Next	34,000	gallons @	\$ 6.95	per M gallons
Over	39,000	gallons @	\$ 6.60	per M gallons

Minimum Charge

Minimum Monthly Bill is \$11.00 for 1,000 gallons.

Connection Charge

\$200.00

Delayed Payment Penalty

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

Use and Income Analysis - See Attached

Cash Flow Analysis - See Attached

Attachment No. 1 to Letter of Conditions
 For: Town of Wayne
 Date: July 24, 2009

Town of Wayne
 USE AND INCOME ANALYSIS
 EXISTING CUSTOMER BASE

Blocking	Cust.	Gal/ Mo.	First 1,000	Next 2,000	Next 2,000	Next 34,000	Over 39,000	TOTAL REVENUE
0 - 1,000	135	143.31	143.31					
1,000 - 3,000	285	624.54	303.13	321.41				
3,001 - 5,000	192	806.21	205.11	410.22	190.88			
5,001 - 39,000	130	1,227.65	137.98	275.96	275.96	537.75		
OVER 39,000	4	293.16	4.26	8.52	8.52	144.91	126.95	
Monthly Total	746.00	3,094.87	793.79	1,016.11	475.36	682.66	126.95	
Proposed Rates			\$ 11.00	\$ 7.70	\$ 7.32	\$ 6.95	\$ 6.60	
Monthly Revenues			\$ 8,731.69	\$ 7,824.05	\$ 3,479.64	\$ 4,744.49	\$ 837.87	\$ 25,617.73
Annual Revenues			\$ 104,780.28	\$ 93,888.56	\$ 41,755.62	\$ 56,933.84	\$ 10,054.44	\$ 307,412.75

Adjustment Factor 1.043
Projected Annual Revenue \$320,631.50

TOWN OF WAYNE
OPERATING BUDGET

OPERATING INCOME

Metered Sales	\$ 320,632	
Penalties	\$ 5,964	
Annual Tap Fees	\$ 1,000	
TOTAL OPERATING INCOME		<u>\$ 327,596</u>

NON OPERATING INCOME

Interest income	\$ -	
TOTAL NON OPERATING INCOME		<u>\$ -</u>

TOTAL INCOME

\$ 327,596

EXPENSES

O & M	\$ 201,372	
Taxes	\$ 5,900	
TOTAL EXPENSES		<u>\$ 207,272</u>

INCOME AVAILABLE FOR D/S (A)

\$ 120,324

DEBT SERVICE

Existing Bond P & I (B)	\$ 6,387	
Proposed Bond P & I (B)	\$ 85,824	
TOTAL DEBT SERVICE		<u>\$ 92,211</u>

DEBT SERVICE RESERVE

Debt Service Reserve	\$ 9,221	
Depreciation Reserve	\$ 8,016	
TOTAL DEBT SERVICE RESERVE		<u>\$ 17,237</u>

SURPLUS (DEFICIT)

\$ 10,876

DEBT COVERAGE (A/B)

\$ 1.30

TOWN OF WAYNE

Sewer Revenue Bonds, Series 2012 A
(United States Department of Agriculture)

RECEIPT OF DEPOSITORY BANK

I, the undersigned duly authorized representative of City National Bank, Wayne, West Virginia (the "Bank"), hereby certify that on December 21, 2012, the Bank received an automated clearinghouse transfer in the amount of \$512,883.27 for the Series 2012 A Bonds to the credit of the Project Construction Account (Account Number 8004087097).

WITNESS my signature on this 21st day of December, 2012.

CITY NATIONAL BANK

By: 
Its: Authorized Officer

946610.00004

5746941

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

350 CAPITOL STREET, ROOM 313

CHARLESTON, WV 25301-3713

Telephone (304)558-2981

PERMIT

(Sewer)
PROJECT: 2011 Sanitary Sewer Improvements

PERMIT NO.: 18,779

LOCATION: Wayne

COUNTY: Wayne

DATE: 4-6-2011

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

**Town of Wayne
P.O. Box 25
Wayne, West Virginia 25570**

is hereby granted approval to, install approximately 7,322 LF of 8", 2,212 LF of 10" and 4,151 LF of 12" sewer line; necessary manholes; upgrade piping and controls in five (5) existing sewage pump stations; install approximately 270 LF of 4" force main; and all necessary valves and appurtenances. In addition to the sanitary sewer work there will be the installation of approximately 850 LF of 12", 900 LF of 18" and 820 LF of 24" storm sewers, and 33 storm sewer inlets.

Facilities are being installed to separate sanitary/storm combined sewers; replace existing deteriorated sanitary sewers; and to upgrade existing deteriorated pump station piping and controls.

The Environmental Engineering Division of the **OEHS-St. Albans District Office, (304) 722-0611**, is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR



William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:plk

pc: E. L. Robinson Engineering Co
Elbert Morton, P.E., DEP
Ingrid Ferrell, P.E., PSC
Amy Swann, PSC
Wayne County Health Department
OEHS-EED St. Albans District Office



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

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
WATER POLLUTION CONTROL PERMIT

NPDES PERMIT NO.: WV0024562

SUBJECT: Sewage

ISSUE DATE: December 31, 2009

EFFECTIVE DATE : January 30, 2010

EXPIRATION DATE: December 30, 2014

SUPERSEDES: Permit No. WV0024562

dated April 15, 2005

LOCATION: WAYNE

(City)

Wayne

(County)

Twelvepole Creek

(Drainage Basin)

See the next page for a list of Outlets.

TO WHOM IT MAY CONCERN:

This is to certify that: WAYNE TOWN OF
PO BOX 186
WAYNE, WV 25570

is hereby granted a West Virginia NPDES Water Pollution Control Permit to:

operate and maintain an existing combined sewer wastewater collection system and an existing 0.15 million gallon per day extended aeration wastewater treatment plant.

The combined wastewater collection system is comprised of approximately 1,200 linear feet of four (4) inch diameter gravity sewer pipe; 6,800 linear feet of six (6) inch diameter gravity sewer pipe; 7,700 linear feet of eight (8) inch diameter gravity sewer pipe; 3,300 linear feet of ten (10) inch diameter gravity sewer pipe; 9,300 linear feet of 12-inch diameter gravity sewer pipe; 1,250 linear feet of 15-inch diameter gravity sewer pipe; 1,100 linear feet of 15-inch force main; 74 manholes; 85 cleanouts; seven (7) lift stations; and all necessary appurtenances.

The wastewater treatment plant is comprised of a comminutor; a bar screen; one (1) 150,000 gallon aeration chamber; one (1) 45,900 gallon clarifier; one (1) 1,795 gallon chlorine contact chamber; two (20) covered sludge drying beds; and all necessary appurtenances.

The sewage collection system contains three (3) combined sewer overflow (CSO) relief points which discharge during wet weather events when the hydraulic capacity of the collection system is exceeded via Outlet Nos. C004, C005, and C101 to the Twelvepole Creek of the Ohio River.

These facilities are designed to serve approximately 1,500 persons in the Town of Wayne and environs, and discharge treated wastewater through Outlet 001 to the Twelvepole Creek approximately 27 miles from its mouth of the Ohio River.

Also to operate and maintain an existing collection system and an existing 0.02 million gallon per day extended aeration wastewater treatment plant.

The wastewater collection system is comprised of approximately 100 linear feet of six (6) inch diameter gravity

sewer pipe; 1,900 linear feet of eight (8) inch diameter gravity sewer pipe; 12 manholes; and all necessary appurtenances.

The wastewater treatment plant is comprised of a bar screen; one (1) 5,000 gallon equilization tank equipped with duplex grinder pumps; one (1) 20,000 gallon aeration chamber; one (1) 3,400 gallon clarifier; one (1) 800 gallon contact chlorine chamber; a tablet dechlorinator; one (1) 2,500 gallon aerated sludge holding tank; and all necessary appurtenances.

This facility is designed to serve Wal-Mart Store #2792, three fast food restaurants, a building supply store, and approximately 20,000 square feet of retail stores in Pioneer Plaza Shopping Center, and Wayne Elementary School, and discharge treated wastewater through Outlet 002 to the Twelvepole Creek approximately 25 miles from its mouth of the Ohio River.

This permit is subject to the following terms and conditions :

The information submitted on and with Permit Application No. WV0024562, dated the 28th day of October 2009, is all hereby made terms and conditions of this Permit with like effect as if all such permit application information were set forth herein and with other conditions set forth in Sections A, B, C, D, E, and Appendix A.

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

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

THIS AGREEMENT dated 8/17/09 between
Town of Wayne

a public corporation organized and operating under _____

(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 \$ 3,012,000 and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$ 2,061,000 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 \$ 2,061,000 has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed \$ 951,000 or 31.57% 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 31.57% 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).

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

[Revision 1, 04/17/1998]

1. Use of equipment.

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

(1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

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

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

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

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

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

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

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

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

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

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

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

- (c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.
- (d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.
- (e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

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

M. Provide Financial Management Systems which will include:

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

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

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

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

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

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

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

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

[Revision 1. 11/20/1997]

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

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

[Revision 1, 11/20/97]

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

As used in these paragraphs the term "facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plan, 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 \$951,000.00 which it will advance to Grantee to meet not to exceed 31.57% 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:

Robert E. Scott

(Title) **Recorder**



By:

James Ramo, III

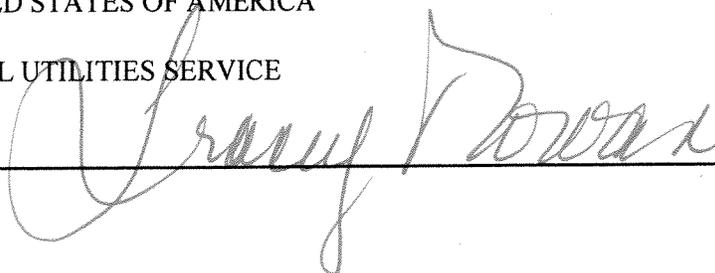
(Title) **Mayor**



UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By:



Area IV Director

(Title)

TOWN OF WAYNE

**RESOLUTION OF THE TOWN OF WAYNE
APPROVING INVOICES RELATING TO ACQUISITION AND CONSTRUCTION AND OTHER
SERVICES FOR THE PROPOSED SEWER PROJECT AND AUTHORIZING PAYMENT THEREOF,**

WHEREAS, The Town of Wayne has reviewed the invoices attached hereto and incorporated herein by reference relation to the construction of the Sewer Project funded by USDA and find as follows:

- a) That none of the items for which payment is proposed to be made has been requested from another source.
- b) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the Project.
- c) That each of such costs has been otherwise properly incurred.
- d) That the payment for each of the items proposed is due and owing.

NOW, THEREFOR, BE IT RESOLVED by the Town of Wayne as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	USDA
Steptoe & Johnson	21,000.00	21,000.00
EL Robinson	365,000.00	365,000.00
Norfolk Southern	31,000.00	31,000.00
Carter & Company	5,200.00	5,200.00
Town of Wayne (Legal Ads)	1,929.49	1,929.49
Frazier & Oxley	20,592.65	20,592.65
Municipal Bond Commission (Pay Series 2008 A)	68,161.13	68,161.13
Total	512,883.27	512,883.27

ADOPTED BY the Town of Wayne, at the meeting held on the 13th day of December, 2012.

By: 
Its: Mayor

ESTIMATE OF FUNDS NEEDED
 FOR
 30-Day period Commencing

Name of Borrower: Town of Wayne

Items	Amount of Funds
Development	\$ 0.00
Contract or Job No. _____	
Contract or Job No. _____	
Contract or Job No. _____	
Land and Rights-of-Way	1,018.90
Legal Services	40,573.75
Engineering Fees	365,000.00
Interest	0.00
Equipment	0.00
Contingencies	1,929.49
Refinancing	68,161.13
Initial O&M	0.00
Other	36,200.00
Total	\$ 512,883.27

Prepared by 
 By _____
 Date December 13, 2012
 Approved by Tracey Rowan
 Date December 13, 2012

According to the paperwork reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, getting and maintaining the data needed, and completing and reviewing the collection of information.

TOWN OF WAYNE
 PROJECT CONSTRUCTION BUDGET
 CLOSING BUDGET

PROJECT COST	RUS GRANT	RUS LOAN	REVISED
CONSTRUCTION	\$ 558,848.00	\$ 1,342,838.00	\$ 1,901,686.00
Contract #1	\$ 1,367,451.00		
Contract #2	\$ 534,235.00		
CONST. CONTINGENCY	\$ 254,595.00		\$ 254,595.00
RAILROAD PERMIT		\$ 31,000.00	\$ 31,000.00
LAND & RIGHTS		\$ 5,000.00	\$ 5,000.00
LEGAL FEES		\$ 30,000.00	\$ 30,000.00
BOND COUNSEL		\$ 21,000.00	\$ 21,000.00
ACCOUNTING		\$ 25,000.00	\$ 25,000.00
ENGINEERING FEES	\$ 130,500.00	\$ 405,000.00	\$ 535,500.00
Basic - \$ 365,000			
Inspection - \$ 170,500			
INTEREST		\$ 88,000.00	\$ 88,000.00
PROJECT CONTG.	\$ 7,057.00	\$ 25,000.87	\$ 32,057.87
ADMINISTRATION		\$ 20,000.00	\$ 20,000.00
WDA PAYOFF		\$ 68,161.13	\$ 68,161.13
TOTAL	\$ 951,000.00	\$ 2,061,000.00	\$ 3,012,000.00

Town of Wayne
Sewerage System Revenue Bonds, Series 2008 A
(West Virginia Water Development Authority)

RECEIPT OF PAYMENT OF SERIES 2008 A BONDS

The undersigned, authorized representative of the West Virginia Municipal Bond Commission (the "Commission"), hereby certifies that on the 18th day of December, 2012, the Commission received the sum of \$68,161.13 from the Town of Wayne and such amount, is sufficient to pay the Commission fees and the entire outstanding principal of and all accrued interest on the Town of Wayne Sewerage System Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), dated February 20, 2008, issued in the original aggregate principal amount of \$80,000, to the date hereof and discharge the liens, pledges and encumbrances securing such Bonds.

WITNESS my signature on this 18th day of December, 2012.

WEST VIRGINIA MUNICIPAL BOND
COMMISSION

By: 
Its: Authorized Representative

TOWN OF WAYNE
SEWER SYSTEM PROJECT ACCOUNT
P.O. BOX 186
WAYNE, WV 25570
PH: 304-272-3221

69-452/519

1006

DATE 12-17-2012

PAY TO THE
ORDER OF

Municipal Bond Commission

\$ 68,161.13

sixty eight thousand one hundred sixty one and 13/100

DOLLARS



Security Features Included. Details on back

City
NATIONAL BANK

Mark Decker
AUTHORIZED SIGNATURE

Jay Adams

FOR Pay 2008A Bonds

⑈001006⑈ ⑆051904524⑆ 8004087097⑈

THE FACE OF THIS DOCUMENT CONTAINS HEAT-SENSITIVE INK. TOUCH OR RUB; RED IMAGE. IT WILL DISAPPEAR WITH HEAT.