

TOWN OF CEDAR GROVE
Funding Assistance, Series 2021
(West Virginia SRF Program/Forgivable)

Closing Date: January 22, 2021

Table of Contents

BASIC DOCUMENTS

1. Ordinance
2. Supplemental Resolution
3. Funding Assistance Agreement
4. Receipt for Funding Assistance Proceeds
5. Infrastructure and Jobs Development Council Approval
6. Public Service Commission Order
7. Opinion of Steptoe & Johnson PLLC as Funding Assistance Counsel
8. Opinion of Counsel to Issuer
9. Title Opinion
10. Certificate of Engineer, with Schedule B Attached
11. Certificate of CPA

DOCUMENTS OF THE ISSUER

12. Charter
13. Oaths of Office
14. Rules of Procedure
15. Ordinance Creating the Sanitary Board
16. Sewer Rate Ordinance
17. Affidavit of publication of Ordinance
18. Excerpt of Minutes on Adoption of Ordinance

MISCELLANEOUS DOCUMENTS

19. Infrastructure Council Grant Agreement
20. Approval of Plans and Specifications
21. Closing Memorandum
22. Insurance
23. New Issue Report

TOWN OF CEDAR GROVE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WASTEWATER FACILITIES OF THE TOWN OF CEDAR GROVE, AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ACCEPTANCE BY THE TOWN OF FUNDING ASSISTANCE, SERIES 2021 IN THE AGGREGATE PRINCIPAL AMOUNT OF \$1,500,000 THROUGH THE WEST VIRGINIA SRF PROGRAM; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO ACCEPTANCE OF SUCH FUNDING; APPROVING, RATIFYING AND CONFIRMING THE FUNDING ASSISTANCE AGREEMENT RELATING TO SUCH FUNDING ASSISTANCE, SERIES 2021.

BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF CEDAR GROVE:

WHEREAS, this Ordinance (together with any resolution supplemental hereto or amendatory hereof, or both, the "Ordinance") is adopted pursuant to the provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law;

WHEREAS, the Town of Cedar Grove (the "Local Government") is authorized and empowered by the Act to acquire, construct, improve, operate and maintain wastewater project consisting of upgrade of the existing pump stations, installing emergency generator, automatic bar screen and telemetry, together with all necessary appurtenances (the "Project") and to finance the costs of the Project from grants or other funding assistance provided for the Project;

WHEREAS, the Local Government has submitted an application for the Project to the West Virginia Department of Environmental Protection (the "DEP"), and the West Virginia Infrastructure and Jobs Development Council (the "Council");

WHEREAS, in reviewing the application for the Project, the DEP and the West Virginia Water Development Authority (the "Authority") have determined to offer funding assistance to the Local Government for the Project through a principal forgiveness loan (the "Funding Assistance, Series 2021") as provided in the Funding Assistance Agreement a copy of which is attached hereto and incorporated herein by reference (the "Funding Assistance Agreement");

WHEREAS, the Funding Assistance Agreement has been presented to the Local Government;

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

WHEREAS, the Local Government has complied with all terms and requirements set forth in the Funding Assistance Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this Ordinance be adopted, that the Funding Assistance Agreement be approved and ratified, that the exact principal amount, date, and other terms of the Funding Assistance, Series 2021 be fixed hereby in the manner stated herein, and that other matters relating to the Funding Assistance, Series 2021 be herein provided for.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE TOWN OF CEDAR GROVE, AS FOLLOWS:

Section 1. A. There is hereby authorized and ordered the implementation of the Project at an estimated cost not to exceed \$2,405,000 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 Funding Assistance, Series 2021 hereby authorized shall be applied to the costs of the Project.

The cost of the Project is estimated not to exceed \$2,405,000 of which up to \$1,500,000 will be obtained from the proceeds of the Funding Assistance, Series 2021 and \$905,000 was obtained as a West Virginia Infrastructure and Jobs Development Council Grant.

B. The Local Government will enter into contracts for the acquisition and installation of the Project, in amounts compatible with the financing plan submitted to the Authority and the DEP.

Section 2. The Local Government hereby ratifies, approves and accepts the Funding Assistance Agreement, including all schedules and exhibits attached thereto, a copy of which is incorporated herein by reference, and the execution and delivery of the Funding Assistance Agreement by the Mayor of the Governing Body and the performance of the obligations contained therein, on behalf of the Local Government, are hereby authorized, approved and directed.

Section 3. The Local Government hereby affirms all covenants and representations made in the Funding Assistance Agreement and in the application to the DEP. The Local Government hereby agrees to comply with all covenants, conditions and requirements set forth in the Funding Assistance Agreement as set forth in Section 4.1 thereof and this Section 3 herein. The Local Government covenants as follows:

(a) The Local Government shall complete the Project, to the extent applicable, and operate and maintain the System in good condition;

(b) The Local Government shall provide written notice and request approval of the disposition of the assets to the Authority and the DEP of any sale or other disposal of the System as a whole or substantially as a whole; provided that if said sale or other disposition is to a non-governmental entity the Local Government shall obtain an appraisal of the assets purchased with the Funding Assistance, Series 2021 and remit to the Authority for deposit into the Clean Water State Revolving Loan Fund an amount equal to the then depreciated value of the assets purchased;

(c) The Local Government will carry such insurance as is customarily carried with respect to works and properties similar to the System;

(d) The Local Government will not render any free services of the System;

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

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

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

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

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

(j) The Local Government shall submit all proposed change orders to the DEP for approval. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Funding Assistance, Series 2021 held in "contingency" as set forth in the final Schedule A attached to the certificate of the Consulting Engineer. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Funding Assistance, Series 2021 available due to project underruns.

Section 4. The DEP shall advance the proceeds of the Funding Assistance, Series 2021 from time to time upon receipt of a requisition evidencing the costs incurred. Such amounts advanced under the Funding Assistance Agreement shall be deemed forgiven on the 30th day of June in the fiscal year in which they were advanced.

Section 5. The Mayor and Recorder of the Governing Body are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Funding Assistance, Series 2021 hereby and by the Funding Assistance Agreement approved and provided for, to the end that the Funding Assistance, Series 2021 may be delivered to the Local Government pursuant to the Funding Assistance Agreement.

Section 6. The acquisition and construction of the Project, and the financing thereof with proceeds of the Funding Assistance, Series 2021 from the DEP and the West Virginia Infrastructure and Jobs Development Council are in the public interest, serve a public purpose of the Local Government and will promote the health, welfare and safety of the residents of the Local Government.

Section 7. The Local Government hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project and the Mayor of the Governing Body is hereby authorized and directed to execute and deliver all such contracts.

Section 8. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the *Charleston Gazette-Mail*, a newspaper of general circulation in the Town of Cedar Grove, together with a notice stating that this Ordinance has been adopted and that the Local Government contemplates the issuance of the Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

[Remainder of Page Intentionally Blank]

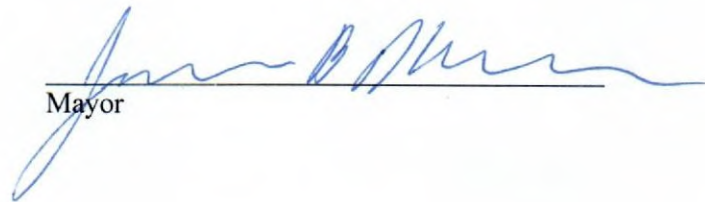
hereon. Section 9. This Ordinance shall take effect immediately following the public hearing

Passed on First Reading: October 21, 2020

Passed on Second Reading: December 1, 2020

Passed on Final Reading
Following Public
Hearing: January 5, 2021

TOWN OF CEDAR GROVE



Mayor

CERTIFICATION

Certified as a true copy of an Ordinance duly enacted by the Council of Town of Cedar Grove on the 5th day of January, 2021.

Dated: January 22, 2021.




Recorder

Town of Cedar Grove
Funding Assistance, Series 2021
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE AND OTHER TERMS OF THE FUNDING ASSISTANCE SERIES 2021 (WEST VIRGINIA SRF PROGRAM) OF THE TOWN OF CEDAR GROVE; APPROVING AND RATIFYING THE FUNDING ASSISTANCE AGREEMENT; DESIGNATING A DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE FUNDING ASSISTANCES.

WHEREAS, the council (the “Governing Body”) of the Town of Cedar Grove (the “Issuer”) has duly and officially adopted and enacted an ordinance, effective January 5, 2021 (the “Ordinance”), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WASTEWATER FACILITIES OF THE TOWN OF CEDAR GROVE, AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ACCEPTANCE BY THE TOWN OF FUNDING ASSISTANCE, SERIES 2021 IN THE AGGREGATE PRINCIPAL AMOUNT OF \$1,500,000 THROUGH THE WEST VIRGINIA SRF PROGRAM; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO ACCEPTANCE OF SUCH FUNDING; APPROVING, RATIFYING AND CONFIRMING THE FUNDING ASSISTANCE AGREEMENT RELATING TO SUCH FUNDING ASSISTANCE, SERIES 2021.

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

WHEREAS, the Ordinance provides for the Funding Assistance in a principal amount not to exceed \$1,500,000 (the “Funding Assistance”) and has authorized the execution and delivery of the Funding Assistance Agreement relating to the Funding Assistance, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the “Authority”), and the West Virginia Department of Environmental Protection (the “DEP”) for the Funding Assistance (the “Funding Assistance Agreement”), all in accordance with

Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act");

WHEREAS, the Funding Assistance Agreement has been presented to the Issuer;

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Funding Assistance Agreement be approved and ratified by the Issuer, that the exact principal amount and that other matters relating to the Funding Assistance be herein provided for; and

WHEREAS, the cost of the Project is \$1,788,756, of which 905,000 will be obtained from the proceeds of the Funding Assistance, Series 2021 and \$883,756 will be obtained as a West Virginia Infrastructure and Jobs Development Council Grant.

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

Section 1. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there is hereby authorized and ordered the Funding Assistance in the principal amount of \$905,000. The Funding Assistance shall be dated the date of delivery thereof and shall bear no interest. The principal amounts advanced under the Funding Assistance will be deemed forgiven on the 30th day of June in the fiscal year in which advanced. The Funding Assistance shall be deemed no longer Outstanding after the last advance is forgiven. The Funding Assistance may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the DEP, and otherwise in compliance with, the Funding Assistance Agreement. The Funding Assistance are not subject to an SRF Administrative Fee.

Section 2. The Issuer does hereby authorize, approve, ratify and accept the Funding Assistance Agreement, copy of which is incorporated herein by reference, and the execution and delivery of the Funding Assistance Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby accepts and agrees to all covenants and representations made in the Funding Assistance Agreement and in the applications to the Authority and the DEP.

Section 3. The Issuer does hereby appoint and designate City National Bank, Glasgow, West Virginia, to serve as Depository Bank.

Section 4. The proceeds of the Funding Assistance shall be received from the DEP from time to time for payment of the Costs of the Project, including, without limitation, costs of issuance of the Funding Assistance and related costs.

Section 5. 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 Funding Assistance hereby and by the Ordinance approved and provided for, to the end that the Funding Assistance may be delivered on or about January 22, 2021, to the Authority pursuant to the Funding Assistance Agreement.

Section 6. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Funding Assistance are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 7. The Issuer does hereby approve and authorize all contracts relating to the financing, acquisition and construction of the Project.

[Remainder of Page Intentionally Blank]

Section 8. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 5th day of January, 2021.

TOWN OF CEDAR GROVE

By: _____

Its: Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the Town of Cedar Grove on the 5th of January, 2021.

Dated: January 22, 2021.




Recorder

FUNDING ASSISTANCE AGREEMENT

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

TOWN OF CEDAR GROVE
(2019S-1800 / C-544596)
(Local Government)

W I T N E S S E T H:

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

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

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

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

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to utilize moneys from the Fund to provide funding assistance to local governments to provide the financing for the acquisition or construction of wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act (hereinafter "Funding Assistance");

* 100% Principal Forgiveness Projects only.

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

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

WHEREAS, the Local Government is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a wastewater treatment project and to finance the cost of acquisition and construction of the same from grants or other funding assistance;

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

WHEREAS, the Local Government is either a "disadvantaged community" as defined in the applicable Intended Use Plan, and/or meets the definition of decentralized treatment system as defined herein.

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

ARTICLE I Definitions

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

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

1.3 "Decentralized System" means wastewater treatment systems that treat wastewater, then reusing and/or dispersing the reclaimed water, as close to where it is generated as practical in each circumstance. A Decentralized System may include: on-site systems contained entirely within the simple boundaries of the lot it serves; small-scale collective systems, with their reuse/dispersal sites on easements on the lots served, on vacant lots purchased for this purpose, on off-site properties, or a combination of these; larger scale collective systems utilizing dispersed or aggregated reuse/dispersal sites or discharging to surface water.

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

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

1.6 “Project” means the wastewater treatment facility project hereinabove referred to, to be constructed or being constructed by the Local Government in whole or in part with Funding Assistance or being or having been constructed by the Local Government in whole or in part with the proceeds of bond anticipation notes or other interim financing, which is to be paid in whole or in part with the net proceeds of the Funding Assistance.

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

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

1.9 Additional terms and phrases are defined in this Funding Assistance Agreement as they are used.

ARTICLE II The Project and the System

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

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

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

2.4 The Local Government agrees that the Authority and DEP and their respective duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Local Government further agrees that the Authority and DEP and their respective duly authorized agents shall, prior to, during and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and DEP with respect to the System pursuant to the pertinent provisions of the Act.

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

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

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

2.8 The Local Government shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and DEP and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Government, the Local Government or (at the option of the Local Government) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Local Government, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Local Government on or before the Date of Closing.

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

submit Record Drawings, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

2.10 The Local Government shall require the Consulting Engineers to submit the final or updated Operation and Maintenance Manual, if necessary, as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Government shall employ a state certified plant operator prior to the Project being 50% complete and notify the DEP of such employment. The Local Government shall retain the operator(s) to operate the System as required by State law.

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

2.12 The Local Government, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward a copy by the 20th of each month to the DEP and the Authority.

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

2.14 The Local Government, prior to the closing of the Funding Assistance, shall provide the DEP and the Authority with the opinion of local counsel, the form of which is attached hereto as Exhibit F and incorporated herein by reference.

ARTICLE III Conditions to Advance of Funding Assistance

3.1 The agreement of the Authority and DEP to advance Funding Assistance hereunder:

(a) The Local Government shall either have received bids or entered into contracts for the construction of the Project, which are in an amount and otherwise compatible with the plan of financing described in the application filed with DEP; provided that, if the proceeds of the Funding Assistance will refund an interim construction financing, the Local Government must either be constructing or have constructed its Project for a cost and as otherwise compatible with the plan of financing described in the application filed with DEP; and, in either case, the Authority and

DEP shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit D;

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

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

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

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

(f) The Funding Assistance, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited on a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the application filed with DEP, and the Authority and DEP shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP of such irrevocably committed grants.

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

3.3 The Local Government covenants and agrees to not expend any proceeds of the Funding Assistance or enter into any contracts for components and services prohibited by 2 CFR 200.216 (Prohibition on certain telecommunication and video surveillance services or equipment),

implementing section 889 of Public Law 115-232. Prior to entering into any contracts, the Local Government shall certify to DEP in writing that it has reviewed all contracts against the excluded parties list in the System for Award Management (www.sam.gov).

ARTICLE IV
Other Agreements of the Local Government

4.1 Covenants substantially as follows:

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

(b) That the Local Government shall provide written notice and request approval of the disposition of the assets to the Authority and the DEP of any sale or other disposal of the System as a whole or substantially as a whole; provided that if said sale or other disposition is to a non-governmental entity the Local Government shall obtain an appraisal of the assets purchased with the Funding Assistance and remit to the Authority for deposit into the Clean Water Revolving Loan Fund an amount equal to the then depreciated value of the assets purchased;

(c) That the Local Government will carry such insurance as is customarily carried with respect to works and properties similar to the System;

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

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

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

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

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

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

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

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

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

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

ARTICLE V
Miscellaneous

5.1 Schedule X shall be attached to this Funding Assistance Agreement by the Authority as soon as practicable after the Date of Closing is established and shall be approved by an official action of the Local Government supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

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

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

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

5.5 This Funding Assistance Agreement supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Funding Assistance and constitutes the entire agreement between the parties hereto in respect thereof.

5.6 This Funding Assistance Agreement shall terminate upon written notice of termination to the Local Government and the Authority by the DEP.

[Remainder of page intentionally left blank]

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

(SEAL)

Attest:

Its: Recorder

TOWN OF CEDAR GROVE

By: _____

Its: Mayor

Date: January 22, 2021

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

By: _____

Its: Acting Director

Date: January 22, 2021

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

(SEAL)

Attest:

Its: Authorized Officer

By: _____

Its: Executive Director

Date: January 22, 2021

EXHIBIT A
FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B
MONTHLY FINANCIAL REPORT

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

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

Name of Person Completing Form

Address

Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

- Item 1 You will need a copy of the current fiscal year budget adopted by the Local Government to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of \$1,200 are anticipated to be received for the year, each month the base would be increased by \$100 ($\$1,200/12$). This is the incremental amount for the Budget Year-to-Date column.
- Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of \$900 are anticipated to be incurred for the year, each month the base would be increased by \$75 ($\$900/12$). This is the incremental amount for the Budget Year-to-Date column.
- Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Local Government according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.
- Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are \$1,200, then \$30 (2.5% of \$1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Local Government.

The Local Government must complete the Monthly Financial Report and forward it to the Water Development Authority by the 20th day of each month, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project.

EXHIBIT C
PAYMENT REQUISITION FORM

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

EXHIBIT D
FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

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

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

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and any change orders approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the schematic design for the Project began [before/after July 1, 2012], (iii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iv) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule attached hereto as Exhibit A, and my firm¹ has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (v) the successful bidders received any and all addenda to the original bid documents; (vi) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vii) the successful

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

bids include prices for every item on such bid forms; (viii) the uniform bid procedures were followed; (ix) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (x) as of the effective date thereof², the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Funding Assistance Agreement; (xi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; (xii) the Project was designed and will be constructed in compliance with the provisions of West Virginia Code Chapter 22, Article 29; and (xiii) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

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

By _____
West Virginia License No. _____

[SEAL]

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

EXHIBIT E
SPECIAL CONDITIONS

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

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

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

D. CLOSING REQUIREMENTS – [Reserved].

EXHIBIT F
OPINION OF LOCAL COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Closing]

[Name of Local Government]
_____, West Virginia

West Virginia Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

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

Re: \$ _____ Funding Assistance (West Virginia Clean Water
 SRF Program)

Ladies and Gentlemen:

[I am/We are] counsel to _____ (the "Local Government"), a
_____.

[I/We] have examined a certified copy of proceedings and other papers relating to the authorization of a Funding Assistance Agreement dated _____, 20__, including all schedules and exhibits attached thereto (the "Funding Assistance Agreement"), among the Local Government, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"). All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Funding Assistance Agreement and the Local Act.

The Funding Assistance is being provided for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

[I/We] have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the ordinance/resolution duly adopted or enacted by the Local Government on _____, 20__ (the "Local Act"), pursuant to and under which Local Statute and Local Act, the Funding Assistance is authorized and the Funding Assistance Agreement has been undertaken. The Funding Assistance is forgivable at the end of each fiscal year in which funds are advanced for the Project.

Based upon the foregoing and upon [my/our] examination of such other documents as [I/we] have deemed necessary, [I am/we are] of the opinion as follows:

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

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

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

4. The members and officers of the governing body of the Local Government have been duly and properly authorized and elected, have taken the requisite oaths and are thereby authorized to act on behalf of the Local Government in their respective capacities.

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

6. The execution and delivery of the Funding Assistance Agreement and the consummation of the transactions contemplated by the Funding Assistance Agreement and the Local Act, 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 Local Government, a breach of or default under any resolution, agreement or other instrument to which the Local Government is a party or any existing law, regulation, court order or consent decree to which the Local Government is subject.

7. The Local Government has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Local Government, the acceptance of the Funding Assistance, the acquisition and construction of the Project, and the operation of the System, including, without limitation, all requisite permits, approvals, orders and certificates from _____, the DEP and the West Virginia Infrastructure and Jobs Development Council.

8. To the best of [my/our] knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Funding Assistance Agreement or the Local Act, the acquisition and construction of the Project, or the operation of the System.

9. All successful bidders have made the required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been

verified for accuracy. Based upon our review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, [I am/we are] of the opinion that such surety bonds or policies: (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Local Government; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Local Act and the Funding Assistance Agreement and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

10. The contracts contain language requiring the contractors to provide affidavits from all contractors and subcontractors indicating that each contractor and subcontractor have a drug-free workplace policy pursuant to Chapter 21, Article 1D of the West Virginia Code of 1931, as amended. The contractor has submitted a plan to implement the drug-free workplace policy prior to the awarding of the contract pursuant to Chapter 21, Article 1D of the West Virginia Code of 1931, as amended.

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF FUNDING ASSISTANCE

Principal Amount of Funding Assistance \$905,000

The Authority at the direction of the DEP shall forgive the principal amount of the Funding Assistance. The principal amounts advanced under the Funding Assistance Agreement will be deemed forgiven on the 30th day of June in the fiscal year in which advanced.

Number of New Customers: -0-

Location: Town of Cedar Grove, Kanawha County

TOWN OF CEDAR GROVE
FUNDING ASSISTANCE, SERIES 2021
(WEST VIRGINIA SRF PROGRAM/FORGIVABLE)

RECEIPT FOR FUNDING ASSISTANCE PROCEEDS

The undersigned Mayor of the Town of Cedar Grove (the "Issuer"), for and on behalf of the Issuer, hereby certifies as follows:

On the 22nd day of January, 2021, the Issuer received and hereby acknowledges receipt from the West Virginia Water Development Authority (the "Authority"), on behalf of the Clean Water State Revolving Fund, pursuant to a Funding Assistance Agreement between the Authority, the Issuer and the West Virginia Department of Environmental Protection dated January 22, 2021 (the "Funding Assistance, Series 2021"), of the \$214,057, being a portion of the \$905,000 principal amount of the Funding Assistance, Series 2021. The Issuer understands that the remaining proceeds of the Funding Assistance, Series 2021 will be advanced to the Issuer from time to time as the Project proceeds to completion.

WITNESS my signature on this 22nd day of January, 2021.

TOWN OF CEDAR GROVE



Mayor



Chase Tower, 17th Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.stepToe-johnson.com

Writer's Contact Information

January 22, 2021

Town of Cedar Grove
Cedar Grove, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Re: \$905,000 Funding Assistance, Series 2021
(West Virginia SRF Program/Forigivable)

Ladies and Gentlemen:

We are counsel to the Town of Cedar Grove (the "Local Government"), a municipality and as a public corporation and political subdivision organized and existing under the laws of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to the authorization of a Funding Assistance Agreement dated January 22, 2021, including all schedules and exhibits attached thereto (the "Funding Assistance Agreement"), among the Local Government, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP").

The Funding Assistance, Series 2021 is being provided for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the public sewerage system of the Issuer (the "Project"); and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the Funding Assistance Ordinance duly enacted by the Local Government on January 5, 2021 as supplemented by Supplemental Resolution adopted January 5, 2021 (the "Local Act"), pursuant to and under which Local Statute and Local Act, the Funding Assistance, Series 2021 is authorized and the Funding Assistance Agreement has been undertaken. The Funding Assistance, Series 2021 is forgivable at the end of each fiscal year in which funds are advanced for the Project.

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

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

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

3. The Local Government is a duly organized and validly existing municipality and as a public corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Local Act and to enter into the Funding Assistance Agreement, all under the Local Statute and other applicable provisions of law.

4. The members and officers of the governing body of the Local Government have been duly and properly authorized and elected, have taken the requisite oaths and are thereby authorized to act on behalf of the Local Government in their respective capacities.

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

6. The execution and delivery of the Funding Assistance Agreement and the consummation of the transactions contemplated by the Funding Assistance Agreement and the Local Act, 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 Local Government, a breach of or default under any resolution, agreement or other instrument to which the Local Government is a party or any existing law, regulation, court order or consent decree to which the Local Government is subject.

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

Very truly yours,



STEPTOE & JOHNSON PLLC

SHUMAN McCUSKEY SLICER PLLC

ATTORNEYS AT LAW

116 South Stewart Street, 1st Floor
Winchester, VA 22601
Telephone: 540.486.4195
Facsimile: 540.486.4912

1411 Virginia Street East, Suite 200
P.O. Box 3953
Charleston, WV 25339
Telephone: 304.345.1400
Facsimile: 304.343.1826

1445 Stewartstown Road, Suite 200
Morgantown, WV 26505
Telephone: 304.291.2702
Facsimile: 304.291.2840

WWW.SHUMANLAW.COM

January 22, 2021

Town of Cedar Grove
\$905,000 Funding Assistance, Series 2021
(West Virginia SRF Program/Forgivable)

Town of Cedar Grove
Cedar Grove, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We are counsel to the Town of Cedar Grove, a municipality in Kanawha County, West Virginia (the “Local Government”). As such counsel, we have examined a certified copy of proceedings and other papers relating to the authorization of a Funding Assistance Agreement dated January 22, 2021, including all schedules and exhibits attached thereto (the “Funding Assistance Agreement”), among the Local Government, the West Virginia Water Development Authority (the “Authority”) and the West Virginia Department of Environmental Protection (the “DEP”). All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Funding Assistance Agreement and the Local Act.

The Funding Assistance, Series 2021 is being provided for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; and (ii) paying costs of issuance and related costs.

We have also examined the applicable provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the “Local Statute”), and the Funding Assistance Ordinance duly enacted by the Local Government on January 5, 2021 as supplemented by Supplemental Resolution adopted January 5, 2021 (collectively, the “Local Act”), pursuant to and under which Local Statute and Local Act, the Funding Assistance, Series

2021 is authorized and the Funding Assistance Agreement has been undertaken. The Funding Assistance, Series 2021 is forgivable at the end of each fiscal year in which funds are advanced for the Project.

We are of the opinion as follows:

1. The Funding Assistance Agreement has been duly authorized by and executed on behalf of the Local Government and is a valid and binding special obligation of the Local Government, enforceable in accordance with the terms thereof.
2. The Funding Assistance Agreement inures to the benefit of the Authority and the DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Local Government without the consent of the Authority and the DEP.
3. The Local Government is a duly organized and validly existing municipality with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Local Act and to enter into the Funding Assistance Agreement, all under the Local Statute and other applicable provisions of law.
4. The members and officers of the governing body of the Local Government have been duly and properly authorized and elected, have taken the requisite oaths and are thereby authorized to act on behalf of the Local Government in their respective capacities.
5. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Local Government and constitute valid and binding obligations of the Local Government, enforceable against the Local Government in accordance with their terms. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Funding Assistance Agreement.
6. The execution and delivery of the Funding Assistance Agreement and the consummation of the transactions contemplated by the Funding Assistance Agreement and the Local Act, 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 Local Government, a breach of or default under any resolution, agreement or other instrument to which the Local Government is a party or any existing law, regulation, court order or consent decree to which the Local Government is subject.
7. The Local Government has received all permits, licenses, approvals, consents, exemptions, orders, certificates, and authorizations necessary for the creation and existence of the Local Government, the acceptance of the Funding Assistance, Series 2021, the construction of the Project, and the operation of the System, including, without limitation, all

requisite permits, approvals, orders and certificates from the DEP and the West Virginia Infrastructure and Jobs Development Council.

8. We are of the opinion that the Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Commission Order dated March 13, 2020 in Case No. 20-0243-S-P making the determination that the Project is an ordinary extension of the existing system in the usual course of business, thus a certificate of convenience and necessity is not required. Such Order is in full force and effect.

9. To the best of our knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Funding Assistance Agreement or the Local Act, the construction of the Project, or the operation of the System.

10. We have ascertained that all successful bidders have provided the drug-free workplace affidavit, submitted their drug free workplace plan, and the contracts contain language that complies with the Drug Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code. We have also ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Based upon our review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, we are of the opinion that such surety bonds and policies (i) are in compliance with the contracts; (ii) are adequate in form, substance and amount to protect the various interests of the Local Government; (iii) have been executed by duly authorized representatives of the proper parties; (iv) meet the requirements of the Local Act and the Funding Assistance Agreement; and (v) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,



Christopher D. Negley
Shuman McCuskey Slicer, PLLC

SHUMAN McCUSKEY SLICER PLLC

ATTORNEYS AT LAW

116 South Stewart Street, 1st Floor
Winchester, VA 22601
Telephone: 540.486.4195
Facsimile: 540.486.4912

1411 Virginia Street East, Suite 200
P.O. Box 3953
Charleston, WV 25339
Telephone: 304.345.1400
Facsimile: 304.343.1826

1445 Stewartstown Road, Suite 200
Morgantown, WV 26505
Telephone: 304.291.2702
Facsimile: 304.291.2840

WWW.SHUMANLAW.COM

Christopher D. Negley
cnegley@shumanlaw.com

January 22, 2021

FINAL TITLE OPINION

Katheryn D. Emery, PE, Acting Director
Division of Water & Waste Management
West Virginia Department of Environmental Protection
601 – 57th Street, Southeast
Charleston, West Virginia 25304-2345

Wayne Morgan, PE
Executive Director
West Virginia Infrastructure &
Jobs Development Council
1009 Bullitt Street
Charleston, West Virginia 25301

Steptoe & Johnson, PLLC
Post Office Box 1586
Charleston, West Virginia 25236-1588

**Re: Town of Cedar Grove
Kanawha County, West Virginia
Wastewater Collection System Upgrades
IJDC – No. 2019S-1800**

Dear Ladies & Gentlemen:

This firm represents the Town of Cedar Grove and its Sanitary Board with regard to a proposed project to construct improvements to its sewage collection system (the “Project”), and provides this Final Title Opinion on behalf of the Town of Cedar Grove and its Sanitary Board to satisfy the requirements of the West Virginia Clean Water Revolving Loan Fund Program (the “Program”) with regard to the Infrastructure Fund financing proposed for the Project. Please be advised of the following:

1. That I am of the opinion that the District is a duly created and existing Municipality possessed with all the powers and authority granted to Municipalities under the laws of the State of West Virginia and has the full power and authority to construct, operate and maintain the Project as approved by the West Virginia Department of Environmental Protection.
2. That the Town of Cedar Grove has obtained approval for all necessary permits and approvals for the construction of the Project.
3. That I have investigated and ascertained the location of and are familiar with the legal description of the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Dunn Engineers, Inc., the consulting engineers for the Project.
4. That I have examined the records on file in the Office of the Clerk of the County Commission of Kanawha County, West Virginia, the county in which the Project is to be located, and, in my opinion, the Town of Cedar Grove has acquired legal title or such other estate or interest in all of the necessary site components for the Project, including 100% of the necessary property rights, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the facilities to be constructed.
5. That any deeds or other documents which have been acquired by the Town of Cedar Grove for the Project's property requirement has been duly recorded in the aforesaid Clerk's Office in order to protect the legal title to and interest of the Town of Cedar Grove.

Sincerely,



SHUMAN MCCUSKEY SLICER PLLC

By: Christopher D. Negley

cc: Samme L. Gee, Esquire, Jackson & Kelly, PLLC
Fred Hypes, Dunn Engineers, Inc.
Terry Martin, Region 3
The Hon. James Hudnall, Mayor and Carolyn Bennett, Recorder
for the Town of Cedar Grove

GRANT AGREEMENT
(2019S-1800)

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), at the direction of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council"), and the TOWN OF CEDAR GROVE (the "Governmental Agency").

R E C I T A L S

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed \$883,756 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit A attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Authority and the Governmental Agency hereby agree as follows:

T E R M S

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources. The Project budget shall not be amended unless the Governmental Agency has received the prior written consent of the Council.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of an approval resolution and a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority. Unless agreed to by the Council prior to the commencement of construction, the Grant shall be the last dollars expended on the Project.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

4. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit A.

5. The Authority shall wire the approved requisition amount using the wiring instructions provided in Exhibit B, unless the Council and Authority are provided replacement instructions in writing.

6. The Governmental Agency shall comply with and is bound by the Council's rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.

7. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

8. The Governmental Agency shall list the Grant provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

9. The Governmental Agency has provided the Authority and Council the verification required by (d)(2)(A) of Chapter 12, Article 4, Section 14 of the West Virginia Code (the "Reporting Act"). The Governmental Agency shall and hereby agrees and covenants to comply with the audit and/or agreed upon procedure requirement of the Reporting Act, Legislative Rule Title 148, Section 18 and State Auditor and Chief Inspector guidance. The Governmental Agency shall and agrees to file with the Authority and Council the reports and sworn statements required by (b)(3) of the Reporting Act within two years of the end of each fiscal year in which disbursements are made under this Grant. The reports shall be made by an independent certified public accountant at the sole cost of the Governmental Agency. NOTICE: The Authority is required to report the failure to timely file the reports and sworn statement of expenditures to the West Virginia Legislative Auditor. The Authority shall maintain copies of the reports and sworn statements and shall make them available for public inspection.

10. The verification form attached as Exhibit C must be completed and returned to the Authority prior to the closing of the Grant.

11. This Grant Agreement will expire 24 months after the date of execution by the Authority unless extended at the direction of Council.

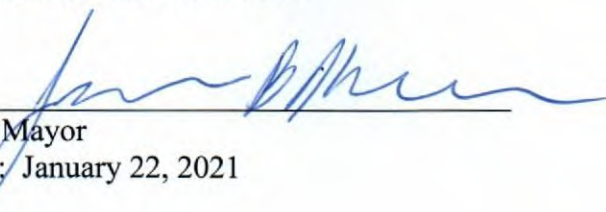
12. This Grant Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one in the same instrument.

13. This Grant Agreement shall be governed by the laws of the State of West Virginia.

[Remainder of page intentionally left blank]

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

TOWN OF CEDAR GROVE

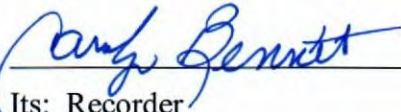
By: 

Its: Mayor

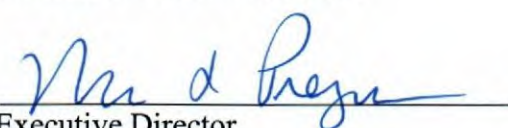
Date: January 22, 2021

(SEAL)

Attest:


Its: Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By: 

Its: Executive Director

Date: January 22, 2021

(SEAL)

Attest:


Its: Authorized Officer

WEST VIRGINIA MUNICIPAL BOND COMMISSION

900 Pennsylvania Avenue, Suite 1117, Charleston, WV 25302

Phone: (304) 558-3971

FAX: (304) 558-1280

mbc.wv.gov

NEW ISSUE REPORT FORM

Date of Report: 1/22/2021

ISSUE: Town of Cedar GroveSRF Funding Assistance, Series 2021ADDRESS: P.O. Box 536, Cedar Grove, WV 25039COUNTY: KanawhaPURPOSE OF ISSUE: ☒ New Money
☐ RefundingRefunding issue(s) dated: NAISSUE DATE: 01/22/2021RATE: 0.00% ADMIN FEE: NAISSUE AMOUNT: \$905,0001st DEBT SERVICE DUE: NA1st PRINCIPAL DUE: NA1st DEBT SERVICE AMOUNT: NAPAYING AGENT: NABOND COUNSEL: Steptoe and Johnson PLLCUNDERWRITERS COUNSEL: Jackson KellyContact Name: John StumpContact Name: Samme GeePhone: 304.353.8196Phone: 304.340.1318Email: john.stump@steptoe-johnson.comEmail: sgee@jacksonkelly.com

CLOSING BANK: _____

ESCROW TRUSTEE: _____

Contact Name: _____

Contact Name: _____

Phone: _____

Phone: _____

Email: _____

Email: _____

KNOWLEDGEABLE ISSUER CONTACT:

OTHER: WV DEPContact Name: James HudnallContact Name: John GiroirTitle: MayorTitle: Acting ManagerPhone: 304-595-1841Phone: 304.926.0499

Email: _____

Email: john.giroir@wv.gov

DEPOSITS TO MBC AT CLOSE: _____

Accrued Interest: _____

By: Wire _____

Capitalized Interest: _____

Check _____

Reserve Account: _____

In-house Transfer _____

Other: _____

REFUNDS & TRANSFERS BY MBC AT CLOSE:

To Escrow Trustee: _____

By: Wire _____

To Issuer: _____

Check _____

To Cons. Invest Fund: _____

IGT _____

To Other: _____

ISSUER NUMBERS:

BANK ID NUMBER: _____

CUSIP: _____

ACCOUNT NUMBER: _____

PROGRAM NUMBER: _____

NOTES: The Funding Assistance is forgivable. No accounts are set up at the Commission

FOR MUNICIPAL BOND COMMISSION USE ONLY:

Documents Required: _____

Transfers Required: _____