

CENTURY VOLGA PUBLIC SERVICE DISTRICT

**Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)**

BOND TRANSCRIPT

Table of Contents

BASIC DOCUMENTS

1. Bond Resolution
2. Supplemental Resolution
3. Series 2009 A Bonds Loan Agreement
4. Public Service Commission Orders
5. Infrastructure and Jobs Development Council Approval
6. Cross-Receipt for Bond and Bond Proceeds
7. Direction to Authenticate and Deliver Bonds
8. Specimen Series 2009 A Bond

OPINIONS OF COUNSEL

9. Approving Opinion on Series 2009 A Bond of Steptoe & Johnson PLLC,
Bond Counsel
10. Opinion of Counsel to Issuer
11. Title Opinion

CERTIFICATES

12. General Certificate of Issuer and Attorney
13. Certificate of Engineer, with Schedule Attached
14. Certificate of Certified Public Accountant
15. Certificate as to Use of Proceeds

DOCUMENTS OF THE ISSUER

16. County Commission Orders Creating, Enlarging the Boundaries of, and Merging other Districts into, the District and Public Service Commission Orders relating thereto
17. County Commission Orders Appointing Current Boardmembers
18. Oaths of Office of Current Boardmembers
19. Rules of Procedure
20. Minutes of Organizational Meeting
21. Excerpt of Minutes on Adoption of the Bond Resolution, Supplemental Resolution
22. Municipal Bond Commission New Issue Report

MISCELLANEOUS DOCUMENTS

23. Acceptance of Appointment as Depository Bank
24. Acceptance of Duties as Registrar
25. Certificate of Registration of Bonds
26. Registrar's Agreement
27. Environmental Health Services Permit
28. Evidence of Insurance
29. Prior Bond Resolutions

30. Rural Utilities Service Parity Consent
31. Receipt of Payment of Series 2008 A Bonds
32. Closing Memorandum
33. Sweep Resolution
34. Evidence of AML Grant

07.28.08
311200.00004

CENTURY VOLGA PUBLIC SERVICE DISTRICT

**WATER REVENUE BONDS, SERIES 2009 A
(WEST VIRGINIA INFRASTRUCTURE FUND)**

BOND RESOLUTION

Table of Contents

**ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS**

Section 1.01	Authority for this Resolution
Section 1.02	Findings
Section 1.03	Bond Legislation Constitutes Contract
Section 1.04	Definitions

**ARTICLE II
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION
OF THE PROJECT**

Section 2.01	Authorization of Acquisition and Construction of the Project
Section 2.02	Authorization of Payment of Series 2008 A Bonds

**ARTICLE III
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND
SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN
AGREEMENT**

Section 3.01	Authorization of Bonds
Section 3.02	Terms of Bonds
Section 3.03	Execution of Bonds
Section 3.04	Authentication and Registration
Section 3.05	Negotiability, Transfer and Registration
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost
Section 3.07	Bonds not to be Indebtedness of the Issuer
Section 3.08	Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds
Section 3.09	Delivery of Bonds
Section 3.10	Form of Bonds FORM OF SERIES 2009 A BOND
Section 3.11	Sale of Bonds; Approval and Ratification of Execution of Loan Agreement
Section 3.12	Filing of "Amended Schedule"

**ARTICLE IV
[RESERVED]**

**ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION
THEREOF**

Section 5.01	Establishment of Funds and Accounts with Depository Bank
Section 5.02	Establishment of Funds and Accounts with Commission
Section 5.03	System Revenues; Flow of Funds

**ARTICLE VI
BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS**

Section 6.01	Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds
Section 6.02	Disbursements From the Bond Construction Trust Fund

**ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER**

Section 7.01	General Covenants of the Issuer
Section 7.02	Bonds not to be Indebtedness of the Issuer
Section 7.03	Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds
Section 7.04	Initial Schedule of Rates and Charges
Section 7.05	Sale of the System
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances
Section 7.07	Parity Bonds
Section 7.08	Books; Records and Audit
Section 7.09	Rates
Section 7.10	Operating Budget and Monthly Financial Report
Section 7.11	Engineering Services and Operating Personnel
Section 7.12	No Competing Franchise
Section 7.13	Enforcement of Collections
Section 7.14	No Free Services
Section 7.15	Insurance and Construction Bonds
Section 7.16	Connections
Section 7.17	Completion and Operation of Project; Permits and Orders
Section 7.18	Reserved
Section 7.19	Statutory Mortgage Lien
Section 7.20	Compliance with Loan Agreement and Law
Section 7.21	Securities Laws Compliance
Section 7.22	Contracts; Change Orders; Public Releases

**ARTICLE VIII
INVESTMENT OF FUNDS; NON ARBITRAGE**

Section 8.01 Investments
Section 8.02 Certificate as to use of Proceeds; Covenants as to Use of Proceeds

**ARTICLE IX
DEFAULT AND REMEDIES**

Section 9.01 Events of Default
Section 9.02 Remedies
Section 9.03 Appointment of Receiver

**ARTICLE X
PAYMENT OF BONDS**

Section 10.01 Payment of Bonds

**ARTICLE XI
MISCELLANEOUS**

Section 11.01 Amendment or Modification of Bond Legislation
Section 11.02 Bond Legislation Constitutes Contract
Section 11.03 Severability of Invalid Provisions
Section 11.04 Headings, Etc.
Section 11.05 Conflicting Provisions Repealed
Section 11.06 Covenant of Due Procedure, Etc.
Section 11.07 Effective Date
SIGNATURES
CERTIFICATION
EXHIBIT A

CENTURY VOLGA PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE PAYMENT OF WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2008 A, AND ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF CENTURY VOLGA PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF \$700,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF CENTURY VOLGA PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. Century Volga Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Barbour County of said State.

B. The Issuer presently owns and operates a public waterworks system. However, it is deemed necessary and desirable for the health, safety, advantage,

convenience and welfare of the inhabitants of the Issuer that there be acquired and constructed improvements and extensions to the existing public waterworks system of the Issuer, consisting of serving approximately 66 new customers in the areas of Brushy Fork, Spaw Lick and Scales Road, together with all appurtenant facilities (the existing public waterworks facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer and at the costs estimated in Section 2.01 hereof.

C. The Issuer has heretofore temporarily financed the design and other preliminary costs of the Project by the issuance of the Water System Design Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), dated April 16, 2008 issued in the original aggregate principal amount of \$115,500 (the "Series 2008 A Bonds").

D. The Series 2008 A Bonds were issued pursuant to a Resolution of the Issuer previously enacted for such purpose (such resolution, as amended and supplemented is herein called the "Series 2008 A Bonds Resolution").

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

F. The Issuer intends to pay the Series 2008 A Bonds and to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Infrastructure Fund pursuant to the Act.

G. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund) in the total aggregate principal amount of \$700,000 (the "Series 2009 A Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project and to pay the Series 2008 A Bonds. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2009 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2009 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2009 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

I. It is in the best interests of the Issuer that its Series 2009 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), in form satisfactory to the respective parties (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

J. Upon repayment of the Series 2008 A Bonds, the Issuer will have the following outstanding obligations which will rank on a parity with the Series 2009 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's: (1) Water Revenue Bonds, Series 2003 A (United States Department of Agriculture), dated June 13, 2003, issued in the original aggregate principal amount of \$377,000; and (2) Water Revenue Bonds, Series 1998 B (United States Department of Agriculture), dated December 18, 1998, issued in the original aggregate principal amount of \$1,150,000 (collectively, the "Prior Bonds").

The Series 2009 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all respects. Prior to the issuance of the Series 2009 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2009 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Resolutions.

K. The estimated revenues to be derived in each year following completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest, if any, on the Series 2009 A Bonds and the Prior Bonds, and to make payments into all funds and accounts and other payments provided for herein.

L. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2009 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Project and the financing thereof by the Council and the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2009 A Bonds or such final order will not be subject to appeal or rehearing.

M. The Project has been reviewed and determined to be technically and financially feasible by the Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended. That, unless it qualifies for an exception, the Issuer

shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2009 A Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2009 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13A, and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2009 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the Council under the Act.

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

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

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

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

"Bonds" means, collectively, the Series 2009 A Bonds, the Prior Bonds and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

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

"Chairman" means the Chairman of the Governing Body of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2009 A Bonds for all or a portion of the proceeds of the Series 2009 A Bonds from the Authority.

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

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

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

"Costs" or "Costs of the Project" means those costs described in Section 1.02G hereof to be a part of the cost of acquisition and construction of the Project.

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

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

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

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

"Governing Body" or "Board" means the public service board of the Issuer, as it may now or hereafter be constituted.

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

"Grants" means any grants that may be received for the project.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally

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

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

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

"Issuer" means Century Volga Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Barbour County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means, the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2009 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Net Proceeds" means the face amount of the Series 2009 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Reserve Accounts. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2009 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

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

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

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2009 A Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Series 2003 A Bonds and the Series 1998 B Bonds.

"Prior Resolution" means, collectively, the Resolutions authorizing the Prior Bonds.

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

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

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements)

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

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

(g) Repurchase agreements, 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 Investment 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, Inc. or Standard & Poor's Corporation.

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund continued by Section 5.01 hereof.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2009 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts of the Series 2009 A Bonds and the Prior Bonds.

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

"Secretary" means the Secretary of the Governing Body of the Issuer.

"Series 2003 A Bonds" means the Issuer's Water Revenue Bonds, Series 2003 A (United States Department of Agriculture), dated June 13, 2003, issued in the original aggregate principal amount of \$377,000.

"Series 1998 B Bonds" means the Issuer's Water Revenue Bonds, Series 1998 B (United States Department of Agriculture), dated December 18, 1998, issued in the original aggregate principal amount of \$1,150,000.

"Series 2008 A Bonds" means Water System Design Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), dated April 16, 2008, issued in the original aggregate principal amount of \$115,500.

"Series 2008 A Bonds Resolution" means the Resolution authorizing the Series 2008 A Bonds.

"Series 2009 A Bonds" means the Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 2009 A Bonds Construction Trust Fund" means the Series 2009 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2009 A Bonds Reserve Account" means the Series 2009 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2009 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2009 A Bonds in the then current or any succeeding year.

"Series 2009 A Bonds Sinking Fund" means the Series 2009 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2009 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 2009 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2009 A Bonds, and not so included, may be included in another Supplemental Resolution.

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

"System" means the complete public waterworks system of the Issuer, as presently existing in its entirety or any integral part thereof, and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system; and shall also include the Project and any and all extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the waterworks systems from any sources whatsoever.

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

"West Virginia Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Chapter 31, Article 15A, Section 9 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

Additional terms and phrases are defined in this Resolution as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT AND AUTHORIZATION OF 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 of \$1,816,153.49, 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 2009 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the Authority and the Council.

The cost of the Project is estimated not to exceed \$1,816,153.49 of which \$700,000 will be obtained from the proceeds of the Series 2009 A Bonds and \$1,116,153.49 will be obtained from a West Virginia Department of Environmental Protection Abandoned Mine Lands Grant.

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 of and the interest on the Series 2008 A Bonds on the Closing Date from the proceeds of the Series 2009 A Bonds. Upon payment of the Series 2008 A Bonds, any funds pledged in favor of the holders of the Series 2008 A Bonds imposed by the Series 2008 A Bonds Resolution are hereby ordered terminated, discharged and released.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of paying the Series 2008 A Bonds, capitalizing interest, if any, on the Series 2009 A Bonds, funding the Reserve Account for the Series 2009 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2009 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2009 A Bonds of the Issuer. The Series 2009 A Bonds shall be issued as a single bond, designated as "Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund)," in the principal amount of \$700,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2009 A Bonds remaining after funding of the Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2009 A Bonds, if any, and paying the Series 2008 A Bonds, shall be deposited in or credited to the Series 2009 A Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2009 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2009 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2009 A Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2009 A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2009 A Bonds. The Series 2009 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as

applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall have such terms as set forth in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2009 A Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2009 A Bonds shall cease to be such officer of the Issuer before the Series 2009 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2009 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 Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. The Bond Registrar for the Series 2009 A Bonds shall be the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns. No Series 2009 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2009 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2009 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2009 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that such Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2009 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Series 2009 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney

duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2009 A Bonds or transferring the registered Series 2009 A Bonds are exercised, all Series 2009 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2009 A Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2009 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2009 A Bonds or, in the case of any proposed redemption of Series 2009 A Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2009 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2009 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2009 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2009 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of the Series 2009 A Bonds shall be secured by a first lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2009 A Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2009 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2009 A Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 2009 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2009 A Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. An executed copy of the Loan Agreement; and
- E. The unqualified approving opinion of bond counsel on the Series 2009 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2009 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2009 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CENTURY VOLGA PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2009 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-_____

\$_____

KNOW ALL MEN BY THESE PRESENTS: That on this the _____ day of _____, 2009, CENTURY VOLGA PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Barbour County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS (\$_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, to and including _____, 20____ as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 2009.

This Bond is issued (i) to pay the Issuer's Water System Design Revenue Bonds, Series 2008 A (the "Series 2008 A Bonds"); (ii) to pay the costs of acquisition and construction of improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); (iii) to fund the Series 2009 A Bonds Reserve Account; and (iv) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31,

Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Resolution duly adopted by the Issuer on _____, 2009, and a Supplemental Resolution duly adopted by the Issuer on _____, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2003 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 13, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$377,000; AND (2) WATER REVENUE BONDS, SERIES 1998 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED DECEMBER 18, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,150,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2009 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2009 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2009 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of The Huntington

National Bank, Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, 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.

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

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

IN WITNESS WHEREOF, CENTURY VOLGA PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated the day and year first written above.

[SEAL]

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2009.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

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 \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2009 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved and incorporated into this Bond Legislation.

Section 3.12. Filing of "Amended Schedule". Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority and the Council a schedule, the form of which will be provided by the Council, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- (1) Revenue Fund (established by the Prior Resolution and continued hereby);
- (2) Series 1998 B Bonds Reserve Account (established by Prior Resolution);
- (3) Renewal and Replacement Fund (established by the Prior Resolution); and
- (4) Series 2009 A Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or continued if previously established by Prior Resolutions) 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 2003 A Bonds Reserve Account (established by Prior Resolution);
- (2) Series 2009 A Bonds Sinking Fund; and
- (3) Series 2009 A Bonds Reserve Account.

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

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

(2) The Issuer shall next, each month transfer from the Revenue Fund and simultaneously on or before the due date thereof remit to the National Finance Office the amounts required to pay interest on the Prior Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and (i) remit to the National Finance Office the amounts required to pay principal of the Prior Bonds, as required by the Prior Resolutions; and (ii) remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2009 A Bonds, for deposit in the Series 2009 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2009 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2009 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and (i) remit to the Depository Bank the amounts required by Prior Resolution for deposit in the Series 1998 B Bonds Reserve Account; (ii) remit to the Commission, the amounts required by the Prior Resolutions for deposit in the Series 2003 A Bonds Reserve Account; and (iii) remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2009 A Bonds, if not fully funded upon issuance of the Series 2009 A Bonds, for

deposit in the Series 2009 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2009 A Bonds Reserve Requirement, until the amount in the Series 2009 A Bonds Reserve Account equals the Series 2009 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2009 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 2009 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 (as previously set forth in the Prior Resolutions and not in addition thereto) the amounts required by the Prior Resolutions and a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2009 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2009 A Bonds as the same shall become due. Monies in the Series 2009 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2009 A Bonds as the same shall come due, when other monies in the Series 2009 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account, shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2009 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2009 A Bonds, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2009 A Bonds Reserve Account which result in a reduction in the balance therein to below the Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2009 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2009 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2009 A Bonds and the Prior Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. The Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2009 A Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 2009 A 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. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

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

other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

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

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

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2009 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2009 A Bonds, there shall first be deposited with the Commission in the Series 2009 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2009 A Bonds for the period commencing on the date of issuance of the Series 2009 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2009 A Bonds, there shall be deposited with the Commission in the Series 2009 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2009 A Bonds Reserve Account.

C. Next, from the proceeds of the Series 2009 A Bonds, the outstanding principal of, interest, if any, on the Issuer's Water System Design Revenue Bonds, Series 2008 A (the "Series 2008 A Bonds") shall be paid in full.

D. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2009 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2009 A Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2009 A Bonds.

E. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2009 A Bonds shall be applied as directed by the Council.

Section 6.02. Disbursements From the Bond Construction Trust Fund. The Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2009 A Bonds Construction Trust Fund shall be made only after submission to and approval from the Council, of a certificate, signed by an Authorized Officer stating that:

- (a) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;
- (b) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;
- (c) Each of such costs has been otherwise properly incurred; and
- (d) Payment for each of the items proposed is then due and owing.

The Issuer shall expend all proceeds of the Series 2009 A Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loan to the Issuer.

Pending such application, monies in the Series 2009 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2009 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2009 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2009 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2009 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2009 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues: Lien Positions with Respect to Prior Bonds. The payment of the debt service of the Series 2009 A Bonds shall be secured by a first lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2009 A Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement and the Issuer shall supply a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Recommended Decision of the Public Service Commission of West Virginia entered November 25, 2008, which became Final Order on December 15, 2008 in Case 08-0800-PWD-19A, and such rates are hereby adopted.

So long as the Series 2009 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with

the Series 2009 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Series 2009 A Bonds and the Prior Bonds are outstanding and except as otherwise required by law or with the written consent of the Council, the Authority and the holders of the Prior Bonds, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2009 A Bonds, immediately be remitted to the Commission for deposit in the Series 2009 A Bonds Sinking Fund and applied to the payment of principal of and interest, if any, on the Series 2009 A Bonds. Any balance remaining after the payment of the Series 2009 A Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amount required to be paid into said fund by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2009 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2009 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2009 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2009 A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2009 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolution shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2009 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the Council and without complying with the conditions and requirements herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2009 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of additions extensions, improvements or betterments to the System or refunding any outstanding Bonds, or both such purposes.

So long as the Prior Bonds are Outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

- (1) The Bonds then Outstanding;

- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution 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 Prior Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Prior Bonds are no longer Outstanding, the following requirement shall be met:

So long as the Series 2009 A Bonds are outstanding, no Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

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

The "estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates adopted by the Issuer and approved by the Public Service Commission of West Virginia, the time for appeal of which shall have expired prior to the issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

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

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection

and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 2009 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2009 A Bonds.

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

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

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

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the

Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Council, the Authority, or any other original purchaser of the Series 2009 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2009 A Bonds, requesting the same, an annual report containing the following:

- (A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.
- (B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation, and the status of all said funds and accounts.
- (C) The amount of any Bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required, in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto) and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2009 A Bonds, and shall submit said report to the Council and the Authority, or any other original purchaser of the Series 2009 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

Section 7.09. Rates. Prior to the issuance of the Series 2009 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2009 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2009 A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit in the Series 2009 A Bonds Reserve Account and the reserve accounts for obligations on a parity with the Series 2009 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2009 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2009 A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

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

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

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

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

The Issuer shall employ qualified operating personnel properly certified by the State during the entire term of the Loan Agreement. The Issuer shall at all times provide operation and maintenance of the System in compliance with all state and federal standards.

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

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service

Commission of West Virginia, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

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

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

- (1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.
- (2) PUBLIC LIABILITY INSURANCE, with limits of not less than \$1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than \$500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

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

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

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

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

B. The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction.

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

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

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

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public

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

Section 7.18. Reserved.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2009 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, shall take effect immediately upon delivery of the Series 2009 A Bonds and shall be on a parity with the Prior Bonds.

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

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

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

Section 7.22. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2009 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council for written approval. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2009 A Bonds held in "contingency" as set forth in the respective schedules attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2009 A Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding 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 ground breaking or dedication of the Project.

ARTICLE VIII

INVESTMENT OF FUNDS; USE OF PROCEEDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2009 A Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2009 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2009 A Bonds as a condition to issuance of the Series 2009 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2009 A Bonds as may be necessary in order to maintain the status of the Series 2009 A Bonds as public purpose bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2009 A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the Council, from which the proceeds of the Series 2009 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council, to ensure compliance with the covenants and agreements set forth in this

Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2009 A Bonds and, at any time, any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2009 A Bonds:

- (1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2009 A Bonds;
or
- (2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2009 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2009 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond;
- (3) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or
- (4) If default occurs under the Prior Bonds or the Prior Resolutions.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered 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 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 Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2009 A Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the 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.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2009 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2009 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2009 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2009 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2009 A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2009 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2009 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2009 A Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2009 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall

not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 2009 A Bonds.

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

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

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution 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 Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Date. This Resolution shall take effect immediately upon adoption.

[Remainder of Page Intentionally Blank]

Adopted this 14th day of December, 2009.



Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of CENTURY VOLGA PUBLIC SERVICE DISTRICT on the 14th day of December, 2009.

Dated: December 22, 2009.

[SEAL]


Secretary


12.09.09
138930.00002

EXHIBIT A

Loan Agreement included in bond transcript as Documents 3.

CENTURY VOLGA PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISIONS, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF CENTURY VOLGA PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Century Volga Public Service District (the "Issuer") has duly and officially adopted a bond resolution on December 14, 2009 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE PAYMENT OF WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2008 A, AND ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF CENTURY VOLGA PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF \$700,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS

RELATING TO THE ISSUANCE OF SUCH BONDS;
APPROVING, RATIFYING AND CONFIRMING A LOAN
AGREEMENT RELATING TO SUCH BONDS;
AUTHORIZING THE SALE AND PROVIDING FOR THE
TERMS AND PROVISIONS OF SUCH BONDS AND
ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Resolution provides for the issuance of Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer (the "Bonds"), in the aggregate principal amount not to exceed \$700,000 and has authorized the execution and delivery of the loan agreement relating to the Series 2009 A Bonds, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A, and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Resolution it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provisions, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Loan Agreement has been presented to the Issuer at this meeting;

WHEREAS, the Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provisions, the interest rate, the interest and principal payment dates, the sale price and other terms of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF CENTURY VOLGA PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$700,000. The Series 2009 A Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2049, and shall bear no interest. The principal of the Series 2009 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2011, to and including December 1, 2049, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2009 A Bonds. The Series 2009 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2009 A Bonds.

Section 2. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Bond Resolution.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the application to the Council and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Bond Resolution and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds under the Bond Resolution.

Section 6. The Issuer does hereby appoint and designate BC Bank, Inc., Philippi, West Virginia, to serve as Depository Bank under the Bond Resolution.

Section 7. Series 2009 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2009 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2009 A Bond proceeds in the amount of \$18,184 shall be deposited in the Series 2009 A Bonds Reserve Account.

Section 9. Series 2009 A Bonds proceeds in the amount of \$111,835.72 shall be deposited with the Commission on the Closing Date to pay the Series 2008 A Bonds in full.

Section 10. The balance of the proceeds of the Series 2009 A Bonds shall be deposited in or credited to the Series 2009 A Bonds Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 11. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Bonds may be delivered on or about December 22, 2009, to the Authority pursuant to the Loan Agreement.

Section 12. The payment of the Series 2008 A Bonds, the acquisition and construction of the Project and the financing thereof with proceeds of the Series 2009 A Bonds 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 13. The Issuer hereby determines that it is in the best interest of the Issuer to invest all monies in the funds and accounts established by the Bond Resolution held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Monies in the Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 14. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project and the Chairman is hereby authorized and directed to execute and deliver all such contracts.

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 14th day of December, 2009.

CENTURY VOLGA PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Century Volga Public Service District on December 14, 2009.

Dated: December 22, 2009.

[SEAL]


Secretary

12.09.09
138930.00002

IC-1
(12/09)

LOAN AGREEMENT

THIS LOAN AGREEMENT, made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), acting on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council"), and the governmental agency designated below (the "Governmental Agency").

CENTURY VOLGA PUBLIC SERVICE DISTRICT
(2002W-664)

(Governmental Agency)

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered upon request of the Council to make loans to governmental agencies for the acquisition or construction of projects by such governmental agencies, subject to such provisions and limitations as are contained in the Act;

WHEREAS, the Governmental Agency constitutes a governmental agency as defined by the Act;

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a project, as defined by the Act, and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Governmental Agency;

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

WHEREAS, the Governmental Agency has completed and filed with the Authority an Application for a Construction Loan with attachments and exhibits and an

Amended Application for a Construction Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and made all findings required by the Act and having available sufficient funds therefor, the Council has authorized the Authority to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Governmental Agency with money in the Infrastructure Fund, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Council's loan program (the "Program") as hereinafter set forth.

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

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "Council," "governmental agency," "project," "waste water facility" and "water facility" have the definitions and meanings ascribed to them in the Act.

1.2 "Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Bonds, acting in its administrative capacity pursuant to Section 10 of the Act and upon authorization from the Council.

1.3 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any qualified successor thereto; provided, however, when a Loan is made for a Project financed, in part, by the Office of Abandoned Mine Lands, Consulting Engineers shall mean the West Virginia Department of Environmental Protection, or any successor thereto.

1.4 "Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Section 9 of the Act.

1.5 "Loan" means the loan to be made by the Authority to the Governmental Agency through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

1.6 "Local Act" means the official action of the Governmental Agency required by Section 4.1 hereof, authorizing the Local Bonds.

1.7 "Local Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority, all in accordance with the provisions of this Loan Agreement.

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

1.9 "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.

1.10 "Project" means the project hereinabove referred to, to be constructed or being constructed by the Governmental Agency in whole or in part with the net proceeds of the Local Bonds.

1.11 "System" means the project owned by the Governmental Agency, 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.

1.12 Additional terms and phrases are defined in this Loan Agreement as they are used.

ARTICLE II

The Project and the System

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

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and the Local Act, the Governmental Agency 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 Governmental Agency 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 Governmental Agency, 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 or any interest therein is approved by the Authority and Council.

2.4 The Governmental Agency agrees that the Authority and the Council and their 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 Governmental Agency further agrees that the Authority and the Council and their duly authorized agents and representatives 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 the Council with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Governmental Agency shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Governmental Agency shall permit the Authority and the Council, acting by and through their directors or their 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 Governmental Agency shall submit to the Authority and the Council such documents and information as they 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 Loan or of any State and federal grants or other sources of financing for the Project.

2.6 The Governmental Agency agrees that it will permit the Authority and the Council and their agents and representatives to have access to the records of the Governmental Agency 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 Governmental Agency 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 Governmental Agency 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 Council and the Authority and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) 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 Governmental Agency, 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 Governmental Agency on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds is outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Governmental Agency shall provide and maintain competent and adequate engineering services satisfactory to the Council and the Authority covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, the Council and the Governmental Agency 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.

2.10 The Governmental Agency shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Governmental Agency shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of this Loan Agreement.

2.11 The Governmental Agency hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Council, the Authority 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 Governmental Agency, 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 C and incorporated herein by reference, and forward a copy by the 10th of each month to the Authority and Council.

2.13 The Governmental Agency shall serve the additional customers at the location(s) as set forth in Schedule X. The Governmental Agency shall not reduce the amount of additional customers served by the project without the prior written approval of the Authority Board. Following completion of the Project the Governmental Agency shall certify to the Authority the number of customers added to the System.

2.14 The Governmental Agency shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

(a) The Governmental Agency shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

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

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

(d) The Governmental Agency 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 the Council shall have received a certificate of the Consulting Engineers to such effect;

(e) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the 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 the Council shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority and the Council, to such effect;

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

(g) The Governmental Agency 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 the Council shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority and the Council, to such effect;

(h) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and the Council shall have received a certificate of the accountant for the Governmental Agency, or such other person or firm experienced in the finances of governmental agencies and satisfactory to the Authority and the Council, to such effect; and

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

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority, the Council or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Governmental Agency and the Governmental Agency shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Governmental Agency shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

3.3 The Loan shall be secured and shall be repaid in the manner hereinafter provided in this Loan Agreement.

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

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Council for loans from the Infrastructure Fund to finance projects and that the obligation of the Authority to make any such loan is subject to the Council's authorization and the Governmental Agency's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing. The Governmental Agency specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Infrastructure Fund to purchase all the Local Bonds and that, prior to execution of this Loan Agreement, the Authority may commit to and purchase the revenue bonds of other governmental agencies for which it has sufficient funds available.

ARTICLE IV

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

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Governmental Agency in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows, unless the specific provision or covenant is modified or waived by the Council:

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

- (i) to pay Operating Expenses of the System;
- (ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the

principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the AReserve Account@) was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof (which, with an approving opinion of bond counsel to the Governmental Agency, may be with a letter of credit or surety) in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the AReserve Requirement@), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the gross or net revenues of the System, as more fully set forth in Schedule X attached hereto and in the Local Act;

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

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

(iv) That, except as otherwise required by State law or with the written consent of the Council and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Local Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

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

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

(vii) That the Governmental Agency will not render any free services of the System;

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

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

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

(xi) That the Governmental Agency 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

the Council, 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 Governmental Agency's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(xii) That the Governmental Agency 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 the Council within 30 days of adoption thereof;

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

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

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Governmental Agency may not redeem any Local Bonds by it without the written consent of the Authority and the Council and otherwise in compliance with this Loan Agreement;

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

(xvii) That the Governmental Agency shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Governmental Agency shall complete the Monthly Payment Form, attached hereto as Exhibit D and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month. When required by the Authority, the Local Entity shall make monthly payments to the Commission by electronic transfer;

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

(xix) That the Governmental Agency shall take any and all action, or shall refrain from taking any action regarding the use of the proceeds of the Local Bonds, as shall be deemed necessary by the Authority to maintain the exclusion from gross income for federal income tax purposes of interest on the State=s general obligation bonds or any bonds secured by the Local Bonds;

(xx) That the Governmental Agency shall have obtained the certificate of the Consulting Engineer in the form attached hereto as Exhibit A, to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

(xxi) That the Governmental Agency 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 Governmental Agency, then the Governmental Agency shall enter into a termination agreement with the water provider;

(xxii) That the Governmental Agency shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" of the Local Bonds (as that term is defined in the Internal Revenue Code of 1986, as amended) from time to time as the Authority may request;

(xxiii) That the Governmental Agency shall submit all proposed change orders to the Council for written approval. The Governmental Agency shall obtain the written approval of the Council before expending any proceeds of the Local Bonds held in Acontingency@ as set forth in the final Schedule B attached to the certificate of the Consulting Engineer. The Governmental Agency shall obtain the written approval of the Council before making any changes to the final Schedule B and also before expending any proceeds of the Local Bonds available due to bid/construction/project underruns;

(xxiv) That the Governmental Agency shall list the funding 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; and

(xxv) That, unless it qualifies for an exception, the Governmental Agency shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the West Virginia Jobs Act) and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Governmental Agency shall provide the Council and the Authority with a certificate stating that (I) the Governmental Agency will comply with all the requirements of the West Virginia Jobs Act; (II) the Governmental Agency has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (III) the Governmental Agency has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor (ADOL); and (IV) the Governmental Agency will file with the DOL and the Council copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The monthly requisitions submitted to the Council shall also certify that the Governmental Agency is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

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

4.2 The Loan shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of the fees, charges and other revenues of the Governmental Agency from the System as further set forth by and subject only to such reservations and exceptions as are described in Schedules X and Y hereto or are otherwise expressly permitted in writing by the Authority and the Council.

4.3 The principal of the Loan shall be repaid by the Governmental Agency on the days and in the years provided in Schedule X hereto. Interest payments on the Loan shall be made by the Governmental Agency on a quarterly basis as provided in said Schedule X.

4.4 The Loan shall bear interest from the date and at the rate or rates per annum set forth on Schedule X hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.5 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the

Governmental Agency. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series, as reflected by Schedule X hereto.

4.6 The Governmental Agency agrees to expend the net proceeds of the Local Bonds for the Project within 3 years of the issuance of the bonds which are the source of money used to purchase the Local Bonds, unless otherwise agreed to by the Council.

ARTICLE V

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

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

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

5.3 In the event the Governmental Agency defaults in the payment due to the Authority pursuant to this Loan Agreement, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.4 The Governmental Agency hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Governmental Agency, the Authority may exercise any or all of the rights and powers granted under the Act and State law, including, without limitation, the right to an appointment of a receiver.

ARTICLE VI

Other Agreements of the Governmental Agency

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

6.2 The Governmental Agency hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Governmental Agency fails to make any such rebates as required, then the Governmental Agency shall pay any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

6.3 Notwithstanding Section 6.2, the Authority may at any time, in its sole discretion, cause the rebate calculations prepared by or on behalf of the Governmental Agency to be monitored or cause the rebate calculations for the Governmental Agency to be prepared, in either case at the expense of the Governmental Agency.

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

6.5 The Governmental Agency hereby agrees to file with the Authority and the Council upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule B to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII

Miscellaneous

7.1 Additional definitions, additional terms and provisions of the Loan and additional covenants and agreements of the Governmental Agency, if any, may be set forth in Schedule Z attached hereto and incorporated herein by reference, with the same effect as if contained in the text of this Loan Agreement.

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

7.3 The Authority shall take all actions required by the Council in making and enforcing this Loan Agreement.

7.4 If any provision of this Loan 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 Loan Agreement, and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.5 This Loan 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 Loan Agreement.

7.6 No waiver by either party of any term or condition of this Loan 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 Loan Agreement.

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

7.8 The Authority acknowledges that certain terms and requirements in this Loan Agreement may not be applicable when the Project is financed in part by the West Virginia Department of Environmental Protection, Office of Abandoned Mine Lands and under that circumstance those terms and requirements are specifically waived or modified as agreed to by the Authority and set forth in the Local Act.

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

7.10 This Loan Agreement shall terminate upon the earlier of:

- (i) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by the Council if the Governmental Agency has failed to deliver the Local Bonds to the Authority;
- (ii) termination by the Authority and the Council pursuant to Section 6.1 hereof; or
- (iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority, acting on behalf of the Council.

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

CENTURY VOLGA PUBLIC SERVICE DISTRICT

(SEAL)

Attest:

Ronald B. Holbert
Its: Secretary

By: Termon C. Hood
Its: Chairman
Date: December 22, 2009

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

Attest:

Careal A. Cummings
Its: Secretary-Treasurer

By: [Signature]
Its: Executive Director
Date: December 22, 2009

{C1652697.1}

EXHIBIT A

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 meanings set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), 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 [DEP/BPH/PSC] and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least ___ years if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and my firm¹ has ascertained that all _____

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 _____,

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

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

[SEAL]

By: _____
West Virginia License No. _____

Esq.] and delete Amy firm has ascertained that@.

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

West Virginia Infrastructure and
Jobs Development Council
300 Summers Street, Suite 980
Charleston, West Virginia 25301

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

Ladies and Gentlemen:

We are bond counsel to _____ (the
“Governmental Agency”), a _____.

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated _____, _____, including all schedules and exhibits attached thereto (the “Loan Agreement”), between the Governmental Agency and the West Virginia Water Development Authority (the “Authority”), on behalf of the West Virginia Infrastructure and Jobs Development Council (the “Council”), and (ii) the issue of a series of revenue bonds of the Governmental Agency, dated _____, (the “Local Bonds”), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of \$_____, in the form of one bond, registered as to principal and interest to the Authority, with interest and principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, beginning _____, 1, _____, and ending _____, 1, _____, as set forth in the “Schedule Y” attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

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

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the “Local Statute”), and the bond _____ duly adopted or enacted by the Governmental Agency on _____, as supplemented by the supplemental resolution duly adopted by the Governmental Agency on _____ (collectively, the “Local Act”), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Local Bonds are subject to redemption prior

to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

2. The Loan Agreement inures to the benefit of the Authority and the Council and cannot be amended so as to affect adversely the rights of the Authority or the Council or diminish the obligations of the Governmental Agency without the consent of the Authority and the Council.

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

4. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Governmental Agency and constitute valid and binding obligations of the Governmental Agency, enforceable against the Governmental Agency 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 Loan Agreement.

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

Name of Governmental Agency _____
 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 Governmental Agency 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 Governmental Agency 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 Governmental Agency.

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

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	\$
Principal	\$
Total:	\$
Reserve Account:	\$

Witness my signature this ____ day of _____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$700,000
Purchase Price of Local Bonds \$700,000

The Local Bonds shall bear no interest. Commencing September 1, 2011, principal on the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Governmental Agency shall authorize the Commission to electronically debit its monthly payments. The Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority.

The Local Bonds are fully registered in the name of the Authority as to interest, if any, and principal and the Local Bonds shall grant the Authority a first lien on the gross or net revenues of the Governmental Agency's system as provided in the Local Act.

The Governmental Agency may prepay the Local Bonds in full at any time at the price of par but only with the Council's written consent. The Governmental Agency shall request approval from the Authority and Council in writing of any proposed debt which will be issued by the Governmental Agency on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Governmental Agency:

- (i) Century Volga Public Service District Water Revenue Bonds, Series 2003 A (United States Department of Agriculture), dated June 13, 2003, issued in the original aggregate principal amount of \$377,000; and
- (ii) Century Volga Public Service District Water Revenue Bonds, Series 1998 B (United States Department of Agriculture), dated December 18, 1998, issued in the original aggregate principal amount of \$1,150,000.

Number of New Customers to Be Served: 66
Location: Brushy Fork and Salt Lick Roads

**SCHEDULE Y
DEBT SERVICE SCHEDULE**

Century Volga PSD				
\$700,000				
0% Interest Rate				
40 Years from Closing Date				
		Dated Date	12/22/09	
		Delivery Date	12/22/09	
Period Ending	Principal	Interest	Debt Service	
12/22/09				
9/1/11	4,546		4,546	
12/1/11	4,546		4,546	
3/1/12	4,546		4,546	
6/1/12	4,546		4,546	
9/1/12	4,546		4,546	
12/1/12	4,546		4,546	
3/1/13	4,546		4,546	
6/1/13	4,546		4,546	
9/1/13	4,546		4,546	
12/1/13	4,546		4,546	
3/1/14	4,546		4,546	
6/1/14	4,546		4,546	
9/1/14	4,546		4,546	
12/1/14	4,546		4,546	
3/1/15	4,546		4,546	
6/1/15	4,546		4,546	
9/1/15	4,546		4,546	
12/1/15	4,546		4,546	
3/1/16	4,546		4,546	
6/1/16	4,546		4,546	
9/1/16	4,546		4,546	
12/1/16	4,546		4,546	
3/1/17	4,546		4,546	
6/1/17	4,546		4,546	
9/1/17	4,546		4,546	
12/1/17	4,546		4,546	
3/1/18	4,546		4,546	
6/1/18	4,546		4,546	
9/1/18	4,546		4,546	
12/1/18	4,546		4,546	
3/1/19	4,546		4,546	
6/1/19	4,546		4,546	
9/1/19	4,546		4,546	
12/1/19	4,546		4,546	
3/1/20	4,546		4,546	
6/1/20	4,546		4,546	
9/1/20	4,546		4,546	
12/1/20	4,546		4,546	
3/1/21	4,546		4,546	
6/1/21	4,546		4,546	
9/1/21	4,546		4,546	
12/1/21	4,546		4,546	
3/1/22	4,546		4,546	
6/1/22	4,546		4,546	

Century Volga PSD				
0% Interest Rate				
40 Years from Closing Date				
	Period Ending	Principal	Interest	Debt Service
	9/1/22	4,546		4,546
	12/1/22	4,546		4,546
	3/1/23	4,546		4,546
	6/1/23	4,546		4,546
	9/1/23	4,546		4,546
	12/1/23	4,546		4,546
	3/1/24	4,546		4,546
	6/1/24	4,546		4,546
	9/1/24	4,546		4,546
	12/1/24	4,546		4,546
	3/1/25	4,546		4,546
	6/1/25	4,546		4,546
	9/1/25	4,546		4,546
	12/1/25	4,546		4,546
	3/1/26	4,546		4,546
	6/1/26	4,546		4,546
	9/1/26	4,546		4,546
	12/1/26	4,546		4,546
	3/1/27	4,546		4,546
	6/1/27	4,546		4,546
	9/1/27	4,546		4,546
	12/1/27	4,546		4,546
	3/1/28	4,546		4,546
	6/1/28	4,546		4,546
	9/1/28	4,546		4,546
	12/1/28	4,545		4,545
	3/1/29	4,545		4,545
	6/1/29	4,545		4,545
	9/1/29	4,545		4,545
	12/1/29	4,545		4,545
	3/1/30	4,545		4,545
	6/1/30	4,545		4,545
	9/1/30	4,545		4,545
	12/1/30	4,545		4,545
	3/1/31	4,545		4,545
	6/1/31	4,545		4,545
	9/1/31	4,545		4,545
	12/1/31	4,545		4,545
	3/1/32	4,545		4,545
	6/1/32	4,545		4,545
	9/1/32	4,545		4,545
	12/1/32	4,545		4,545
	3/1/33	4,545		4,545
	6/1/33	4,545		4,545
	9/1/33	4,545		4,545
	12/1/33	4,545		4,545
	3/1/34	4,545		4,545
	6/1/34	4,545		4,545
	9/1/34	4,545		4,545

Century Volga PSD				
0% Interest Rate				
40 Years from Closing Date				
Period	Principal	Interest	Debt	
Ending			Service	
12/1/34	4,545		4,545	
3/1/35	4,545		4,545	
6/1/35	4,545		4,545	
9/1/35	4,545		4,545	
12/1/35	4,545		4,545	
3/1/36	4,545		4,545	
6/1/36	4,545		4,545	
9/1/36	4,545		4,545	
12/1/36	4,545		4,545	
3/1/37	4,545		4,545	
6/1/37	4,545		4,545	
9/1/37	4,545		4,545	
12/1/37	4,545		4,545	
3/1/38	4,545		4,545	
6/1/38	4,545		4,545	
9/1/38	4,545		4,545	
12/1/38	4,545		4,545	
3/1/39	4,545		4,545	
6/1/39	4,545		4,545	
9/1/39	4,545		4,545	
12/1/39	4,545		4,545	
3/1/40	4,545		4,545	
6/1/40	4,545		4,545	
9/1/40	4,545		4,545	
12/1/40	4,545		4,545	
3/1/41	4,545		4,545	
6/1/41	4,545		4,545	
9/1/41	4,545		4,545	
12/1/41	4,545		4,545	
3/1/42	4,545		4,545	
6/1/42	4,545		4,545	
9/1/42	4,545		4,545	
12/1/42	4,545		4,545	
3/1/43	4,545		4,545	
6/1/43	4,545		4,545	
9/1/43	4,545		4,545	
12/1/43	4,545		4,545	
3/1/44	4,545		4,545	
6/1/44	4,545		4,545	
9/1/44	4,545		4,545	
12/1/44	4,545		4,545	
3/1/45	4,545		4,545	
6/1/45	4,545		4,545	
9/1/45	4,545		4,545	
12/1/45	4,545		4,545	
3/1/46	4,545		4,545	
6/1/46	4,545		4,545	
9/1/46	4,545		4,545	
12/1/46	4,545		4,545	

SCHEDULE Z

None.

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

Entered: June 1, 2009

FINAL

6/21/2009

CASE NO. 09-0045-PWD-CN

**CENTURY-VOLGA PUBLIC SERVICE DISTRICT
Philippi, Barbour County,**

Application for a certificate of convenience and necessity to construct approximately 52,672 linear feet of eight-inch, six-inch, four-inch and two-inch waterlines, one (1) 43,000 gallon water storage tank, one (1) 22 g.p.m. booster pumping station and radio telemetry to serve approximately 66 new customers.

RECOMMENDED DECISION

On January 20, 2009, Century-Volga Public Service District (District) filed an application with the West Virginia Public Service Commission (Commission) for a certificate of convenience and necessity to construct certain additions and improvements to the District's existing water system in Barbour County, West Virginia. Specifically, the District proposed the construction of approximately 52,672 linear feet of eight-inch, six-inch, four-inch and two-inch waterlines; one 43,000-gallon water storage tank; one 22 g.p.m. booster pumping station; and radio telemetry, to serve approximately 66 new customers in areas of Barbour County designated as Brushy Fork, Spaw Lick and Scales Road. The District's application indicates that the project will cost approximately \$2,389,000 and will be funded by a West Virginia Division of Environmental Protection Office of Abandoned Mine Lands (AML) Grant in the amount of \$1,639,000 and a West Virginia Infrastructure and Jobs Development Council (IJDC) loan in the amount of \$750,000. The District reported that the project is necessary because residents located within the geographical areas included in the project suffer from an inadequate water supply and/or poor water quality from existing private water wells which have been negatively affected by previous mining activity. The District did not propose a rate increase to support the project. Included with its application, the District filed the Engineering Report and Map; the Proposal and Contract Specifications for the Century-Volga Public Service District Waterline Extension Project, prepared by Horner Brothers Engineers, in October 2008; numerous water user agreements signed by

customers; funding letters from the IJDC and the West Virginia Department of Environmental Protection Office of Abandoned Mine Lands & Reclamation; the District's Annual Report for the Year Ended June 30, 2008; various permits; and a Rule 42 for the Projected Year Ending June 30, 2011.

On January 20, 2009, the Public Service Commission issued a Notice of Filing, which required that the District give notice of the filing of the certificate application by publishing the Notice of Filing once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Barbour County. The Commission also ordered the District to make due return of proper certification of publication immediately after publication. The Notice of Filing stated that, if no protests were received within the 30-day public protest period, the Commission may waive formal hearing and grant the application based on its review of the evidence submitted with the application.

On January 30, 2009, the District notified the Commission, in writing, that it would be represented in this certificate case by Norman T. Farley, Esquire, of West & Jones, Clarksburg, West Virginia.

By Commission Referral Order issued on February 4, 2009, the Commission referred this case to the Division of Administrative Law Judges for a decision to be rendered on or before June 4, 2009, if no public protests were filed. The Commission Referral Order stated that, if public protests were filed within 30 days after the required notice had been provided, the Division of Administrative Law Judges would be required to render its decision on or before August 18, 2009.

On February 9, 2009, the District filed with the Commission a copy of the published Notice of Filing which appeared in the *Barbour Democrat* on February 4, 2009.

On February 9, 2009, Staff Attorney Wendy Braswell of the Commission's Legal Division filed the Initial Joint Staff Memorandum, along with the Initial Internal Memorandum, prepared by Utilities Analysts Nathan Nelson and Pamela Latocha of the Commission's Water and Wastewater Division and Jonathan Fowler of the Commission's Engineering Division. Staff reported that its review of this matter was ongoing and that a final written recommendation would be filed within the proper internal Commission case processing time frame.

On February 24, 2009, the District filed an affidavit of publication from the *Barbour Democrat* which affirmed that the Notice of Filing for this certificate case was published on February 4, 2009, in said newspaper, a newspaper published in the City of Philippi, Barbour County.

On April 1, 2009, the District consulting engineer filed, on behalf of the District, one (1) copy of the project specifications for the proposed waterline extension project.

On April 20, 2009, Staff Attorney Braswell filed the Final Joint Staff Memorandum, along with the Final Staff Internal Memorandum, prepared by Utilities Analysts Nelson and Latocha and Engineer Fowler. Staff recommended that:

(1) Century-Volga Public Service District's application for a certificate of convenience and necessity to construct an extension of its water distribution system to serve approximately sixty-six (66) new customers in Barbour County, as specifically described within the plans and documents filed with the certificate application, be granted at a total cost of \$2,389,000;

(2) That the certificate application be granted subject to the condition that Century-Volga Public Service District file all outstanding permits prior to commencing construction activities;

(3) Century-Volga Public Service District's proposed project financing, consisting of an AML grant in the amount of \$1,639,000 and a \$750,000 IJDC loan at annual interest rate of 0%, for a term of forty (40) years, be approved;

(4) Should any changes occur in the plans or scope of the project, Century-Volga Public Service District must seek Public Service Commission approval thereof. Also, if there are any changes in the rates associated with this project, Century-Volga Public Service District must seek Public Service Commission approval thereof. Since this project has already been approved by the IJDC, it is unnecessary that the District seek Public Service Commission approval of changes in project costs or financing which would have no effect on project-related rates. However, under such circumstances, Staff recommended that the District be required to file an affidavit, executed by a certified public accountant, verifying that project-related rates and charges are not affected;

(5) Century-Volga Public Service District should be required to file with the Commission a copy of the engineer's bid tabulation for each contract within ten (10) days of the bid opening date; and

(6) Century-Volga Public Service District should be required to file with the Commission a copy of the "Certificate of Substantial Completion" for any contract as soon as it becomes available.

DISCUSSION

Since the District properly notified the public of this certificate application by publishing the Notice of Filing in the *Barbour Democrat* on February 4, 2009, providing a 30-day protest period; since no one protested the filing; since Commission Staff recommended approval of the District's certificate application and approval of the project

financing proposed by the District, and since the District did not object to the Staff recommendations, it is reasonable to hold that public convenience and necessity require the project and to grant the Applicant's certificate application without hearing.

FINDINGS OF FACT

1. Century-Volga Public Service District filed an application with the West Virginia Public Service Commission for a certificate of convenience and necessity to construct an extension of its existing public water distribution system to provide public water service to eighty-three (83) potential new customers. Potential new customers are located in the Brushy fork, Spaw Lick and Scales Road areas of Barbour County, West Virginia. Approximately four (4) or five (5) of the potential new customers are located on the extreme eastern portion of Harrison County, along Harrison County Route 57/3, which is the same road known as Barbour County Route 57/11. (See, January 20, 2009 filing).

2. The proposed project will include construction of approximately 52,700 feet (or 10 miles) of new water mains ranging in size from 2-inch line diameter to 8-inch line diameter; thirty-two (32) main line valves and appurtenances; twelve (12) blow-off assemblies and seven (7) air-release valve assemblies; ten (10) fire hydrants and accessories; approximately 2,300 feet of new customer service lines; sixty-one (61) new meter setters with pressure reducing controls; five (5) new standard water meter setters; one (1) new water storage tank with a capacity of 43,000 gallons; one (1) new small constant-pressure style booster pumping station; radio telemetry; and automatic pump and tank-level control systems. (See, January 20, 2009 filing).

3. A Notice of Filing was issued to the District by the Public Service Commission on January 20, 2009, which described the proposed project and rates and notified the public that anyone desiring to protest or intervene in this matter should file a written protest or notice of intervention within thirty (30) days following the date of publication of the Notice of Filing. The Notice of Filing required that it be published by the District once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Barbour County, West Virginia. (See, Notice of Filing, issued January 20, 2009).

4. The District published the Notice of Filing regarding this certificate application in the *Barbour Democrat*, a newspaper of general circulation, published in the City of Philippi, Barbour County, West Virginia on February 4, 2009. (See, February 24, 2009 filing).

5. The total estimated project cost, \$2,389,000, will be financed through a \$1,639,000 AML grant and a \$750,000 IJDC loan at an annual interest rate of 0% for a term of forty (40) years. No loan payments will be required for the first two (2) years and the

remaining thirty-eight (38) years require annual payments of \$19,734. (See, January 20, 2009 filing).

6. The District's project will provide potable water service to potential customers who currently rely on inadequate water wells which are contaminated with fecal material and which have been unfavorably impacted by coal mining activities and the groundwater contamination caused by such mining activities. (See, Final Joint Staff Memorandum and Final Staff Internal Memorandum, filed February 24, 2009).

7. The District's total annual operation and maintenance expenses will increase by \$9,000 as a result of this project. (See, Final Joint Staff Memorandum and Final Staff Internal Memorandum, filed February 24, 2009).

8. The District does not own or operate a water treatment facility. The District purchases its water from the City of Philippi. (See, Final Joint Staff Memorandum and Final Staff Internal Memorandum, filed February 24, 2009).

9. The City of Philippi has sufficient excess capacity to provide water for the District's proposed water line extension. (See, Final Joint Staff Memorandum and Final Staff Internal Memorandum, filed February 24, 2009).

10. The District did not request a rate increase in this certificate case because new water rates became effective for the District in December 2008, one month immediately preceding its filing of the water line extension certificate extension. (See, Final Joint Staff Memorandum and Final Staff Internal Memorandum, filed February 24, 2009).

11. The District is currently operating at a surplus and will continue to do so after the project is completed and the extension is operational. Based on the District's current rates, the 67 new customers who have signed user agreements will generate approximately \$29,239 in annual operating revenues. (See, Final Joint Staff Memorandum and Final Staff Internal Memorandum, filed February 24, 2009).

12. The additional revenue generated by the new customers to be served, along with available surplus funds at going-level, will be sufficient to absorb the financial impact of the project and maintain a positive cash flow. (See, Final Joint Staff Memorandum and Final Staff Internal Memorandum, filed February 24, 2009).

13. The District's existing rates and charges will generate a cash flow surplus of \$1,209, and a debt service coverage ratio of 138.25%. (See, Final Joint Staff Memorandum; Final Staff Internal Memorandum, Attachment 2 - Cash Flow Analysis, filed February 24, 2009).

14. The District did not object to the final recommendations of Commission Staff. (See, case file generally).

15. No public protests were filed with the Public Service Commission within the 30-day protest period or as of the date of this Recommended Decision. (See, case file generally).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the construction of the public water distribution extension proposed by Century-Volga Public Service District to serve the Brushy Fork, Spaw Lick and Scales Road areas of Barbour County, West Virginia, in its certificate application filed on January 20, 2009.

2. It is reasonable to grant the District's application for a certificate of public convenience and necessity to construct an extension of its existing water distribution system, which will provide public water service to approximately sixty-seven (67) new customers.

3. It is reasonable to approve the proposed financing for the project, consisting of a \$1,639,000 AML grant and a \$750,000 IJDC loan at an annual interest rate of 0%, for a term of 40 years.

4. The District's existing rates are sufficient, but not more than sufficient, to cover the District's increased operation and maintenance expenses, taxes, debt service requirements and necessary capital additions resulting from the proposed water distribution system extension.

ORDER

IT IS, THEREFORE, ORDERED that the application filed herein on January 20, 2009, by Century-Volga Public Service District, Barbour County, West Virginia, for a certificate of convenience and necessity to construct an extension of its existing water distribution system to provide public water service to the Brushy Fork, Spaw Lick and Scales Road areas of Barbour County, West Virginia, be, and hereby is, granted.

IT IS FURTHER ORDERED that the financing for the project, consisting of a grant from the West Virginia Department of Environmental Protection Office of Abandoned Mine Lands in the amount of \$1,639,000 and a \$750,000 loan from the West Virginia Infrastructure and Jobs Development Council, at an annual interest rate of 0%, for a term of 40 years, be, and hereby is, approved.

IT IS FURTHER ORDERED that Century-Volga Public Service District submit a Certificate of Substantial Completion from its professional engineer for each contract associated with this water distribution system extension project, as soon as each becomes available.

IT IS FURTHER ORDERED that, should there be any changes in the scope, plans or financing of the project, or if a change in project cost affects the project's rates, the District obtain Public Service Commission approval of such changes, prior to commencing construction.

IT IS FURTHER ORDERED that, if there is a change in project cost that does not affect rates, the District is not required to obtain Commission approval of such change. However, the District shall, in such case, file an affidavit with the Public Service Commission, duly executed by a Certified Public Accountant, verifying that rates are not affected.

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

IT IS FURTHER ORDERED that the Applicant file with the Commission, within ten (10) days of the bid opening date, a copy of the engineer's certified tabulation of bids, for each contract to be awarded for this project.

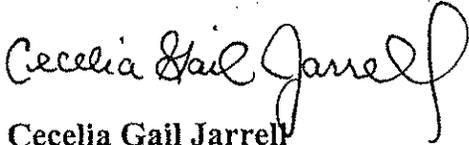
IT IS FURTHER ORDERED that this matter be, and hereby is, removed from the Commission's docket of open cases.

The Commission's Executive Secretary shall serve a copy of this Recommended Decision upon all parties of record by United States Certified mail, return receipt requested, and upon the Commission by hand delivery.

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

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

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


Cecelia Gail Jarrell
Administrative Law Judge

CGJ:s:cdk
090045a.wpd

CENTURY VOLGA PUBLIC SERVICE DISTRICT
POST OFFICE BOX 207
VOLGA, WEST VIRGINIA 26238-0207
PHONE / FAX: (304) 457-5735

COPY

Donald Cleavenger, Chairman
Vernon O. Woods, Secretary

Paul W. Calhoun, Treasurer
Linda S. Procell, General Manager

February 23, 2009

Ms. Sandra Squire
Executive Secretary
Public Service Commission of WV
201 Brooks Street
P. O. Box 812
Charleston, WV 25323

RECEIVED
2009 FEB 24 AM 8 30
W. VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

Re: **CASE NO. 09-0045-PWD-CN**
CENTURY VOLGA PUBLIC SERVICE DISTRICT

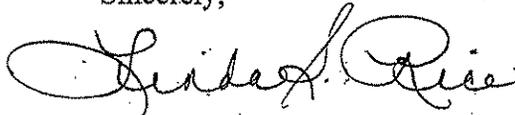
Application for a certificate of convenience and necessity to construct approximately 52,672 linear feet of eight-inch, six-inch, four-inch, and two-inch water lines, one 43,000-gallon water storage tank, one 22 gpm booster pumping station and radio telemetry to service approximately 66 new customers in Barbour County.

Dear Ms. Squire:

On February 10, 2009, the District filed a copy of the legal advertisement, the Notice of Filing for the referenced project, published in The Barbour Democrat on February 4, 2009. As a follow up, enclosed please find the Affidavit of Publication received today from Barbour Publishing Company.

Please contact me if you have any questions or require additional information.

Sincerely,



Linda S. Rice
General Manager

LSR/ns
Enclosures: (12 copies)

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered by the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 20th day of January 2009.

CASE NO. 08-0045-PWD-CN

CENTURY-VOLGA PUBLIC SERVICE DISTRICT
Route 1, Box 76
Philippi, WV 26416

Application for a certificate of convenience and necessity to construct approximately 62,572 linear feet of eight inch, six inch, four inch and two inch waterlines, one 43,000 gallon water storage tank, one 22 gpm booster pumping station and radio telemetry to serve approximately 66 new customers.

OFFICE OF THE BARBOUR DEMOCRAT

I, LARS O. BYRNE, Editor of the BARBOUR DEMOCRAT published in the City of Philippi, County of Barbour certify that the annexed:

NOTICE OF FILING

On January 20, 2009, Century-Volga Public Service District ("District") filed an application, duly verified, for a Certificate to construct certain additions and improvements to the District's water system in Barbour County. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

The District estimates that construction will cost approximately \$2,389,000.00. It is proposed that the construction will be financed as follows:

WVDEP, Office of Abandoned Mine Lands Grant in the amount of \$1,639,000.00
WV Infrastructure and Jobs Development Council Loan in the amount of \$750,000.00

The District anticipates charging the following water rates for its customers:

First 3,000 gallons	\$10.07 per 1,000 gallons
Next 3,000 gallons	\$9.96 per 1,000 gallons
Next 4,000 gallons	\$9.03 per 1,000 gallons
Next 10,000 gallons	\$8.50 per 1,000 gallons
Over 20,000 gallons	\$8.01 per 1,000 gallons
MINIMUM MONTHLY BILL FOR 3,000 gallons	\$30.21 per month

LEGAL NOTICE

was duly printed in said paper one week commencing 4th day of February, 2009.

DELAYED PAYMENT PENALTY

The above tariff is net. On all accounts not paid in full within twenty days of the latest pay date, ten percent will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

Given under my hand at Philippi, West Virginia, this

Lars O. Byrne

CONNECTION CHARGE

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

There are no rate increases anticipated to be associated with this waterline extension project. The existing rates and charges will produce approximately \$31,205.00 annually in additional revenue, an increase of 6.7% due to the addition of an estimated 66 new customers.

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.

Printer's Fee.....

Pursuant to W.Va. Code 24-2-11, IT IS ORDERED that the Century-Volga Public Service District give notice of the filing of said application, by publishing a copy of this order once in a newspaper duly qualified by the Secretary of State, published and of general circulation in Barbour County, making due return to this Commission of proper certification of publication immediately after publication. Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or intervention. Requests to intervene must comply with the Commission's rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and interventions should be addressed to Sandra Squire, Executive Secretary, P.O. Box 812, Charleston, West Virginia 25323.

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

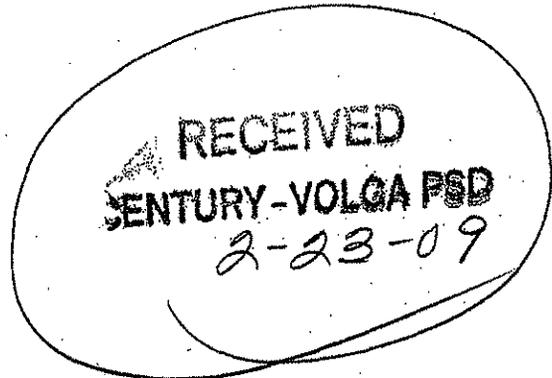
STATE OF WEST VIRGINIA
COUNTY OF BARBOUR; to wit

Sworn to and subscribed before me this 4th day of February, 2009.

Sandra Squire
Executive Secretary

Summy D. Hake
NOTARY PUBLIC

My Commission Expires October 16, 2018



OFFICE OF THE BARBOUR DEMOCRAT

I, **LARS O. BYRNE**, Editor of the **BARBOUR DEMOCRAT**, a weekly newspaper published in the City of Philippi, County of Barbour, and State of West Virginia, do certify that the annexed:

LEGAL NOTICE

was duly printed in said paper one week commencing on Wednesday, the 4th day of February, 2009.

Given under my hand at Philippi, West Virginia, this 4th day of February, 2009.

Lars O. Byrne, Editor

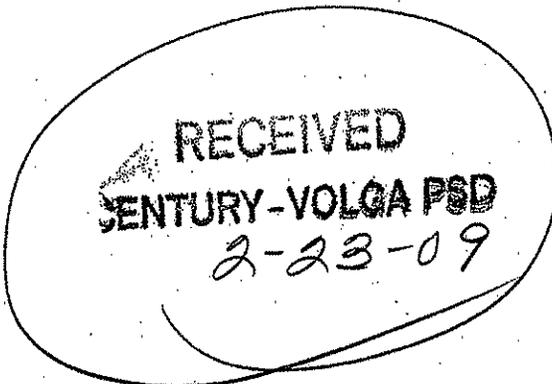
Printer's Fee.....\$ 100.28

STATE OF WEST VIRGINIA
COUNTY OF BARBOUR; to wit

Sworn to and subscribed before me this 4th day of February, 2009.

Summy D. Hale
NOTARY PUBLIC

My Commission Expires October 16, 2018



PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

12/15/2008

Entered: November 25, 2008

CASE NO. 08-0800-PWD-19A

CENTURY VOLGA PUBLIC SERVICE DISTRICT
Rule 19A application to increase water rates and charges.

RECOMMENDED DECISION

On May 16, 2008, Century Volga Public Service District (District) filed a Rule 19A application to increase rates and charges. The District requested Staff to determine the amount of increase to its current water rates and charges. The District also requested modifications to its tariff to include an increase to the current \$300 tap fee; a disconnect penalty for delinquent customers; and a surcharge for those customers whose payments must be collected at their door.

On June 18, 2008, Staff Attorney Meyishi Pearl Blair filed the Initial Joint Staff Memorandum to which was attached the May 29, 2008 Initial Internal Memorandum prepared by Pete Lopez, Utilities Analyst II, Water and Wastewater Division. Ms. Blair discussed in detail the District's notice obligations under the Commission's Tariff Rules. Specifically, Ms. Blair discussed Rule 8.2.f. which required that, within thirty (30) days of the date the Commission issued its procedural order stating the Staff report due date, the applicant shall have completed the mailing of separate notices to each of its customers. Ms. Blair also discussed Rule 8.2.i. which requires the utility to provide notice of the Staff-recommended rates. The District was also reminded of its obligation to complete and file with the Commission Tariff Form Nos. 6-A and 6-B after the District provided all of the required notices to its customers. Technical Staff reported that the District's annual operating revenue was \$443,374 for the year ending June 30, 2007.

By Commission Order dated July 2, 2008, the proceeding was referred to the Division of Administrative Law Judges with a decision due date of on or before January 12, 2009. Commission Staff was required to file its report on or before August 25, 2008. The District was required to mail separate notices to each of its customers of the requested rate increase on or before August 1, 2008, and provide the Commission with the appropriate certificate evidencing the mailing of separate notices on or before August 18, 2008.

On July 23, 2008, the District filed a copy of the notice which was separately mailed to its customers and a completed Tariff Form No. 6-A which reflected that the separate notices were mailed on July 18, 2008.

On August 13, 2008, the District filed a motion to extend the decision due date for the Division of Administrative Law Judges.

By Commission Order dated August 13, 2008, as corrected, the due date for the Staff Report was extended until September 25, 2008, but the decision due date was not extended.

On September 30, 2008, Staff Attorney Blair filed the Further Initial Joint Staff Memorandum, indicating that Staff was unable to meet the September 25, 2008 extended date due to pressing case matters.

On October 3, 2008, Staff Attorney Chris Howard filed the Final Joint Staff Memorandum prepared by Ronald E. Robertson, Jr., to which was attached the October 3, 2008 Final Staff Memorandum prepared by Mr. Lopez. Staff reported that the District serves approximately 934 customers in Barbour County, West Virginia. The District purchases its entire water supply from the City of Philippi. The District has five (5) water storage tanks, several pump stations and approximately 125 miles of system lines.

The District's debt consists of a 1998B Series Bond and a 2003A Series Bond, with outstanding balances of \$1,063,771, and \$368,978, respectively. As of June 30, 2007, the District also had a loan from Freedom Bank with an outstanding balance of \$34,820.

Staff recommended the continued funding of an escrow account in the amount of \$10,000 per year for two (2) more years to be used to paint the District's tanks. Staff also recommended that the District file another 19A rate case two (2) years after an Order becomes final in this case in order for escrow funding to be removed from rates. Staff also recommended that the District obtain estimates for the tank painting before filing its next 19A rate case.

The Staff-recommended rates will provide the District with a capital surplus of \$10,883. This amount is the two-year plant average additions minus the amount for the renewal and replacement reserve, i.e., \$15,089 - \$4,206 = \$10,883.

Staff recommended a 2.8% across-the-board increase to the District's per books rates and charges which will generate approximately \$20,979 in additional operating revenues. Staff's cash flow analysis reveals a going level remaining cash deficit of \$3,339 with a debt service coverage of 127.79%. The Staff-recommended rates and charges will result in a cash flow surplus of \$10,884 and a debt service coverage of 146.70%. Under per books rates, a bill for 3,000 gallons of water per month is \$29.40 and a bill for 4,500 gallons of water per month is \$43.35. The Staff-recommended rates and charges provide for a minimum bill of \$30.22 and a bill for \$44.56 for 4,500 gallons of water. Staff calculated the leak adjustment charge to be \$3.10 per 1,000 gallons. Staff also made changes to the District's current tariff to incorporate the most up-to-date Commission language and to add new items, i.e., a security deposit and an administrative fee.

In summary, Staff recommended (a) approving a 2.8% across-the-board increase to the District's current rates and charges; (b) approving the Staff-recommended capital addition surplus of \$10,884; (c) approving continued annual funding in the amount of \$10,000 for the tank painting escrow account; (d) requiring the District to file a Rule 19A rate case two (2) years from the date the order in this case becomes final; and (e)

approving the Staff-recommended leak adjustment charge and the two new items, i.e., security deposit and administrative fee, along with the updated tariff language changes.

By Procedural Order dated October 14, 2008, the District was required to publish the Staff-recommended rates once a week for two (2) consecutive weeks, post a copy of Tariff Form No. 10, issue a press release and mail a copy of Tariff Form No. 10 to its resale customer(s), if any. The District was required to submit the completed Tariff Form No. 6B and a proper affidavit of publication no later than November 7, 2008.

On November 14, 2008, the District filed a completed Tariff Form No. 6-B and an Affidavit of Publication which reflected that the Notice of Application of Rates had been published on October 22, 2008, and October 29, 2008, in the Barbour Democrat, a newspaper duly qualified by the Secretary of State, published and generally circulated in Barbour County.

As of the date of this Recommended Decision, no letters of protest concerning the Staff-recommended rates have been filed. Additionally, the District did not object to the Final Joint Staff Memorandum or to the Staff-recommended rates.

FINDINGS OF FACT

1. On May 16, 2008, Century Volga Public Service District filed a Rule 19A application to increase sewer rates and charges. (See, May 16, 2008 filing).

2. At going level, the District's current rates are generating a cash flow deficit of (\$1,391), which leaves the District with only \$4,206 in its renewal and replacement reserve to fund needed annual capital additions. (Staff Report filed October 3, 2008, Statement H).

3. The Staff-recommended rates will result in an across-the-board 2.8% increase to the District's per books rates and charges and will produce a debt service coverage factor of 146.70%. (See, Staff Report filed October 3, 2008, Letter of Transmittal, pp. 4-5, and Statement H).

4. Based on Staff's analysis of the District's 2-year average of plant additions of \$15,089 and the renewal and replacement reserve of \$4,206, Staff recommended rates will provide a capital surplus to the District of \$10,883 ($\$15,089 - \$4,206 = \$10,883$). (See, Staff Report filed October 3, 2008, Letter of Transmittal, pp. 4-5, and Statement H).

5. Staff also recommended approval of continued funding for the tank painting escrow account in the amount of \$10,000 per year and that the District file a 19A rate case two (2) years from the date the Commission enters a final order in this proceeding. The District's water tanks will need to be painted within the next three years. (See, Staff Report filed October 3, 2008, Letter of Transmittal, pp. 3-5).

6. Notice of the Staff-recommended rates and charges was published in the Barbour Democrat, a newspaper duly qualified by the Secretary of State, published and of general circulation in Barbour County, on October

22, 2008, and on October 29, 2008. (See, Affidavit of Publication filed November 14, 2008).

7. No protests were filed to the Staff-recommended increased rates and charges within the ten-day period, which expired on November 8, 2008, nor as of the date of this Recommended Decision. (See, case file generally).

8. The Office of the Executive Secretary served the Staff recommendations upon the District, along with a letter in which the parties were cautioned that failure to respond to Staff's recommendations may result in a decision in the case based on the original filing and the other documents in the case file without further notice or hearing. (See, filing dated October 3, 2008).

9. As of the date of this Order, the District has not objected to the Further Joint Staff Memorandum nor to the Staff-recommended rates. (See, case file generally).

CONCLUSIONS OF LAW

1. The Staff-recommended increased rates and charges are sufficient, but not more than sufficient, to cover the District's operation and maintenance expenses, debt service requirements and average annual plant additions.

2. It is reasonable to approve the revised Staff-recommended increased rates and charges, without a hearing, since adequate notice has been provided and no protests have been filed in response thereto, for use by the District for all service rendered on and after the date that this Recommended Decision becomes a final Commission Order.

ORDER

IT IS, THEREFORE, ORDERED that the Staff-recommended rates and charges, as set forth and contained in Appendix A, attached hereto, be, and hereby are, approved to become effective for all water service rendered by the Century Volga Public Service District on and after the date that this Recommended Decision becomes a final Commission Order.

IT IS FURTHER ORDERED that the Century Volga Public Service District file with the Commission's Tariff Office an original and no less than five (5) copies of a proper tariff reflecting the rates approved herein within thirty (30) days of the date that this Recommended Decision becomes a final Commission Order.

IT IS FURTHER ORDERED that the Century Volga Public Service District continue to fund the tank painting escrow account in the amount of \$10,000 per year and file a 19A rate case two (2) years from the date this Order becomes a final order of this Commission.

IT IS FURTHER ORDERED that this matter be, and hereby is, removed 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 upon all parties of record by United States Certified Mail, return receipt requested.

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary 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, nor shall any such waiver operate to make any Administrative Law Judge's Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.

Deborah Yost VanDervort
Deborah Yost VanDervort
Administrative Law Judge

DYV:s:cdk
080800aa.wpd

CENTURY VOLGA PUBLIC SERVICE DISTRICT
CASE NO. 08-0800-PWD-19A

APPROVED RATES

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial, industrial and sale for resale service.

RATES

First	3,000	gallons used per month	\$10.07 per 1,000 gallons
Next	3,000	gallons used per month	\$ 9.56 per 1,000 gallons
Next	4,000	gallons used per month	\$ 9.03 per 1,000 gallons
Next	10,000	gallons used per month	\$ 8.50 per 1,000 gallons
All Over	20,000	gallons used per month	\$ 8.01 per 1,000 gallons

MINIMUM CHARGE

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

5/8-inch meter	\$ 30.21 per month
3/4-inch meter	45.32 per month
1-inch meter	75.53 per month
1-1/2-inch meter	151.07 per month
2-inch meter	241.71 per month
3-inch meter	453.20 per month
4-inch meter	755.33 per month
6-inch meter	1,510.66 per month

RECONNECTION CHARGE - \$20.00

To be charged whenever the supply of water is turned off for violations of rules, non-payment of bills or fraudulent use of water.

TAP FEE

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

A tap fee of \$100.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

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

DELAYED PAYMENT PENALTY

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

LEAK ADJUSTMENT

\$3.10 per M gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate is to be applied to all consumption above the customer's historical average usage.

RETURNED CHECK CHARGE

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

RESALE RATE

\$4.02 per thousand gallons

SECURITY DEPOSIT

A deposit of \$50.00 or 2/12 of the average annual usage of the applicant's specific customer class, whichever is greater.

ADMINISTRATIVE FEE - \$20.00

To be charged in the event the District collects payment in full of a delinquent water bill at the customer's premise in lieu of discontinuance of service for nonpayment of a water bill.

CENTURY VOLGA PUBLIC SERVICE DISTRICT, a public utility
OF
VOLGA, WEST VIRGINIA
RATES, RULES AND REGULATIONS FOR FURNISHING
WATER

at Century and Volga, Barbour County, West Virginia

Filed with **THE PUBLIC SERVICE COMMISSION**
of
WEST VIRGINIA

RECEIVED
09 JAN . 2 AM 9:24
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

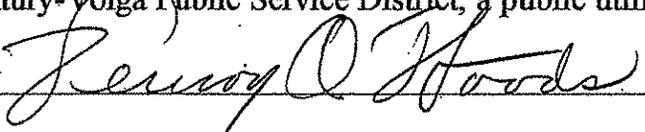
Issued January 7, 2009

Effective for service rendered on and after December 15, 2008
or as otherwise provided herein

Issued by authority of an order of the
Public Service Commission of West Virginia
in Case No. 08-0800-PWD-19A final
December 15, 2008 or as otherwise provided herein

Issued by Century-Volga Public Service District, a public utility

By



CHAIRMAN
Title

RULES AND REGULATIONS

- I. Rules and Regulations for the Government of Water Utilities, adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by said Commission.

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial, industrial and sale for resale service.

(I) RATES

First	3,000 gallons used per month	\$10.07 per 1,000 gallons
Next	3,000 gallons used per month	\$9.56 per 1,000 gallons
Next	4,000 gallons used per month	\$9.03 per 1,000 gallons
Next	10,000 gallons used per month	\$8.50 per 1,000 gallons
All over	20,000 gallons used per month	\$8.01 per 1,000 gallons

(C,I) MINIMUM CHARGE

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

5/8 inch meter	\$ 30.21 per month
3/4 inch meter	\$ 45.32 per month
1 inch meter	\$ 75.53 per month
1 - 1/2 inch meter	\$ 151.07 per month
2 inch meter	\$ 241.71 per month
3 inch meter	\$ 453.20 per month
4 inch meter	\$ 755.33 per month
6 inch meter	\$1,510.66 per month

(C) RECONNECTION

\$20.00

To be charged whenever the supply of water is turned off for violations of rules, non-payment of bills or fraudulent use of water

(I) Indicates increase

(C) Indicates change in text

(C) TAP FEE

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

A tap fee of \$100.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of \$300.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

(C) DELAYED PAYMENT PENALTY

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

(C,I) LEAK ADJUSTMENT

\$3.10 per M gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate is to be applied to all consumption above the customer's historical average usage.

(C) RETURNED CHECK CHARGE

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

RESALE RATE

\$4.02 per thousand gallons

(C) Indicates change in text

(I) Indicates increase

(N) SECURITY DEPOSIT

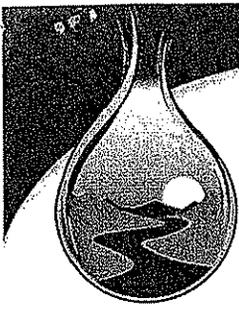
A deposit of \$50.00 or 2/12 of the average annual usage of the applicant's specific customer class, whichever is greater.

(N) ADMINISTRATIVE FEE

\$20.00

To be charged in the event the District collects payment in full of a delinquent water bill at the customer's premise in lieu of discontinuance of service for nonpayment of a water bill.

(N) Indicates new



WEST VIRGINIA

Infrastructure & Jobs Development Council

RECEIVED
CENTURY-VOLGA PSD
9-4-08

Gov. Joe Manchin, III
Chairman

August 22, 2008

Kenneth Lowe, Jr.
Public Member

Linda Rice,
General Manager
Century Volga PSD

Dwight Calhoun
Public Member

P.O. Box 207
Volga, WV 26238

David "Bones" McComas
Public Member

Re: 2002W-664 Binding Commitment
(Action Required by September 30, 2008)

Ron Justice
Public Member

Dear Ms. Rice:

Jefferson E. Brady, P.E.
Executive Director

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") provides this binding offer of an Infrastructure Fund loan of approximately \$750,000 (the "Loan") to the Century Volga Public Service District (the "District") for above referenced water project (the "Project"). The Loan will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Loan and Grant amount will be established after the District has received acceptable bids for the Project. The Infrastructure Council will set aside a portion of the Infrastructure Fund to make the Loan upon the District's compliance with the program requirements.

Paula Koontz
Administrative Secretary

This commitment is contingent upon the Project meeting the following schedule:

- A. Prepare and submit plans and specifications to the Bureau for Public Health no later than September 15, 2008.
- B. File a Certificate Case with the Public Service Commission no later than November 1, 2008.
- C. Prepare and submit the preliminary title opinion no later than July 1, 2009;
- D. Advertise for bids no later than July 1, 2009.

(The District must receive authority from the Infrastructure Council before bidding the project. A pre-bid checklist is attached.)

The Infrastructure Council reserves the right to withdraw this Loan commitment if any of the above schedule dates are not met. The Infrastructure Council may, when justifiable circumstances occur, offer to modify the schedule.

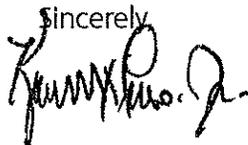
Any decision to modify the schedule is at the sole discretion of the Infrastructure Council.

If the District becomes aware that it will not meet one or more of the above schedule dates, the District should immediately notify the Infrastructure Council of this fact and the circumstances which have caused or will cause the District to be unable to meet the schedule. In addition, please immediately notify the Infrastructure Council if any of the other dates on the attached schedule have or will not be met.

The Infrastructure Council will enter into Loan agreement with the District following receipt of the completed Schedule B, a final, nonappealable order from the Public Service Commission authorizing construction of the Project, evidence of binding commitments for other funding; evidence of all permits; evidence of acceptable bids; and any other documents requested by the Infrastructure Council.

No statements or representations made before or after the issuance of this contingent commitment by any person, member of the Infrastructure Council, or agent or employee of the Authority shall be construed as approval to alter or amend this commitment, as all such amendments or alterations shall only be made in writing after approval of the Infrastructure Council.

If the District has any questions regarding this commitment, please contact Jeff Brady at the above-referenced telephone number.

Sincerely

Kenneth Lowe, Jr.

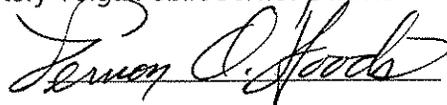
Attachments

cc: Horner Brothers Engineers
Angela Chestnut, WVDEP – AML
John Stump, Steptoe & Johnson

NOTE: This letter is sent in triplicate. Please acknowledge receipt and immediately return two copies to the Infrastructure Council.

Century Volga Public Service District

By:



Its:

CHAIRMAN

Date:

9-15-08

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Century Volga PSD
Water Project 2002W-664
August 22, 2008

SCHEDULE A

- A. Approximate Amount: \$ 750,000 Loan
- B. Loan: \$ 750,000
1. Maturity Date: 40 years from date of closing.
 2. Interest Rate: 0%
 3. Loan Advancement Date(s) Monthly, upon receipt of proper requisition
 4. Debt Service Commencement: The first quarter following completion of construction, which date must be identified prior to closing.
 5. Special Conditions: None
- NOTICE: The terms set forth above are subject to change following the receipt of construction bids.
- C. Other Funding Sources:
1. AML \$1,639,000
- D. Total Project Cost: \$ 2,389,000

Project Schedule

Utility:	Century Volga PSD	Funding Source(s)	
County:	Barbour	AML	\$1,639,000
Project Number:	2002W-664	IJDC Loan	\$750,000

Total: \$2,389,000

Project Milestone	Responsible Party	Start	Complete
Engineering Agreement	Trey Horner	complete	complete
Prepare & Submit Plans & Specs to BPH/DEP	Trey Horner	4/16/2008	9/15/2008
Plans & Specs Review & Approval	BPH	9/15/2008	10/15/2008
Prepare & Submit Permit Applications	Trey Horner	9/15/2008	12/15/2008
Prepare Rule 42	Randy Harris	10/1/2008	11/1/2008
File Certificate Case with PSC	Trey Horner	11/1/2008	11/1/2008
Review & Approve PSC Certificate (120, 180, or 270 Days)	PSC	11/1/2008	8/1/2009
Rights-of-way, Easements & Land Acquisitions	Norm Farley	10/1/2008	7/1/2009
Authority to Advertise for Bids	AML / IJDC	7/1/2009	7/1/2009
Advertise	Trey Horner	7/1/2009	8/1/2009
Bid Opening	Trey Horner	8/1/2009	8/1/2009
Loan Closing	S & J	10/15/2009	10/15/2009
Construction	Contractor	11/1/2009	8/1/2010

CENTURY VOLGA PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this 22nd day of December, 2009, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Chairman of Century Volga Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, in the principal amount of \$700,000, numbered AR-1 (the "Series 2009 A Bonds"), issued as a single, fully registered Bond, and dated December 22, 2009.

2. At the time of such receipt, all the Series 2009 A Bonds had been executed by the Chairman and the Secretary of the Issuer by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2009 A Bonds, of \$216,924.72, being a portion of the principal amount of the Series 2009 A Bonds. The balance of the principal amount of the Series 2009 A Bonds will be advanced by the Authority and the West Virginia Infrastructure and Jobs Development Council to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: Carol A. Cummings
Its: Authorized Representative

CENTURY VOLGA PUBLIC SERVICE DISTRICT

By: Teroy C. Woods
Its: Chairman

CENTURY VOLGA PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Huntington National Bank,
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

On this 22nd day of December, 2009, there are delivered to you herewith:

- (1) Bond No. AR-1, constituting the entire original issue of Century Volga Public Service District Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), in the principal amount of \$700,000 (the "Series 2009 A Bonds"), dated December 22, 2009 (collectively, the "Bonds"), executed by the Chairman and Secretary of Century Volga Public Service District (the "Issuer") and bearing the official seal of the Issuer authorized to be issued under and pursuant to a Bond Resolution duly adopted by the Issuer on December 14, 2009 and a Supplemental Resolution duly adopted by the Issuer on December 14, 2009 (collectively, the "Bond Legislation");
- (2) A copy of the Bond Legislation authorizing the above-captioned Bonds, duly certified by the Secretary of the Issuer;
- (3) Executed counterparts of a loan agreement for the Series 2009 A Bonds, dated December 22, 2009, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") (the "Loan Agreement"); and
- (4) Executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Bonds.

You are hereby requested and authorized to deliver the Series 2009 A Bonds to the Authority upon payment to the Issuer of the sum of \$216,924.72, representing a portion of the principal amount of the Series 2009 A Bonds. Prior to such delivery of the Bonds, you will

please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

CENTURY VOLGA PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

12.09.09
138930.00002

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CENTURY VOLGA PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2009 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$700,000

KNOW ALL MEN BY THESE PRESENTS: That on this the 22nd day of December, 2009, CENTURY VOLGA PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Barbour County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of SEVEN HUNDRED THOUSAND DOLLARS (\$700,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2011, to and including December 1, 2049 as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated December 22, 2009.

This Bond is issued (i) to pay the Issuer's Water System Design Revenue Bonds, Series 2008 A (the "Series 2008 A Bonds"); (ii) to pay the costs of acquisition and construction of improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); (iii) to fund the Series 2009 A Bonds Reserve Account; and (iv) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Resolution duly adopted by the Issuer on December 14, 2009, and a Supplemental Resolution duly adopted by the Issuer on December 14, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and

such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2003 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED JUNE 13, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$377,000; AND (2) WATER REVENUE BONDS, SERIES 1998 B (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED DECEMBER 18, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,150,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2009 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2009 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2009 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, 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.

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

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

IN WITNESS WHEREOF, CENTURY VOLGA PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated the day and year first written above.

[SEAL]

[Handwritten Signature]
Chairman

ATTEST:

[Handwritten Signature]
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: December 22, 2009.

THE HUNTINGTON NATIONAL BANK,
as Registrar

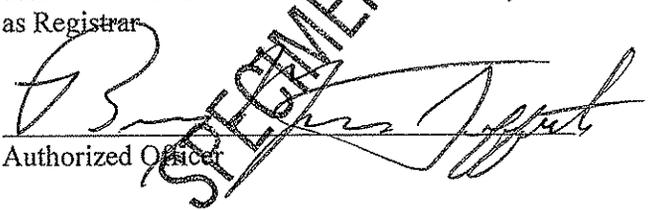

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$216,924.72	December 22, 2009	(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 \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

BOND DEBT SERVICE
 Century Volga PSD
 0% Interest Rate
 40 Years from Closing Date

Dated Date 12/22/2009
 Delivery
 Date 12/22/2009

Period Ending	Principal	Interest	Debt Service
12/22/2009			
9/1/2011	4,546		4,546
12/1/2011	4,546		4,546
3/1/2012	4,546		4,546
6/1/2012	4,546		4,546
9/1/2012	4,546		4,546
12/1/2012	4,546		4,546
3/1/2013	4,546		4,546
6/1/2013	4,546		4,546
9/1/2013	4,546		4,546
12/1/2013	4,546		4,546
3/1/2014	4,546		4,546
6/1/2014	4,546		4,546
9/1/2014	4,546		4,546
12/1/2014	4,546		4,546
3/1/2015	4,546		4,546
6/1/2015	4,546		4,546
9/1/2015	4,546		4,546
12/1/2015	4,546		4,546
3/1/2016	4,546		4,546
6/1/2016	4,546		4,546
9/1/2016	4,546		4,546
12/1/2016	4,546		4,546
3/1/2017	4,546		4,546
6/1/2017	4,546		4,546
9/1/2017	4,546		4,546
12/1/2017	4,546		4,546
3/1/2018	4,546		4,546
6/1/2018	4,546		4,546
9/1/2018	4,546		4,546
12/1/2018	4,546		4,546
3/1/2019	4,546		4,546
6/1/2019	4,546		4,546
9/1/2019	4,546		4,546
12/1/2019	4,546		4,546
3/1/2020	4,546		4,546
6/1/2020	4,546		4,546
9/1/2020	4,546		4,546
12/1/2020	4,546		4,546
3/1/2021	4,546		4,546
6/1/2021	4,546		4,546
9/1/2021	4,546		4,546
12/1/2021	4,546		4,546
3/1/2022	4,546		4,546
6/1/2022	4,546		4,546

BOND DEBT SERVICE
 Century Volga PSD
 0% Interest Rate
 40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
9/1/2022	4,546		4,546
12/1/2022	4,546		4,546
3/1/2023	4,546		4,546
6/1/2023	4,546		4,546
9/1/2023	4,546		4,546
12/1/2023	4,546		4,546
3/1/2024	4,546		4,546
6/1/2024	4,546		4,546
9/1/2024	4,546		4,546
12/1/2024	4,546		4,546
3/1/2025	4,546		4,546
6/1/2025	4,546		4,546
9/1/2025	4,546		4,546
12/1/2025	4,546		4,546
3/1/2026	4,546		4,546
6/1/2026	4,546		4,546
9/1/2026	4,546		4,546
12/1/2026	4,546		4,546
3/1/2027	4,546		4,546
6/1/2027	4,546		4,546
9/1/2027	4,546		4,546
12/1/2027	4,546		4,546
3/1/2028	4,546		4,546
6/1/2028	4,546		4,546
9/1/2028	4,546		4,546
12/1/2028	4,545		4,545
3/1/2029	4,545		4,545
6/1/2029	4,545		4,545
9/1/2029	4,545		4,545
12/1/2029	4,545		4,545
3/1/2030	4,545		4,545
6/1/2030	4,545		4,545
9/1/2030	4,545		4,545
12/1/2030	4,545		4,545
3/1/2031	4,545		4,545
6/1/2031	4,545		4,545
9/1/2031	4,545		4,545
12/1/2031	4,545		4,545
3/1/2032	4,545		4,545
6/1/2032	4,545		4,545
9/1/2032	4,545		4,545
12/1/2032	4,545		4,545
3/1/2033	4,545		4,545
6/1/2033	4,545		4,545
9/1/2033	4,545		4,545
12/1/2033	4,545		4,545
3/1/2034	4,545		4,545
6/1/2034	4,545		4,545
9/1/2034	4,545		4,545

BOND DEBT SERVICE
 Century Volga PSD
 0% Interest Rate
 40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
12/1/2034	4,545		4,545
3/1/2035	4,545		4,545
6/1/2035	4,545		4,545
9/1/2035	4,545		4,545
12/1/2035	4,545		4,545
3/1/2036	4,545		4,545
6/1/2036	4,545		4,545
9/1/2036	4,545		4,545
12/1/2036	4,545		4,545
3/1/2037	4,545		4,545
6/1/2037	4,545		4,545
9/1/2037	4,545		4,545
12/1/2037	4,545		4,545
3/1/2038	4,545		4,545
6/1/2038	4,545		4,545
9/1/2038	4,545		4,545
12/1/2038	4,545		4,545
3/1/2039	4,545		4,545
6/1/2039	4,545		4,545
9/1/2039	4,545		4,545
12/1/2039	4,545		4,545
3/1/2040	4,545		4,545
6/1/2040	4,545		4,545
9/1/2040	4,545		4,545
12/1/2040	4,545		4,545
3/1/2041	4,545		4,545
6/1/2041	4,545		4,545
9/1/2041	4,545		4,545
12/1/2041	4,545		4,545
3/1/2042	4,545		4,545
6/1/2042	4,545		4,545
9/1/2042	4,545		4,545
12/1/2042	4,545		4,545
3/1/2043	4,545		4,545
6/1/2043	4,545		4,545
9/1/2043	4,545		4,545
12/1/2043	4,545		4,545
3/1/2044	4,545		4,545
6/1/2044	4,545		4,545
9/1/2044	4,545		4,545
12/1/2044	4,545		4,545
3/1/2045	4,545		4,545
6/1/2045	4,545		4,545
9/1/2045	4,545		4,545
12/1/2045	4,545		4,545
3/1/2046	4,545		4,545
6/1/2046	4,545		4,545
9/1/2046	4,545		4,545
12/1/2046	4,545		4,545

BOND DEBT SERVICE
 Century Volga PSD
 0% Interest Rate
 40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
3/1/2047	4,545		4,545
6/1/2047	4,545		4,545
9/1/2047	4,545		4,545
12/1/2047	4,545		4,545
3/1/2048	4,545		4,545
6/1/2048	4,545		4,545
9/1/2048	4,545		4,545
12/1/2048	4,545		4,545
3/1/2049	4,545		4,545
6/1/2049	4,545		4,545
9/1/2049	4,545		4,545
12/1/2049	4,546		4,546
	700,000		700,000

(Form of)

ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:



**STEP TOE &
JOHNSON**
PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

December 22, 2009

Century Volga Public Service District
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

Century Volga Public Service District
Philippi, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs
Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Century Volga Public Service District (the "Issuer"), a public service district, public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its \$700,000 Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated December 22, 2009, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2011, to and including December 1, 2049, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying the Issuer's Water System Design Revenue Bonds, Series 2008 A (the "Series 2008 A Bonds"); (ii) paying the costs of acquisition and construction of improvements and extensions to the existing public waterworks system of the

9

Issuer (the "Project"); (iii) funding the Series 2009 A Bonds Reserve Account; and (iv) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on December 14, 2009, as supplemented by a Supplemental Resolution duly adopted by the Issuer on December 14, 2009 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

1. The Issuer is a duly created and validly existing public service district, 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 the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the Council and cannot be amended by the Issuer so as to affect adversely the rights of the Authority and the Council or diminish the obligations of the Issuer without the written consent of the Authority and the Council.

3. The Bond Legislation and all other necessary orders and resolutions have been duly and effectively adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's: (1) Water Revenue Bonds, Series 2003 A (United States Department of Agriculture), dated June 13, 2003, issued in the original aggregate principal amount of \$377,000; and (2) Water Revenue Bonds, Series 1998 B (United States Department of Agriculture), dated December 18, 1998, issued in the original aggregate principal amount of \$1,150,000 (collectively, the "Prior Bonds"), all in accordance with the terms of the Bonds and the Bond Legislation.

5. The Bonds are, under the Act, exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Bonds, if any, is

exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

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

7. The Series 2008 A Bonds have been paid within the meaning and with the effect expressed in the resolutions authorizing the issuance of the Series 2008 A Bonds, and the covenants, agreements and other obligations of the Issuer to the holders and owners of the 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 of the West Virginia Water Development Authority to the sufficiency of the monies on deposit to provide for the payment of the principal of, interest on, and premium, if any, of the Series 2008 A Bonds.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Loan Agreement and 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 their enforcement may also be subject to the exercise of judicial discretion and the application of equitable remedies in appropriate cases.

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

Very truly yours,


STEPTOE & JOHNSON PLLC

12.09.09
138930.00002

Law Offices

West & Jones

360 Washington Avenue

P. O. Box 2348

Clarksburg, West Virginia 26302-2348

December 22, 2009

JAMES C. WEST, JR.
JERALD E. JONES
DEAN C. RAMSEY, PLLC
NORMAN T. FARLEY
KATHRYN K. ALLEN
PERRY B. JONES

Century Volga Public Service District
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

TELEPHONE (304) 624-5501
FAX (304) 624-4454
Email: law@westandjones.com

Century Volga Public Service District
Philippi, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs
Development Council
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

We are counsel to Century Volga Public Service District, a public service district, in Barbour County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a loan agreement for the Series 2009 A Bonds dated December 22, 2009, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), the Bond Resolution duly adopted by the Issuer on December 14, 2009, as supplemented by the Supplemental Resolution duly adopted by the Issuer on December 14, 2009 (collectively, the "Bond Legislation"), orders of The County Commission of Barbour County relating to the Issuer and the appointment of members of the Public Service Board of the Issuer, and other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer (collectively, the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

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

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

2. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.

3. The members and officers of the Public Service Board of the Issuer have been duly, lawfully, and properly appointed and elected, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.

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

5. To the best of our knowledge, the execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement 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 ordinance, order, resolution, agreement or other instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, court order or consent decree to which the Issuer is subject.

6. The Issuer has duly published a notice of the acquisition and construction of the Project, the issuance of the Bonds and related matters, as required under Chapter 16, Article 13A, Section 25 of the West Virginia Code of 1931, as amended, and has duly complied with the provisions thereof.

7. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders, certificates and approvals from The County Commission of Barbour County, the Bureau for Public Health, the Council and the Recommended Decision of the Public Service Commission of West Virginia entered November 25, 2008, which became Final Order of December 15, 2008, in Case No. 08-0800-PWD-19A approving rates for the System, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The Issuer has received a Recommended Decision of the Public Service Commission of West Virginia dated June 1, 2009, which became Final Order on June 21, 2009, which

became Final Order on June 21, 2009, in Case No. 09-0045-PWD-CN, among other things, 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 such Final Order has expired prior to the date hereof without any appeal. Such Order remains in full force and effect.

8. 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 transaction contemplated by the Loan Agreement, the Bond Legislation, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds or the collection or pledge of the Net Revenues therefore.

9. 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. Prior to the execution of construction contracts by the Issuer, we will review the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, and verify that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the Loan Agreements; and (5) 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,

WEST & JONES

By: _____


Norman T. Farley

NTF:lh

Law Offices
West & Jones

360 Washington Avenue
P. O. Box 2348
Clarksburg, West Virginia 26302-2348

COPY

JAMES C. WEST, JR.
JERALD E. JONES
DEAN C. RAMSEY, PLLC
NORMAN T. FARLEY
KATHRYN K. ALLEN
PERRY B. JONES

December 10, 2009

TELEPHONE (304) 624-5501
FAX (304) 624-4454
Email: law@westandjones.com

Jefferson Brady, Executive Director
West Virginia Infrastructure and Jobs Development Council
300 Summers Street, Suite 980
Charleston, WV 25301

Chris Jarrett, Director
West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25301

Patrick C. Park, Sub Grant Manager
West Virginia Department of Environmental Protection
Office of Administration-Fiscal Services
601 57th Street, S.E., Box 20
Charleston, WV 25304

Re: Century-Volga Public Service District
IJDC Project No. 2002W-664
DEP/AML Project No. 190
Barbour County

Gentlemen:

The law firm of West & Jones represents Century-Volga Public Service District, a West Virginia public service district (the "District"), with regard to a proposed project to construct a water line extension and improvement project in Barbour County, West Virginia (the "Project"), and provides this final title opinion on behalf of the District to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council") and the West Virginia Department of Environmental Protection, Office of Abandoned Mine Lands & Reclamation ("AML") with regard to the financing proposed for the Project. Please be advised of the following:

1. I am of the opinion that Century-Volga Public Service District is a duly created and existing public service district possessed with all of the powers and authority granted to public service districts under the law of the State of West Virginia, and as such, the District, through its Public Service Board, has the full legal power and

authority to construct, operate, and maintain the Project as approved by the Bureau for Public Health.

2. Based upon information provided to me by Trey Hornor, P.E., Project Engineer, the District has obtained all necessary permits and approvals for the construction of the Project, except for a permit from the West Virginia Division of Highways, which permit will be issued upon delivery of the appropriate bond at or after Project loan closing.

3. I have investigated and ascertained the location of and am familiar with the legal descriptions 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 Hornor Brothers Engineers, the consulting engineers for the Project.

4. I have examined the records on file in the office of the Clerk of the County Commission of Barbour County, West Virginia, the county in which all real estate acquired for the Project is located, and, in my opinion, the District has acquired legal title or such other estate or interest in all of the necessary site components, rights of way, and easements for the Project, 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. All deeds, leases, and rights of way and easements which have been acquired to date by the District have been duly recorded in the aforesaid Clerk's office, in order to protect the legal title to and interest of the District.

Sincerely yours,

West & Jones

By: 
Norman T. Farley

NTF:lh

pc: Century-Volga Public Service District (by email)
Kate Mallory, P.E. (by email)
Samme L. Gee, Esq. (by email)

CENTURY VOLGA PUBLIC SERVICE DISTRICT

**Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)**

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. LOAN AGREEMENT
11. INSURANCE
12. RATES
13. PUBLIC SERVICE COMMISSION ORDERS
14. SIGNATURES AND DELIVERY
15. BOND PROCEEDS
16. PUBLICATION OF NOTICE OF PSC FILING
17. SPECIMEN BONDS
18. CONFLICT OF INTEREST
19. PROCUREMENT OF ENGINEERING SERVICES
20. GRANTS
21. VERIFICATION OF SCHEDULE
22. EXECUTION OF COUNTERPARTS

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Century Volga Public Service District in Barbour County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify on this the 22nd day of December, 2009, in connection with the Issuer's Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated the date hereof (collectively, the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Resolution of the Issuer duly adopted December 14, 2009, and the Supplemental Resolution duly adopted December 14, 2009 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition or construction of the Project, the operation of the System, the receipt of the Net Revenues, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the pledge or application of moneys and security or the collection of the Gross Revenues or the pledge of the Net Revenues as security for the Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable and necessary approvals, permits, exemptions, consents, authorizations, registrations 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 Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the Loan Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

The issuer has temporarily financed the design and other preliminary costs of the Project by the issuance of the Water System Design Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), dated April 16, 2008 issued in the original aggregate principal amount of \$115,500 (the "Series 2008 A Bonds"). The Series 2008 A Bonds are to be paid in full with proceeds of the Series 2009 A Bonds.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2009 A Bonds as to liens, pledge and source of and security for payment, being the (1) Water Revenue Bonds, Series 2003 A (United States Department of Agriculture), dated June 13, 2003, issued in the original aggregate principal amount of \$377,000; and (2) Water Revenue Bonds, Series 1998 B (United States Department of Agriculture), dated December 18, 1998, issued in the original aggregate principal amount of \$1,150,000 (collectively, the "Prior Bonds").

The Series 2009 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all respects. The Issuer has obtained (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2009 A Bonds on a parity with the Prior Bonds. Following the payment of the Series 2008 A Bonds, other than the Prior Bonds, there are no outstanding

bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Resolutions. The Series 2008 A Bonds are to be paid in full with proceeds of the Series 2009 A Bonds.

5. 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 Resolution

Supplemental Resolution

Series 2009 A Bond Loan Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

County Commission Orders Creating and Enlarging the Boundaries of District and Public Service Commission Order relating thereto

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Minutes on Organizational Meeting

Minutes on Adoption of Bond Resolution, Supplemental Resolution and Resolution Approving Invoices

Environmental Health Services Permit

Evidence of Insurance

Prior Bond Resolutions

RUS Consent to Parity

Evidence of Abandoned Mine Lands Grant

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Century Volga Public Service District." The Issuer is a public service district duly created by The County Commission of Barbour County and presently existing under the laws of, and a public corporation and political subdivision of, the State of West Virginia. The governing body of the Issuer is its Public Service Board consisting of 3 duly appointed, qualified and acting members 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>
Vernon Woods	01/23/09	12/31/15
Ronald B. Holbert	11/05/09	12/31/15
Samuel E. Wright	01/05/07	12/31/13

The names of the duly elected and/or appointed, qualified and acting officers of the Public Service Board of the Issuer for the calendar year 2009 are as follows:

Chairperson	-	Vernon Woods
Secretary	-	Ronald Holbert

The duly appointed and acting counsel to the Issuer is West & Jones, in Clarksburg, West Virginia.

7. 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 and 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 Bonds.

8. MEETINGS, 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 issuance of the Bonds and the acquisition, construction, operation and financing of the Project and the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the 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 posted and/or published were so posted and/or published.

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. The successful bidders have provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article ID, Chapter 21 of the West Virginia Code. All insurance for the System required by the Bond Legislation and ARRA Assistance Agreement is in full force and effect.

10. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement is true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with all covenants, terms and representations in the Loan Agreement.

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

11. INSURANCE. The Issuer will maintain or, as appropriate, will require all contractors to maintain worker's compensation, public liability, property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Bond Legislation and the ARRA Assistance Agreement. All insurance for the System required by the Bond Legislation and the ARRA Assistance Agreement are in full force and effect.

12. RATES: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on November 25, 2008 which became Final Order on December 15, 2008 in Case No. 08-0800-PWD-19A, approving the rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. Such Final Order remains in full force and effect. The rates are currently in effect.

13. PUBLIC SERVICE COMMISSION ORDERS: The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on June

1, 2009 which became Final Order on June 21, 2009, in Case No. 09-0045-PWD-CN, among other things, 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 such Final Order has expired prior to the date hereof without any appeal. The Order is in full force and effect.

14. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Chairman did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond, numbered AR-1 dated the date hereof, by his or her manual signature, and the undersigned Secretary did officially cause the official seal of the Issuer to be affixed upon said Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal is also impressed above the signatures appearing on this certificate.

15. BOND PROCEEDS: On the date hereof, the Issuer also received \$216,924.72 from the Authority and the Council, being a portion of the principal amount of the Series 2009 A Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

16. PUBLICATION OF NOTICE OF PSC FILING: The Issuer has published any required notice with respect to, among other things, the acquisition and construction of the Project, anticipated user rates and charges, and filing of a formal application for a certificate of public convenience and necessity with the Public Service Commission of West Virginia.

17. SPECIMEN BONDS: Delivered concurrently herewith is a true and accurate specimen of the Bonds.

18. CONFLICT OF INTEREST: No member, 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 Bonds, the Bond Legislation and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

19. 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.

20. GRANTS: The \$1,116,153.49 grant from the Department of Environmental Protection Abandoned Mine Lands program is in full force and effect

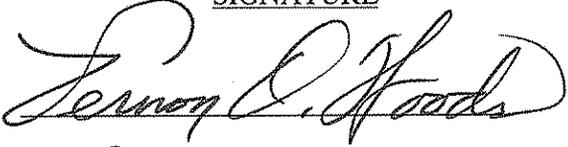
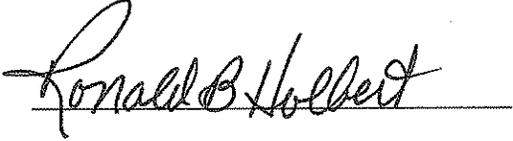
21. VERIFICATION OF SCHEDULE: The final amended Schedule B attached to the Certificate of Consulting Engineer, with a signature of the Chairman and Consulting Engineer, accurately represents the estimated costs of the Project, the sources of funds available to pay the Project and the costs of the financing of the Bonds.

22. 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 seal of CENTURY VOLGA PUBLIC SERVICE DISTRICT on this day and year first written above.

[CORPORATE SEAL]

<u>SIGNATURE</u>	<u>OFFICIAL TITLE</u>
	Chairman
	Secretary
<hr/>	Counsel to Issuer

12.09.09
138930.00002

CH5076942.1

WITNESS our signatures and the official seal of CENTURY VOLGA PUBLIC SERVICE DISTRICT on this day and year first written above.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Chairman

Secretary

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal stroke.

Counsel to Issuer

12.09.09
138930.00002

CH5076942.1

CENTURY VOLGA PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF ENGINEER

I, Paul A. Hornor, III, P.E., Registered Professional Engineer, West Virginia License No. 010281, of Hornor Brothers Engineers, Clarksburg, West Virginia, hereby certify on this 22nd day of December, 2009 as follows:

1. My firm is engineer for the acquisition and construction of certain improvements and extensions (the "Project") to the existing public waterworks facilities (the "System") of Century Volga Public Service District (the "Issuer") to be constructed in Barbour County, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on December 14, 2009, as supplemented by Supplemental Resolution duly adopted by the Issuer on December 14, 2009, and the Loan Agreement for the Series 2009 A Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated December 22, 2009 (the "Loan Agreement").

2. The Series 2009 A Bonds are being issued for the purposes of (i) paying the Issuer's Waterworks System Design Revenue Bonds, Series 2008 A (the "Series 2008 A Bonds"); (ii) paying a portion of the costs of acquisition and construction of the Project; (iii) funding the Series 2009 A Bonds Reserve Account; and (iv) paying certain costs of issuance of the Bonds and related costs.

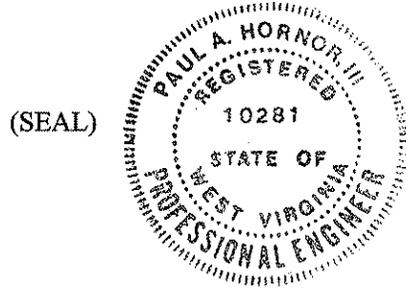
3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Council and any change orders approved by the Issuer, the Council, and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least forty 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 which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and the Issuer's counsel, West & Jones, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the

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 (vi) the bid documents relating to the Project reflect the Project as approved by the BPH and the bid forms provided to the bidders contain the critical operational components of the Project; (vii) the successful 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 the operation of the System; (x) in reliance upon the certificate of the Issuer's certified public accountant, Spencer CPA & Associates, P.L.L.C., as of the effective date thereof, the rates and charges for the System as approved by the Public Service Commission of West Virginia and adopted by the Issuer will be sufficient to comply with the provisions of the Loan 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 BPH; and (xii) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

4. The Project will service 66 new customers in the Brushy Fork, Spaw Lick and Scales Road areas.

[Remainder of Page Intentionally Blank]

WITNESS my signature and seal on day and year first written above.



HORNOR BROTHERS ENGINEERS


Paul A. Hornor, III, P.E.
West Virginia License No. 010281

12.09.09
138930.00002

WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL
SCHEDULE B
CENTURY-VOLGA PUBLIC SERVICE DISTRICT--WATER PROJECT
IJDC # 2002W-664

A. Cost of Project	Total	WDA Design Loan	Revised Total	IJDC LOAN	AML GRANT
1. Construction					
Waterline Extension	1,378,267.49	0.00	1,378,267.49	262,114.00	1,116,153.49
2. Technical Services					
a. Preliminary Engineering	15,000.00	15,000.00	0.00	0.00	
b. Basic Engineering	135,000.00	90,000.00	45,000.00	45,000.00	
c. Inspection	98,000.00	0.00	98,000.00	98,000.00	
d. Special Services	12,000.00	0.00	12,000.00	12,000.00	
3. Legal & Fiscal					
a. Legal	15,000.00	0.00	15,000.00	15,000.00	
b. Accounting	4,000.00	0.00	4,000.00	4,000.00	
4. Sites and Other Lands	16,000.00	553.00	15,447.00	15,447.00	
5. Permits	31,000.00	1,470.00	29,530.00	29,530.00	
6. Construction Contingency (5%)	70,389.28	0.00	70,389.28	70,389.28	
7. WDA Design Loan Closing Costs	5,500.00	5,500.00	0.00	0.00	
a. WDA Design Loan Net Payoff	*(687.28)	112,523.00	111,835.72	111,835.72	
8. Total of Lines 1 through 7	1,780,156.77		1,779,469.49	663,316.00	1,116,153.49
B. Cost of Financing					
9. Reserve	18,184.00		18,184.00	18,184.00	
10. Bond Counsel	18,000.00		18,000.00	18,000.00	
11. Bank Registrar Fee	500.00		500.00	500.00	
12. Total Cost of Financing (lines 9 through 11)	36,684.00		36,684.00	36,684.00	0.00
13. TOTAL PROJECT COST (line 8 plus line 12)	1,816,153.49		1,816,153.49	700,000.00	1,116,153.49
C. Sources of Funds					
14. Federal Grants (AML)	1,116,153.49		1,116,153.49		1,116,153.49
15. State Grants					
16. Other Grants					
17. TOTAL GRANTS line 8 plus line 11	1,116,153.49		1,116,153.49	0.00	1,116,153.49
18. Size of Bond Issue	700,000.00		700,000.00	700,000.00	0.00

*Interest \$768.91 + MBC fees \$294.56 - Available in Sinking Fund \$1,750.75 = (687.28)


 CENTURY-VOLGA PUBLIC SERVICE DISTRICT


 HORNOR BROTHERS

12.22.2009
 DATE

12.22.2009
 DATE

Spencer CPA & Associates, P.L.L.C.

PO Box 2560
Buckhannon, WV 26201
(304)472-1928

235 N. River Avenue
Weston, WV 26452
(304)269-2269

Member: American Institute of Certified Public Accountants • WV Society of Certified Public Accountants

December 22, 2009

Century Volga Public Service District
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

Century Volga Public Service District
Philippi, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure & Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the Recommended Decision of the Public Service Commission of West Virginia entered November 25, 2008 which became Final Order December 15, 2008, in Case No. 08-0800-PWD-19A and the current operation and maintenance expenses and customer usage as furnished to us by Century Volga Public Service District (the "Issuer"), it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the waterworks 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 Issuer's Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund) (the "Bonds"), to be issued to the West Virginia Water Development Authority on the date hereof, and all other obligations secured by a lien on or payable from the revenues of the System, on a parity with the Bonds, including the Issuer's (1) Water Revenue Bonds, Series 2003 A (United States Department of Agriculture), dated June 13, 2003, issued in the original aggregate principal amount of \$377,000; and (2) Water Revenue Bonds, Series 1998 B (United States Department of Agriculture), dated December 18, 1998, issued in the original aggregate principal amount of \$1,150,000 (collectively, the "Prior Bonds").

It is further our opinion that the Net Revenues for the Fiscal Year following the year in which the Series 2009 A Bonds are issued will be at least 120% of the average annual debt service on the Prior Bonds and the Series 2009 A Bonds.

Very truly yours,

Spencer CPA & Associates, PLLC

SPENCER CPA & ASSOCIATES, P.L.L.C.

CENTURY VOLGA PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Chairman of the Public Service Board of Century Volga Public Service District in Barbour County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of \$700,000 Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, dated December 22, 2009 (collectively, the "Bonds"), hereby certify this 22nd day of December, 2009 as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Resolution duly adopted by the Issuer on December 14, 2009 as supplemented by a Supplemental Resolution duly adopted by the Issuer on December 14, 2009 (collectively, the "Bond Resolution"), authorizing the Bonds.

2. This certificate may be relied upon as the certificate of the Issuer.

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on December 22, 2009, the date on which the Bonds are being physically delivered in exchange for an initial advance of the principal amount of the Series 2009 A Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Resolution pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority") or the West Virginia Infrastructure and Jobs Development Council (the "Council"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Series 2009 A Bonds were sold on December 22, 2009, to the Authority, pursuant to a loan agreement dated December 22, 2009, by and between the Issuer and the Authority, on behalf of the Council, for an aggregate purchase price of \$700,000 (100% of par), at which time, the Issuer received \$216,924.72 from the Authority and the Council, being the first advance of the principal amount of the Series 2009 A Bonds. No accrued interest has

been or will be paid on the Series 2009 A Bonds. The balance of the principal amount of the Series 2009 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2009 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; (ii) paying in full the outstanding principal of, interest, if any, on the Issuer's Water System Design Revenue Bonds, Series 2008 A (the "Series 2008 A Bonds"); and (iii) paying certain costs of issuance and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before May 1, 2011. The acquisition and construction of the Project is expected to be completed by November 1, 2010.

8. The total cost of the Project is estimated at \$1,816,153.49. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2009 A Bonds	\$ 700,000.00
Abandoned Mine Lands Grant	<u>1,116,153.49</u>
Total Sources	<u>\$1,816,153.49</u>

USES

Costs of Acquisition and Construction of the Project	\$1,667,633.77
Payment of the Series 2008 A Bonds	\$111,835.72
Fund the Series 2009 A Bonds Reserve Account	\$18,184.00
Costs of Issuance	<u>\$18,500.00</u>
Total Uses	<u>\$1,816,153.49</u>

9. Pursuant to Article V of the Bond Resolution, the following special funds or accounts have been created or continued relative to the Series 2009 A Bonds:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund;
- (3) Series 2009 A Bonds Construction Trust Fund;

(4) Series 2009 A Bonds Sinking Fund; and

(5) Series 2009 A Bonds Reserve Account.

10. Pursuant to Article VI of the Bond Resolution, the proceeds of the Bonds will be deposited as follows:

(1) Series 2009 A Bond proceeds in the amount of \$-0- will be deposited in the Series 2009 A Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Series 2009 A Bonds during acquisition and construction of the Project and for a period not to exceed six months following completion thereof.

(2) Series 2009 A Bonds proceeds in the amount of \$18,184 will be deposited in the Series 2009 A Bonds Reserve Account.

(3) Series 2009 A Bonds proceeds in the amount of \$111,835.72 will be transferred to the Commission to pay the Series 2008 A Bond.

(4) The balance of the proceeds of the Series 2009 A Bonds will be deposited in the Series 2009 A Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2009 A Bonds and related costs.

11. Monies held in the Series 2009 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2009 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2009 A Bonds Sinking Fund and Series 2009 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2009 A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Resolution.

12. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 10 months of the date hereof.

13. The Issuer will take such steps as requested by the Authority to ensure that the Authority's bonds meet the requirements of the Code.

14. With the exception of the amount deposited in the Series 2009 A Bonds Sinking Fund for payment of interest, if any, on the Bonds and the amount deposited in the Series 2009 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 16 months from the date of issuance thereof.

15. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Bonds.

16. The amount designated as costs of issuance of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.

17. All property financed with the proceeds of the Bonds will be owned and held by (or on behalf of) a qualified governmental unit.

18. No proceeds of the Bonds will be used, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit.

19. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issue.

20. The Issuer shall use the Bond proceeds solely for the costs of the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

21. The Bonds are not federally guaranteed.

22. The Issuer has retained the right to amend the Bond Resolution authorizing the issuance of the Bonds if such amendment is necessary to assure that the Bonds remain public purpose bonds.

23. The Issuer has either (a) funded the Series 2009 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due, on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2009 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2009 A Bonds Reserve Account hold an amount equal to the maximum amount of principal and interest which will mature and become due, respectively, on the Bonds in the then current or any succeeding year. Monies in the Series 2009 A Bonds Reserve Account and the Series 2009 A Bonds Sinking Fund will be used solely to pay principal of and interest on each series of the Bonds and will not be available to pay costs of the Project.

24. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Series 2009 A Bonds, (b) are to be sold pursuant to a common plan of financing together with the 2009 A Bonds and (c) will be paid out of substantially the same sources of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bonds.

25. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

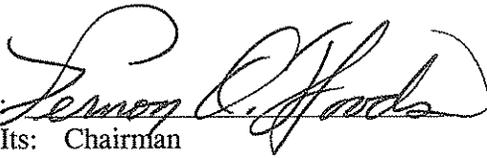
26. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Bonds, rebates and rebate calculations.

27. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

[Remainder of Page Intentionally Blank]

WITNESS my signature on the day and year first written above.

CENTURY VOLGA PUBLIC SERVICE
DISTRICT

By: 
Its: Chairman

12.09.09
138930.00002

CH5076945.1

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

ENTERED

Order Book 05L

Entered: April 1, 2005

ORIGINAL

CASE NO. 04-1464-PSWD-PC

HARRISON COUNTY COMMISSION

Petition for consent and approval to reduce sewer and water authority of Greater Harrison County Public Service District, to enlarge the sewer authority of the Enlarged Hepzibah Public Service District, enlarge the water authority of the Sun Valley Public Service District and to enlarge the water authority of the Century Volga Public Service District.

FINAL

4-21-05

RECOMMENDED DECISION

PROCEDURE

On September 3, 2004, the Harrison County Commission (County Commission) filed a petition with the Public Service Commission for Commission consent and approval of its Order of August 26, 2004, adjusting the boundaries of several public service district service territories located in Harrison County, in accordance with West Virginia Code §16-13A-2. The County Commission Order made the following adjustments: 1) reduced the sewer authority boundaries of the Greater Harrison County Public Service District; 2) enlarged the sewer authority of the Enlarged Hepzibah Public Service District; 3) reduced the water authority of Greater Harrison County Public Service District; 4) enlarged the water authority of the Sun Valley Public Service District; and 5) enlarged the water authority of Century Volga Public Service District. These adjustments will aid the various districts in providing water and sewer service to the affected areas in the future.

On September 20, 2004, Staff Attorney Cecelia Jarrell filed an Initial and Final Joint Staff Memorandum to which was attached the Initial and Final Internal Memorandum prepared by Mr. Nathan Nelson, Utilities Analyst I, Water and Wastewater Division. The Harrison County Commission has complied with the specific statutory requirements regarding public service district boundary adjustments. Staff explained that the Harrison County Commission's actions in this case do impact a public service district created by the Barbour County Commission, i.e., the Century Volga Public Service District, although the affected territory is wholly located in Harrison County. In an effort to determine Century Volga Public Service District's position with regard to this adjustment of its boundaries within Harrison County, Staff contacted Century Volga Public Service District and was advised that it is aware of

the proposed boundary adjustments in Harrison County and, in fact, had suggested the boundary adjustment to the Harrison County Commission, i.e., the Century Volga Public Service District will be constructing a Brushy Fork water line extension and two potential customers along the extension own tracts of land that are located in both Harrison and Barbour Counties. These property owners wanted to connect to the Century Volga water line extension; therefore, Century Volga Public Service District proposed this adjustment to the Harrison County Commission so that those potential customers could be served. Staff recommended that, since this case would require a public hearing in Harrison County under Code §16-13A-2, the matter be referred to the Division of Administrative Law Judges for resolution.

By Order dated September 29, 2004, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before April 1, 2005.

On November 8, 2004, the Barbour County Commission filed a letter containing its resolution and order proposing the boundary adjustment; the notice of hearing on the proposed change; legal notice of the publication; and approval by the Barbour County Commission recorded into the minutes of its meeting held September 7, 2004.

By Order dated November 22, 2004, this matter was set for a hearing to be held in the Harrison County Courthouse, County Commission Court Room, 2nd Floor, 301 West Main Street, Clarksburg, West Virginia, on January 7, 2005. Said Order also required that the Harrison County Commission give notice of the hearing to be held on January 7, 2005, by publishing a Notice of Hearing once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Harrison County.

The hearing was held as scheduled. The Harrison County Commission appeared by its counsel, Robert J. Andre, III, Esquire. Commission Staff appeared by Staff Attorney Cecelia Gail Jarrell, Esquire. No one appeared at the hearing to protest the order of the Harrison County Commission. (Tr., p. 7).

Commission Staff introduced, as Staff Exhibit No. 1, the Initial and Final Joint Staff Memorandum filed September 20, 2004, recommending that, since the Harrison County Commission has substantially complied with West Virginia Code §16-13A-2, the boundary adjustments should be approved. (Tr., p. 9; Staff Exh. No. 1). Since neither the Harrison County Commission nor Staff had anything they wished to present in this matter, it was submitted for decision as an unopposed case. (Tr., p. 9).

On March 29, 2005, the Barbour County Commission filed its Order of September 7, 2004, approving the enlargement of the water authority of the Century Volga Public Service District.

FINDINGS OF FACT

1. On September 3, 2004, the Harrison County Commission filed a petition with the Public Service Commission for Commission consent and

approval of its Order of August 26, 2004, adjusting the boundaries of several public service district service territories located in Harrison County, in accordance with West Virginia Code §16-13A-2. (See, Petition and Order filed September 3, 2004).

2. Staff recommended that, since the Harrison County Commission has complied with the provisions of West Virginia Code §16-13A-2, the proposed boundary adjustments should be approved. (See, Staff Exh. No. 1).

3. This matter was set for hearing to be held in Harrison County in accordance with the provisions of West Virginia Code §16-13A-2, on January 7, 2005, and the Harrison County Commission was directed to give notice of the hearing by publishing a Notice of Hearing once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Harrison County. (See, Order dated November 22, 2004).

4. At the hearing held on January 7, 2005, no one appeared in protest to the Order of the Harrison County Commission. (See, Tr., p. 7).

5. On March 29, 2005, the Barbour County Commission filed its Order of September 7, 2004, approving the enlargement of the water authority of the Century Volga Public Service District. (See, Order filed March 29, 2005).

6. A proper affidavit of publication was filed reflecting that publication of the Notice of Hearing was made in accordance with the Commission's requirements. (See, Affidavit filed January 20, 2005).

CONCLUSION OF LAW

Since the hearing required by the provisions of West Virginia Code §16-13A-2 was held in Harrison County and no one appeared in protest to the petition after proper notice was given, the August 26, 2004 Order of the Harrison County Commission to adjust the boundaries of several public service districts can be approved as unprotested.

ORDER

IT IS, THEREFORE, ORDERED that the August 26, 2004 Order of the Harrison County Commission filed with the Public Service Commission on September 3, 2004, reducing the sewer authority of the Greater Harrison County Public Service District; enlarging the sewer authority of the Enlarged Hepzibah Public Service District; reducing the water authority of the Greater Harrison County Public Service District; enlarging the water authority of the Sun Valley Public Service District; and enlarging the water authority of the Century Volga Public Service District, be, and the same hereby is, approved.

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

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary 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, nor shall any such waiver operate to make any Administrative Law Judge's Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.


Robert W. Glass
Administrative Law Judge

RWG:dfs
041464aa.wpd

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 29th day of August, 2007.

CASE NO. 07-0783-PWD-PC

BARBOUR COUNTY COMMISSION and
RANDOLPH COUNTY COMMISSION

Petition for consent and approval to reduce the boundaries of Century-Volga Public Service District and to enlarge the boundaries of Norton-Harding-Jimtown Public Service District.

COMMISSION ORDER

This Order approves the joint petition filed by the Barbour County Commission and the Randolph County Commission to modify the water authority boundaries of the Century-Volga Public Service District and the Norton-Harding-Jimtown Public Service District.

BACKGROUND

On May 7, 2007, the Barbour County Commission (BCC) and the Randolph County Commission (RCC) (together, County Commissions) filed a joint petition to modify the water authority boundaries of the Century-Volga Public Service District (CVPSD) and the Norton-Harding-Jimtown Public Service District (NHJPSD). In essence, the County Commissions proposed that the NHJPSD absorb a portion of the territories currently served by the CVPSD. (The County Commissions filed additional supporting information on May 8 and 9, 2007.)

On May 16, 2007, the BCC filed its May 7, 2007, order reducing the boundary of the water authority of the CVPSD. Also on May 16, 2007, the RCC filed its May 10, 2007, order enlarging the boundary of the water authority of the NHJPSD.

On June 12, 2007, Commission Staff (Staff) filed its "Initial and Final Joint Staff Memorandum." Staff stated that it had reviewed the information filed by the County Commissions and determined that substantially all relevant affidavits, notices of hearings and postings were filed as required by *West Virginia Code* § 16-13A-2. Staff recommended

approval of the joint petition filed by the County Commissions. Additionally, Staff cited the Commission's decision in *Cabell County Commission*, Case No. 05-1019-PSD-PC (Commission Order, November 9, 2005), and recommended that the Commission require the County Commissions to publish notice of the proceeding before the Commission and provide an opportunity for protest. Staff stated that if sufficient protests were filed, the Commission may determine that a hearing is necessary.

DISCUSSION

West Virginia Code § 16-13A-2 establishes requirements for modifying public service district boundaries and merging districts. In accordance with that procedure, the BCC issued an order authorizing the reduction of the water authority boundaries of CVPSD and the RCC issued an order authorizing the enlargement of the water authority boundaries of the NHJPSD. However, no order of a county commission regarding public service district boundary modification can be effective without approval of the Commission.

The Commission has discretion to determine whether a hearing is needed in boundary modification cases. *See, West Virginia Code* § 16-13A-2. The proceedings before the respective county commissions provided sufficient notice to the public in the form of publication, postings, and hearings. The Commission concludes that neither additional public notice nor an additional hearing is necessary in this matter.

Rule 8.4.a. of the Commission's *Rules for the Government of Water Utilities (Water Rules)* states:

After public comment and hearing the Commission shall, by order, approve, disapprove or modify a county commission order creating, expanding, merging, consolidating, reducing or dissolving a public service district. In deliberating on approval, modification or disapproval the Commission may consider, among other things:

1. the public convenience and necessity;
2. the economic feasibility, including sources of funding, costs and related benefits of the county commission's order;
3. the adequacy of facilities;
4. other facilities in the area; and
5. other possible alternatives.

Based upon the matters contained in the record and Staff's recommendation, the Commission will approve the water authority boundary modifications (reduction of the CVPSD and enlargement of the NHJPSD).

FINDINGS OF FACT

1. The BCC seeks to reduce the boundary of the water authority of the CVPSD. *See*, Joint Petition (May 7, 2007) and BCC's May 7, 2007 Order (filed May 16, 2007).
2. The RCC seeks to enlarge the boundary of the water authority of the NHJPSD. *See*, Joint Petition (May 7, 2007) and RCC's May 7, 2007 Order (filed May 16, 2007).
3. Appropriate notices and hearings were held in each of the respective counties.
4. Staff recommends approval of the respective water authority boundary modifications.

CONCLUSIONS OF LAW

1. No order of the BCC or the RCC regarding public service district boundary modifications can be effective without the approval of the Commission. *See*, *West Virginia Code* § 16-13A-2.
2. In consideration of the publications, postings, and hearings already completed by the BCC and the RCC, additional publication and hearing are not necessary.
3. Giving due consideration to the requirements of Rule 8.4. a. of the *Water Rules*, it is appropriate to approve the CVPSD's water authority boundary reduction and the NHJPSD's water authority boundary enlargement as set forth in the filings by the BCC and the RCC.

ORDER

IT IS THEREFORE ORDERED that the May 7, 2007, order of the Barbour County Commission reducing the water authority boundaries of the Century-Volga Public Service District is hereby approved.

IT IS FURTHER ORDERED that the May 10, 2007, order of the Randolph County Commission enlarging the water authority boundaries of the Norton-Harding-Jimtown Public Service District is hereby approved.

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

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

A True Copy. Teste


Sandra Spivey
Executive Secretary

JJW/klm
070783c.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

ENTERED

Order Book 05L

Entered: April 1, 2005

ORIGINAL

CASE NO. 04-1464-PSWD-PC

HARRISON COUNTY COMMISSION

Petition for consent and approval to reduce sewer and water authority of Greater Harrison County Public Service District, to enlarge the sewer authority of the Enlarged Hepzibah Public Service District, enlarge the water authority of the Sun Valley Public Service District and to enlarge the water authority of the Century Volga Public Service District.

FINAL
4-21-05

RECOMMENDED DECISION

PROCEDURE

On September 3, 2004, the Harrison County Commission (County Commission) filed a petition with the Public Service Commission for Commission consent and approval of its Order of August 26, 2004, adjusting the boundaries of several public service district service territories located in Harrison County, in accordance with West Virginia Code §16-13A-2. The County Commission Order made the following adjustments: 1) reduced the sewer authority boundaries of the Greater Harrison County Public Service District; 2) enlarged the sewer authority of the Enlarged Hepzibah Public Service District; 3) reduced the water authority of Greater Harrison County Public Service District; 4) enlarged the water authority of the Sun Valley Public Service District; and 5) enlarged the water authority of Century Volga Public Service District. These adjustments will aid the various districts in providing water and sewer service to the affected areas in the future.

On September 20, 2004, Staff Attorney Cecelia Jarrell filed an Initial and Final Joint Staff Memorandum to which was attached the Initial and Final Internal Memorandum prepared by Mr. Nathan Nelson, Utilities Analyst I, Water and Wastewater Division. The Harrison County Commission has complied with the specific statutory requirements regarding public service district boundary adjustments. Staff explained that the Harrison County Commission's actions in this case do impact a public service district created by the Barbour County Commission, i.e., the Century Volga Public Service District, although the affected territory is wholly located in Harrison County. In an effort to determine Century Volga Public Service District's position with regard to this adjustment of its boundaries within Harrison County, Staff contacted Century Volga Public Service District and was advised that it is aware of

MJM

the proposed boundary adjustments in Harrison County and, in fact, had suggested the boundary adjustment to the Harrison County Commission, i.e., the Century Volga Public Service District will be constructing a Brushy Fork water line extension and two potential customers along the extension own tracts of land that are located in both Harrison and Barbour Counties. These property owners wanted to connect to the Century Volga water line extension; therefore, Century Volga Public Service District proposed this adjustment to the Harrison County Commission so that those potential customers could be served. Staff recommended that, since this case would require a public hearing in Harrison County under Code §16-13A-2, the matter be referred to the Division of Administrative Law Judges for resolution.

By Order dated September 29, 2004, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before April 1, 2005.

On November 8, 2004, the Barbour County Commission filed a letter containing its resolution and order proposing the boundary adjustment; the notice of hearing on the proposed change; legal notice of the publication; and approval by the Barbour County Commission recorded into the minutes of its meeting held September 7, 2004.

By Order dated November 22, 2004, this matter was set for a hearing to be held in the Harrison County Courthouse, County Commission Court Room, 2nd Floor, 301 West Main Street, Clarksburg, West Virginia, on January 7, 2005. Said Order also required that the Harrison County Commission give notice of the hearing to be held on January 7, 2005, by publishing a Notice of Hearing once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Harrison County.

The hearing was held as scheduled. The Harrison County Commission appeared by its counsel, Robert J. Andre, III, Esquire. Commission Staff appeared by Staff Attorney Cecelia Gail Jarrell, Esquire. No one appeared at the hearing to protest the order of the Harrison County Commission. (Tr., p. 7).

Commission Staff introduced, as Staff Exhibit No. 1, the Initial and Final Joint Staff Memorandum filed September 20, 2004, recommending that, since the Harrison County Commission has substantially complied with West Virginia Code §16-13A-2, the boundary adjustments should be approved. (Tr., p. 9; Staff Exh. No. 1). Since neither the Harrison County Commission nor Staff had anything they wished to present in this matter, it was submitted for decision as an unprotested case. (Tr., p. 9).

On March 29, 2005, the Barbour County Commission filed its Order of September 7, 2004, approving the enlargement of the water authority of the Century Volga Public Service District.

FINDINGS OF FACT

1. On September 3, 2004, the Harrison County Commission filed a petition with the Public Service Commission for Commission consent and

approval of its Order of August 26, 2004, adjusting the boundaries of several public service district service territories located in Harrison County, in accordance with West Virginia Code §16-13A-2. (See, Petition and Order filed September 3, 2004).

2. Staff recommended that, since the Harrison County Commission has complied with the provisions of West Virginia Code §16-13A-2, the proposed boundary adjustments should be approved. (See, Staff Exh. No. 1).

3. This matter was set for hearing to be held in Harrison County in accordance with the provisions of West Virginia Code §16-13A-2, on January 7, 2005, and the Harrison County Commission was directed to give notice of the hearing by publishing a Notice of Hearing once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Harrison County. (See, Order dated November 22, 2004).

4. At the hearing held on January 7, 2005, no one appeared in protest to the Order of the Harrison County Commission. (See, Tr., P. 7).

5. On March 29, 2005, the Barbour County Commission filed its Order of September 7, 2004, approving the enlargement of the water authority of the Century Volga Public Service District. (See, Order filed March 29, 2005).

6. A proper affidavit of publication was filed reflecting that publication of the Notice of Hearing was made in accordance with the Commission's requirements. (See, Affidavit filed January 20, 2005).

CONCLUSION OF LAW

Since the hearing required by the provisions of West Virginia Code §16-13A-2 was held in Harrison County and no one appeared in protest to the petition after proper notice was given, the August 26, 2004 Order of the Harrison County Commission to adjust the boundaries of several public service districts can be approved as unopposed.

ORDER

IT IS, THEREFORE, ORDERED that the August 26, 2004 Order of the Harrison County Commission filed with the Public Service Commission on September 3, 2004, reducing the sewer authority of the Greater Harrison County Public Service District; enlarging the sewer authority of the Enlarged Hepzibah Public Service District; reducing the water authority of the Greater Harrison County Public Service District; enlarging the water authority of the Sun Valley Public Service District; and enlarging the water authority of the Century Volga Public Service District, be, and the same hereby is, approved.

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

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary 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, nor shall any such waiver operate to make any Administrative Law Judge's Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.


Robert W. Glass
Administrative Law Judge

RWG:dfs
041464aa.wpd

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 29th day of August, 2007.

CASE NO. 07-0783-PWD-PC

**BARBOUR COUNTY COMMISSION and
RANDOLPH COUNTY COMMISSION**

Petition for consent and approval to reduce the boundaries of Century-Volga Public Service District and to enlarge the boundaries of Norton-Harding-Jimtown Public Service District.

COMMISSION ORDER

This Order approves the joint petition filed by the Barbour County Commission and the Randolph County Commission to modify the water authority boundaries of the Century-Volga Public Service District and the Norton-Harding-Jimtown Public Service District.

BACKGROUND

On May 7, 2007, the Barbour County Commission (BCC) and the Randolph County Commission (RCC) (together, County Commissions) filed a joint petition to modify the water authority boundaries of the Century-Volga Public Service District (CVPSD) and the Norton-Harding-Jimtown Public Service District (NHJPSD). In essence, the County Commissions proposed that the NHJPSD absorb a portion of the territories currently served by the CVPSD. (The County Commissions filed additional supporting information on May 8 and 9, 2007.)

On May 16, 2007, the BCC filed its May 7, 2007, order reducing the boundary of the water authority of the CVPSD. Also on May 16, 2007, the RCC filed its May 10, 2007, order enlarging the boundary of the water authority of the NHJPSD.

On June 12, 2007, Commission Staff (Staff) filed its "Initial and Final Joint Staff Memorandum." Staff stated that it had reviewed the information filed by the County Commissions and determined that substantially all relevant affidavits, notices of hearings and postings were filed as required by *West Virginia Code* § 16-13A-2. Staff recommended

approval of the joint petition filed by the County Commissions. Additionally, Staff cited the Commission's decision in *Cabell County Commission*, Case No. 05-1019-PSD-PC (Commission Order, November 9, 2005), and recommended that the Commission require the County Commissions to publish notice of the proceeding before the Commission and provide an opportunity for protest. Staff stated that if sufficient protests were filed, the Commission may determine that a hearing is necessary.

DISCUSSION

West Virginia Code § 16-13A-2 establishes requirements for modifying public service district boundaries and merging districts. In accordance with that procedure, the BCC issued an order authorizing the reduction of the water authority boundaries of CVPSD and the RCC issued an order authorizing the enlargement of the water authority boundaries of the NHJPSD. However, no order of a county commission regarding public service district boundary modification can be effective without approval of the Commission.

The Commission has discretion to determine whether a hearing is needed in boundary modification cases. See, *West Virginia Code* § 16-13A-2. The proceedings before the respective county commissions provided sufficient notice to the public in the form of publication, postings, and hearings. The Commission concludes that neither additional public notice nor an additional hearing is necessary in this matter.

Rule 8.4.a. of the Commission's *Rules for the Government of Water Utilities (Water Rules)* states:

After public comment and hearing the Commission shall, by order, approve, disapprove or modify a county commission order creating, expanding, merging, consolidating, reducing or dissolving a public service district. In deliberating on approval, modification or disapproval the Commission may consider, among other things:

1. the public convenience and necessity;
2. the economic feasibility, including sources of funding, costs and related benefits of the county commission's order;
3. the adequacy of facilities;
4. other facilities in the area; and
5. other possible alternatives.

Based upon the matters contained in the record and Staff's recommendation, the Commission will approve the water authority boundary modifications (reduction of the CVPSD and enlargement of the NHJPSD).

FINDINGS OF FACT

1. The BCC seeks to reduce the boundary of the water authority of the CVPSD. *See*, Joint Petition (May 7, 2007) and BCC's May 7, 2007 Order (filed May 16, 2007).
2. The RCC seeks to enlarge the boundary of the water authority of the NHJPSD. *See*, Joint Petition (May 7, 2007) and RCC's May 7, 2007 Order (filed May 16, 2007).
3. Appropriate notices and hearings were held in each of the respective counties.
4. Staff recommends approval of the respective water authority boundary modifications.

CONCLUSIONS OF LAW

1. No order of the BCC or the RCC regarding public service district boundary modifications can be effective without the approval of the Commission. *See*, *West Virginia Code* § 16-13A-2.
2. In consideration of the publications, postings, and hearings already completed by the BCC and the RCC, additional publication and hearing are not necessary.
3. Giving due consideration to the requirements of Rule 8.4. a. of the *Water Rules*, it is appropriate to approve the CVPSD's water authority boundary reduction and the NHJPSD's water authority boundary enlargement as set forth in the filings by the BCC and the RCC.

ORDER

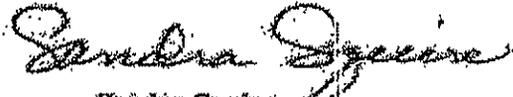
IT IS THEREFORE ORDERED that the May 7, 2007, order of the Barbour County Commission reducing the water authority boundaries of the Century-Volga Public Service District is hereby approved.

IT IS FURTHER ORDERED that the May 10, 2007, order of the Randolph County Commission enlarging the water authority boundaries of the Norton-Harding-Jimtown Public Service District is hereby approved.

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

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

A True Copy Testes


Sandra Squire
Executive Secretary

IJW/klm
070783c.wpd

CENTURY VOLGA PUBLIC SERVICE DISTRICT
ROUTE 1, BOX 78
PHILIPPI, WEST VIRGINIA 26416
PHONE: (304) 457-5735
FAX: (304) 457-5420

Vernon O. Woods, Chairman
Paul N. Talbott, Secretary

Sam E. Wright, Treasurer
Linda S. Rice, General Manager

COPY

March 10, 2008

Mr. Norman T. Farley, Esq.
West & Jones
P. O. Box 2348
Clarksburg, WV 26302-2348

Re: CVPSD/ Brushy Fork Water Line Extension Project
WV Water Development Authority Loan for Project Design & Engineering

Dear Norm:

Please allow this letter to serve as our formal request for your issuance of an opinion letter and General Certificate in reference to the district's proposed Brushy Fork Water Line Extension Project. In order to issue these documents, I have enclosed the following for your review:

1. August 24, 2004 Harrison County Commission Resolution and Order enacting an adjustment to the boundaries of Century Volga Public Service District.
2. A copy of the Public Service Commission's of WV Procedural Order in the case dated November 22, 2004.
3. May 3, 2007 Barbour County Commission Resolution and Order proposing a boundary adjustment to Norton-Harding-Jimtown PSD from Century Volga PSD on Kingsville Road in Barbour County.
4. August 29, 2007 Public Service Commission Order in this regard.
5. February 14, 2008 PSC Further Final Joint Staff Memorandum regarding the district's application for design and engineering financing through the WV Water Development Authority.
6. Final PSC Commission Order approving the district's payment of design and engineering services with the proceeds of the loan from the WDA.

Mr. Norman T. Farley, Esq.
West & Jones
March 10, 2008
Page -2-

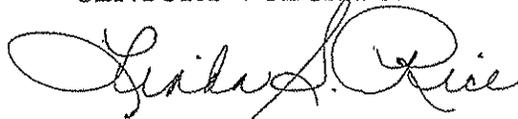
7. A copy of the USDA/ Rural Development Form RD 465-1 "Application for Partial Release, Subordination, or Consent" for parity.

We have appointed Hornor Brothers Engineers as the design and project engineer for this endeavor. We are scheduled to sign all documents at and in conjunction with the Monday, April 14, 2008 monthly board meeting to be held at 5:00 P.M. at our office. Katie Mallory of Steptoe and Johnson has confirmed that the actual closing will be on Wednesday, April 16th, at which time funds will be transferred.

Norm, thank you for once again representing our district. If you have any questions or require additional information, please feel free to call me.

Sincerely,

CENTURY VOLGA PUBLIC SERVICE DISTRICT



Linda S. Rice
General Manager

LSR/mdr
Enclosures: (6)

Cc: Ms. Katy Mallory, P.E.
Project Finance Manager
Steptoe & Johnson, P.L.L.C.
Chase Tower, Eighth Floor
P. O. Box 1588
Charleston, WV 25326-1588

Mr. Trey Hornor, P.E.
President
Hornor Brothers Engineers
P. O. Box 386
Clarksburg, WV 26301-0386

30.

ORDERS — Commissioners Harrison County, W. Va.

Session Held

THURSDAY, AUGUST 26,

20 04

CASD & HARRIS, INC., SPENCER, W. VA. RE-ORDER NO. 13448D-03

County Commission

RESOLUTION AND ORDER Enacting
Certain Adjustments to the
Boundaries of Several Public
Service Districts

RECEIVED

CENTURY-VOLGA PSD

9-10-04

BEFORE THE COUNTY COMMISSION OF HARRISON COUNTY

A RESOLUTION AND ORDER ENACTING
CERTAIN ADJUSTMENTS TO THE
BOUNDARIES OF PUBLIC SERVICE DISTRICTS,
AS FOLLOWS:

THE REDUCTION OF THE SEWER AUTHORITY
OF THE GREATER HARRISON COUNTY
PUBLIC SERVICE DISTRICT;

THE ENLARGEMENT OF THE SEWER
AUTHORITY OF THE ENLARGED HEPZIBAH
PUBLIC SERVICE DISTRICT;

THE REDUCTION OF THE WATER AUTHORITY
OF THE GREATER HARRISON COUNTY
PUBLIC SERVICE DISTRICT;

THE ENLARGEMENT OF THE WATER
AUTHORITY OF THE SUN VALLEY PUBLIC
SERVICE DISTRICT;

THE ENLARGEMENT OF THE WATER
AUTHORITY OF THE CENTURY VOLGA
PUBLIC SERVICE DISTRICT.

WHEREAS, by prior Orders of the Harrison County Commission and the West Virginia Public Service Commission, the boundaries of the Greater Harrison County Public Service District, the Enlarged Hepzibah Public Service District, and the Sun Valley Public Service District were established within Harrison County; and

WHEREAS, by prior Orders of the Barbour County Commission and the West Virginia Public Service Commission, the boundaries of the Century Volga Public Service District were established within Barbour County; and

WHEREAS, the aforesaid public service districts have proposed certain boundary adjustments, in order to enable them to seek access to public dollars for the construction and operation of sewage treatment and water infrastructure which will improve the quality of life of citizens of Harrison County; and

WHEREAS, after notice duly given, a public hearing was held regarding the proposed boundary changes on August 26, 2004, before the County Commission of Harrison County; and

WHEREAS, at said hearing the County Commission received the comments of Terri Schulte, Harrison County Planner, that the proposed boundary change in the Marshville area of Harrison County would affect the boundaries of the Short Line Public Service District, which was not properly acknowledged in the Commission's prior Order in this matter or in the notice given to the public. The Commission agrees with the comments of the County Planner, and finds that there should not be a boundary change in the Marshville area at this time; and

WHEREAS, the County Commission of Harrison County deems the remaining proposed boundary adjustments necessary and desirable in order to provide cost-effective sewer and water service to residents of the County; and

WHEREAS, pursuant to the provisions of Section 2, Article 13A, Chapter 16 of the West Virginia Code, the County Commission of Harrison County is empowered, upon its own motion by order duly adopted, to enact the enlargement or reduction of the authority of a public service district located within the County, in order to preserve the public health, comfort and convenience; and

WHEREAS, the County Commission of Harrison County, after due deliberation and public hearing thereon, has decided that the proposed boundary adjustments, except for the adjustment in the Marshville area, and subject to the approval of the Public Service Commission of West Virginia, are necessary for the preservation of the public health, comfort and convenience and should be enacted.

NOW, THEREFORE, BE IT, AND IT IS, HEREBY, RESOLVED AND ORDERED That the County Commission of Harrison County, upon its own motion, subject to the approval of the Public Service Commission of West Virginia, hereby enacts the following boundary adjustments:

1. **That the sewer authority of the Greater Harrison County Public Service District be reduced, and the sewer authority of the Enlarged Hepzibah Public Service District be enlarged by the transfer of the following described area from the Greater Harrison County Public Service District to the Enlarged Hepzibah Public Service District:**

A certain tract or parcel of land situate along Harrison County Route 19/7 and 19/37, in the Lamberts Run area of Eagle District, Harrison County, West Virginia, being more particularly bounded and described as follows:

Beginning at a point located on the existing Enlarged Hepzibah Public Service District Boundary, near where the said boundary intersects the now or formerly Baltimore and Ohio Railroad Company tracks near U.S. Route 19, said point being located approximately 300' south of Harrison County Route 19/7, Lamberts Run Road;

Thence leaving said existing Enlarged Hepzibah Public Service District Boundary and with a line which is 300' south, east, and parallel to the centerline of said Harrison County Route 19/7 in a southwesterly direction, for approximately 6,780' to the centerline of Harrison County Route 18;

Thence with the centerline of said County Route 18 in a northerly direction, for approximately 660';

Thence leaving said County Route 18 and with a line which is 300' north, west, and parallel to the centerline of said Harrison County Route 19/7 in a northeasterly direction, for approximately 4,840';

Thence with a line which is 300' west, and parallel to the centerline of County Route 19/37 in a northwesterly direction, for approximately 3,700';

Thence in a northeasterly direction, crossing said County Route 19/37, for approximately 600';

Thence with a line, which is 300' east, and parallel to the centerline of said County Route 19/37 in a southeasterly direction, for approximately 3,590';

Thence with a line in a northeasterly direction, for approximately 1,600' to a point located in the centerline of an existing pipeline right-of-way;

Thence with said existing pipeline right-of-way in an easterly direction, for approximately 1,310' to a point located on said existing Enlarged Hepzibah Public Service District Boundary;

Thence with said existing Enlarged Hepzibah Public Service District Boundary in a southwesterly direction, for approximately 1,435' to the Point Of Beginning, containing an area of 169 acres, more or less, as shown on a map titled "*Exhibit Map Showing Proposed Addition to the Enlarged Hepzibah Public Service District*", said map is a part of the record in this proceeding and is made a part of this description.

2. **That the water authority of the Greater Harrison County Public Service District be reduced, and the water authority of the Sun Valley Public Service District be enlarged by the transfer of the following described area from the Greater Harrison County Public Service District to the Sun Valley Public Service District:**

SYCAMORE AREA:

A certain tract or parcel of land situate along the waters of the West Fork River, County Route 33, Union District, Harrison County, West Virginia, being more particularly bounded and described as follows:

Beginning at a point located on the existing Sun Valley Public Service District and Greater Harrison Public Service District line, at the centerline of an existing pipeline right-of-way;

ORDERS — Commissioners Harrison County, W. Va.

02

Session Held

20

CASTO & HARRIS, INC., SPENCER, W. VA. RE-ORDER NO. 134238-03

Thence with said existing Sun Valley Public Service District and Greater Harrison Public Service District line in a northeasterly direction, a distance of approximately 2,063' to a point located approximately 600' east of County Route 33 (Sycamore Road);

Thence leaving said existing Sun Valley Public Service District and Greater Harrison Public Service District line, with a line approximately 600' east and north of and parallel to said County Route 33, in a southeasterly direction, a distance of approximately 9,759' to a point located in the centerline of U.S. Route 19;

Thence with the centerline of said U.S. Route 19, in a southwesterly direction, a distance of approximately 1,747' to a point located 600' south and west of said County Route 33;

Thence leaving said U.S. Route 19, with a line approximately 600' south and west of said County Route 33, in a northwesterly direction, a distance of approximately 9,313' to the Point Of Beginning, containing an area of 236 acres, more or less, as shown on a map titled "*Exhibit Map Showing Proposed Addition to the Sun Valley Public Service District, Sycamore Area*", said map is a part of the record in this proceeding and is made a part of this description.

3. **That the water authority of the Greater Harrison County Public Service District be reduced, and the water authority of the Century Volga Public Service District be enlarged by the transfer of the following described area from the Greater Harrison County Public Service District to the Century Volga Public Service District:**

All that certain tract or parcel of land, situate in Simpson District, Harrison County, West Virginia, on the southwest side of the Brushy Fork Road and on the northwest side of Elk Creek Road, containing 258.382 acres, more or less, bounded and described as follows:

Beginning at the intersection of the Stone Coal Road with the Brushy Fork Road, corner to land now or formerly owned by Alan Preston Corporation;

Thence with said road four lines, S. 33° 15' E. 480 feet;

Thence S. 25° 04' E. 390 feet;

Thence S. 36° 00' E. 870 feet; thence S. 34° 50' E. 795 feet to the intersection of a road leading to Elk Creek and Corder's corner;

Thence with six of his lines S. 40° 50' W. 480 feet to a stake;

Thence S. 51° 45' W. 811 feet to a post;

Thence N. 58° 30' W. 136 feet to the center of road leading to Elk Creek; thence with same three

Session Held

CASTO & HARRIS, INC., SPENCER, W. VA. RE-ORDER NO. 134888-03

lines, S. 46° 30' W. 328 feet;

Thence S. 51° 00' W. 160 feet; thence S. 66° 50' W. 154 feet to the corner of F. Smith's land;

Thence with his lines N. 52° 20' W. 1108 feet to a post; thence S. 59° 10' W. 620 feet to a post;

Thence S. 41° 30' W. 178 feet to a post;

Thence N. 44° 00' W. 1062 feet to a post on top of the hill;

Thence N. 15° 25' W. 675 feet to a post;

Thence N. 14° 45' E. 740 feet to a post;

Thence N. 45° 10' W. 1490 feet to a post, corner to Charles Stout's lands;

Thence with his lines N. 59° 30' E. 1525 feet to the center of the Brushy Fork Road;

Thence with the same four lines S. 57° 50' E. 450 feet; thence S. 66° 10' E. 550 feet;

Thence S. 67° E. 650 feet; thence S. 70° 50' E. 695 feet to the beginning, containing 260 acres, more or less, excepting and reserving the three (3) following lots, tracts or parcels of land:

1) A tract or parcel of land containing 1.779 acres, more or less, conveyed by Ralph J. Westfall and Shirley A. Westfall, husband and wife, to Roger R. Oldaker and Rebecca A. Oldaker, husband and wife, by Deed dated April 16, 1975, of record in the office of the Clerk of the County Commission of said County and State in Deed Book No. 1033, page 570.

2) A tract or parcel of land containing 1.119 acres, more or less, conveyed by Ralph J. Westfall and Shirley A. Westfall, husband and wife, to Stephen R. Jeffries and Juanita F. Jeffries, husband and wife, by Deed dated April 16, 1975, of record in said Clerk's office in Deed Book No. 1033, page 575.

3) A lot or parcel of land containing 0.72 acres, more or less, conveyed by Grantors, Ralph J. Westfall and Vera P. Westfall, to Emmett A. Linch and Ronja L. Linch, husband and wife, by Deed dated November 22, 1985, of record in said Clerk's office in Deed Book No. 1159, page 40.

Being the same property conveyed to Cecil T. Holbert and Kelly L. Holbert, by Deed dated August 8, 2002, of record in the office of the Clerk of the Harrison County Commission in Deed Book 1342, at page 486.; as shown on a map titled "Exhibit Map Brushy Fork Area ID #1", said map is a part of the record in this proceeding and is made a part of this description.

IT IS, HEREBY, FURTHER RESOLVED AND ORDERED that the Commission's attorney

ORDERS — Commissioners Harrison County, W. Va.

8

Session Held

20

CASO & HARRIS, INC., SPENCER, W. VA. RE-ORDER NO. 134038-03

shall file this Resolution and Order with the Public Service Commission of West Virginia.

By the Order of the Harrison County Commission this 26th day of August, 2004.

HARRISON COUNTY COMMISSION

[Signature]
PRESIDENT

[Signature]
COMMISSIONER

[Signature]
COMMISSIONER

ATTEST:

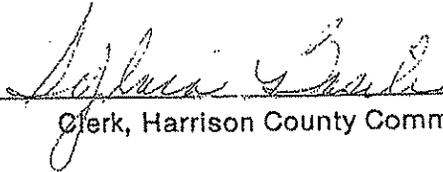
[Signature]
CLERK

STATE OF WEST VIRGINIA,

County of Harrison:

I, SYLVIA BASILE, Clerk of the Harrison County Commission do hereby certify that the foregoing writing is a true and accurate copy as appears of record in my office in GENERAL ORDER Book No. 73 at Page 80, of said records.

Given under my hand and Seal of said Office this 9 day of September, 2004



Clerk, Harrison County Commission

ENTEREDPUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**ORIGINAL**Order Book 04-KKKIssued: November 22, 2004

CASE NO. 04-1464-PSWD-PC

HARRISON COUNTY COMMISSION

Petition for consent and approval to reduce sewer and water authority of Greater Harrison County Public Service District and to enlarge the Enlarged Hepzibah Public Service District.

PROCEDURAL ORDER

On September 3, 2004, the Harrison County Commission (County Commission) filed a petition with the Public Service Commission for Commission consent and approval of its Order of July 29, 2004, to adjust the boundaries of several public service districts located in Harrison County and Barbour County, in accordance with West Virginia Code §16-13A-2. The County Commission Order made the following adjustments: 1) reduce the sewer authority boundaries of the Greater Harrison County Public Service District; 2) enlarge the sewer authority of the Enlarged Hepzibah Public Service District; 3) reduce the water authority of Greater Harrison County Public Service District; 4) enlarge the water authority of the Sun Valley Public Service District; and 5) enlarge the water authority of Century Volga Public Service District. These adjustments will aid the Districts in providing water and sewer service to the affected areas in the future.

On September 20, 2004, Staff Attorney Cecelia Jarrell filed an Initial and Final Joint Staff Memorandum to which was attached the Initial and Final Internal Memorandum prepared by Mr. Nathan Nelson, Utilities Analyst I, Water and Wastewater Division. The Harrison County Commission has complied with the specific statutory requirements regarding public service district boundary adjustments. Staff explained that the Harrison County Commission's actions in this case do impact a public service district created by the Barbour County Commission. The Century Volga Public Service District is a creation of the Barbour County Commission. In an effort to determine Century Volga Public Service District's position with regard to this adjustment of its boundaries within Harrison County, Staff contacted Century Volga Public Service District and was advised that it is aware of the proposed boundary adjustments in Harrison County and, in fact, had suggested the boundary adjustment to the Harrison County Commission. The Century Volga Public Service District will be constructing a Brushy Fork water line extension and two potential customers along the extension own tracts of land that are located in both Harrison and Barbour Counties. These property owners wanted to connect to the Century Volga water line extension; therefore,

Century Volga Public Service District proposed this adjustment to the Harrison County Commission so that those potential customers could be served. Staff recommended that, since this case would require a public hearing in Harrison County, under Code §16-13A-2, the matter be referred to the Division of Administrative Law Judges for resolution.

By Order dated September 29, 2004, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before April 1, 2005.

On November 8, 2004, the Barbour County Commission filed a letter containing its resolution and order proposing the boundary adjustment; the notice of hearing on the proposed change; legal notice of the publication; and approval by the Barbour County Commission recorded into the minutes of its meeting held September 7, 2004.

Based upon the above, the Administrative Law Judge is of the opinion and finds that, since a hearing must be held in this case in Harrison County in accordance with Code §16-13A-2, the following procedural schedule shall be established for the processing and resolution of this case:

1. A hearing shall be held in the Harrison County Courthouse, County Commission Court Room, 2nd Floor, 301 West Main Street, Clarksburg, West Virginia, on January 7, 2005, at 9:30 a.m.;
2. The transcript of the proceeding shall be received on or before January 21, 2005;
3. Initial briefs in this matter shall be filed on or before February 10, 2005; and
4. Reply briefs, if any, may be filed on or before February 24, 2005.

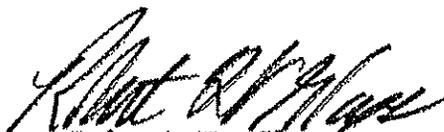
ORDER

IT IS, THEREFORE, ORDERED that the procedural schedule, as set forth above, be, and the same hereby is, established for the processing and resolution of this case.

IT IS FURTHER ORDERED that the Harrison County Commission give notice of the hearing to be held on January 7, 2005, by publishing a copy of the Notice of Hearing, attached hereto as Appendix A, once in a newspaper duly qualified by the Secretary of State, published and of general circulation in Harrison County during the week of January 3, 2005. A proper affidavit of publication shall be submitted to the Commission at the hearing.

IT IS FURTHER ORDERED that the Commission's Executive Secretary serve a copy of this Order upon all parties to this proceeding by United

States Certified Mail, return receipt requested, and upon Commission Staff by hand delivery.


Robert W. Glass
Administrative Law Judge

RWG:mal
041464a.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 04-1464-PSWD-PC

HARRISON COUNTY COMMISSION

Petition for consent and approval to reduce sewer and water authority of Greater Harrison County Public Service District and to enlarge the Enlarged Hepzibah Public Service District.

NOTICE OF HEARING

On September 3, 2004, the Harrison County Commission filed a petition for approval of its Order of July 29, 2004, to adjust the boundaries of several public service districts, by reducing the sewer authority boundaries of the Greater Harrison County Public Service District; enlarging the sewer authority of the Enlarged Hepzibah Public Service District; reducing the water authority boundaries of Greater Harrison Public Service District; enlarging the water authority of the Sun Valley Public Service District; reducing the water authority boundaries of Greater Harrison Public Service District; and enlarging the water authority of Century Volga Public Service District, in accordance with West Virginia Code §16-13A-2.

A hearing has been scheduled on this petition to be held at the Harrison County Courthouse, County Commission Court Room, 2nd Floor, 301 West Main Street, Clarksburg, West Virginia, on January 7, 2005, at 9:30 a.m.

Anyone wishing to protest the application must appear in person to voice their protests.

HARRISON COUNTY COMMISSION

BUSCH, ZURBUCHE & THOMPSON, PLLC

ATTORNEYS AT LAW
P.O. BOX 1819
HIGH & COURT STREETS
ELKINS, WV 26241

John E. Busch
Peter G. Zurbuch
David E. Thompson
Jeffrey S. Zurbuch*
Bridgette R. Wilson
Richard T. Busch

Telephone (304) 636-3560
Facsimile (304) 636-2290

PARALEGALS:
Jacqueline M. Potts, CP
Lisa S. Severino, CP
Leslie Weese Hart, BA

Richard H. Talbott, Jr., Of Counsel
* Also admitted in Virginia

www.bztlaw.com
sender's e-mail address: jzurbuch@bztlaw.com

May 3, 2007

Ms. Sandra Squire, Executive Secretary
West Virginia Public Service Commission
P.O. Box 812, 201 Brooks Street
Charleston, WV 25323

07073 PWD PW

RECEIVED
2007 MAY 7 AM 8:48
WEST VIRGINIA PUBLIC SERVICE
COMMISSION
STATE SERVICE OFFICE

Re: Norton-Harding-Jimtown Public Service District -
Water Line Extension to Kingsville, Leslie Equipment
and Tygart Valley Regional Jail
Case No. ~~07-0308-PWD-PW~~

Dear Ms. Squire:

Enclosed for filing in the above-referenced matter are originals and twelve copies of each of the following: (1) Barbour County Commission Resolution and Order Proposing Certain Adjustments to the Boundaries of Public Service Districts; (2) Barbour County Commission Notice of Hearing; and (3) Affidavit of Posting Concerning Barbour County Commission Meeting.

These documents relate to the proposed reduction of the area of the Century-Volga Public Service District and the corresponding enlargement of the Norton-Harding-Jimtown Public Service District with regard to water service. Please let me know if you have any questions. Thank you for your attention to this matter.

Very truly yours,

Jeffrey S. Zurbuch
WV State Bar No. 7384

JSZ/jmw
Enclosures

cc: Mr. Glenn Lee (w/encs)
Mr. Clay Riley (w/o encs)
John C. Stump, Esq. (w/o encs)
Mr. Chuck Foley (w/o encs)

BEFORE THE COUNTY COMMISSION OF BARBOUR COUNTY,
WEST VIRGINIA

A RESOLUTION AND ORDER PROPOSING
CERTAIN ADJUSTMENTS TO THE
BOUNDARIES OF PUBLIC SERVICE DISTRICTS,
AS FOLLOWS:

THE REDUCTION OF THE WATER AUTHORITY
OF THE CENTURY VOLGA PUBLIC SERVICE
DISTRICT;

THE ENLARGEMENT OF THE WATER
AUTHORITY OF THE NORTON-HARDING-
JIMTOWN PUBLIC SERVICE DISTRICT;

AND FIXING A DATE OF HEARING ON THE
PROPOSED BOUNDARY ADJUSTMENTS AND
PROVIDING FOR NOTICE OF SUCH HEARING

RECEIVED
2001 NOV - 7 AM 8:15
W. VA. PUBLIC SERVICE
SECTION

WHEREAS, by prior Orders of the Barbour County Commission and the West Virginia Public Service Commission, the boundaries of the Century Volga Public Service District were established within Barbour County; and

WHEREAS, by prior Orders of the Randolph County Commission and the West Virginia Public Service Commission, the boundaries of the Norton-Harding-Jimtown Public Service District were established within Randolph County; and

WHEREAS, the aforesaid public service districts have proposed certain boundary adjustments, in order to enable them to seek access to public dollars for the construction and operation of water infrastructure which will improve the quality of life of citizens of Barbour County and Randolph County; and

WHEREAS, the County Commission of Barbour County deems the proposed boundary adjustments necessary and desirable in order to provide cost-effective water service to residents of each County; and

WHEREAS, pursuant to the provisions of Section 2, Article 13A, Chapter 16 of the West Virginia Code, the County Commission of Barbour County is empowered, upon its own motion by order duly adopted, to propose the enlargement or reduction of the

authority of a public service district located within the County, in order to preserve the public health, comfort and convenience; and

WHEREAS, the County Commission of Barbour County, after due deliberation, has decided that the proposed boundary adjustments, subject to the approval of the Public Service Commission of West Virginia, are necessary for the preservation of the public health, comfort and convenience.

NOW THEREFORE, BE IT, AND IT IS, HEREBY, RESOLVED and ORDERED That the County Commission of Barbour County, upon its own motion, subject to the approval of the Public Service Commission of West Virginia, hereby proposes the following boundary adjustments:

That the water authority of the Century Volga Public Service District be reduced, and the water authority of the Norton-Harding-Jimtown Public Service District be enlarged by the transfer of the following described area from the Century Volga Public Service District to the Norton-Harding-Jimtown Public Service District:

All that certain tract or parcel of land, situate in Valley District, Barbour County, West Virginia, being more particularly bounded and described as follows:

Beginning at a point located on the Barbour and Randolph County Line, said point being a common corner to the existing boundaries of the Norton-Harding-Jimtown Public Service District;

Thence leaving said existing Norton-Harding-Jimtown Public Service District and with said Barbour and Randolph County Line in a Westerly Direction for a distance of 6,228 feet to a point located on the Upshur and Barbour County Line located in the center of the Middle Fork River;

Thence leaving said Barbour and Randolph County Line and with said Upshur and Barbour County Line and Middle Fork River in a Northerly Direction, a distance of 19,169 feet to a point located 180 feet south of the centerline of U.S. Route 33;

Thence leaving said Upshur and Barbour County Line and Middle Fork River, and 180 feet south of and parallel to the said centerline of U.S. Route 33 in an Easterly Direction, a distance of 23,056 feet to a point located on the said Barbour and Randolph County Line;

Thence with said Barbour and Randolph County Line in a Westerly Direction, a distance of 20,309 feet to the **PLACE OF BEGINNING**, containing an area of 1,887 acres, MORE OR LESS, as shown on a map attached hereto and made a part of this description.

Provided, however, that Century Volga Public Service District desires to and shall retain the right sometime in the future to install a water tank at the highest point in the

subject area in Barbour County north of Kingsville for the future purpose of providing fire protection to its customers on the other side (north) of U.S. Route 33.

IT IS, HEREBY, FURTHER RESOLVED AND ORDERED:

That on , 2007, at the hour of 6:30 o'clock P M. (said date being not more than forty days nor less than twenty days from the date of this Order) the County Commission of Barbour County shall meet in the Barbour County Court House in Philippi, West Virginia, for the purpose of conducting a hearing on the proposed boundary adjustments described herein, at which time and place all persons having an interest may appear and shall be provided an opportunity to be heard for or against the proposal.

That the Clerk of the County Commission of Barbour County shall cause notice of the hearing and a description of the proposed boundary adjustments to be published as a Class I legal advertisement at least ten (10) days prior to the hearing.

That the Clerk of the County Commission of Barbour County shall notify the County Commission of Randolph County and the Clerk thereof, of the date fixed for the hearing.

By the Order of the Barbour County Commission this 17 day of APRIL, 2007.

BARBOUR COUNTY COMMISSION

Steven H. Sins
PRESIDENT

Timothy L. McDaniel
COMMISSIONER

Phil Hunt
COMMISSIONER

ATTEST:

Delva H. Talbot
CLERK

By Inacel L. Anvil
Deputy

Public Service Commission
Of West Virginia

201 Brooks Street, P. O. Box 812
Charleston, West Virginia 25323



Phone: (304) 340-0300
FAX: (304) 340-0325

May 9, 2007

Jeffrey S. Zurbach, Esq.
Counsel, Norton-Harding-Jimtown PSD
Busch Zurbuck & Thompson PLLC
PO Box 1819
Elkins, WV 26241

RE: Case No. 07-0783-PWD-PC
Barbour County Commission

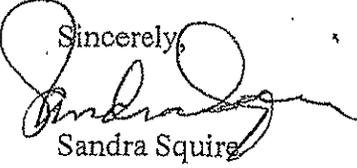
Dear Mr. Zurbach:

Thank you for the petition received on May 7, 2007, that has been forwarded to Staff and the Commission for processing. Please reference this case number on all future correspondence in this proceeding.

Beginning January 2007, each party in this matter will receive an email notification with the ability to view the document when one is filed in this case. Therefore, it is important to provide us with an email address (solely for use by the PSC) to keep you informed as documents are filed. If you have not provided your email address, please do so by sending an email to caseinfo@psc.state.wv.us. If you do **not** have an email address, please call 340-0384 to let us know, so we will stop asking you to provide one.

General reminder- in addition to filing an **original and 12 copies of all documents** with the Commission, you are required to mail a copy to all other parties of record.

Sincerely,


Sandra Squire
Executive Secretary

SS/pjh

cc: Timothy L. McDaniels, Chairman (with copy of petition)
Barbour County Commission
8 North Main Street
Philippi, WV 26416

Vernon Woods, Chairman (with copy of petition)
Century Volga Public Service District
Rt 1 Box 78
Philippi, WV 26416

07-0783 PWD-R

X

BEFORE THE COUNTY COMMISSION OF RANDOLPH COUNTY,
WEST VIRGINIA

ORDER AUTHORIZING THE ENLARGEMENT OF THE
BOUNDARY OF THE WATER AUTHORITY OF THE
NORTON-HARDING-JIMTOWN PUBLIC SERVICE DISTRICT

WHEREAS, by resolution and order of the Randolph County Commission, entered on the 12th day of April, 2007, it was resolved that upon its own motion, subject to the approval of the Public Service Commission of West Virginia, that the Randolph County Commission proposed to adjust the boundaries of the water authority of the Norton-Harding-Jimtown Public Service District by transfer of property from the Century Volga Public Service District to the Norton-Harding-Jimtown Public Service District and that the matter be set for a public hearing, and

WHEREAS, a public hearing was held on this matter on May 10, 2007 before the Randolph County Commission at the Randolph County Court House Annex in Elkins, West Virginia, and

WHEREAS, the Barbour County Commission held a public hearing on May 7, 2007 on the transfer of property between Century Volga Service District and Norton-Harding-Jimtown Public Service District and thereafter entered an order approving the same.

NOW THEREFORE, BE IT, AND IT IS, HEREBY, RESOLVED AND ORDERED that the water authority of Norton-Harding-Jimtown Public Service District be enlarged by the transfer of 1887 acres more or less from the Century Volga Public Service District to the Norton-Harding-Jimtown Public Service District as more fully described in that certain Resolution and Order entered by the Randolph County Commission on April 12, 2007, subject to like approval of the West Virginia Public Service Commission, provided, however, that Century Volga Public Service District shall retain the right in the future to install a water tank at the highest point in the subject area in Barbour County north of Kingsville for the purpose of providing fire protection to its customers on the other side (north) of U.S. Route 33.

Said ORDER being duly moved, seconded, and unanimously approved on this 10th day of May, 2007 during the regular meeting of the Randolph County Commission.

The Clerk of the County Commission is ORDERED to send a certified copy of this order to the Public Service Commission, Attn: Sandra Squire, Executive Secretary, 201 Brooks St., P.O. Box 812, Charleston, WV 25323.

ORDERED this the 10th day of May, 2007

RANDOLPH COUNTY COMMISSION

Julius R. Peltor
PRESIDENT

FILED
2007 MAY 15 AM 8:43
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

Thomas H. Kaynes
COMMISSIONER

Michael M. Baker
COMMISSIONER

FILED MAY 14 '07 AM 11:14

ATTEST:

Brenda Wiseman
Clerk

I, Brenda Wiseman, Clerk of the County Commission of Randolph County, West Virginia, hereby certify that the foregoing is a true copy from the records of my office. Given under my hand and the Official Seal of my office, in my office, in the City of Elkins, Randolph County, West Virginia.

This the 14th day of May, 2007.

Teste: Brenda Wiseman, Clerk

Public Service Commission
Of West Virginia

201 Brooks Street, P.O. Box 812
Charleston, West Virginia 25323



Phone: (304) 340-0300
FAX: (304) 340-0325

RECEIVED

CENTURY-VOLGA PSD

8-30-07

August 29, 2007

Timothy L. McDaniels, Chairman
Barbour County Commission
8 North Main Street
Philippi, WV 26416

Vernon Woods, Chairman
Century Volga Public Service District
Rt 1 Box 78
Philippi, WV 26416

Jeffrey S. Zurbach, Esq.
Counsel, Norton-Harding-Jimtown PSD
Busch Zurbach & Thompson PLLC
PO Box 1819
Elkins, WV 26241

Julia L.P. Elbon, President
Randolph County Commission
2 Randolph Avenue
Elkins, WV 26241

RE: Case No. 07-0783-PWD-PC
Barbour County Commission
and
Randolph County Commission

Ms. Elbon and Gentlemen:

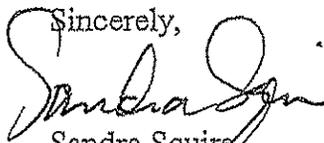
Enclosed is a copy of a Commission Order issued today in the above-styled proceeding.

Beginning January 2007, when a filing is made in this case, each party of record will receive an email notification with the ability to view the document. Therefore, it is important to provide us with an email address to keep you informed as documents are filed. The public will not be given access to the email address. If you have not provided your email address, please do so by sending an email with your case number to caseinfo@psc.state.wv.us. If you do not have an email address, please call 340-0384 to let us know, so we will stop asking you to provide one.

PLEASE NOTE: It is important to provide us with a current email and mailing address, and contact names. You are required to notify me immediately whenever this information changes.

Most documents filed after December 1, 2005, regarding PSC Formal Cases, are now viewable in PDF format on our web site at www.psc.state.wv.us.

Sincerely,


Sandra Squire
Executive Secretary

SS/cg
Enc. order

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 29th day of August, 2007.

CASE NO. 07-0783-PWD-PC

**BARBOUR COUNTY COMMISSION and
RANDOLPH COUNTY COMMISSION**

Petition for consent and approval to reduce the boundaries of Century-Volga Public Service District and to enlarge the boundaries of Norton-Harding-Jimtown Public Service District.

COMMISSION ORDER

This Order approves the joint petition filed by the Barbour County Commission and the Randolph County Commission to modify the water authority boundaries of the Century-Volga Public Service District and the Norton-Harding-Jimtown Public Service District.

BACKGROUND

On May 7, 2007, the Barbour County Commission (BCC) and the Randolph County Commission (RCC) (together, County Commissions) filed a joint petition to modify the water authority boundaries of the Century-Volga Public Service District (CVPSD) and the Norton-Harding-Jimtown Public Service District (NHJPSD). In essence, the County Commissions proposed that the NHJPSD absorb a portion of the territories currently served by the CVPSD. (The County Commissions filed additional supporting information on May 8 and 9, 2007.)

On May 16, 2007, the BCC filed its May 7, 2007, order reducing the boundary of the water authority of the CVPSD. Also on May 16, 2007, the RCC filed its May 10, 2007, order enlarging the boundary of the water authority of the NHJPSD.

On June 12, 2007, Commission Staff (Staff) filed its "Initial and Final Joint Staff Memorandum." Staff stated that it had reviewed the information filed by the County Commissions and determined that substantially all relevant affidavits, notices of hearings and postings were filed as required by *West Virginia Code* § 16-13A-2. Staff recommended

FINDINGS OF FACT

1. The BCC seeks to reduce the boundary of the water authority of the CVPSD. *See*, Joint Petition (May 7, 2007) and BCC's May 7, 2007 Order (filed May 16, 2007).
2. The RCC seeks to enlarge the boundary of the water authority of the NHJPSD. *See*, Joint Petition (May 7, 2007) and RCC's May 7, 2007 Order (filed May 16, 2007).
3. Appropriate notices and hearings were held in each of the respective counties.
4. Staff recommends approval of the respective water authority boundary modifications.

CONCLUSIONS OF LAW

1. No order of the BCC or the RCC regarding public service district boundary modifications can be effective without the approval of the Commission. *See*, *West Virginia Code* § 16-13A-2.
2. In consideration of the publications, postings, and hearings already completed by the BCC and the RCC, additional publication and hearing are not necessary.
3. Giving due consideration to the requirements of Rule 8.4. a. of the *Water Rules*, it is appropriate to approve the CVPSD's water authority boundary reduction and the NHJPSD's water authority boundary enlargement as set forth in the filings by the BCC and the RCC.

ORDER

IT IS THEREFORE ORDERED that the May 7, 2007, order of the Barbour County Commission reducing the water authority boundaries of the Century-Volga Public Service District is hereby approved.

IT IS FURTHER ORDERED that the May 10, 2007, order of the Randolph County Commission enlarging the water authority boundaries of the Norton-Harding-Jimtown Public Service District is hereby approved.

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

BEFORE THE PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
Charleston

FURTHER FINAL JOINT STAFF MEMORANDUM

TO: SANDRA SQUIRE, Director DATE: FEBRUARY 14, 2008
Executive Secretary's Office

FROM: *meysari*
MEYISHI PEARL BLAIR, ESQ.
Legal Division

RE: CASE NO. 07-2372-PWD-PC
Century-Volga Public Service District

As indicated in the attached further final internal memorandum received in the Legal Division on February 11, 2008, a design loan has been arranged with the WDA by the District in the amount of \$115,500 for a term of twenty years with an interest rate of 3% for the first 24 months and 5% interest for the rest of the loan term. The loan is to be repaid in full, once other funding for the project is obtained. A condition in the WDA Design Loan procedure states, "After the two years, the loan will be taken out with permanent financing from AML, IJDC, or other sources. If the loan is not taken out, the loan reverts to a WDA permanent financing at the prevailing interest rate."

In its initial recommendation, Technical Financial Staff recommended a lesser amount be borrowed due to the District's cash flow position. Since that recommendation, information has been received which states the District repaid a Water Refunding Bond, Series 1998A from Huntington Banks. The debt service on the Series 1998A Bond was \$2,138.54 per month or \$25,662.48, annually. With the payoff of the loan, sufficient revenue has been freed up to alleviate Staff's concerns related to the initial amount of the proposed borrowing. If the initial amount of \$115,500 is borrowed for a term of 20 years at 3% interest, the District's coverage will be 146.23% with a projected surplus of \$22,919. Technical Financial Staff now recommends approval of the borrowing as initially presented. Even if permanent financing is not obtained, there will be no requirement for a rate increase on the current customers. Approval of the design loan is not approval of the underlying project.

MPB/kf
Attachment
CWS *CWS*
H:\M\BLAIR\WPDOCS\072372c.wpd

RECEIVED
08 FEB 15 AM 9:34
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 25th day of February, 2008.

CASE NO.07-2372-PWD-PC

CENTURY-VOLGA PUBLIC SERVICE DISTRICT,
a public corporation.

Petition for consent to engineering agreement and to accept design loan from the West Virginia Water Development Authority.

COMMISSION ORDER

BACKGROUND

On December 19, 2007, Century-Volga Public Service District (District) filed a Petition for Commission consent to enter into an engineering agreement with Homer Bros. Engineers for the design of an expansion of the District's water system along Brushy Fork Road, Spawlick Road and Scales Road in Barbour County; and to accept a design loan from the West Virginia Water Development Authority (WDA) to fund the contract. The proposed loan would be in the amount of \$115,500 at an annual rate of 3% for the first two years and 5% for the remaining eighteen years of the term.

Commission Staff (Staff) filed an Initial Joint Staff Memorandum on January 7, 2008, recommending approval of the technical terms of the agreement, but objecting to the lack of an affidavit of publication or evidence of proper deliberations required under W.Va. Code § 5G-1-3. On January 10, 2008, the District filed affidavits of publication for newspapers in Barbour, Randolph, and Harrison counties, and interview sheets for three engineering firms interviewed by the District.

On January 25, 2008, Staff filed a Final Joint Staff Memorandum withdrawing its objections to the contract based upon additional documents tendered by the District, but recommending that the Commission limit the District's borrowing to \$58,000 in order to minimize the District's debt burden if financing for the underlying project should fail. Staff suggested that the engineering firm defer charges in excess of \$58,000 until the District obtains full funding.

On February 4, 2008, the District requested that Staff reconsider its recommendation on grounds that the District's current debts are less than Staff calculated. The District's filing included proof that the District paid a 1998 bond Staff included in its calculations. Thereafter, Staff filed a Further Final Joint Staff Memorandum dropping the recommendation for reduced borrowing based on Staff's conclusion that the District can now afford the WDA loan without a rate increase. See February 15, 2008 Staff Memorandum. The District agrees with Staff's final recommendation. See District's February 20, 2008 letter.

DISCUSSION

Under W.Va. Code §§ 16-13A-24 and 16-13A-25, the District must obtain Commission consent to enter into an engineering contract or to borrow money to fund such a contract. The District must also comply with the provisions of W.Va. Code § 5G-1-1 *et seq.*, in selecting an engineering firm.

In this case, the District has complied with the requirements for the procurement of an engineering firm. See case file generally. Staff recommended approval of both the contract and a loan to finance the contract.

Upon consideration of the foregoing, the Commission will approve both the loan and execution of the engineering contract. However, approval of the engineering contract does not constitute approval of the underlying project.

FINDINGS OF FACT

1. The District filed a Petition, pursuant to W.Va. Code §§ 16-13A-24 and 16-13A-25, for consent and approval to enter into an engineering contract with Hornor Bros. Engineers and to borrow funds from the West Virginia WDA to pay for the contract. The proposed loan is in the amount of \$115,500 for a twenty-year term at an initial annual interest rate of 3% for two years and 5% for the remainder of the term.

2. On February 15, 2008, Staff filed a Further Final Staff Memorandum recommending approval of both the contract and West Virginia WDA loan.

CONCLUSION OF LAW

Pursuant to W.Va. Code §§ 16-13A-24 and 16-13A-25, it is reasonable for the Commission to grant its prior consent and approval for the District to borrow the funds and enter into the design contract.

ORDER

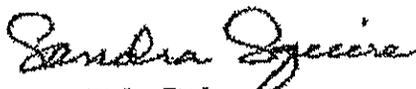
IT IS THEREFORE ORDERED that the Commission grants its consent to the District to enter into a design contract with Hornor Bros. Engineers for the design of a proposed waterline extension to serve the Brushy Fork Road, Spawlick Road and Scales Road areas of Barbour County; however, the Commission does not necessarily approve the specific terms of the agreement. The District will be required to seek a certificate of convenience and necessity for the construction project in a separate application.

IT IS FURTHER ORDERED that the Commission grants its consent for the District to pay for the engineering services with the proceeds of a loan from the West Virginia WDA, up to \$115,500 for twenty years, at an initial annual interest rate of 3% for the first two years and an annual rate of 5% for the remainder of the loan term.

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

IT IS FURTHER ORDERED that the Commission's Executive Secretary serve a copy of this order upon all parties of record by United States First Class Mail and upon Commission Staff by hand delivery.

A True Copy. Teste:


Sandra Squire
Executive Secretary

MJM/las
072372a.wpd

IN THE COUNTY COURT OF BARBOUR COUNTY, WEST VIRGINIA

WHEREAS, It has come to the attention of this Court that there is a serious lack of water and sewage facilities in the Century-Volga area of Barbour County and,

WHEREAS, The future growth of this area requires a dependable sewage and water system for the several communities located therein,

NOW, THEREFORE, The County Court of Barbour County, West Virginia, on its own motion, as permitted by Chapter 16, Article 13a, Section 2 of the West Virginia Code, proposes the creation of a public service district to enable residents of Barbour County to plan, develop, install, and maintain sewer and water services in those areas where such a need exists.

It is therefore, ordered that a public hearing be held at the Court House of Barbour County in Philippi, West Virginia, at 7:00 P.M. Wednesday, the 28th day of August, 1974, at which time and place all persons residing in, or owning, or having an interest in, property within the confines of the public service district intended to be established, hereinafter designated by metes and bounds shall have an opportunity to be heard for or against its creation.

A description of the Volga-Century Public Service District lying on the waters of Tygarts Valley River and in the Westerly portion of Barbour County, West Virginia, being more particularly described as follows:

Beginning at a point at the intersection of West Virginia Route 57 and U.S. Route 119, thence due East 1.28 miles to a point in the center of Tygarts Valley River contiguous with the Western boundary of the Central Barbour County Public Service District, thence following the meanders of said River Southeasterly 5.65 miles to a point leaving said Central Barbour County Public Service District and , continuing along said Tygarts Valley River 0.91 miles, in all, 6.6 miles to a final point in said River, thence S. 02 45 W. 1.49 miles to a peak near the Kerr School 2,200 feet elevation, thence due West 0.95 miles to the center of Middle Fork River and Barbour-Upshur County line, thence along the meanders of said Middle Fork River and County line Northwesterly 1.23 miles to a point in the said River, thence leaving said River along 7 lines of said Barbour-Upshur County line due West 3.28 miles to the West bank of the Buckhannon River, N. 32 30 W. 1.56 miles to a point, N. 20 30 W 1.09 miles to a point, N. 37 30 W. 1.40 miles to a point, N. 65 45 W. 1.83 miles crossing U.S. 119 at 0.41 miles, thence S. 88 30 W. 0.57 mile to the Western right of way of West Virginia Route 20, thence North-West 1.46 miles to the junction of Harrison, Upshur and Barbour County lines, thence leaving Upshur County line and along four lines of Harrison-Barbour County line N. 03 30 E. 2.03 miles to a point, crossing West Virginia Route 20 and Gnatty Creek at 1.6 miles, N. 09 15 W 0.64 mile to a point near Raccoon Creek, N. 04 30 E. 1.36 miles to the center of Elk Creek, leaving Elk Creek N. 34 00 E 3.84 miles to the Pleasant-Elk District division line, thence following the ridge meanders of said division line Southeasterly 1.10 miles to a U.S. Government triangulation point named Egypt, and continuing 4.45 miles, in all, 5.55 miles to a straight line, S. 32 45 E. 2.6 miles crossing the B & O Railroad tunnel at 0.66 mile, and continuing along ridge meanders Southerly 2.3 miles to a point, thence due East 0.75 mile to the point of beginning, containing 89.0 square miles, more or less, as plotted from U.S. C.G. geodetic maps in quadrangle Philippi, Audra, Brownton, Century, dated 1960.

It is further ordered that the Clerk of this Court cause this order to be published in one or more newspapers of general circulation in Barbour County, as a Class I legal advertisement, at least Ten (10) days prior to the date of said hearing, and in addition, post in at least (5) conspicuous places within the proposed public service district, a similar notice not less than Ten (10) days before said hearing.

All of which is considered and ordered by the Court on this the 5th. day of August,

1974, and direct that the Clerk of this Court shall enter this order of record and carry out the directions herein contained.

ROBERT McDANIEL, President of Barbour County Court.

Mrs. Edna Prichard appeared before the Court requesting to be RELEASED as COMMITTEE for Mrs. IDA FREEMAN, On motion of Robert McDaniel and seconded by James P. Stemple Mrs. Prichard is hereby Released as Committee for Mrs. Ida Freeman.

Notary Public applications were approved for the following:

- GREGORY K. SPARKS,
- MARGUERITE COCHRAN &
- CLARA JEAN TRUE.

Mr. Harvey Tucker of Clarksburg, W. Va. was APPOINTED COMMITTEE for LACY FORD, Sr. Appraisers - John K. Phillips, J. W. Wolfe, Jr & James Smith and A. E. Baughman named as Commissioner of Accounts.

Motion was made by Robert McDaniel and seconded by James Keen that the Clerk of this Court to mail Letter to WILLIAM TAYLOR dismissing him as Barbour County DOG WARDEN, Sheriff to serve Letter.

IT IS HEREBY ORDERED THAT COURT DO NOW ADJOURN UNTIL WEDNESDAY AUGUST 7th. 1974, at 7 P.M.

Robert McDaniel
PRESIDENT.

CERTIFICATE

STATE OF WEST VIRGINIA.
BARBOUR COUNTY, SS:

I, GLENNA G. PROPST, Clerk of Barbour County, West Virginia, hereby certify that the foregoing is a full, true, correct and complete copy of the Instrument as the same appears of record in my office in *Miscellaneous* Book No. *20* Page *276*

WITNESS my hand and official seal.

Glenna G. Propst
CLERK, BARBOUR COUNTY, WEST VIRGINIA

MINUTES
BARBOUR COUNTY COMMISSION
JANUARY 23, 1980.

THE REGULAR SEMI-MONTHLY meeting of the Barbour County Commission was called to order at 7:00 P.M., 23 January 1980 by Kenneth E. Dadisman, PRESIDENT. The next meeting will be February 4, 1980, at 7 P.M.

PRESENT: Kenneth E. Dadisman and Guy Steerman, COMMISSIONERS.

ALSO PRESENT: Glenna G. Propat, County Clerk; Richard A. Corley County Coordinator; Libbie Larson, Secretary; John A. Mosesso, Attorney; Bill Pinnell, Thomas Wolfe, Century-Volga PSD; Mike Betler, Barbour County Housing Authority; Linda Frey, Region VII; and Jerry Dadisman.

Minutes of the meeting of 2 January 1980 were read by the County Coordinator. The minutes were approved as read on ;a motion by Guy Steerman. Seconded by Kenneth Dadisman. Passed unanimously.

Minutes of the special meeting of 18 January 1 80 were read by the County Coordinator. President Dadisman questioned whether the petition had been filed as directed in the motion. The County Coordinator informed him that it had. President Dadisman also questioned the Coordinator as to the date of the Parks and Recreation Committee meeting, and was told that it would be 31 January 1980 at 7:00 P.M. The minutes were then accepted as read on a motion by Kenneth Dadisman. Seconded by Guy Steerman. Passed unanimously.

Guy Steerman made a motion to appoint Harold Talbott to the Planning Commission to replace Richard Seibert. Kenneth Dadisman seconded. Passed unanimously.

Kenneth Dadisman read a letter from Dr. Poling recommending Norma G. Harris be re-appointed to another 5 year term on the Board of Health. Kenneth Dadisman made a motion to re-appoint Mrs. Harris. Guy Steerman seconded. Passed unanimously.

John Mosesso, Attorney, representing the Century-Volga PSD, presented the Commission with copies of an order establishing the Century-Volga PSD. A discussion followed on the number of members permissible on the board. Kenneth Dadisman made the following motion in accordance with powers granted unto this court by Chapter 16, Article 13a of the Code of WV that from this day forth the Century-Volga PSD shall be a public corporation and political sub-division of the State with pwer of perpetual succession, but without any pwer to levy or collect ad valorem taxes, and shall be empowered with all powers, duties, and responsibilities accorded a PSD. It is further ordered that a Public Service Board be appointed consisting of three (3) members, namely; Mrs. Thelma Bullough for a period of two (2) years; Thomas K. Wolfe for a period of four (4) years; and William P. Pinnell for a period of six (6) years. Guy Steerman seconded. Passed unanimously. (21-260)

Mike Betler, Barbour County Housing Authority, approached the Commission with a request for endorsement for the construction of a Solar House, in the Macker Creek Project. The Commission informed him they would offer their endorsement at some future date as additional plans are developed.

IN THE COUNTY COURT OF BARBOUR COUNTY, WEST VIRGINIA

Pursuant to an order entered by this Court of August 5, 1974, a public hearing was held in the Circuit Court Room in Barbour County, West Virginia, in the City of Philippi, at 7:00 P.M. on August 28, 1974, at which time and place a large number of persons appeared for the purpose of expressing their views on the formation of a new public service district within Barbour County.

The Clerk of this Court testified that she has caused to be published in the Clarksburg Exponent-Telegram, a newspaper of general circulation in Barbour County, as a Class I advertisement on August 17, 1974, a copy of said August 5, 1974 order of this Court, including the legal description of the proposed public service district. And in addition, evidence was presented to the Court that on the same date at least five copies of said August 5, 1974, order were posted in at least five conspicuous places within the proposed public service district, all as required by law.

At said August 28, 1974, meeting everyone present had an opportunity to be heard on the formation of the proposed district and the consensus was that there is a great need for such a district, and the Court is of the opinion that the creation of such a district is feasible, and that the establishment of such a district will be conducive to the preservation of public health, comfort and convenience of the area.

NOW, THEREFORE, in accordance with the powers granted unto this Court by Chapter 16, Article 13a of the Code of West Virginia, as amended, there is hereby created a new public service district entitled CENTURY-VOLGA PUBLIC SERVICE DISTRICT, which shall have jurisdiction and control of all future sewer and water projects within that portion of Barbour County bounded and described as follows:

Beginning at a point at the intersection of West Virginia Route 57 and U. S. Route 119, thence due East 1.28 miles to a point in the center of Tygarts Valley River contiguous with the Western boundary of the Central Barbour County Public Service District, thence following the meanders of said River Southeasterly 5.65 miles to a point leaving said Central Barbour County Public Service District and, continuing along said Tygarts Valley River 0.91 mile, in all, 6.6 miles to a final point in said River, thence S. 02 W. 1.49 miles to a peak near the Kerr School 2,200 feet elevation, thence due West 0.95 mile to the center of Middle Fork River and Barbour-Upshur County line, thence along the meanders of said Middle Fork River and County line Northwesterly 1.23 miles to a point in the said River, thence leaving said River along 7 lines of said Barbour-Upshur County line due West 3.28 miles to the West bank of the Buckhannon River, N. 32 30 W. 1.56 miles to a point, N. 20 30 W. 1.09 miles to a point, N. 37 30 W. 1.40 miles to a point, N. 65 W. 1.83 miles crossing U. S. 119 at 0.41 mile, thence S. 88 30 W. 0.57 mile to the Western right of way of West Virginia Route 20, thence Northwest 1.46 miles to the junction of Harrison, Upshur and Barbour County lines, thence leaving

Upshur County line and along four lines of Harrison-Barbour County line N. 03 30 E. 2.03 miles to a point, crossing West Virginia Route 20 and Graddy Creek at 1.6 miles, N. 09 15 W 0.64 miles to a point near Haccoon Creek, N. 04 30 E. 1.34 miles to the center of Elk Creek, leaving Elk Creek N. 34 00 E. 1.68 miles to the Pleasant-Elk District division line, thence following the ridge meanders of said division line Southeasterly 1.10 miles to a U.S. Government triangulation point named Egypt, and continuing 4.45 miles, in all, 5.55 miles to a straight line, S. 32 45 E. 2.6 miles crossing the B & O Railroad tunnel at 0.56 mile, and continuing along ridge meanders Southerly 2.8 miles to a point, thence due East 0.75 mile to the point of beginning, containing 89.0 square miles, more or less.

It is further Ordered that from this day forth the Century-Volax Public Service District shall be a public corporation and political sub-division of the State with power of perpetual succession, but without any power to levy or collect ad valorem taxes, and shall be empowered with all powers, duties and responsibilities accorded a public service district by Chapter 16, Article 13a, of the Code of the West Virginia, as presently in force and hereafter amended.

In further compliance with said Code of West Virginia, there is hereby appointed a public service board consisting of three members, all of whom are persons residing within said district, namely: Thelma Virginia Bullough, T. K. Wolfe, and William P. Pinnell.

It is further ordered that Thelma Virginia Bullough shall serve for a period of 2 years; that T. K. Wolfe shall serve for a period of 4 years; and that William P. Pinnell shall serve for a period of 6 years.

All of which is considered and ordered by the Court on this 23rd day of January, 1980, and the Clerk of this Court is directed to enter this Order of Record.

Ker E. Dadsman
 President of the County Court of
 Barbour County, West Virginia

21-260-A

CERTIFICATE

STATE OF WEST VIRGINIA,
 BARBOUR COUNTY, SS:

I, GLENNA G. PROPST, Clerk of Barbour County, West Virginia, hereby certify that the foregoing is a full, true, correct and complete copy of the Instrument as the same appears of record in my office in Clerks Order Book No. 21, Page 260-262.

WITNESS my hand and official seal.

Glenna G. Propst
 CLERK, BARBOUR COUNTY, WEST VIRGINIA
 By: Debbie E. Harris, Deputy

MINUTES
HARBOUR COUNTY COMMISSION
JULY 6, 1987

The regular semi-monthly meeting of the Harbour County Commission was called to order at 7:30 P.M., July 6, 1987, by Kenneth Dadiassan, Acting President. (Mendell Malcola - ABSENT)

PRESENT: James Keen and Kenneth Dadiassan, COMMISSIONERS.
ALSO PRESENT: Glenn Probst, County Clerk; Richard Corley, County Coordinator; Wanda Kousar, Deputy Clerk; Joseph Kaiser, Jr. and Patrick Jones.

The minutes of the meeting of June 15th, were read by the County Coordinator and after two minor corrections, were approved on motion by James Keen, seconded by Kenneth Dadiassan.

On motion by James Keen, seconded by Kenneth Dadiassan, the Commission approved a request for financial assistance in the amount of \$ 150.00 to the Town of Junier for the town "Clean Up" project.

On December 22, 1986, James Boni was appointed Executor of the estate of Ida Boni and as of this date, an appraisal has not been filed with the County Clerk. After some discussion, the Commission referred the matter to the Prosecuting Attorney.

On motion by Kenneth Dadiassan, seconded by James Keen, the Commission will conduct a Public Hearing on August 17, 1987, for the purpose of extending the boundaries of the Century--Valga FSD.

Richard Corley, Temporary Director of Emergency Services, brought to the attention of the Commission the need for an additional employee at the squad. The accumulated time and sick leave compensation for Barbara Wins was also discussed. Both matters were tabled until the next Commission meeting.

CERTIFICATE

STATE OF WEST VIRGINIA,
HARBOUR COUNTY, SS:

I, DEBRA H. TALBOTT, Clerk of Harbour County, West Virginia, hereby certify that the foregoing is a full, true, correct and complete copy of the instrument as the same appears of record in my office in Miss. Book No. 23 Page "C"

WITNESS my hand and official seal.

Debra H. Talbott
CLERK, HARBOUR COUNTY, WEST VIRGINIA

MINUTES
BARBOUR COUNTY COMMISSION
AUGUST 17, 1987

The regular semi-monthly meeting of the Barbour County Commission was called to order at 7:30 P.M., August 17, 1987, by Wendell Malcolm, President.

PRESENT: James Keen and Wendell Malcolm, CHAIRSMEN. (Kenneth E. Radtman-Absent)

ALSO PRESENT: Glenn G. Probst, County Clerk; Richard Corley, County Coordinator; Wanda Mouser, Deputy Clerk; Joseph Kaiser, Jr., John Roseado, Attorney; Patricia Frey, Miles Ford, Jeanne Radcliff, Jackson & Connie Bennett.

The minutes of the meeting of August 3rd, were read by the County Coordinator and were approved on motion by James Keen, seconded by Wendell Malcolm.

The Commission conducted a Public Hearing regarding the change in the City of Philippi Corporate Limits for the purpose of constructing a sewage treatment plant. Since the City of Philippi already owns the property and there were no objections to the transaction, on motion by Wendell Malcolm, seconded by James Keen, the request for annexation was granted.

The Commission conducted a Public Hearing to receive public sentiment concerning the expansion of the Century/Volga PSD. Since there were no objections to the proposal, on motion by James Keen, seconded by Wendell Malcolm, the expansion was approved by the Commission.

Corale Bond Barnett came before the Commission to discuss the failure of James Bond, Executor, to file an appraisal of the estate of IDA BOND, deceased. Mr. Bond has not responded to a letter sent to him by Caton Hill, Prosecuting Attorney, on July 24, 1987 requiring the appraisal to be filed. The Commission will subpoena Mr. Bond to appear at the next Commission meeting, so further action can be taken.

On motion by James Keen, seconded by Wendell Malcolm, the Commission approved an adjustment in the Ad Valorem taxes on the FY1987-88 Budget to compensate a loss of \$ 6,222.58 in Public Utility Taxes due to an error made by the State Auditor's Office.

The Commission discussed moving the communications tower site, but no decision will be made until a cost estimate is completed.

It was brought to the attention of the Commission by the County Clerk that the Magistrate Court Fund is in the red. No transfers or budget changes will be made at the present time.

The Commission appointed Sandra Haller, M. Robert McDaniel and Maurice Allman to serve as members to the Regional Health Advisory Council.

Richard Corley, Temporary Director of the Emergency Squad, gave the emergency squad reports for July, 1987.

The Commission reviewed several items of correspondence.

CERTIFICATE

STATE OF WEST VIRGINIA,
BARBOUR COUNTY, SS:

I, DEBRA H. TALBOTT, Clerk of Barbour County, West Virginia, hereby certify that the foregoing is a full, true, correct and complete copy of the Instrument as the same appears of record in my office in Misc. Book No. 23, Page "C".

WITNESS my hand and official seal.

CLERK, BARBOUR COUNTY, WEST VIRGINIA



DEPUTIES:

WANDA DAVIS MOUSER
MACEL AUVIL
DEBBIE H. TALBOTT
RUTH E. WILMOTH
BETTY CLEAVENGER

COUNTY COORDINATOR:
RICHARD A. CORLEY

County Commission of Barbour County

GLENN A. PROPST, CLERK
PHILIPPI, WEST VIRGINIA

COUNTY COMMISSIONER

WENDELL O. MALCOLM
PRESIDENT
ROUTE 1
PHILIPPI, WV 26416
JAMES KEEN
303 DAYTON BLVD.
BELINGTON WV 262
KENNETH E. DADISMAN
ROUTE 1, Box 278A
PHILIPPI, WV 26416

At a regular session of the Barbour County Commission held on the 17th day of August 1987, the following order was made and entered:

SUBJECT: Public Hearing conducted in conjunction with the regular session to receive public sentiment regarding a proposal to enlarge the boundaries of the Century-Volga Public Service District such hearing having been appropriately advertised by class II-0 Legal Advertisement in local paper.

The following resolution was offered by Commissioner Keen:

RESOLVED: That subject to the approval of the Public Service Commission of West Virginia, The Barbour County Commission, having received no comments in opposition to the matter, does hereby approve the enlargement of the Century-Volga Public Service District as indicated in the attached map and description.

The adoption of the foregoing resolution, having been moved by Commissioner Keen and seconded by Commissioner Malcolm, the vote thereon was as follows:

Wendell O. Malcolm	Yes
Jim Keen	Yes
Kenneth E. Dadisman	Absent

Whereupon Commission President Malcolm declared the resolution duly adopted and it is therefore ADJUDGED and ORDERED that said resolution be, and the same is, hereby adopted as so stated above. The County Coordinator is directed to communicate this action to the Public Service Commission of West Virginia for approval.

Wendell O. Malcolm

Wendell O. Malcolm, President
Barbour County Commission

ENTERED

OR 87-5 Page

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: January 8, 1988

FINAL
1-20-88

CASE NO. 87-639-W-P

BARBOUR COUNTY COMMISSION
Petition for approval to
enlarge Century-Volga
Public Service District
boundaries.

RECOMMENDED DECISION

PROCEDURE

On August 26, 1987, the County Commission of Barbour County submitted an order to the Public Service Commission entered by the County Commission on August 17, 1987, which order enlarged the boundaries of the Century-Volga Public Service District, pursuant to the provisions of West Virginia Code §16-13A-2 and following hearing and public notice. The purpose of the enlargement of District is to enable the District to provide water service to the Carrollton Road, Audra State Park and Werner areas.

By order entered on November 10, 1987, the matters involved herein were scheduled for hearing to be held in Philippi, Barbour County, on December 7, 1987, as required by West Virginia Code §16-13A-2, regarding the enlargement or expansion of a public service district by a county commission. The order of November 10, 1987, also required that the Barbour County Commission publish a copy of the notice form attached to the order once in a newspaper published and of general circulation in Barbour County, making due return to the Commission of such publication prior to the day of hearing.

On December 4, 1987, the Barbour County Commission filed an Affidavit of Publication with the Public Service Commission indicating that notice of the hearing scheduled for December 7, 1987, was published in the Barbour Democrat, a newspaper published and of general circulation in Barbour County on November 25, 1987.

The hearing was held as scheduled on December 7, 1987, with John A. Mosesso, appearing as counsel for Century-Volga Public Service District; Kenny Dadisman and Wendell Malcolm, Commissioners, appearing on behalf of the Barbour County Commission; and Steve Hamula, of the Legal Division, appearing on behalf of Commission Staff. At the hearing, Kenny Dadisman presented testimony on behalf of the Barbour County Commission. No individuals appeared in protest to the petition to enlarge the boundaries of the Century-Volga Public Service District. At the close of hearing on December 7, 1987, the matters involved herein were submitted for decision with no parties desiring to file briefs in this proceeding.

DISCUSSION

The purpose of the hearing held on December 7, 1987, was to satisfy the requirements of West Virginia Code §16-13A-2, which, among other things, requires that the Public Service Commission provide a hearing in the affected county whenever an order is filed with the Public Service Commission by a county commission, creating, expanding, merging or consolidating a public service district. Upon hearing, the Public Service Commission may approve, reject or modify the order of the county commission if it finds it in the best interest of the public to do so. As noted above, only one witness presented testimony at the hearing held on December 7, 1987. Kenny Dadisman, a Commissioner on the Barbour County

Commission, indicated that the people in the area to be incorporated within the boundaries of the Century-Volga Public Service District have tried to get water from the County Commission before and this is the first step that must be taken in order to assist those individuals in obtaining water service. (Tr., p. 6). There is no other water utility of any kind serving any part of the area to be incorporated within the Century-Volga Public Service District. (Id.). While there is another public service district in Barbour County whose service territory is near the affected area, Central Barbour Public Service District, that District is not interested in expanding into the area which is the subject of the petition to enlarge Century-Volga Public Service District and it desires to expand in another direction. (Tr., pp. 7-9). At the conclusion of the testimony of Mr. Dadisman, Staff Attorney Hamula indicated that Commission Staff is not opposed to the expansion of Century-Volga Public Service District in any way. (Tr., p. 10).

Upon consideration of the testimony presented at the hearing held on December 7, 1987, and in light of the fact that two public hearings have been held on this matter with no protests having been filed with the Barbour County Commission or the Public Service Commission of West Virginia and with no individuals appearing at either hearing to protest the enlargement of Century-Volga Public Service District, the Administrative Law Judge (ALJ) is of the opinion that it is reasonable to approve the order of the Barbour County Commission entered on August 17, 1987, enlarging the boundaries of the Century-Volga Public Service District to enable the District to provide water service to the Carrollton Road, Audra State Park and Werner areas.

FINDINGS OF FACT

1. Both the Barbour County Commission and the Public Service Commission of West Virginia have held public hearings on the enlargement of the Century-Volga Public Service District to incorporate the Carrollton Road, Audra State Park and Werner areas and no one has appeared to protest that enlargement at either hearing and no written protests have been filed with the Public Service Commission regarding the enlargement of the Century-Volga Public Service District. (See, generally, Transcript of December 7, 1987, and Order filed by the Barbour County Commission on August 26, 1987).

2. Commission Staff does not oppose the enlargement of the Century-Volga Public Service District to incorporate the affected areas. (Tr., p. 10).

3. Notice of the public hearing held on December 7, 1987, regarding the enlargement of the Century-Volga Public Service District was given by publication. (Affidavit of Publication filed December 4, 1987).

CONCLUSION OF LAW

It is reasonable for the Public Service Commission to approve the Order of the Barbour County Commission entered on August 17, 1987, enlarging the boundaries of the Century-Volga Public Service District, to incorporate the Carrollton Road, Audra State Park and Werner areas into the Century-Volga Public Service District, since such enlargement will enable those areas to receive water service, since no public protest has been received regarding the enlargement of the District and since the enlargement of the District appears to be reasonable and in the public interest.

ORDER

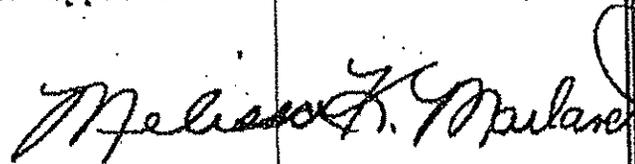
IT IS, THEREFORE, ORDERED that the Order of the Barbour County Commission entered on August 17, 1987, enlarging the boundaries of the Century-Volga Public Service District, to enable the District to provide water service to the Carrollton Road, Audra State Park and Werner areas, be, and it hereby is, approved.

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

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary 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, nor shall any such waiver operate to make any Administrative Law Judge's Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.



Melissa K. Marland
Deputy Chief Administrative Law Judge

MKM:myo

Century Volga PSD needed an appointment and on motion of Phil Hart and seconded by Tim McDaniel and passed Vernon Woods was reappointed to this board. Sam Wright was present to answer any questions the Commission had.

The status of the Cherry Hill residence the area was inspected on December 17, 2008 and Chuck gave a report and there were no visible problem that day after the stone was put down.

Larry Allen gave a report on the 911 building and the paper work is 98% completed. He should have complete designs, documents, and plans by the 3rd week in January, then it will go back to bid and need Fire Marshall Approval. Chuck also stated that he had an invoice from the Fire Marshall fees that needed to be paid. Building Commission needs to come in and meet with Commission.

John Hawkins Sheriff asks the Commission to consider appointing someone on the Civil Service Commission as quickly as possible. He also stated that Mutual Aids needs to be prepared quickly and on motion of Steve Sinsel and second by Tim McDaniel and passed the Mutual Aids was renewed and approved.

John Hawkins ask the Commission if he could take Lisa Brown to the Tax Training meeting in Charleston for 2 days and the Commission gave permission if she wanted to go, but this does not mean that she is going to work for John and John understood this, he wanted to take her just in case he needed a fill in for a while. Macel Auvil stated that Lisa was needed in the County Clerk's Office as the office is short staffed and they are very behind on their work. The County Clerk's office needs help and we have asks for help and Lisa has helped out during the election, making copies, looking up birth and deaths, and answering the phone and the scanning is not near done and this is what she was hired for. Chuck stated the Commission hired Lisa Brown to scan records.

**BARBOUR COUNTY COMMISSION MEETING
JANUARY 2, 2007 AT 3:30 P. M.**

**PRESENT: STEVE SINSEL , PRESIDENT, TIMOTHY
MCDANIEL COMMISSIONER, CHARLES FOLEY
COORDINATOR AND MACEL AUVIL DEPUTY CLERK**

**Irene P Riffle, Linda McCarty, Erin Dasher, Larry Allen, Sandra Sipe,
Dennis Fisher, John Cutright, John Hawkins, Lana Jo Shockey, E.
Lynn Phillips, Prosecuting Attorney**

**The meeting was called to order by Steve Sinsel, Acting President and
the Pledge of Allegiance was led by Mr. Sinsel.**

**The Election of President was done and upon motion of Tim McDaniel
and second by Steve Sinsel, Steve Sinsel was elected as President of the
Barbour County Commission for the year of 2007, Mr. Sinsel was
sworn in by Macel Auvil, Deputy Clerk.**

**The minutes of the December 4, 2006 meeting were presented and
approved and if any one would like a copy they may request one from
the County Clerk's Office.**

**On the Nedra Jane Cline Estate there was a copy of the letter mailed to
John Bord Attorney, presented to the County Commission, the matter
on this estate has been continued due to a lawsuit filed in Circuit
Clerk's Office and there was a death in the family in which some of the
family members could not attend tonight's meeting.**

**A letter was received from Mary G. Halstead by the Commission
concerning the estate of ALMAN MCCAULEY, she is an heir on this
estate and there has not been an appraisal filed yet and she feels
that it has been long enough and therefore she is requesting the
Commission to appoint a Fiduciary Commissioner, therefore George
Weekley has been appointed on this estate in order that he can see that
the estate is properly handled.**

A letter from Century Volga PSD concerning the appointment to the board, wishing the Commission take under advisement Rex Reed for this appointment. Sam Wright and Nancy Streets has also been mentioned to the Commission for this appointment. A motion by Steve Sinsel and second by Tim McDaniel to appoint Sam Wright to the Century Volga PSD. ✓

Record Managements has been completed and sent in to Charleston, hopefully a plan will go into effect for more storage.

John Cutright, Sheriff and John Hawkins Deputy presented the Commission with a proposal for software systems for the Sheriff's Office for Record Management. The Sheriff's office has some grant monies that will go toward this. Mr. Dennis Fisher from Visionair software Company of 5601 Barbados Blvd., Castle Hayne, NC 28429 was present with the John Cutright concerning the Record Management software systems and he quoted a price of \$32,500.00. There was a question and answer session, the Sheriff Office has contacted other companies concerning there needs. Larry Allen had some questions on this system with 911 prospective. Discussion was done on the other companies. The Commission decided to give the Sheriff Office their decision on the matter by noon on Jan 3, 2007.

Lana Jo Shockey has come to the Commission about the three estates she was appointed on she wants to do the Final Settlement on these . E. Lynn Phillips and Macel Auvil Deputy will look into this matter and check on all the claims that have been filed. Lynn will prepare a letter to Lana Jo to inform her as to what she needs to do in order to finalize there estates.

Larry Allen has presented material on Barbour County Emergency Management and would like to discuss this material with all Commissioner at the same time, Mr. Allen briefly went over the material. The Commission set up a date to meet with Larry at the 911 for January 8, 2007 at 4:00 and all Commissioners will be there.

911 and Barbour County Board of Education has entered into an agreement on the Towers. The Superintendent of the Board of Education has contacted the 911 and would like to have a list of support

responders. Larry Allen is to contact the Superintendent to see just exactly she is requesting.

Sandy Sipe ask about her requests she has made on systems on Dog Taxes the cost would be \$900.00 for this systems. Steve Sinsel made a motion to have Sandy purchase this system for \$900.00 and Tim McDaniel seconded it.

Sandy Sipe said all Exonerations needs to be done. The question has come up how long has the County Commission got to go back and pick up taxes that needs to be corrected whether it be to the benefit of the tax payer or to the county. The County Commission is to contact Judy Wolfe from the software systems or some one who knows this system. The Commission has ask that Sandy Sipe Assessor & Sandy Marteny try to sit down and get these exonerations done and get them done correct.

Sandy Sipe also stated that the parcel consolidation forms needs to be done. Sandy Sipe also asks about a software system where they can go on the terminal to do exonerations that could go on our computer to get these done quicker for supplements. She is to look for GPS and get quotes for them.

Sandy has asked about a mapping Training for Randall Charlton County mapper to be able to attend., also a discussion was about Randall Charlton doing the surveying on the trail at the Fairgrounds. She is asking for help on this mapping as it needs to be State Compliances. Arc View mapping systems could be contacted and they could help Randy with this. Delinquent bills need to be paid.

Tentative review and equalization meetings are as follows:

Thursday Feb 1, 2007 at 8:00 A.M.

Monday, Feb 5, at 7:00 P. M.

Thursday, Feb. 8, 2007 at 3:30 P.M.

Saturday, Feb 10, 2007 at 8:00 A.M.

Wednesday, Feb 14, 2007 at 3:30 P. M.

Thursday, February 15, 2007 at 3:30 P. M.

The next County Commission meeting will be Monday February 5,
2007 at 7:00 P. M.

The meeting was adjourned at 6:30 P. M.

A TRUE COPY FROM THE RECORDS:

ATTEST; *Delora H. Jallio*
CLERK

BY; MACEL L. AUVIL, DEPUTY CLERK

Oath of Office and Certificate

STATE OF WEST VIRGINIA
Barbour County, to-wit:

I do solemnly swear that I will support the Constitution of the United States and the
Constitution of the State of West Virginia, and that I will faithfully discharge the duties
of the office of ** MEMBER OF VOLGA CENTURY WATER BOARD **

to the best of my skill and judgment: SO HELP ME GOD.

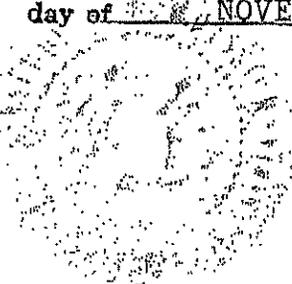
Signature of Affiant

Ronald B Holbert

RONALD B. HOLBERT

Subscribed and sworn to before me, in said County and State, this 5TH.

day of NOVEMBER, 2009



Magel L. Auvil

MAGEL L. AUVIL, CLERK

Original

Oath of Office and Certificate

STATE OF WEST VIRGINIA

Barbour County, to-wit:

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of ** MEMBER OF CENTURY VOLGA PSD **

to the best of my skill and judgment: SO HELP ME GOD.

Signature of Affiant

Vernon O. Woods

VERNON O. WOODS

Subscribed and sworn to before me, in said County and State, this 23RD

day of JANUARY, 2009

Delva H. Jallott

BY; MACEL L. AUVIL, DEPUTY CLERK

Oath of Office and Certificate

STATE OF WEST VIRGINIA
Barbour County, to-wit:

I do solemnly swear that I will support the Constitution of the United States and the
Constitution of the State of West Virginia, and that I will faithfully discharge the duties
of the office of ** OFFICE OF THE CENTURY VOLGA PSD **

to the best of my skill and judgment: SO HELP ME GOD.

Signature of Affiant Samuel E. Wright
SAMUEL E. WRIGHT

Subscribed and sworn to before me, in said County and State, this 5TH.
day of JANUARY, 2007

Delora H. Jallott
BY; MACEL L. AUVIL, DEPUTY CLERK

A TRUE COPY FROM THE RECORDS:

ATTEST; Delora H. Jallott CLERK
BY; MACEL L. AUVIL, DEPUTY CLERK

RULES OF PROCEDURE
CENTURY-VOLGA PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: CENTURY-VOLGA PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District will be located at
STATE RT. 119 SOUTH Volga, Barbour County, West Virginia.
P.O. BOX 207

Section 3. The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Century-Volga Public Service District, and in the center "seal" as follows:



Section 4: The fiscal year of the District shall begin on July 1 of each year and shall end on the following June 30.

ARTICLE II

PURPOSE

This District is organized exclusively for the purposes set forth in Chapter 16, Article 13A of the Code of West Virginia of 1931, as amended (the "Act").

ARTICLE III

MEMBERSHIP

Section 1. The members of the Public Service Board of this District shall be those persons appointed by The County Commission of Barbour County, West Virginia, or otherwise appointed pursuant to the Act, who shall serve for such terms as may be specified in the order of the County Commission or otherwise.

Section 2. Should any member of the Public Service Board resign or otherwise become legally disqualified to serve as a member of the Public Service Board, the Secretary shall immediately notify the County Commission or other entity provided under the Act and request the appointment of a qualified person to fill such vacancy. Prior to the end of the term of any member of the Public Service Board, the Secretary shall notify the County Commission or other entity provided under the Act of the pending termination and request the County Commission or other entity provided under the Act to enter an order of appointment or re-appointment to maintain a fully qualified membership of the Public Service Board.

ARTICLE IV

MEETINGS OF THE PUBLIC SERVICE BOARD

Section 1. The members of the Public Service Board of this District shall hold regular monthly meetings on the 2ND MONDAY of each month, at such place and hour as the members shall determine from time to time. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Public Service Board may be called at any time by the Chairman or by a quorum of the Board.

Section 2. At any meeting of the Public Service Board of the District, 2 members shall constitute a quorum. Each member of the Public Service Board shall have one vote at any membership meeting and if a quorum is not present, those present may adjourn the meeting to a later date.

Section 3. Unless otherwise agreed, notice to members of regular meetings shall not be required. Unless otherwise waived, notice of each special meeting of the membership shall be given to all members by the Secretary by fax, telephone, mail or other satisfactory means at least 3 days before the date fixed for such special meeting. The notice of any special meeting shall state briefly the purposes of such meeting and the nature of the business to be transacted thereat, and no business other than that stated in the notice or incidental thereto shall be transacted at any such special meeting.

PUBLIC NOTICE OF MEETINGS

Section 4. Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended (1999 Revision), notice of the date, time, place and agenda of all regularly scheduled meetings of such Public Service Board, and the date, time, place and purpose of all special meetings of such Public Service Board, shall be made available, in advance, to the public and news media (except in the event of an emergency requiring immediate action) as follows:

A. Regular Meetings. A notice shall be posted and maintained by the Secretary of the Public Service Board of the Public Service District at the front door or bulletin board of the Barbour County Courthouse and at the front door or bulletin board of the place fixed for regular meetings of the Public Service Board of the date, time and place fixed and entered of record by the Public Service Board 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 locations by the Secretary of the Public Service Board not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the same locations as soon as feasible after such cancellation or postponement has been determined.

B. Special Meetings. A notice shall be posted by the Secretary of the Public Service Board at the front door or bulletin board of the Barbour County Courthouse and at the front door or bulletin board of the place fixed for the regular meetings of the Public Service Board not less than 72 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

ARTICLE V

OFFICERS

Section 1. The officers of the Public Service Board shall be a Chairman, a Secretary and a Treasurer. The Chairman shall be elected from the members of the Public Service Board. The Secretary and Treasurer need not be members of the Public Service Board, and may be the same person.

Section 2. The officers of the Public Service Board shall be elected each year by the members at the first meeting held in such year. The officers so elected shall serve until the next annual election by the membership and until their successors are duly elected and qualified. Any vacancy occurring among the officers shall be filled by the members of the Public Service Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the following January meeting of the Board when their successors shall be elected hereinabove provided.

ARTICLE VI

DUTIES OF OFFICERS

Section 1. When present, the Chairman shall preside as Chairman at all meetings of the Public Service Board. The Chairman shall, together with the Secretary, sign the minutes of all meetings at which he or she shall preside. The Chairman shall attend generally to the executive business of the Board and exercise such powers as may be conferred by the Board, by these Rules of Procedure, or as prescribed by law. The Chairman shall execute, and if necessary, acknowledge for record, any deeds, deeds of trust, contracts, notes, bonds, agreements or other papers necessary, requisite, proper or convenient to be executed by or on behalf of the Board when and if directed by the members of the Board.

Section 2. The Secretary shall keep a record of all proceedings of the Board which shall be available for inspection as other public records. The Secretary shall, together with the Chairman, sign the minutes of the meetings at which he or she is present. The Secretary shall have charge of the minute book, be the custodian of the Common Seal of the District and all deeds and other writings and papers of the Board. The Secretary shall also perform such other duties as he or she may have under law by virtue of the office or as may be conferred from time to time by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 3. The Treasurer shall be the lawful custodian of all funds of the District and shall disburse funds of the District on orders authorized or approved by the Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him and shall prepare and submit such reports and statements of the financial condition of the Board as the members may from time to time prescribe. He shall perform such other duties as may be required of him by law or as may be conferred upon him by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 4. If the Chairman, Secretary or Treasurer is absent from any meeting, the remaining members of the Board shall select a temporary chairman, secretary

or treasurer, as necessary, who shall have all of the powers of the absent officer during such period of absence.

ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

These Rules of Procedure may be altered, changed, amended, repealed or added to at any regular or special meeting of the Board by a majority vote of the entire Board, or at any regular or special meeting of the members when a quorum is present in person and a majority of those present vote for the amendment; but no such change, alteration, amendment, repeal or addition shall be made at any special meeting unless notice of the intention to propose such change, alteration, amendment, repeal or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.

These Rules of Procedure shall replace any and all previous rules of procedure, bylaws or similar rules heretofore adopted by the District.

Adopted this 11th day of June, 2003.

06/10/03
138930.00001

**CENTURY VOLGA PUBLIC SERVICE DISTRICT
MINUTES
MONTHLY BOARD MEETING
JANUARY 12, 2009**

MEETING CALLED TO ORDER @ 5:00 P.M. by Vernon O. Woods, Chairman.

THOSE IN ATTENDANCE: Vernon O. Woods, Chairman; Paul N. Talbott, Secretary; Sam E. Wright, Treasurer; Linda Rice, General Manager.

On January 2, 2009, Vernon O. Woods was reappointed to the Board of Directors by the Barbour County Commission for a six-year term extending to December 31, 2014.

REAPPOINTMENT OF BOARD POSITIONS FOR 2009 – MOTION RAISED by Sam Wright to maintain the current positions of each board member (Vernon Woods, Chairman; Paul Talbott, Secretary; and Sam Wright, Treasurer). Seconded by Paul Talbott. Motion unanimously carried.

MOTION RAISED by Sam Wright to dispense with the reading of the **December 8, 2008 Minutes** and to approve without correction. Seconded by Paul Talbott. Motion unanimously carried.

After review, **MOTION RAISED** by Sam Wright to approve the **TREASURER'S REPORT** without correction. Seconded by Paul Talbott. Motion unanimously carried.

BILLS/EXPENSES SUBMITTED by General Manager. **MOTION RAISED** by Sam Wright to approve as submitted and pay. Seconded by Vernon Woods. Motion unanimously carried.

UNFINISHED BUSINESS

Brushy Fork Extension

PSC Application for Certificate of Necessity was forwarded to Trey Hornor for processing Dec. 9th, 2008. However, Trey Hornor contacted Harris & Company for a revision to the Rule 42 due to the change in the district's rates, thereby forestalling the application filing to January, 2009. GM met with John Hawkins and Trey. The entrance to the tank has been changed in accordance with the DOH. All members of the Hawkins' family are agreeable, and will sign 50-year lease.

GM still working with Rebrook for ROW for the booster pump on Spaw Lick. In summary, on 1-12-09 Mr. Rebrook stated he wanted \$750.00. Trey Hornor's recommendations to the board to offer Mr. Rebrook additional money as it will be costly for further engineering and construction to place booster on Glen Wentz's property were discussed. **MOTION RAISED** by Paul Talbott to offer Mr. Rebrook \$650.00 for the ROW for the small booster pump, and if Mr. Rebrook is not agreeable, pursue condemnation. Seconded by Sam Wright. Motion unanimously carried.

District received a detailed list from the DEP of many items needed for the AML sub-grant. GM will prepare and forward as required.

PSC Case No. 08-0800-PWD-19A

Order became final 12-16-08. New rates became effective that date and will be billed with the January 14th billing.

PSC Case No. 08-2131-PWD-C Louis Roy vs. CVPSD

Louis Roy filed an informal complaint with the PSC requesting he be given exempt status from state health department and PSC rules regarding cross connection at his chicken processing facility, White Oak Ridge Farms. Copies of all were provided to the board. General Manager met with Mr. Louis Roy before new year and gave Mr. Roy time to get his ROW lined up. However, he was to present to her immediately with proof of the installation of an RPZ. Roy said before new year he would provide this as Dave Wilson installed. Board and GM discussed at length. GM will prepare formal answer to PSC. Board also unanimously agreed to give Mr. Roy 30 days to prove the installation of the RPZ to GM or disconnect.

NEW BUSINESS

2009 Standard Operating Procedures and Employee Guidelines

Reviewed by board. **MOTION RAISED** by Sam Wright to approve the 2009 Standard Operating Procedures and the 2009 Employee Guidelines with the inclusion of 2008 board approved amendments and without further change. Seconded by Vernon Woods.

Maintenance/ New Tap Applications

GM reported relatively high unaccounted rate at present. Operators are searching for leaks. Will call WV Rural Water for assistance if unable to locate.

Accounting Change

GM reported receiving notice from Randy Harris regarding his retirement as of January 1, 2009. Jill Spencer, CPA, has purchased the business and will be operating under "Spencer CPA & Associates, P.L.L.C." The district's contracts stand as they read "Randy Harris or his assigns..." Copies of the letters were provided to the board members.

Annual Reviews

The board reviewed the annual reviews of each employee. Discussion followed. **MOTION RAISED** by Sam Wright to give a 4% raise across the board. Seconded by Paul Talbott. Motion unanimously carried.

Chairman announced the next regular monthly board meeting to be held **Monday, February 9, 2009 @ 5:00 P.M.** at the district office.

THERE BEING NO FURTHER BUSINESS, MOTION RAISED by the Chairman to adjourn at 6:15 P.M. Seconded by Paul Talbott. Motion unanimously carried.

READ AND APPROVED BY:

_____ Date: _____
Vernon O. Woods, Chairman

_____ Date: _____
Paul N. Talbott, Secretary

_____ Date: _____
Sam E. Wright, Treasurer

CENTURY VOLGA PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

EXCERPT OF MINUTES ON ADOPTION OF BOND
RESOLUTION, SUPPLEMENTAL RESOLUTION, SWEEP
RESOLUTION AND DRAW RESOLUTION

The undersigned SECRETARY of Century Volga Public Service District hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Public Service District:

Century Volga Public Service District met in regular session, pursuant to notice duly posted, on the 14th day of December, 2009, in Century Volga, West Virginia, at the hour of 5:00 p.m.

PRESENT: Vernon Woods
Ronald B. Holbert
Samuel E. Wright

Vernon Woods, Chairman, presided, and Ronald Holbert, acted as Secretary. The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Chairman presented a proposed Bond Resolution in writing entitled:

RESOLUTION AUTHORIZING THE PAYMENT OF WATERWORKS SYSTEM DESIGN REVENUE BONDS, SERIES 2008 A, AND ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF CENTURY VOLGA PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF \$700,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF

AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Sam Wright and seconded by Vernon Woods, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Chairman presented a proposed Supplemental Bond Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISIONS, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF CENTURY VOLGA PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Ronald Holbert and seconded by Vernon Woods, it was unanimously ordered that the said Supplemental Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Chairman presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Sam Wright and seconded by Vernon Woods, it was unanimously ordered that the said Sweep Resolution be adopted.

Next, the Chairman presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by Vernon Woods and seconded by Sam Wright, it was unanimously ordered that the said Draw Resolution be adopted.

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 Century Volga Public Service District and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 22nd day of December, 2009.


Secretary

12.10.09
138930.00002

WV MUNICIPAL BOND COMMISSION

1207 Quarrier Street
 Suite 401
 Charleston, WV 25301
 (304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 22-Dec-09

ISSUE: <u>Century Volga Public Service District</u> <u>Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund)</u>	
ADDRESS: <u>Route 1 Box 78, Philippi, WV 26416</u>	COUNTY: <u>Barbour</u>
PURPOSE OF ISSUE: New Money: <input checked="" type="checkbox"/> <u>x</u> Refunding: <input type="checkbox"/> _____	
ISSUE DATE: <u>22-Dec-09</u>	REFUNDS ISSUE(S) DATED: <u>NA</u>
ISSUE AMOUNT: <u>\$700,000</u>	CLOSING DATE: <u>22-Dec-09</u>
1ST DEBT SERVICE DUE: <u>1-Sep-11</u>	RATE: <u>0%</u>
1ST DEBT SERVICE AMOUNT <u>\$4,546</u>	1ST PRINCIPAL DUE <u>1-Sep-11</u>
	PAYING AGENT: <u>Municipal Bond Commission</u>
BOND COUNSEL: Firm: <u>Steptoe & Johnson PLLC</u> Contact: <u>John Stump, Esquire</u> Phone: <u>(304) 353.8196</u>	
UNDERWRITERS COUNSEL: Firm: <u>Jackson Kelly, PLLC</u> Contact: <u>Samme Gee, Esquire</u> Phone: <u>(304) 340-1318</u>	
CLOSING BANK: Bank: <u>BC Bank, Inc.</u> Contact: <u>Jan Smith</u> Phone: <u>304.457.3300</u>	
ESCROW TRUSTEE: Firm: _____ Contact: _____ Phone: _____	
KNOWLEDGEABLE ISSUER CONTACT: Contact: <u>Linda Rice</u> Position: <u>General Manager</u> Phone: <u>304.457.5735</u>	
OTHER: Agency: <u>West Virginia Infrastructure & Jobs Development Council</u> Contact: <u>Angela Chestnut, P.E.</u> Position: <u>Director</u> Phone: <u>(304) 558-4607</u>	
DEPOSITS TO MBC AT CLOSE	
By: <input checked="" type="checkbox"/> <u>x</u> Wire	Accrued Interest: \$ _____
<input type="checkbox"/> Check	Capitalized Interest: \$ _____
	<input checked="" type="checkbox"/> <u>x</u> Reserve Account: \$ <u>18,184</u>
	<input checked="" type="checkbox"/> <u>x</u> Other: Series 2008 A \$ <u>\$111,835.72</u>
REFUNDS & TRANSFERS BY MBC AT CLOSE	
By: <input type="checkbox"/> Wire	To Escrow Trustee \$ _____
<input type="checkbox"/> Check	To Issuer \$ _____
<input type="checkbox"/> IGT	To Cons. Invest. Fund \$ _____
	To Other: _____ \$ _____
NOTES: <u>The Series 2009 A Bonds Reserve Account will be fully funded with bond proceeds.</u>	
FOR MUNICIPAL BOND COMMISSION USE ONLY: DOCUMENTS REQUIRED: _____ TRANSFERS REQUIRED: _____	

CENTURY VOLGA PUBLIC SERVICE DISTRICT

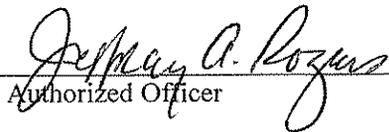
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

BC Bank, Inc., Philippi, West Virginia, hereby accepts appointment as Depository Bank in connection with the Bond Resolution of Century Volga Public Service District (the "Issuer") adopted December 14, 2009, and the Supplemental Resolution of the Issuer adopted December 14, 2009 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated December 22, 2009, issued in the principal amount of \$700,000 (the "Bonds"), and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 22nd day of December, 2009

BC BANK, INC.

By: 
Its: Authorized Officer

12.09.09
138930.00002

CENTURY VOLGA PUBLIC SERVICE DISTRICT

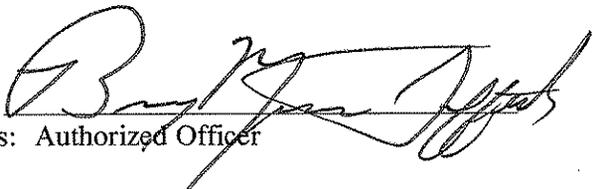
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Century Volga Public Service District Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated December 22, 2009, issued in the principal amount of \$700,000 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 22nd day of December, 2009.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

12.09.09
138930.00002

CH4951844.1

CENTURY VOLGA PUBLIC SERVICE DISTRICT

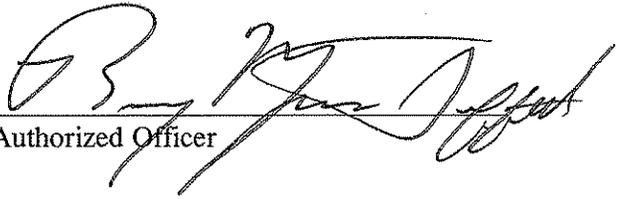
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of Century Volga Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Water Revenue Bond, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, dated December 22, 2009, in the principal amount of \$700,000, numbered AR-1, was registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 22nd day of December, 2009.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

12.09.09
138930.00002

CH5076949.1

CENTURY VOLGA PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 22nd day of December, 2009, by and between CENTURY VOLGA PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$700,000 Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), in fully registered form (the "Bonds"), pursuant to the Bond Resolution of the Issuer duly adopted December 14, 2009, and the Supplemental Resolution of the Issuer duly adopted December 14, 2009 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the

powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER:	Century Volga Public Service District Post Office Box 207 Philippi, West Virginia 26238 Attn: Chairman
REGISTRAR:	The Huntington National Bank One Huntington Square Charleston, West Virginia 25301 Attention: Corporate Trust Department

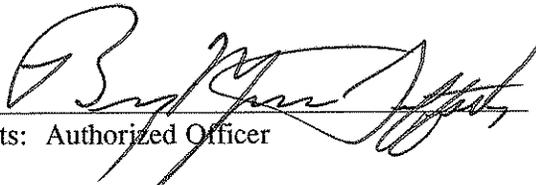
8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first written about.

CENTURY VOLGA PUBLIC SERVICE
DISTRICT

By: 
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

12.09.09
138930.00002

CH5076950.1

EXHIBIT A

Bond Legislation included in bond transcript as Documents Nos. 1 and 2.

SCHEDULE OF COMPENSATION

Private Financial Group
P.O. Box 633 - WE3013
Charleston, West Virginia 25322-0633



STATEMENT OF REGISTRAR'S FEES
Invoice Date December 22, 2009

Century Volga Public Service District
Account Number 6089001809

Century Volga Public Service District
Water Revenue Bond, Series 2009 A
C/o John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

FEE CALCULATION FOR December, 2009

TOTAL AMOUNT	\$	500.00
TOTAL DUE	\$	<u>500.00</u>

FEE INVOICES ARE PAYABLE WITHIN 30 DAYS

MAIL CHECK TO:
THE HUNTINGTON NATIONAL BANK
ATTN: BARRY GRIFFITH
PO BOX 633
CHARLESTON, WV 25322-0633

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304)348-5035

NOV 24 2008

PWSID: WV3300107

State of West Virginia

HORNER BROTHERS ENGINEERS

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

CAPITOL & WASHINGTON STREETS I DAVIS SQUARE, SUITE 200 CHARLESTON, WV 25301
Telephone (304) 558-2981

PERMIT

(Water)

PROJECT: Brushy Fork Water Extension

PERMIT NO.: 18,166

LOCATION: near Pepper

COUNTY: Barbour

DATE: 11-20-2008

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

Century-Volga Public Service District
Route 1, Box 78
Philippi, West Virginia 26416

is hereby granted approval to: install approximately 4,359 LF of 8", 23,395 LF of 6", 9,206 LF of 4" and 15,712 LF of 2" water line; one (1) 22 GPM duplex constant run booster station; one (1) 43,000 gallon water storage tank; radio telemetry for all new and existing tanks and booster stations; and all necessary valves and appurtenances.

Facilities are to serve 83 customers along Brushy Fork, Spaw Lick and Scales Road in the Century-Volga Public Service District.

Note: This permit is contingent upon all new water line and storage tank being disinfected, flushed and bacteriologically tested, prior to use.

The Environmental Engineering Division of the OEHS-Philippi District Office, (304) 457-2296, 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:cls

pc: ✓ Horner Brothers Engineers
James W. Ellars, P.E., PSC - Engineering Division
Amy Swann, PSC
Barbour County Health Department
OEHS-EED Philippi District Office

ACORDTM CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/08/2009

PRODUCER (304)375-4900 FAX (304)375-2162
 Bill Bailey Insurance Agency
 701 Highland Avenue
 P. O. Box 246
 Williamstown, WV 26187

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED Century Volga PSD
 DBA: Linda Procell
 PO Box 207
 Volga, WV 26238-0207

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: American Alternative Insurance	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	SP9152678-02	10/01/2009	10/01/2010	EACH OCCURRENCE \$ 1,000,000
		DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000				
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				BODILY INJURY (Per accident) \$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				AUTO ONLY - EA ACCIDENT \$
		OTHER				OTHER THAN EA ACC AGG \$
						EACH OCCURRENCE \$
						AGGREGATE \$
						\$
						\$
						\$
						WC STATU-TORY LIMITS OTH-ER
						E.L. EACH ACCIDENT \$
						E.L. DISEASE - EA EMPLOYEE \$
						E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Certificate holder named below is listed as Additional Insured in regards to the policy listed above.

CERTIFICATE HOLDER

WV Water Development Authority
 180 Association Drive
 Charleston, WV 25311

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

[Signature]

CENTURY-VOLGA PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2003 A
(United States Department of Agriculture)

BOND RESOLUTION

Table of Contents

Subject		Page
ARTICLE I		
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS		
Section 1.01	Authority for This Resolution	1
Section 1.02	Findings and Determinations	1
Section 1.03	Bond Legislation Constitutes Contract	3
Section 1.04	Definitions	4
ARTICLE II		
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT		
Section 2.01	Authorization of Acquisition and Construction of the Project	9
ARTICLE III		
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS		
Section 3.01	Authorization of Bonds	10
Section 3.02	Description of Bonds	10
Section 3.03	Negotiability, Registration, Transfer and Exchange of Bonds	10
Section 3.04	Bond Registrar	11
Section 3.05	Execution of Bonds	11
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost	11
Section 3.07	Bonds Secured by Pledge of Net Revenues	12
Section 3.08	Form of Bond	12
	FORM OF BOND	13

**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	19
Section 4.02	Bond Proceeds; Project Construction Account	19
Section 4.03	Covenants of the Issuer as to System Revenues and Funds	20
Section 4.04	Interim Construction Financing	24

**ARTICLE V
GENERAL COVENANTS, ETC.**

Section 5.01	General Statement	25
Section 5.02	Rates	25
Section 5.03	Sale of the System	25
Section 5.04	Issuance of Additional Parity Bonds or Obligations	25
Section 5.05	Insurance and Bonds	26
Section 5.06	Statutory Mortgage Lien	27
Section 5.07	Events of Default	27
Section 5.08	Enforcement	28
Section 5.09	Fiscal Year; Budget	28
Section 5.10	Compensation of Members of Governing Body	29
Section 5.11	Covenant to Proceed and Complete	29
Section 5.12	Books and Records; Audits	29
Section 5.13	Maintenance of System	29
Section 5.14	No Competition	29

**ARTICLE VI
RATES, ETC.**

Section 6.01	Initial Schedule of Rates and Charges; Rules	30
--------------	--	----

**ARTICLE VII
MISCELLANEOUS**

Section 7.01	Payment of Bonds	31
Section 7.02	Modification or Amendment	31
Section 7.03	Delivery of Bonds	31
Section 7.04	Severability of Invalid Provisions	31
Section 7.05	Conflicting Provisions Repealed	31
Section 7.06	Table of Contents and Headings	32
Section 7.07	Covenant of Due Procedure, Etc.	32
Section 7.08	Effective Time	32
	SIGNATURES	32
	CERTIFICATION	33

CENTURY-VOLGA PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC SERVICE PROPERTIES CONSISTING OF ADDITIONS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING WATERWORKS SYSTEM OF CENTURY-VOLGA PUBLIC SERVICE DISTRICT, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$377,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2003 A (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BONDS; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF CENTURY-VOLGA PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. Century-Volga Public Service District (the "Issuer") is a public corporation, public service district and political subdivision of the State of West Virginia in Barbour County of said State, duly created pursuant to the Act by The County Commission of Barbour County.

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

A. The Issuer currently owns and operates a public waterworks system and desires to finance and acquire, construct, operate and maintain certain additional public

service properties consisting of additions, improvements and extensions to such existing waterworks facilities with all appurtenant facilities, within the boundaries of the Issuer to be owned and operated by the Issuer.

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, improvements and extensions to the existing waterworks facilities of the Issuer, consisting of approximately 76,000 linear feet of waterlines and two pressure reducing stations to serve approximately 138 customers, and all necessary appurtenant facilities (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Secretary of the Public Service Board (the "Governing Body") of the Issuer. The existing waterworks facilities of the Issuer, together with the Project and any further additions, improvements or extensions thereto, are herein called the "System." The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

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

D. The estimated maximum cost of the acquisition and construction of the Project is \$1,901,000, of which \$377,000 will be obtained from the proceeds of sale of the Bonds herein authorized, \$789,000 will be obtained from an initial grant from the Purchaser, \$196 will be obtained from a subsequent grant from the Purchaser and \$539,000 will be obtained from a grant from the Appalachian Regional Commission.

E. It is necessary for the Issuer to issue its Water Revenue Bonds, Series 2003 A (United States Department of Agriculture), in the aggregate principal amount of \$377,000 (the "Series 2003 A Bonds"), to finance a portion of the cost of such acquisition and construction in the manner hereinafter provided. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the Project; the cost of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest on the Series 2003 A Bonds prior to, during and for six months after completion of such acquisition and construction of the improvements and extensions; 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 incident to the financing herein authorized, and the acquisition and construction of the properties and the placement of same in operation; provided that, reimbursement to the

Issuer for any amounts expended by it for the repayment of indebtedness incurred for costs of the Project by the Issuer shall be deemed costs of the Project.

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

G. There is outstanding an obligation of the Issuer which will rank on a parity with the Series 2003 A Bond as to liens, pledge and source of and security for payment, being the Water Refunding Revenue Bond, Series 1998 A, dated December 18, 1998, issued in the original aggregate principal amount of \$173,800 (the "Series 1998 A Bond") and the Water Revenue Bond, Series 1998 B, dated December 18, 1998, issued in the original aggregate principal amount of \$1,150,000 (the "Series 1998 B Bond"). The Series 1998 A Bond and Series 1998 B Bond are hereinafter collectively referred to as the "Prior Bonds". Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

The Issuer is not in default under the terms of the Prior Bonds, or the resolutions authorizing issuance of the Prior Bonds or any document in connection therewith, and has complied with all requirements of all the foregoing with respect to the issuance of parity bonds or has obtained a sufficient and valid consent or waiver thereof.

H. It is in the best interest of the Issuer that the Series 2003 A Bonds be sold to the Purchaser, pursuant to the terms and provisions of the Letters of Conditions, dated June 27, 2001, and all amendments thereto, if any (collectively, the "Letter of Conditions").

I. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2003 A Bonds, or will have so complied prior to issuance of the Series 2003 A Bonds, including, among other things and without limitation, obtaining a certificate of public 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 2003 A Bonds by those who shall be the Registered Owner of the same from time to time, this Resolution (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 2003 A Bonds.

Section 1.04. Definitions. In addition to capitalized terms defined elsewhere herein, the following terms shall have the following meanings herein unless the text otherwise expressly requires:

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

"Bond Legislation" means this Resolution and all resolutions supplemental hereto and amendatory hereof.

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

"Bonds" means, collectively, the Series 2003 A Bonds and the Prior Bonds.

"Chairman" means the Chairman of the Governing Body.

"Commission" means the West Virginia Municipal Bond Commission, formerly known as the State Sinking Fund Commission, or any other agency of the State of West Virginia that succeeds to the functions of the Commission.

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

"Depository Bank" means Barbour County Bank, Philippi, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

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

"FDIC" means the Federal Deposit Insurance Corporation.

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

"Governing Body" means the Public Service Board of the Issuer.

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

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

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

"Issuer," "Borrower" or "District" means Century-Volga Public Service District, a public service district, a public corporation and a political subdivision of the State of West Virginia, in Barbour County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated June 27, 2001, and all amendments thereto, if any.

"Minimum Reserve" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2003 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 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, 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 Bonds and into all funds and accounts have been made to the last monthly payment date prior to the date of such retention.

"Prior Bonds" means, collectively, the Series 1998 A Bonds and the Series 1998 B Bonds, as more fully defined in Section 1.02(G).

"Prior Resolutions" means, collectively, the resolutions of the Issuer, respectively adopted authorizing the issuance of the Prior Bonds.

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

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

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

(a) Government Obligations;

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

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

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

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e)

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

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

(i) Obligations of States or political subdivisions or agencies thereof, the interest on which is 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.

"Registered Owners," "Bondholders," "Holders of the Bonds" or any similar term means any person who shall be the registered owner of the Bonds.

"Resolutions" means, collectively, the Prior Resolutions and the Bond Legislation.

"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.

"Secretary" means the Secretary of the Governing Body.

"Series 2003 A Bonds" means the Water Revenue Bonds, Series 2003 A (United States Department of Agriculture), authorized hereby to be issued pursuant to this Bond Legislation.

"System" means the complete public waterworks system of the Issuer, presently existing in its entirety or any integral part thereof, and shall include the Project and any improvements and extensions thereto hereafter acquired or constructed for the System from any sources 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 neuter gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Chairman or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND
CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of \$1,901,000, 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 2003 A Bonds hereby authorized shall be applied as provided in Article IV hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions of the Bond Legislation, the Series 2003 A Bonds of the Issuer, to be known as "Water Revenue Bonds, Series 2003 A (United States Department of Agriculture)", are hereby authorized to be issued in the principal amount of \$377,000, for the purpose of financing a portion of the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bonds. The Series 2003 A Bonds shall be issued in single form, numbered AR-1, only as a fully registered Bond, and shall be dated the date of delivery thereof. The Series 2003 A Bonds shall bear interest from the date of delivery, payable monthly at the rate of 4.50% per annum, and shall be sold for the par value thereof.

The Series 2003 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 respective Bond forms hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Series 2003 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 2003 A Bonds, and the right to principal of and stated interest on the Series 2003 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 2003 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 2003 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 2003 A Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 2003 A Bonds.

Section 3.04. Bond Registrar. The Issuer shall be the Bond Registrar and will keep, or cause to be kept by its agent, at its office, sufficient books for the registration and transfer of the Series 2003 A Bonds, and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2003 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 2003 A Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2003 A Bonds for registration or 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 2003 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 2003 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 2003 A Bonds shall be executed in the name of the Issuer by the Chairman and its corporate seal shall be affixed thereto and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2003 A Bonds shall cease to be such officer of the Issuer before the Series 2003 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. The Series 2003 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 Bonds shall hold the proper office in the Issuer, although at the date of such Bonds 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 2003 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 Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bonds or in lieu of and substitution for the Bonds 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 2003 A Bonds so surrendered shall be canceled and held for the account of the Issuer. If the Series 2003 A Bonds shall have

matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2003 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, on a parity with the Prior Bonds. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Series 2003 A Bonds and the Prior 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 2003 A Bonds and the Prior Bonds as the same become due.

Section 3.08. Form of Bond. Subject to the provisions hereof, the text of the Series 2003 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 resolution adopted after the date of adoption hereof and prior to the issuance thereof:

(FORM OF BOND)

CENTURY-VOLGA PUBLIC SERVICE DISTRICT

WATER REVENUE BONDS, SERIES 2003 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$377,000

No. AR-1

Date: _____

FOR VALUE RECEIVED, CENTURY-VOLGA PUBLIC SERVICE DISTRICT (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 4.50% 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 the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and \$1,731, 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 hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

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

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

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of additions, extensions and improvements to the waterworks system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

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 the 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 Resolutions 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 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted _____, 2003, authorizing issuance of this Bond (the "Resolution").

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

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

THIS BOND IS ISSUED ON A PARITY, AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, WITH THE FOLLOWING WATER REVENUE BONDS OF THE BORROWER:

1) WATER REFUNDING REVENUE BOND, SERIES 1998 A, DATED DECEMBER 18, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$173,800; AND

2) WATER REVENUE BOND, SERIES 1998 B, DATED DECEMBER 18, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,150,000.

IN WITNESS WHEREOF, CENTURY-VOLGA PUBLIC SERVICE DISTRICT has caused this Bond to be executed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, all as of the date hereinabove written.

CENTURY-VOLGA PUBLIC SERVICE DISTRICT
(Name of Borrower)

[CORPORATE SEAL]

(Signature of Executive Official)

Chairman, Public Service Board
(Title of Executive Official)

Drawer C
(P. O. Box No. or Street Address)

Century-Volga, West Virginia 25831
(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

Secretary, Public Service Board
(Title of Executive Official)

(Form of)

RECORD OF ADVANCES

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

(Form of Assignment)

ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:

ARTICLE IV

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

Section 4.01. A. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created with (or continued if previously established by the Prior Resolutions) and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank and from each other:

- (1) Revenue Fund (established by the Prior Resolution);
- (2) Depreciation Reserve (established by the Prior Resolution); and
- (3) Project Construction Account.

B. Establishment of Funds and Accounts with Commission. The following special funds or accounts are created with (or continued if previously established by the Prior Resolutions) and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission and from each other:

- (1) Series 2003 A Bonds Reserve Account.

Section 4.02. Bond Proceeds; Project Construction Account. The proceeds of the sale of the Series 2003 A Bonds shall be deposited upon receipt by the Issuer in the Project Construction Account. The monies in the Project Construction 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 installments on the Series 2003 A Bonds if there are not sufficient Net Revenues to make such monthly payment.

Pending application as provided in this Section 4.02, 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 4.03. Covenants of the Issuer as to System Revenues and Funds.

So long as any of the Series 2003 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2003 A Bonds Reserve Account, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2003 A Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the Holders of the Series 2003 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 Resolutions 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 Resolutions.

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

(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 of payment of each installment on the Prior Bonds and the Series 2003 A Bonds, transfer from the Revenue Fund and remit (i) remit to the Paying Agents designated in the Prior Bonds, the amounts required to pay the interest on and principal of the Prior Bonds, and (ii) to the National Finance Office, the amounts required to pay the interest on the Series 2003 A Bonds and to amortize the principal of the Series 2003 A Bonds over the life of the Bond issue. All payments with respect to principal of and interest on the Prior Bonds and the Series 2003 A Bonds shall be made on an equal pro rata basis in accordance with the

respective aggregate principal amounts thereof outstanding and on a parity with each other.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit (i) to the Depository Bank for deposit into the respective Reserve Accounts for the Prior Bonds, the amounts required by the Prior Resolutions; and (ii) beginning on the date specified by the Purchaser, but in any event not later than the 24th monthly anniversary of the Closing Date, and continuing on each monthly anniversary of the Closing Date thereafter, transfer from the Revenue Fund and remit to the Commission for deposit into the Series 2003 A Bonds Reserve Account, an amount equal to 0.4167% of the Minimum Reserve, until the amount in the Series 2003 A Bonds Reserve Account equals the Minimum Reserve; provided that, no further payments shall be made into the Series 2003 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Minimum Reserve. Monies in the Series 2003 A Bonds Reserve Account shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Series 2003 A Bonds to the National Finance Office as the same shall become due or for prepayment of installments on the Series 2003 A Bonds, or for mandatory prepayment of the Series 2003 A Bonds as hereinafter provided, and for no other purpose; provided, however, earnings from monies in the Series 2003 A Bond Reserve Account, so long as the Series 2003 A Bonds Reserve Requirement is on deposit and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer, to be deposited in the Revenue Fund.

(4) The Issuer shall next on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for the deposit in the Depreciation Reserve (i) the amounts required by the Prior Resolutions for the Prior Bonds; (ii) beginning on the date specified by the Purchaser, but in any event not later than the 12th monthly anniversary of the Closing Date, and continuing on each monthly anniversary of the Closing Date thereafter, an amount equal to 0.4167% of the Minimum Reserve, until the amount in the Series 2003 A Bonds Reserve Account equals the Minimum Reserve, and thereafter, 0.8334% of the Minimum Reserve, so long as the Series 2003 A Bonds are outstanding; provided, however, that in the event Revenues are

insufficient to fund the Series 2003 A Bonds Reserve Account in accordance with Section 4.04B above, or a withdrawal of funds from the Series 2003 A Bonds Reserve Account is made, payment of Revenues into the Renewal and Replacement Fund as provided in this Section 4.04B shall not be made, but instead Revenues shall be applied to the replenishment of the Series 2003 A Bonds Reserve Account until such deficiency is cured, at which time payments into the Renewal and Replacement Fund as provided in this Section 4.04B shall resume. Monies in the Renewal and Replacement Fund shall be used first to make up any deficiencies for monthly payments of interest on and principal of the Series 2003 A Bonds as the same become due, and next to restore to the Series 2003 A Bonds Reserve Account any sum or sums transferred therefrom. Thereafter, and provided that payments are current and in accordance with the foregoing provisions, monies in the Renewal and Replacement Fund may be withdrawn by the Issuer and used for replacements, repairs, improvements or extensions to the System.

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

Whenever the money in the Series 2003 A Bonds Reserve Account shall be sufficient to prepay the Series 2003 A Bonds in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 2003 A Bonds at the earliest practical date and in accordance with applicable provisions hereof.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 2003 A Bonds Reserve Account. The Depository Bank is hereby redesignated as the Fiscal Agent for the Depreciation Reserve as herein provided. All amounts required for the Series 2003 A Bonds Reserve Account and the Depreciation Reserve will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

The Revenue Fund, the Series 2003 A Bonds Reserve Account and the Depreciation Reserve 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 2003 A Bonds and the interest thereon.

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.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2003 A Bonds and the Prior Bonds, in accordance with the respective principal amounts then Outstanding.

Subject to the Prior Resolutions, the Commission and the Depository Bank, at the direction of the Issuer, shall keep the monies in the Series 2003 A Bonds Reserve Account and the Depreciation Reserve 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 provided herein or 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 Investment Management Board. 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 2003 A Bonds Reserve Account, so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually by the Commission to the Issuer and deposited in the Revenue Fund.

C. CHANGE OF DEPOSITORY BANK. The Issuer may designate another bank or trust company insured by FDIC as Depository Bank 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 2003 A Bonds, provide evidence that there will be at least 110 bona fide

users upon the System on completion, 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 Depository Bank and the Commission such additional sums as shall be necessary to pay the charges and fees of the Depository Bank or the Commission 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, by Qualified Investments as shall be eligible as security for 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 shall clearly identify the fund or account into which each amount is to be deposited.

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

Section 4.04. Interim Construction Financing. In order to pay certain costs of the Project pending receipt of proceeds of the Grants and advances of principal of the Series 2003 A Bonds, the Issuer may issue and sell its interim construction notes in an aggregate principal amount not to exceed \$377,000 (the "Notes"). The Notes shall be in the form of a line of credit from a commercial bank or other lender, and the Issuer is hereby authorized to enter into the credit agreement with such commercial bank or other lender. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the credit agreement.

The Notes shall be special obligations of the Issuer payable as to principal and interest solely from proceeds of the Series 2003 A Bonds or the Grants. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer, if any, is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth herein.

ARTICLE V

GENERAL COVENANTS, ETC.

Section 5.01. General Statement. So long as the Series 2003 A Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 2003 A Bonds Reserve Account a sum sufficient to prepay the entire principal of the Series 2003 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 2003 A Bonds.

Section 5.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the annual debt service on the Series 2003 A Bonds and the Prior 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 2003 A Bonds are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

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

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

No additional Parity Bonds or obligations payable out of any of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser.

The foregoing limitation may be waived or modified by the written consent of the Holders of the Prior Bonds.

Section 5.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Series 2003 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 full insurable value 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 2003 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 District 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 have been or will be filed with the Clerk of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' compensation coverage shall be maintained as required by the laws of the State of West Virginia.

(e) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer; 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 thereof 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 2003 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 2003 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, on a parity with the Prior Bonds, 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 2003 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 2003 A Bonds at the date specified for payment thereof; and

(b) Failure to duly and punctually observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Series 2003 A Bonds or herein, or violation of or failure to observe any provision of any pertinent law.

Section 5.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights; provided that prior to the Purchaser taking any action regarding any security interest or the lien security the Series 2003 A Bonds.

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

Section 5.09. Fiscal Year; Budget. While the Series 2003 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 30 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 1st 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 next year 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. Compensation of Members of Governing Body. The Issuer hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Governing Body in excess of the amount permitted by the Act. Payment of any compensation to any such member for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein, nor when there is default in the performance of or compliance with any covenant or provision hereof.

Section 5.11. 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 on file with the Secretary on the date of adoption hereof, subject to permitted changes.

Section 5.12. 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 5.13. 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 2003 A Bonds are outstanding.

Section 5.14. 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, subject to change consonant with the provisions hereof, shall be as set forth in the Final Order of the Public Service Commission of West Virginia, entered on May 27, 2003, Case No. 02-1845-PWD-CN, which Final Order 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 liens on the premises served of equal degree, rank and priority with the lien on such premises of state, county, school and municipal taxes, as provided in the Act. 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.

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

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

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

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 2003 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 2003 A Bonds, the pledge of Net 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 2003 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 2003 A Bonds, the Issuer may not defease the Series 2003 A Bonds or otherwise provide for payment thereof by escrow or like manner.

Section 7.02. Modification or Amendment. The Bond Legislation may not be modified or amended after final passage without the prior written consent of the Purchaser.

Section 7.03. Delivery of Bonds. The Chairman, Secretary and Treasurer of the Governing Body are hereby authorized and directed to cause the Series 2003 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 severable 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 2003 A Bonds.

Section 7.05. Conflicting Provisions Repealed. The Prior Resolutions and all parts thereof not expressly hereby changed shall continue in full force and effect and this Bond Legislation shall be supplemental to the Prior Resolutions.

All 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 of this Resolution 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 Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 7.08. Effective Time. This Resolution shall take effect immediately upon its adoption.

Adopted this 11th day of June, 2003.

CENTURY-VOLGA PUBLIC SERVICE DISTRICT

By: *Danard Cleaver*
Its: Chairman

Leroy O. Woods

CERTIFICATION

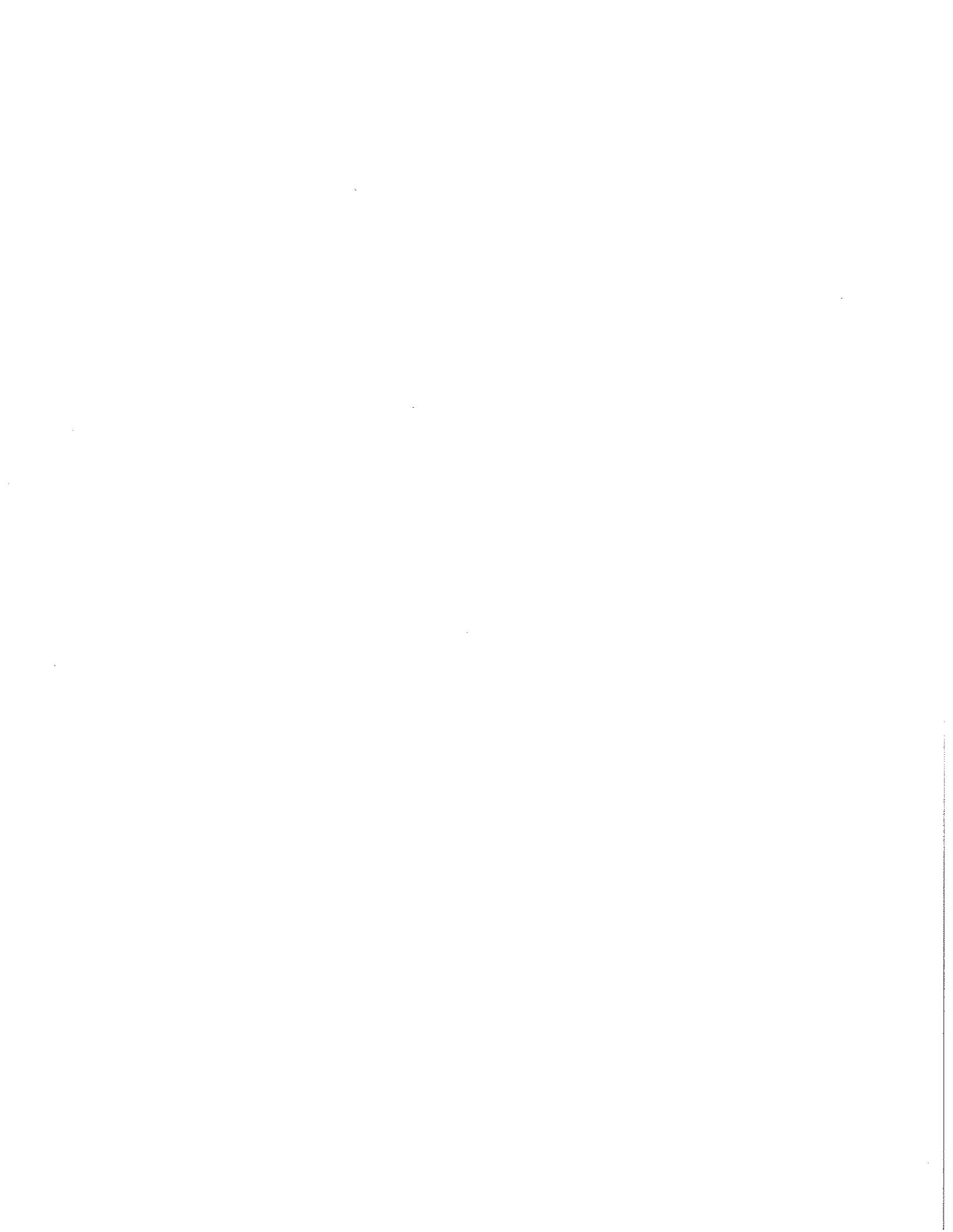
Certified a true copy of a Resolution duly adopted by the Public Service Board
of CENTURY-VOLGA PUBLIC SERVICE DISTRICT on the 11th day of June, 2003.

Dated: June 13, 2003.



Lorrey C. Hoops
Secretary

06/03/03
138930.00001



CENTURY-VOLGA PUBLIC SERVICE DISTRICT

**Water Revenue Bond, Series 1998 B
(United States Department of Agriculture)**

BOND RESOLUTION

Table of Contents

Subject		Page
ARTICLE I		
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS		
Section 1.01	Authority for This Resolution	1
Section 1.02	Findings and Determinations	1
Section 1.03	Bond Legislation Constitutes Contract	3
Section 1.04	Definitions	3
ARTICLE II		
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT		
Section 2.01	Authorization of Acquisition and Construction of the Project	8
ARTICLE III		
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BOND		
Section 3.01	Authorization of Bond	9
Section 3.02	Description of Bond	9
Section 3.03	Negotiability, Registration, Transfer and Exchange of Bonds	-9
Section 3.04	Registrar	10
Section 3.05	Execution of Bond	10
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost	10
Section 3.07	Bond Secured by Pledge of Net Revenues	11
Section 3.08	Form of Bond	11
	FORM OF BOND	12

**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	18
Section 4.02	Bond Proceeds; Project Construction Account	18
Section 4.03	Covenants of the Issuer as to System Revenues and Funds	19

**ARTICLE V
GENERAL COVENANTS, ETC.**

Section 5.01	General Statement	23
Section 5.02	Rates	23
Section 5.03	Sale of the System	23
Section 5.04	Issuance of Additional Parity Bonds or Obligations	23
Section 5.05	Insurance and Bonds	23
Section 5.06	Statutory Mortgage Lien	25
Section 5.07	Events of Default	25
Section 5.08	Enforcement	25
Section 5.09	Fiscal Year; Budget	26
Section 5.10	Compensation of Members of Governing Body	26
Section 5.11	Covenant to Proceed and Complete	26
Section 5.12	Books and Records; Audits	26
Section 5.13	Maintenance of System	27
Section 5.14	No Competition	27

**ARTICLE VI
RATES, ETC.**

Section 6.01	Initial Schedule of Rates and Charges; Rules	28
--------------	--	----

**ARTICLE VII
MISCELLANEOUS**

Section 7.01	Payment of Bond	29
Section 7.02	Modification or Amendment	29
Section 7.03	Delivery of the Bond	29
Section 7.04	Severability of Invalid Provisions	29
Section 7.05	Prior Resolution; Conflicting Provisions Repealed	29
Section 7.06	Table of Contents and Headings	29
Section 7.07	Covenant of Due Procedure, Etc.	29
Section 7.08	Effective Time	30
	SIGNATURES	30
	CERTIFICATION	31

CENTURY-VOLGA PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN PUBLIC SERVICE PROPERTIES CONSISTING OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING WATERWORKS SYSTEM OF CENTURY-VOLGA PUBLIC SERVICE DISTRICT, AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED THEREOF, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$1,150,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BOND, SERIES 1998 B (UNITED STATES DEPARTMENT OF AGRICULTURE); DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BOND; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF CENTURY-VOLGA PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS
AND DEFINITIONS

Section 1.01. Authority for This Resolution. This Resolution is adopted pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. Century-Volga Public Service District (the "Issuer") is a public corporation and public service district and political subdivision of the State of West Virginia in Barbour County of said State, duly created pursuant to the Act by The County Commission of Barbour County.

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

A. The Issuer currently owns and operates a public waterworks system and desires to finance and acquire, construct, operate and maintain certain additional public service properties consisting of improvements and extensions to such existing waterworks facilities with all appurtenant facilities, within the boundaries of the Issuer to be owned and operated by the Issuer.

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, improvements and extensions to the existing waterworks facilities of the Issuer, consisting of approximately 116,000 linear feet of 10-inch, 8-inch, 6-inch and 4-inch waterlines, 2 booster stations, 2 water storage tanks and all necessary appurtenant facilities (the "Project"), to serve approximately 245 new customers in the southeast portion of Barbour County, particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Secretary of the Public Service Board (the "Governing Body") of the Issuer. The Issuer will continue to purchase water from the City of Philippi, pursuant to the water purchase agreement between the Issuer and the City of Philippi. The existing waterworks facilities of the Issuer, together with the Project and any further additions, extensions or improvements thereto, are herein called the "System." The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

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

D. The estimated maximum cost of the acquisition and construction of the Project is \$2,670,000, of which \$1,150,000 will be obtained from the proceeds of sale of the Bonds herein authorized, \$520,000 will be obtained from a grant from the Purchaser and \$1,000,000 will be obtained from a grant from the Appalachian Regional Commission.

E. It is necessary for the Issuer to issue its Water Revenue Bond, Series 1998 B (United States Department of Agriculture), in the principal amount of \$1,150,000 (the "Series 1998 B Bond"), to finance a portion of the cost of such acquisition and construction in the manner hereinafter provided. 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 any necessary property, real or personal, or interest therein; interest on the Series 1998 B Bond prior to, during and for six months after completion of such construction to the extent that revenues of the System are not sufficient therefor; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and such other expenses as may be necessary or incidental to the acquisition and construction of the Project and the financing authorized hereby; provided that, reimbursement to the Issuer for any amounts expended by it for the repayment of indebtedness incurred for Costs of the Project by the Issuer shall be deemed Costs of the Project.

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

G. There is outstanding an obligation of the Issuer which will rank on a parity with the Series 1998 B Bond as to liens, pledge and source of and security for payment, being the Water Refunding Revenue Bond, Series 1998 A, dated December 18, 1998, issued concurrently herewith in the original aggregate principal amount of \$173,800 (the "Series 1998 A Bond"). Other than the Series 1998 A Bond, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. It is in the best interest of the Issuer that the Series 1998 B Bond be sold to the Purchaser, pursuant to the terms and provisions of a Letter of Conditions dated February 12, 1997, and all amendments thereto, if any (collectively, the "Letter of Conditions").

I. The Issuer has complied with all requirements of law relating to the authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 1998 B Bond, or will have so complied prior to issuance of the Series 1998 B Bond, including, among other things and without limitation, obtaining a certificate of public convenience and necessity and approval of the financing and the necessary 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 1998 B Bond by those who shall be the registered owner of the same from time to time, this Resolution (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Bondholder, 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 1998 B Bond.

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

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

"Bond Legislation" means this Resolution and all resolutions supplemental hereto and amendatory hereof.

"Bonds" means, collectively, the Series 1998 A Bond, the Series 1998 B Bond and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

"Chairman" means the Chairman of the Governing Body.

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

"Depository Bank" means Barbour County Bank, Philippi, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

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

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

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

"Governing Body" means the Public Service Board of the Issuer.

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

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

"Issuer," "Borrower" or "District" means Century-Volga Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia, in Barbour County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Letter of Conditions" means the Letter of Conditions of the Purchaser dated February 12, 1997, and all amendments thereto, if any.

"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 System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed 1/6th 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 Bonds and into the Series 1998 B Bond Reserve Account and the Depreciation Fund have been made to the last monthly payment date prior to the date of such retention.

"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:

- (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 Investment Management Board pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended; and

(i) Obligations of States or political subdivisions or agencies thereof, the interest on which is 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.

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

"Registrar" means the Issuer, which shall usually so act by its Secretary.

"1998 A Resolution" means the resolution adopted by the Issuer on December 18, 1998, authorizing the Series 1998 A Bond.

"Resolutions" means, collectively, this Bond Legislation and the 1998 A Resolution.

"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.

"Secretary" means the Secretary of the Governing Body.

"Series 1998 A Bond" means the Water Refunding Revenue Bond, Series 1998 A, of the Issuer, described in Section 1.02G hereof.

"Series 1998 B Bond" means the Water Revenue Bond, Series 1998 B (United States Department of Agriculture), authorized hereby to be issued pursuant to this Bond Legislation.

"Series 1998 B Bond Reserve Account" means the Series 1998 B Bond Reserve Account created by Section 4.01 hereof.

"System" means the complete waterworks system of the Issuer and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system; and shall also include the Project and any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the waterworks system of the Issuer.

"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 neuter gender shall include any other gender; and any requirement for execution or attestation of the Bond or any certificate or other document by the Chairman or Secretary shall mean that such Bond, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized the acquisition and construction of the Project, at an estimated cost of \$2,670,000, 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 1998 B Bond hereby authorized shall be applied as provided in Article IV hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BOND.

Section 3.01. Authorization of Bond. Subject and pursuant to the provisions of the Bond Legislation, the Series 1998 B Bond of the Issuer, to be known as "Water Revenue Bond, Series 1998 B (United States Department of Agriculture)," is hereby authorized to be issued in the aggregate principal amount of \$1,150,000 for the purpose of financing a portion of the cost of the acquisition and construction of the Project.

Section 3.02. Description of Bond. The Series 1998 B Bond shall be issued in single form, numbered BR-1, only as a fully registered Bond, and shall be dated the date of delivery thereof. The Series 1998 B Bond shall bear interest from the date of delivery, payable monthly at the rate of 4.5% per annum, and shall be sold for the par value thereof.

The Series 1998 B Bond shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Series 1998 B Bond 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 1998 B Bond, and the right to principal of and stated interest on the Series 1998 B Bond, 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 1998 B Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Registrar.

Whenever the Series 1998 B Bond 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 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 Registrar with respect to such transfer.

No registration of transfer of the Series 1998 B Bond shall be permitted to be made after the 15th day next preceding any installment payment date on the Series 1998 B Bond.

Section 3.04. Registrar. The Issuer shall be the Registrar and will keep, or cause to be kept by its agent, at its office, sufficient books for the registration and transfer of the Series 1998 B Bond, and, upon presentation for such purpose, the Registrar shall, under such reasonable regulations as it may prescribe, register the Series 1998 B Bond initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 1998 B Bond as hereinbefore provided.

The Registrar shall accept the Series 1998 B Bond 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 1998 B Bond 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 1998 B Bond 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 Bond. The Series 1998 B Bond shall be executed in the name of the Issuer by the Chairman and its corporate seal shall be affixed thereto and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 1998 B Bond shall cease to be such officer of the Issuer before the Series 1998 B Bond 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 Bond had not ceased to hold such office. Any Series 1998 B Bond may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bond 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 1998 B Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Series 1998 B Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Series 1998 B 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 1998 B Bond so surrendered shall be canceled and held for the account of the Issuer. If the Series 1998 B Bond shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bond Secured by Pledge of Net Revenues. The payment of the debt service of the Series 1998 B Bond 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, all on a parity with the Series 1998 A Bond. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Bonds, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same becomes due.

Section 3.08. Form of Bond. Subject to the provisions hereof, the text of the Series 1998 B Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any resolution adopted after the date of adoption hereof and prior to the issuance thereof:

(FORM OF BOND)

CENTURY-VOLGA PUBLIC SERVICE DISTRICT

WATER REVENUE BOND, SERIES 1998 B
(UNITED STATES DEPARTMENT OF AGRICULTURE)

\$1,150,000

No. BR-1

Date: _____

FOR VALUE RECEIVED, CENTURY-VOLGA PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of ONE MILLION ONE HUNDRED FIFTY THOUSAND DOLLARS (\$1,150,000), plus interest on the unpaid principal balance at the rate of 4.5% 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 the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and \$5,279, 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 hereinbelow. The consideration here for shall support any agreement modifying the foregoing schedule of payments.

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

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

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

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

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

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

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

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of additions, extensions and improvements to the waterworks system (the "System") of the Borrower, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

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 the Borrower, as Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Resolution 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 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 13A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower duly adopted December 18, 1998, authorizing issuance of this Bond (the "Resolution").

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

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

THIS BOND IS ISSUED ON A PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE BORROWER'S WATER REFUNDING REVENUE BOND, SERIES 1998 A, DATED DECEMBER 18, 1998, ISSUED CONCURRENTLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,150,000, AS DESCRIBED IN THE RESOLUTION.

IN WITNESS WHEREOF, CENTURY-VOLGA PUBLIC SERVICE DISTRICT has caused this Bond to be executed by its Chairman and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Secretary, all as of the date hereinabove written.

CENTURY-VOLGA PUBLIC SERVICE DISTRICT

(Name of Borrower)

[CORPORATE SEAL]

(Signature of Executive Official)

Chairman, Public Service Board
(Title of Executive Official)

Post Office Box 207
(P. O. Box No. or Street Address)

Volga, West Virginia 26238
(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

Secretary, Public Service Board
(Title of Executive Official)

(Form of)

RECORD OF ADVANCES

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

TOTAL \$ _____

(Form of)

ASSIGNMENT

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

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

Dated: _____, _____

In the 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 (or established by the 1998 A Resolution), and shall be held by, the Depository Bank, separate, distinct and apart from all other funds or accounts of the Depository Bank and from each other:

- (1) Revenue Fund (established by the 1998 A Resolution); ✓
- (2) Series 1998 B Bond Reserve Account; ✓
- (3) Depreciation Fund (established by the 1998 A Resolution) and; ✓
- (4) Project Construction Account. ✓

Section 4.02. Bond Proceeds; Project Construction Account. The proceeds of the sale of the Series 1998 B Bond shall be deposited upon receipt by the Issuer in the Project Construction Account. The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Moneys 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 installments on the Series 1998 B Bond if there are not sufficient Net Revenues to make such monthly payment.

Pending application as provided in this Section 4.02, 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 4.03. Covenants of the Issuer as to System Revenues and Funds.

So long as the Series 1998 B Bond shall be outstanding and unpaid, or until there shall have been set apart in the Series 1998 Bond Reserve Account, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 1998 B Bond remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holders of the Series 1998 B Bond 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 Resolutions 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 Resolutions.

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 moneys in the Revenue Fund all current Operating Expenses.

(2) The Issuer shall next, each month, on or before the due date of payment of each installment on the Bonds, transfer from the Revenue Fund and simultaneously (i) remit to the Paying Agent designated in the Series 1998 A Bond, the amount required to pay the interest on and principal of the Series 1998 A Bond, and (ii) remit to the National Finance Office designated in the Series 1998 B Bond, the amount required to pay the interest on the Series 1998 B Bond, and to amortize the principal of the Series 1998 B Bond over the life of the Series 1998 B Bond. All payments with respect to principal of and interest on the Series 1998 A Bond and the Series 1998 B Bond shall be made on an equal pro rata basis in accordance with the respective aggregate principal amounts thereof outstanding and on a parity with each other.

(3) The Issuer shall next, on each date that payment is made as set forth in (2) above, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Series 1998 B Bonds Reserve Account, 0.4167% of the Minimum Reserve, until the amount in the Series 1998 B Bond Reserve

Account equals the Minimum Reserve. Moneys in the Series 1998 B Bond Reserve Account shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Series 1998 B Bond to the National Finance Office as the same shall become due or for prepayment of installments on the Series 1998 B Bond, or for mandatory prepayment of the Series 1998 B Bond, and for no other purpose.

(4) The Issuer shall next, on each date that payment is made as set forth in (2) above, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Depreciation Fund, 0.4167% of the Minimum Reserve, until the amount in the Series 1998 B Bond Reserve Account equals the Minimum Reserve, and thereafter, 0.8334% of the Minimum Reserve, so long as the Series 1998 B Bond is outstanding; provided, however, that in the event Revenues are insufficient to fund the Series 1998 B Bond Reserve Account in accordance with Section 4.03B(3) above, or a withdrawal of funds from the Series 1998 B Bond Reserve Account is made, payment of Revenues into the Depreciation Fund as provided in this Section 4.03B(4) shall not be made, but instead Revenues shall be applied to the replenishment of the Series 1998 B Bond Reserve Account until such deficiency is cured, at which time payments into the Depreciation Fund as provided in this Section 4.03B(4) shall resume. Moneys in the Depreciation Fund shall be used first to make up any deficiencies for monthly payments of interest on and principal of the Series 1998 A Bond and the Series 1998 B Bond as the same become due, and next to restore to the Series 1998 B Bond Reserve Account any sum or sums transferred therefrom, all on a pro rata basis. Thereafter, and provided that payments are current and in accordance with the foregoing provisions, moneys in the Depreciation Fund may be withdrawn by the Issuer and used for replacements, repairs, improvements or extensions to the System.

(5) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, moneys remaining therein and not permitted to be retained therein, if any, may be used to prepay installments of the Series 1998 A Bond and the Series 1998 B Bond, pro rata, or for any lawful purpose of the System.

Whenever the moneys in the Series 1998 B Bond Reserve Account shall be sufficient to prepay the Series 1998 B Bond in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Series 1998 B Bond 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 Series 1998 B Bond Reserve Account and the Depreciation

Fund and all amounts required for the Series 1998 B Bond Reserve Account and the Depreciation Fund will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

All the funds provided for in this Section 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 1998 B Bond 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 Depository Bank, at the direction of the Issuer, shall keep the moneys in the Series 1998 B Bond Reserve Account and the Depreciation 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 provided herein or 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 Investment Management Board. Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings upon moneys in the Series 1998 B Bond Reserve Account, so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually in January into the Revenue Fund by the Depository Bank.

C. CHANGE OF 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 Bond, provide evidence that there will be at least 194 bona fide users upon the Project on completion, 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 Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Depository Bank then due.

F. **INVESTMENT OF EXCESS BALANCES.** The moneys in excess of the sum insured by the maximum amounts 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, by Qualified Investments as shall be eligible as security for 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 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, ETC.

Section 5.01. General Statement. So long as the Series 1998 B Bond shall be outstanding and unpaid, or until there shall have been set apart in the Series 1998 B Bond Reserve Account a sum sufficient to prepay the entire principal of the Series 1998 B Bond remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Bondholder.

Section 5.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the annual debt service on the Bonds and sufficient to make the payments required herein into the Series 1998 B Bond Reserve Account and the Depreciation Fund 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 1998 B Bond is outstanding. Such consent will provide for disposition of the proceeds of any such sale.

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

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 1998 B Bond remains outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance. to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System and mechanical and electrical equipment in place or stored on the site in an amount equal to the full insurable value 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

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 5.13. 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 1998 B Bond is outstanding.

Section 5.14. 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, subject to change consonant with the provisions hereof, shall be as set forth in the Final Order of the Public Service Commission of West Virginia, entered on August 4, 1998, Case No. 97-1417-PWD-CN, which Final Order 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 liens on the premises served of equal degree, rank and priority with the lien on such premises of state, county, school and municipal taxes, as provided in the Act. 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.

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

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

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

ARTICLE VII

MISCELLANEOUS

Section 7.01. Payment of Bond. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the Series 1998 B Bond, 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 1998 B Bond, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Series 1998 B Bond, shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 7.02. Modification or Amendment. The Bond Legislation may not be modified or amended after final passage without the prior written consent of the Bondholder.

Section 7.03. Delivery of the Bond. The Chairman, Secretary and Treasurer of the Governing Body are hereby authorized and directed to cause the Series 1998 B Bond, 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 severable 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 1998 B Bond.

Section 7.05. Conflicting Provisions Repealed. All 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.

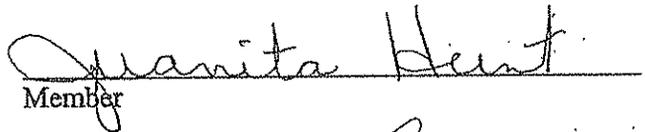
Section 7.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have

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 Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 7.08. Effective Time. This Resolution shall take effect immediately upon its adoption.

Adopted this 18th day of December, 1998.


Chairman


Member

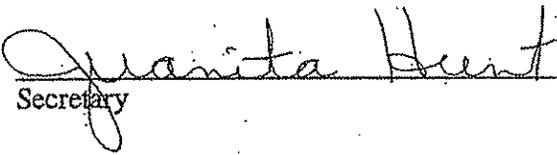

Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board
of CENTURY-VOLGA PUBLIC SERVICE DISTRICT on the 18th day of December, 1998.

Dated this 18th day of December, 1998.

[SEAL]


Secretary

12/10/98
138930/97001



**United States Department of Agriculture
Rural Development**
West Virginia State Office

December 22, 2009

Century Volga Public Service District
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative for the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present holder of the Prior Bonds, hereinafter defined and described, hereby (i) consents to the issuance of the Water Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund) (the "Series 2009 A Bonds"), in the principal amount of not to exceed \$700,000, by Century Volga Public Service District (the "Issuer"), under the terms of the resolution authorizing the Series 2009 A Bonds (the "Series 2009 A Resolution") on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's (1) Water Revenue Bonds, Series 2003 A (United States Department of Agriculture), dated June 13, 2003, issued in the original aggregate principal amount of \$377,000 (the "Series 2003 A Bonds"); and (2) Water Revenue Bonds, Series 1998 B (United States Department of Agriculture), dated December 18, 1998, issued in the original aggregate principal amount of \$1,150,000 (the "Series 1998 B Bonds") (collectively, the "Prior Bonds"); (ii) waive any requirements imposed by the Prior Bonds or the resolutions authorizing the Prior Bonds (the "Prior Resolutions"), regarding the issuance of parity bonds which are not met by the Series 2009 A Bonds or the Series 2009 A Resolution; and (iii) any amendments made to the Prior Resolutions by the Series 2009 A Resolution.



Authorized Representative

1550 Earl Core Road • Suite 101 • Morgantown, WV 26505
Phone: 304.284.4860 • 1.800.295.8228 • Fax: 304.284.4893 • TTY/TDD: 304.284.4836 • Web: <http://www.rurdev.usda.gov/wv>

Committed to the future of rural communities.

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

CENTURY VOLGA PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

RECEIPT OF PAYMENT OF SERIES 2008 A BONDS

The undersigned, authorized representative of the West Virginia Municipal Bond Commission (the "Commission"), hereby certifies as follows:

On the 22nd day of December, 2009, the Authority received the sum of \$111,835.72 from Century Volga Public Service District and such amount is sufficient to pay the entire outstanding principal of and all accrued interest on the Century Volga Public Service District Water System Design Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), dated April 16, 2008, issued in the original aggregate principal amount of \$115,500, to the date hereof and discharge the liens, pledges and encumbrances securing such Bonds.

WITNESS my signature on this 22nd day of December, 2009.

WEST VIRGINIA MUNICIPAL BOND
COMMISSION

By: 
Its: Authorized Representative

12.09.09
138930.00002

CLOSING MEMORANDUM

To: Financing Team
From: John C. Stump, Esquire
Date: December 22, 2009
Re: Century Volga Public Service District
Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

1. DISBURSEMENTS TO DISTRICT:

Payor: West Virginia Infrastructure and Jobs Development Council
Source: Series 2009 A Bonds Proceeds
Amount: \$86,905.00
Form: Wire Transfer
Payee: Century Volga Public Service District
Bank: BC Bank, Inc.
Routing #: 051501325
Account #: 03-66889
Contact: Pam Golden 304.457.0106
Account: Series 2009 A Bonds Construction Trust Fund

2. DISBURSEMENTS TO MUNICIPAL BOND COMMISSION

Payor: West Virginia Infrastructure and Jobs Development Council
Source: Series 2009 A Bonds Proceeds
Amount: \$18,184
Form: Wire
Payee: Century Volga Public Service District
ABA No: 051503394
Account No: 5270517317
Bank: BB&T for the benefit of Municipal Bond Commission
Contact: Sara Boardman , 304.558.3971
Account: Series 2009 A Bonds Reserve Account

3. DISBURSEMENTS TO MUNICIPAL BOND COMMISSION

Payor: West Virginia Infrastructure and Jobs Development Council
Source: Series 2009 A Bonds Proceeds
Amount: \$111,835.72
Form: Wire
Payee: Century Volga Public Service District
ABA No: 051503394
Account No: 5270517317
Bank: BB&T for the benefit of Municipal Bond Commission
Contact: Sara Boardman , 304.558.3971
Account: Payment of Series 2008 A Bonds

12.09.09
138930.00002

2002W-664
CENTURY VOLGA PUBLIC SERVICE DISTRICT

**RESOLUTION OF THE CENTURY VOLGA PUBLIC SERVICE DISTRICT APPROVING INVOICES
RELATING TO ACQUISITION AND CONSTRUCTION AND OTHER SERVICES FOR THE
PROPOSED WATER PROJECT AND AUTHORIZING PAYMENT THEREOF,**

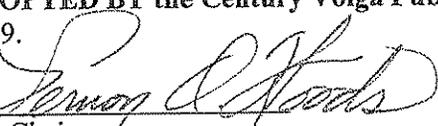
WHEREAS, the Century Volga Public Service District has reviewed the invoices attached hereto and incorporated herein by reference relation to the construction of the water project funded by Infrastructure & Jobs Development Council loan (IJDC) and Abandoned Mine Lands grant (AML) and find as follows:

- a) That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.
- 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 the Century Volga Public Service District by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	IJDC Loan	AML
Hornor Brothers	25,618.76	25,618.76	0.00
West & Jones (Legal)	12,108.17	12,108.17	0.00
West & Jones (Lands & ROWs)	2,839.68	2,839.68	0.00
Randy Harris	1,925.00	1,925.00	0.00
Century Volga PSD	4,101.64	4,101.64	0.00
DOH	21,811.75	21,811.75	0.00
WDA Loan Payoff	111,835.72	111,835.72	0.00
Reserves (Municipal Bond Commission)	18,184.00	18,184.00	0.00
Steptoe & Johnson	18,000.00	18,000.00	0.00
Huntington Bank	500.00	500.00	0.00
TOTAL	216,924.72	216,924.72	0.00

ADOPTED BY the Century Volga Public Service District, at the meeting held on the 14th day of December, 2009.

By: 
Its: Chairman

SWEEP RESOLUTION

Century Volga Public Service District

WHEREAS, the Century Volga Public Service District (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes or will make monthly debt service payments on and transfers reserve funds for the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer, thereby eliminating delay in payments and lost checks;

WHEREAS, the Issuer finds and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic funds transfer with the State Treasurer sweeping the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

- 1) The monthly debt service payments on, and reserve funds, for the Bonds, as set forth in Exhibit A, shall be made to the MBC by an electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.
- 2) The Chairman and Secretary are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.
- 3) This resolution shall be effective immediately upon adoption.

Adopted this 14th day of December, 2009.


Mayor



west virginia department of environmental protection

Division of Land Restoration
Office Abandoned Mine Lands & Reclamation
601 57th St., SE
Charleston, WV 25304-2345
Phone 304-926-0485 / Fax 304-926-0458

Joe Manchin III, Governor
Stephanie R. Timmermeyer, Cabinet Secretary
www.wvdep.org

June 6, 2007

Mr. Vernon O. Woods, Chairman
Century/Volga PSD
P. O. Box 207
Volga, West Virginia 26238-0207

Re: Brushy Fork/Spawlick/Arnolds Run
Waterline Extension - ID#190

Dear Mr. Woods:

This letter is in reference to the commitment letter our office sent to you in error on May 18, 2007. As you stated in your letter dated February 28, 2007, the project costs were updated to reflect current pricing and the new total project cost is \$2,306,000.

Therefore, the Office of Abandoned Mine Lands and Reclamation is pleased to inform you that approval was granted at the May 18, 2007, meeting of the Water Supply Systems Advisory Council to commit funds to the Brushy Fork/Spawlick/Arnolds Run Waterline Extension Project out of our 2010 grant year funding projection. Based on the feasibility study conducted by CTL Engineering of WV, Inc., and updated project costs, the agency is able to contribute \$1,639,000.00 for project construction. This commitment represents the total amount that this office will grant to the project. It is made with the assumption that funding in the 2010 grant year remains at projected levels. Should funding be reduced, you will be notified of any necessary changes in the funding scenario.

Finally, should it become apparent that your project will not be ready to draw on our funds during the assigned grant year, your project will retain this commitment, but may be moved to a subsequent grant year. It is the agency's goal to utilize all of the money in each grant year for construction of projects that benefit the West Virginia citizens.

If you have any questions or would like to discuss the steps necessary to complete your particular project, please contact Cliff Whyte, P.E. at (304) 926-0499, Ext. 1474. We look forward to working with you in bringing this project to reality!

Sincerely,

Charles J. Miller, Assistant Director
Office of Abandoned Mine Lands & Reclamation

CJM/cdw

Promoting a healthy environment.