

CLAYWOOD PARK PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS (WATER TREATMENT PLANT
EXPANSION AND IMPROVEMENT PROJECT)
SERIES 2006



UNIVERSITY OF CAMBRIDGE

INSTITUTIONAL INVESTORS: FROM ADOPTING TO MANAGING RISK

CLAYWOOD PARK PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS (WATER TREATMENT PLANT
EXPANSION AND IMPROVEMENT PROJECT)
SERIES 2006

BOND TRANSCRIPT

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1. Certified Copy of Chapter 16, Article 13A, of the Code of West Virginia, 1931, as amended
2. Certified Copy of the Order of the County Commission of Wood County, West Virginia, creating Claywood Park Public Service District
3. Certified Copies of Orders of the County Commissions of Wood and Wirt Counties, West Virginia, enlarging the boundaries of Claywood Park Public Service District
4. Certified Copy of Claywood Park Public Service District's By-Laws
5. Certified Copies of Orders Appointing Members of the Public Service Board of Claywood Park Public Service District and their Oaths of Office
6. Certified Copy of the Minutes of the Claywood Park Public Service Board's Annual Organization Meeting on January 3, 2006
7. Certified Copy of the Minutes of the Claywood Park Public Service Board's Meeting on June 26, 2006, adopting the Bond Resolution
8. Certified Copy of the Resolution passed by the Public Service Board of the Claywood Park Public Service District, authorizing the District's Water Revenue Bonds (Water Treatment Plant Expansion and Improvement Project), Series 2006
9. Certified Copy of the Supplemental Resolution passed by the Public Service Board of the Claywood Park Public Service District on June 26, 2006
10. RUS Consent to the Amendment of the prior resolutions
11. Engineer's Certificate
12. Accountant's Certificate
13. RUS Consent to the issuance of the Series 2006 Bonds
14. Final Orders of the Public Service Commission of West Virginia dated November 3, 2005 and June 19, 2006 granting the Certificate of Convenience and Necessity to Claywood Park Public Service District for its Water Treatment Plant Expansion and Improvement Project

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22. West Virginia Municipal Bond Commission New Issue Report Forms

State of West Virginia



Certificate

*I, Betty Ireland, Secretary of State of the
State of West Virginia, hereby certify that*

**THIS IS A TRUE COPY OF CHAPTER 16, ARTICLE 13A OF THE WEST
VIRGINIA CODE, AND CHAPTER 16, ARTICLE 13A OF THE 2005
SUPPLEMENT TO THE WEST VIRGINIA CODE, AS INDICATED BY THE
RECORDS OF THIS OFFICE.**



*Given under my hand and the
Great Seal of the State of
West Virginia on*

June 26, 2006

Betty Ireland

Secretary of State

jurisdiction and authority provided by this section does not extend to highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways and no rates, fees or charges for stormwater services or costs of compliance may be assessed against highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways. (1955, c. 135; 1967, c. 105; 1994, c. 61; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, substituted “the” for “such” throughout, substituted “the” for “said” throughout, inserted “fees” following “rates” throughout; in the first paragraph, inserted “and/or stormwater system” following “existing sewer system”, inserted “or stormwater system” following “such sewer system”; in the second paragraph, inserted “or stormwater” following “sewage”, inserted “or

stormwater facilities” following “sewer facilities”; in the fourth paragraph, added “or entire stormwater works” to the end; in the sixth paragraph, deleted “such” following “fixing” and “publication of”; in the eighth paragraph, deleted “such” preceding “rates” twice; and in the last paragraph, added the proviso.

Applied in *City of Morgantown v. Town of Star City*, 156 W. Va. 529, 195 S.E.2d 166 (1973).

§ 16-13-24. Article to be construed liberally.

This article being necessary for the public health, safety and welfare, it shall be liberally construed to effectuate the purpose thereof. (1933, Ex. Sess., c. 25, § 24.)

Quoted in *West Virginia Water Serv. Co. v. Cunningham*, 143 W. Va. 1, 98 S.E.2d 891 (1957).

ARTICLE 13A.

PUBLIC SERVICE DISTRICTS FOR WATER, SEWERAGE AND GAS SERVICES.

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 16-13A-21. Complete authority of article; liberal construction; district to be public instrumentality; tax exemption.
 16-13A-22. Validation of prior acts and proceedings of county courts for creation of districts, inclusion of additional territory, and appointment of members of district boards.
 16-13A-23. Validation of acts and proceedings of public service boards.
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 16-13A-25. Borrowing and bond issuance; procedure.

Textbooks. — Instructions for Virginia and West Virginia, Publisher's Editorial Staff (Michie).

Constitutionality. — The act from which this article was derived, authorizing the creation of public service districts by the county courts of this State, defining the powers and duties of the governing boards of such districts in the acquisition, construction, maintenance, operation, improvement and extension of property supplying water and sewerage services, and authorizing the issuance of bonds of such districts payable solely from revenue to be derived from the operation of such properties, does not violate any provision of the Constitution of this State or the Fourteenth Amendment to the Constitution of the United States. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693 (1955).

Purpose. — The purpose of this article is to provide water and sewerage facilities in unincorporated districts. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693 (1955).

The title to Acts 1953, c. 147, is sufficient to give a fair and reasonable index to all of the purposes of the act. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693 (1955).

Public utilities. — Public service districts are "public utilities" because they are required to pay a special license fee pursuant to § 24-3-6 for support of the public service commission. 50 Op. Atty Gen. 447 (1963).

Cited in Berkeley County Pub. Serv. Dist. v. Vitro Corp. of Am., 152 W. Va. 252, 162 S.E.2d 189 (1968); State v. Neary, 179 W. Va. 115, 365 S.E.2d 395 (1987); McClung Invs., Inc. v. Green Valley Community Pub. Serv. Dist., 199 W. Va. 490, 485 S.E.2d 434 (1997).

§ 16-13A-1. Legislative findings.

The Legislature of the state of West Virginia hereby determines and finds that the present system of public service districts within the state has provided a valuable service at a reasonable cost to persons who would otherwise have been unable to obtain public utility services. To further this effort, and to ensure that all areas of the state are benefiting from the availability of public service district utility services and to further correct areas with health hazards, the Legislature concludes that it is in the best interest of the public to implement better management of public service district resources by expanding the ability and the authority of the public service commission to assist public service districts by offering advice and assistance in operational, financial and regulatory affairs.

In addition to the expanded powers which shall be given to the public service commission, the Legislature also concludes that it is in the best interest of the public for each county commission to review current technology available and consider consolidating existing public service districts where it is feasible and will not result in the interference with existing bond instruments. Further, if such consolidation is not feasible, the Legislature finds that it is in the best interest of the public for each county commission to review current technology available and consider consolidating or centralizing the management of public service districts within its county or multi-county area to achieve efficiency of operations. The Legislature also finds that additional guidelines should be imposed on the creation of new public service districts and that county commissions shall dissolve inactive public service districts as hereinafter provided. The Legislature also finds that the public service commission shall promulgate rules and regulations to effectuate the expanded powers given to the commission relating to public service districts. (1953, c. 147; 1980, c. 60; 1986, c. 81.)

Authority of county commissions. — The county courts (now county commissions) may not supersede the authority delegated by them to public service districts created in accordance with the provisions of this article. Op. Att'y Gen., June 27, 1973.

Public service district — Authority. — A public service district, which was created only for the purposes of furnishing water services, has no power to condemn real estate for sewerage facilities. Canyon Pub. Serv. Dist. v. Tasa

Coal Co., 156 W. Va. 606, 195 S.E.2d 647 (1973).

Public service district — Purpose. — The purpose for the creation of a public service district may be ascertained by a review of the order establishing the district and the history behind the creation of the district (the notice of hearing and hearings held prior to the creation of the district). Op. Att'y Gen., July 8, 1976.

Cited in State ex rel. APCO v. Gainer, 149 W. Va. 740, 143 S.E.2d 351 (1965); *Shobe v. Latimer*, 162 W. Va. 779, 253 S.E.2d 54 (1979).

§ 16-13A-1a. Jurisdiction of the public service commission.

The jurisdiction of the public service commission relating to public service districts shall be expanded to include the following powers, and such powers shall be in addition to all other powers of the public service commission set forth in this code:

(a) To study, modify, approve, deny or amend the plans created under section one-b [§ 16-13A-1b] of this article for consolidation or merger of public service districts and their facilities, personnel or administration;

(b) To petition the appropriate circuit court for the removal of a public service district board member or members; and

(c) To create by general order a separate division within the public service commission to provide assistance to public service districts in technological, operational, financial and regulatory matters. (1986, c. 81.)

Cited in State ex rel. Water Dev. Auth. v. Northern Wayne County Pub. Serv. Dist., 195 W. Va. 135, 464 S.E.2d 777 (1995).

§ 16-13A-1b. County commissions to develop plan to create, consolidate, merge, expand or dissolve public service districts.

Each county commission shall conduct a study of all public service districts which have their principal offices within its county and shall develop a plan relating to the creation, consolidation, merger, expansion or dissolution of such districts or the consolidation or merger of management and administrative services and personnel and shall present such plan to the public service commission for approval, disapproval, or modification: Provided, That within ninety days of the effective date of this section each county commission in this state shall elect either to perform its own study or request that the public service commission perform such study. Each county commission electing to perform its own study has one year from the date of election to present such plan to the public service commission. For each county wherein the county commission elects not to perform its own study, the public service commission shall conduct a study of such county. The public service commission shall establish a schedule for such studies upon a priority basis, with those counties perceived to have the greatest need of creation or consolidation of public service districts receiving the highest priority. In establishing the priority schedule, and in the performance of each study, the bureau of public health and the division of environmental protection shall offer their assistance and cooperation to the public service commission. Upon completion by the public service commission of each study, it shall be submitted to the appropriate county commission for review and comment. Each county commission has six months in which to review the study conducted by the public service commission, suggest changes or modifications thereof, and present such plan to the public service commission. All county plans, whether conducted by the county commission itself or submitted as a result of a public service commission study, shall, by order, be approved, disapproved or modified by the public service commission in accordance with rules promulgated by the public service commission and such order shall be implemented by the county commission. (1986, c. 81; 1994, c. 61.)

§ 16-13A-1c. General purpose of districts.

Any territory constituting the whole or any part of one or more counties in the state so situated that the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of, properties supplying water or sewerage services or gas distribution services or all of these within such territory, will be conducive to the preservation of the public health, comfort and convenience of such area, may be constituted a public service district under and in the manner provided by this article. The words "public service properties," when used in this article, shall mean and include any facility used or to be used for or in connection with (1) the diversion, development, pumping, impounding, treatment, storage, distribution or furnishing of water to or for the public for industrial, public, private or

other uses (herein sometimes referred to as "water facilities"), (2) the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (herein sometimes referred to as "sewer facilities" or "landfills") or (3) the distribution or the furnishing of natural gas to the public for industrial, public, private or other uses (herein sometimes referred to as "gas utilities or gas system"). (1986, c. 81.)

§ 16-13A-2. Creation of districts by county commission; enlarging, reducing, merging, or dissolving district; consolidation; agreements, etc.; infringing upon powers of county commission; filing list of members and districts with the secretary of state.

(a) The county commission of any county may propose the creation, enlargement, reduction, merger, dissolution, or consolidation of a public service district by any of the following methods: (1) on its own motion by order duly adopted, (2) upon the recommendation of the public service commission, or (3) by petition of twenty-five percent of the registered voters who reside within the limits of the proposed public service district within one or more counties. The petition shall contain a description, including metes and bounds, sufficient to identify the territory to be embraced therein and the name of such proposed district. Provided, That after the effective date of this section, no new public service district shall be created, enlarged, reduced, merged, dissolved or consolidated under this section without the written consent and approval of the public service commission, which approval and consent shall be in accordance with rules promulgated by the public service commission and may only be requested after consent is given by the appropriate county commission or commissions pursuant to this section. Any territory may be included regardless of whether or not the territory includes one or more cities, incorporated towns or other municipal corporations which own and operate any public service properties and regardless of whether or not it includes one or more cities, incorporated towns or other municipal corporations being served by privately owned public service properties: Provided, however, That the same territory shall not be included within the boundaries of more than one public service district except where the territory or part thereof is included within the boundaries of a separate public service district organized to supply water, sewerage services or gas facilities not being furnished within such territory or part thereof: Provided further, That no city, incorporated town or other municipal corporation shall be included within the boundaries of the proposed district except upon the adoption of a resolution of the governing body of the city, incorporated town or other municipal corporation consenting.

(b) The petition shall be filed in the office of the clerk of the county commission of the county in which the territory to constitute the proposed district is situated, and if the territory is situated in more than one county, then the petition shall be filed in the office of the clerk of the county

commission of the county in which the major portion of the territory extends, and a copy thereof (omitting signatures) shall be filed with each of the clerks of the county commission of the other county or counties into which the territory extends. The clerk of the county commission receiving such petition shall present it to the county commission of the county at the first regular meeting after the filing or at a special meeting called for the consideration thereof.

(c) When the county commission of any county enters an order on its own motion proposing the creation, enlargement, reduction, merger, dissolution or consolidation of a public service district, as aforesaid, or when a petition for the creation is presented, as aforesaid, the county commission shall at the same session fix a date of hearing in the county on the creation, enlargement, reduction, merger, dissolution or consolidation of the proposed public service district, which date so fixed shall be not more than forty days nor less than twenty days from the date of the action. If the territory proposed to be included is situated in more than one county, the county commission, when fixing a date of hearing, shall provide for notifying the county commission and clerk thereof of each of the other counties into which the territory extends of the date so fixed. The clerk of the county commission of each county in which any territory in the proposed public service district is located shall cause notice of the hearing and the time and place thereof, and setting forth a description of all of the territory proposed to be included therein to be given by publication as a Class I legal advertisement in compliance with the provisions of article three [§§ 59-3-1 et seq.], chapter fifty-nine of this code, and the publication area for the publication shall be by publication in each city, incorporated town or municipal corporation if available in each county in which any territory in the proposed public service district is located. The publication shall be at least ten days prior to the hearing.

(d) In all cases where proceedings for the creation, enlargement, reduction, merger, dissolution or consolidation of the public service districts are initiated by petition as aforesaid, the person filing the petition shall advance or satisfactorily indemnify the payment of the cost and expenses of publishing the hearing notice, and otherwise the costs and expenses of the notice shall be paid in the first instance by the county commission out of contingent funds or any other funds available or made available for that purpose. In addition to the notice required herein to be published, there shall also be posted in at least five conspicuous places in the proposed public service district, a notice containing the same information as is contained in the published notice. The posted notices shall be posted not less than ten days before the hearing.

(e) All persons residing in or owning or having any interest in property in the proposed public service district shall have an opportunity to be heard for and against its creation, enlargement, reduction, merger, dissolution or consolidation. At the hearing the county commission before which the hearing is conducted shall consider and determine the feasibility of the creation, enlargement, reduction, merger, dissolution or consolidation of the proposed district. If the county commission determines that the construction or acquisition by purchase or otherwise and maintenance, operation, improvement and

extension of public service properties by the public service district will be conducive to the preservation of public health, comfort and convenience of such area, the county commission shall by order create, enlarge, reduce, merge, dissolve or consolidate such public service district. If the county commission, after due consideration, determines that the proposed district will not be conducive to the preservation of public health, comfort or convenience of the area or that the creation, enlargement, reduction, merger, dissolution or consolidation of the proposed district as set forth and described in the petition or order is not feasible, it may refuse to enter an order creating the district or it may enter an order amending the description of the proposed district and create, enlarge, reduce, merge, dissolve or consolidate the district as amended.

(f) If the county commission determines that any other public service district or districts can adequately serve the area of the proposed public service district, whether by enlargement, reduction, merger, dissolution or consolidation, it shall refuse to enter the order, but shall enter an order creating, enlarging, reducing, merging, dissolving or consolidating the area with an existing public service district, in accordance with rules adopted by the public service commission for such purpose: Provided, That no enlargement of a public service district may occur if the present or proposed physical facilities of the public service district are determined by the appropriate county commission or the public service commission to be inadequate to provide such enlarged service. The clerk of the county commission of each county into which any part of such district extends shall retain in his office an authentic copy of the order creating, enlarging, reducing, merging, dissolving or consolidating the district: Provided, however, That within ten days after the entry of an order creating, enlarging, reducing, merging, dissolving or consolidating a district, such order must be filed for review and approval by the public service commission. The public service commission shall provide a hearing in the affected county on the matter and may approve, reject or modify the order of the county commission if it finds it is in the best interests of the public to do so. The public service commission shall adopt rules relating to such filings and the approval, disapproval or modification of county commission orders for creating, enlarging, merging, dissolving or consolidating districts. The provisions of this section shall not apply to the implementation by a county commission of an order issued by the public service commission pursuant to this section and section one-b [§ 16-13A-1b] of this article.

(g) The county commission may, if in its discretion it deems it necessary, feasible and proper, enlarge the district to include additional areas, reduce the area of the district, where facilities, equipment, service or materials have not been extended, or dissolve the district if inactive or create or consolidate two or more such districts. If consolidation of districts is not feasible, the county commission may consolidate and centralize management and administration of districts within its county or multi-county area to achieve efficiency of operations: Provided, That where the county commission determines on its own motion by order entered of record, or there is a petition to enlarge the district, merge and consolidate districts, or the management and administration thereof, reduce the area of the district or dissolve the district if inactive,

all of the applicable provisions of this article providing for hearing, notice of hearing and approval by the public service commission shall apply. The commission shall at all times attempt to bring about the enlargement or merger of existing public service districts in order to provide increased services and to eliminate the need for creation of new public service districts in those areas which are not currently serviced by a public service district: Provided, however, That where two or more public service districts are consolidated pursuant to this section, any rate differentials may continue for the period of bonded indebtedness incurred prior to consolidation. The districts may not enter into any agreement, contract or covenant that infringes upon, impairs, abridges or usurps the duties, rights or powers of the county commission, as set forth in this article, or conflicts with any provision of this article.

(h) A list of all districts and their current board members shall be filed by the county commission with the secretary of state and the public service commission by the first day of July of each year. (1953, c. 147; 1965, c. 134; 1967, c. 105; 1975, c. 140; 1980, c. 60; 1981, c. 124; 1986, c. 81; 1995, c. 125.)

Editor's notes. — Concerning the reference in (a) to "the effective date of this section," this language was added by Acts 1986, c. 81, and became effective June 6, 1986.

Textbooks. — Instructions for Virginia and West Virginia, Publisher's Editorial Staff (Michie).

Constitutionality. — There is no unlawful delegation of legislative power to the county courts (now county commissions) of this State under this section in violation of W. Va. Const., art. V, § 1, and art. VI, § 1. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693 (1955).

There is no unconstitutional delegation of judicial functions to the county court (now county commission) made by this section. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693 (1955).

Authority of commission and voters. — (1) Only the county commission has the affirmative authority to create, enlarge or reduce a public service district; (2) in the absence of any action by a county commission, the requisite number of qualified voters in the affected geographic area may petition a county commission to create, enlarge or reduce a public service district, and, that upon the filing of such petition, a hearing shall be held thereon; (3) the county commission may, in its discretion, refuse to act in an affirmative manner upon such formal petition for creation, enlargement or reduction of such public service district, which action is not subject to protest or public referendum; (4) the county commission may, on its own motion or on the basis of such proper petition, enter an order creating, enlarging or reducing a public service district, which such action and order are subject to a hearing requiring proper notice, and a formal protest and

public referendum depending upon the number of qualified voters who protest such action. Op. Att'y Gen., Nov. 13, 1975.

Authority of court. — A county court (now county commission) has authority to add sewerage services to the facilities of a public service district which was created for the purpose of furnishing water services, under appropriate proceedings. Canyon Pub. Serv. Dist. v. Tasa Coal Co., 156 W. Va. 606, 195 S.E.2d 647 (1973).

Compliance. — The provisions of this section relating to the filing of the petition or motion of the county court (now county commission), the description of the territory to be embraced and like provisions are mandatory, but the use of the word "shall," in relation to the requirements for the posting and publication of notice and the time of setting the hearing are directory and require only substantial compliance. Canyon Pub. Serv. Dist. v. Tasa Coal Co., 156 W. Va. 606, 195 S.E.2d 647 (1973).

Merger or consolidation of districts. — This section authorizes either merger or consolidation of public service districts. Op. Att'y Gen., June 12, 1985, No. 9.

A merger or consolidation results in one corporation which, in the case of merger, will be the corporation designated by the commissioners as the surviving corporation, and with respect to a consolidation, will be a new corporate entity. Op. Att'y Gen., June 12, 1985, No. 9.

Overlapping districts. — Where there is no bond indebtedness outstanding to be paid by a public service district, the county commission creating a public service district may undertake to enlarge or reduce the areas of various overlapping districts or may even consolidate the overlapping districts into one district. Op. Att'y Gen., July 8, 1976.

Public corporation. — A public service

district is a public corporation and does not come within the constitutional inhibition requiring all corporations to be created by general law. *State ex rel. McMillion v. Stahl*, 141 W. Va. 233, 89 S.E.2d 693 (1955).

Referendum. — There is no authority for voters, by written protest or otherwise, to force a referendum upon the issue of whether or not a created public service district should be continued or abolished. 52 Op. Att'y Gen. 33 (1966).

"Shall apply with like effect," etc. — Because a protest against creation triggers a

referendum, the language "shall apply with like effect as if a district were being created" can mean only that a protest against enlargement or reduction likewise triggers a referendum. Op. Att'y Gen., Nov. 13, 1975.

Applied in *Berkeley County Pub. Serv. Sewer Dist. v. West Va. Pub. Serv. Comm'n*, 204 W. Va. 279, 512 S.E.2d 201 (1998).

Cited in *State v. Neary*, 179 W. Va. 115, 365 S.E.2d 395 (1987).

§ 16-13A-3. District to be a public corporation and political subdivision; powers thereof; public service boards.

From and after the date of the adoption of the order creating any public service district, it is a public corporation and political subdivision of the state, but without any power to levy or collect ad valorem taxes. Each district may acquire, own and hold property, both real and personal, in its corporate name, and may sue, may be sued, may adopt an official seal and may enter into contracts necessary or incidental to its purposes, including contracts with any city, incorporated town or other municipal corporation located within or without its boundaries for furnishing wholesale supply of water for the distribution system of the city, town or other municipal corporation, and contract for the operation, maintenance, servicing, repair and extension of any properties owned by it or for the operation and improvement or extension by the district of all or any part of the existing municipally owned public service properties of any city, incorporated town or other municipal corporation included within the district: Provided, That no contract shall extend beyond a maximum of forty years, but provisions may be included therein for a renewal or successive renewals thereof and shall conform to and comply with the rights of the holders of any outstanding bonds issued by the municipalities for the public service properties.

The powers of each public service district shall be vested in and exercised by a public service board consisting of not less than three members, who shall be persons residing within the district, who possess certain educational, business or work experience which will be conducive to operating a public service district. Each board member shall, within six months of taking office, successfully complete the training program to be established and administered by the public service commission in conjunction with the division of environmental protection and the bureau of public health. Board members shall not be or become pecuniarily interested, directly or indirectly, in the proceeds of any contract or service, or in furnishing any supplies or materials to the district nor shall a former board member be hired by the district in any capacity within a minimum of twelve months after board member's term has expired or such board member has resigned from the district board. The members shall be appointed in the following manner:

Each city, incorporated town or other municipal corporation having a population of more than three thousand but less than eighteen thousand is

entitled to appoint one member of the board, and each city, incorporated town or other municipal corporation having a population in excess of eighteen thousand shall be entitled to appoint one additional member of the board for each additional eighteen thousand population. The members of the board representing such cities, incorporated towns or other municipal corporations shall be residents thereof and shall be appointed by a resolution of the governing bodies thereof and upon the filing of a certified copy or copies of the resolution or resolutions in the office of the clerk of the county commission which entered the order creating the district, the persons so appointed become members of the board without any further act or proceedings. If the number of members of the board so appointed by the governing bodies of cities, incorporated towns or other municipal corporations included in the district equals or exceeds three, then no further members shall be appointed to the board and the members so appointed are the board of the district except in cases of merger or consolidation where the number of board members may equal five.

If no city, incorporated town or other municipal corporation having a population of more than three thousand is included within the district, then the county commission which entered the order creating the district shall appoint three members of the board, who are persons residing within the district and residing within the state of West Virginia, which three members become members of the board of the district without any further act or proceedings except in cases of merger or consolidation where the number of board members may equal five.

If the number of members of the board appointed by the governing bodies of cities, incorporated towns or other municipal corporations included within the district is less than three, then the county commission which entered the order creating the district shall appoint such additional member or members of the board, who are persons residing within the district, as is necessary to make the number of members of the board equal three except in cases of merger or consolidation where the number of board members may equal five, and the member or members appointed by the governing bodies of the cities, incorporated towns or other municipal corporations included within the district and the additional member or members appointed by the county commission as aforesaid, are the board of the district. A person may serve as a member of the board in one or more public service districts.

The population of any city, incorporated town or other municipal corporation, for the purpose of determining the number of members of the board, if any, to be appointed by the governing body or bodies thereof, is the population stated for such city, incorporated town or other municipal corporation in the last official federal census.

Notwithstanding any provision of this code to the contrary, whenever a district is consolidated or merged pursuant to section two [§ 16-13A-2] of this article, the terms of office of the existing board members shall end on the effective date of the merger or consolidation. The county commission shall appoint a new board according to rules promulgated by the public service commission. Whenever districts are consolidated or merged no provision of this code prohibits the expansion of membership on the new board to five.

The respective terms of office of the members of the first board shall be fixed by the county commission and shall be as equally divided as may be, that is approximately one third of the members for a term of two years, a like number for a term of four years, the term of the remaining member or members for six years, from the first day of the month during which the appointments are made. The first members of the board appointed as aforesaid shall meet at the office of the clerk of the county commission which entered the order creating the district as soon as practicable after the appointments and shall qualify by taking an oath of office: Provided, That any member or members of the board may be removed from their respective office as provided in section three-a [§ 16-13A-3a] of this article.

Any vacancy shall be filled for the unexpired term within thirty days, otherwise successor members of the board shall be appointed for terms of six years and the terms of office shall continue until successors have been appointed and qualified. All successor members shall be appointed in the same manner as the member succeeded was appointed. The district shall provide to the public service commission, within thirty days of the appointment, the following information: The new board member's name, home address, home and office phone numbers, date of appointment, length of term, who the new member replaces and if the new appointee has previously served on the board. The public service commission shall notify each new board member of the legal obligation to attend training as prescribed in this section.

The board shall organize within thirty days following the first appointments and annually thereafter at its first meeting after the first day of January of each year by selecting one of its members to serve as chair and by appointing a secretary and a treasurer who need not be members of the board. The secretary shall keep a record of all proceedings of the board which shall be available for inspection as other public records. Duplicate records shall be filed with the county commission and shall include the minutes of all board meetings. The treasurer is lawful custodian of all funds of the public service district and shall pay same out on orders authorized or approved by the board. The secretary and treasurer shall perform other duties appertaining to the affairs of the district and shall receive salaries as shall be prescribed by the board. The treasurer shall furnish bond in an amount to be fixed by the board for the use and benefit of the district.

The members of the board, and the chair, secretary and treasurer thereof, shall make available to the county commission, at all times, all of its books and records pertaining to the district's operation, finances and affairs, for inspection and audit. The board shall meet at least monthly. (1953, c. 147; 1965, c. 134; 1971, c. 72; 1981, c. 124; 1983, c. 166; 1986, c. 81; 1994, c. 61; 1997, c. 159.)

Textbooks. — Instructions for Virginia and West Virginia, Publisher's Editorial Staff (Michie).

W. Va. Law Review. — Fisher, "The Scope of Title Examination in West Virginia: Can Reasonable Minds Differ?," 98 W. Va. L. Rev. 449 (1996).

Authority of districts. — Public service

districts are agents of the county commission by which they were created, having no authority other than that expressly set out in this article. Op. Att'y Gen., July 8, 1976.

Compensation for additional duties. — Board members of a public service district could not be compensated for performing the duties of treasurer and/or secretary, or for reading

meters for the public service district. Op. Att'y Gen., July 14, 1988, No. 2.

Exemptions. — Public service districts of West Virginia are political subdivisions of the State, and as such, they are specifically, by express statute, exempted from the duty of paying registration fees (provided by § 17A-10-8), the privilege tax (imposed by § 17A-3-4), and the certificate of title charge (required by § 17A-3-4). 49 Op. Att'y Gen. 131 (1961).

Furnishing water to another state. — A public service district may furnish water wholesale in bulk quantities to a municipal corporation in another state. 51 Op. Att'y Gen. 739 (1966).

Applied in *McCloud v. Salt Rock Water Pub. Serv. Dist.*, 207 W. Va. 453, 533 S.E.2d 679 (2000).

Cited in *State v. Neary*, 179 W. Va. 115, 365 S.E.2d 395 (1987).

§ 16-13A-3a. Removal of members of public service board.

The county commission or the public service commission or any other appointive body creating or establishing a public service district under the provisions of this article, or any group of five percent or more of the customers of a public service district, may petition the circuit court of the county in which the district maintains its principal office for the removal of any member of the governing board thereof for consistent violations of any provisions of this article, for reasonable cause which includes, but is not limited to, a continued failure to attend meetings of the board, failure to diligently pursue the objectives for which the district was created, or failure to perform any other duty either prescribed by law or required by a final order of the public service commission or for any malfeasance in public office. Any board member charged with a violation under this section who offers a successful defense against such charges shall be reimbursed for the reasonable costs of such defense from district revenues. Such costs shall be considered as costs associated with rate determination by the public service district and the public service commission. If the circuit court judge hearing the petition for removal finds that the charges are frivolous in nature, the judge may assess all or part of the court costs, plus the reasonable costs associated with the board member's defense, against the party or parties who petitioned the court for the board member's removal. (1963, c. 75; 1971, c. 72; 1981, c. 124; 1986, c. 81.)

Textbooks. — Instructions for Virginia and West Virginia, Publisher's Editorial Staff (Michie).

Quoted in *State v. Neary*, 179 W. Va. 115, 365 S.E.2d 395 (1987).

§ 16-13A-4. Board chairman; members' compensation; procedure; district name.

(a) The chairman shall preside at all meetings of the board and may vote as any other member of the board. If the chairman is absent from any meeting, the remaining members may select a temporary chairman and if the member selected as chairman resigns as such or ceases for any reason to be a member of the board, the board shall select one of its members as chairman to serve until the next annual organization meeting.

(b) Salaries of the board members are:

(1) For districts with fewer than six hundred customers, up to seventy-five dollars per attendance at regular monthly meetings and fifty dollars per

attendance at additional special meetings, total salary not to exceed fifteen hundred dollars per annum;

(2) For districts with six hundred customers or more but fewer than two thousand customers, up to one hundred dollars per attendance at regular monthly meetings and seventy-five dollars per attendance at additional special meetings, total salary not to exceed two thousand five hundred fifty dollars per annum;

(3) For districts with two thousand customers or more, up to one hundred twenty-five dollars per attendance at regular monthly meetings and seventy-five dollars per attendance at additional special meetings, total salary not to exceed three thousand seven hundred fifty dollars per annum; and

(4) For districts with four thousand or more customers, up to one hundred fifty dollars per attendance at regular monthly meetings and one hundred dollars per attendance at additional special meetings, total salary not to exceed five thousand four hundred dollars per annum.

The public service district shall certify the number of customers served to the public service commission beginning on the first day of July, one thousand nine hundred eighty-six, and continue each fiscal year thereafter.

(c) Public service districts selling water to other water utilities for resale may adopt the following salaries for its board members:

(1) For districts with annual revenues of less than fifty thousand dollars, up to seventy-five dollars per attendance at regular monthly meetings and fifty dollars per attendance at additional special meetings, total salary not to exceed fifteen hundred dollars per annum;

(2) For districts with annual revenues of fifty thousand dollars or more, but less than two hundred fifty thousand dollars, up to one hundred dollars per attendance at regular monthly meetings and seventy-five dollars per attendance at special meetings, total salary not to exceed two thousand five hundred fifty dollars per annum;

(3) For districts with annual revenues of two hundred fifty thousand dollars or more, but less than five hundred thousand dollars, up to one hundred twenty-five dollars per attendance at regular monthly meetings and seventy-five dollars per attendance at additional special meetings, total salary not to exceed three thousand seven hundred fifty dollars per annum; and

(4) For districts with annual revenues of five hundred thousand dollars or more, up to one hundred fifty dollars per attendance at regular monthly meetings and one hundred dollars per attendance at additional special meetings, total salary not to exceed five thousand four hundred dollars per annum.

The public service district shall certify the number of customers served and its annual revenue to the public service commission beginning on the first day of July, two thousand, and continue each fiscal year thereafter.

(d) Board members may be reimbursed for all reasonable and necessary expenses actually incurred in the performance of their duties as provided for by the rules of the board.

(e) The board shall by resolution determine its own rules of procedure, fix the time and place of its meetings and the manner in which special meetings

may be called. Public notice of meetings shall be given in accordance with section three [§ 6-9A-3], article nine-a, chapter six of this code. Emergency meetings may be called as provided for by said section. A majority of the members constituting the board also constitute a quorum to do business.

(f) The members of the board are not personally liable or responsible for any obligations of the district or the board, but are answerable only for willful misconduct in the performance of their duties. At any time prior to the issuance of bonds as hereinafter provided, the board may by resolution change the official or corporate name of the public service district and the change is effective from the filing of an authenticated copy of such resolution with the clerk of the county commission of each county in which the territory embraced within such district or any part thereof is located and with the public service commission. The official name of any district created under the provisions of this article may contain the name or names of any city, incorporated town or other municipal corporation included therein or the name of any county or counties in which it is located. (1953, c. 147; 1981, c. 124; 1986, c. 81; 1997, c. 159; 2000, c. 199.)

Effect of amendment of 2000. — Acts 2000, c. 199, effective June 9, 2000, rewrote the section.

Compensation for performing additional duties. — Board members of a public

service district could not be compensated for performing the duties of treasurer and/or secretary, or for reading meters for the public service district. Op. Att'y Gen., July 14, 1988, No. 2.

§ 16-13A-5. General manager of board.

The board may employ a general manager to serve a term of not more than five years and until his successor is employed, and his compensation shall be fixed by resolution of the board. Such general manager shall devote all or the required portion of his time to the affairs of the district and may employ, discharge and fix the compensation of all employees of the district, except as in this article otherwise provided, and he shall perform and exercise such other powers and duties as may be conferred upon him by the board.

Such general manager shall be chosen without regard to his political affiliations and upon the sole basis of his administrative and technical qualifications to manage public service properties and affairs of the district and he may be discharged only upon the affirmative vote of two thirds of the board. Such general manager need not be a resident of the district at the time he is chosen. Such general manager may not be a member of the board but shall be an employee of the board.

The board of any public service district which purchases water or sewer service from a municipal water or sewer system or another public service district may, as an alternative to hiring its own general manager, elect to permit the general manager of the municipal water or sewer system or public service district from which such water or sewer service is purchased provide professional management to the district, if the appropriate municipality or public service board agrees to provide such assistance. The general manager shall receive reasonable compensation for such service. (1953, c. 147; 1981, c. 124; 1986, c. 81.)

§ 16-13A-6. Employees of board.

The board may in its discretion from time to time by resolution passed by a majority vote provide for the employment of an attorney, fiscal agent, one or more engineers and such other employees as the board may determine necessary and expedient. The board shall in and by such resolution fix the term of employment and compensation and prescribe the duties to be performed by such employees. (1953, c. 147; 1981, c. 124.)

§ 16-13A-7. Acquisition and operation of district properties.

The board of such districts shall have the supervision and control of all public service properties acquired or constructed by the district, and shall have the power, and it shall be its duty, to maintain, operate, extend and improve the same. All contracts involving the expenditure by the district of more than fifteen thousand dollars for construction work or for the purchase of equipment and improvements, extensions or replacements, shall be entered into only after notice inviting bids shall have been published as a Class I legal advertisement in compliance with the provision of article three [§§ 59-3-1 et seq.], chapter fifty-nine of this code, and the publication area for such publication shall be as specified in section two [§ 16-13A-2] of this article in the county or counties in which the district is located. The publication shall not be less than ten days prior to the making of any such contract. To the extent allowed by law, in-state contractors shall be given first priority in awarding public service district contracts. It shall be the duty of the board to ensure that local in-state labor shall be utilized to the greatest extent possible when hiring laborers for public service district construction or maintenance repair jobs. It shall further be the duty of the board to encourage contractors to use American made products in their construction to the extent possible. Any obligations incurred of any kind or character shall not in any event constitute or be deemed an indebtedness within the meaning of any of the provisions or limitations of the constitution, but all such obligations shall be payable solely and only out of revenues derived from the operation of the public service properties of the district or from proceeds of bonds issued as hereinafter provided. No continuing contract for the purchase of materials or supplies or for furnishing the district with electrical energy or power shall be entered into for a longer period than fifteen years. (1953, c. 147; 1967, c. 105; 1981, c. 124; 1982, c. 24; 1986, c. 81; 1997, c. 159.)

§ 16-13A-8. Acquisition and purchase of public service properties; right of eminent domain; extraterritorial powers.

The board may acquire any publicly or privately owned public service properties located within the boundaries of the district regardless of whether or not all or any part of such properties are located within the corporate limits

of any city, incorporated town or other municipal corporation included within the district and may purchase and acquire all rights and franchises and any and all property within or outside the district necessary or incidental to the purpose of the district.

The board may construct any public service properties within or outside the district necessary or incidental to its purposes and each such district may acquire, construct, maintain and operate any such public service properties within the corporate limits of any city, incorporated town or other municipal corporation included within the district or in any unincorporated territory within ten miles of the territorial boundaries of the district: Provided, That if any incorporated city, town or other municipal corporation included within the district owns and operates either water facilities, sewer facilities or gas facilities or all of these, then the district may not acquire, construct, establish, improve or extend any public service properties of the same kind within such city, incorporated towns or other municipal corporations or the adjacent unincorporated territory served by such cities, incorporated towns or other municipal corporations, except upon the approval of the public service commission, the consent of such cities, incorporated towns or other municipal corporations and in conformity and compliance with the rights of the holders of any revenue bonds or obligations theretofore issued by such cities, incorporated towns or other municipal corporations then outstanding and in accordance with the ordinance, resolution or other proceedings which authorize the issuance of such revenue bonds or obligations.

Whenever such district has constructed, acquired or established water facilities, sewer facilities or gas facilities for water, sewer or gas services within any city, incorporated town or other municipal corporation included within a district, then such city, incorporated town or other municipal corporation may not thereafter construct, acquire or establish any facilities of the same kind within such city, incorporated town or other municipal corporation without the consent of such district.

For the purpose of acquiring any public service properties or lands, rights or easements deemed necessary or incidental for the purposes of the district, each such district has the right of eminent domain to the same extent and to be exercised in the same manner as now or hereafter provided by law for such right of eminent domain by cities, incorporated towns and other municipal corporations: Provided, That such board may not acquire all or any substantial part of a privately owned waterworks system unless and until authorized so to do by the public service commission of West Virginia, and that this section shall not be construed to authorize any district to acquire through condemnation proceedings either in whole or substantial part an existing privately owned waterworks plant or system or gas facilities located in or furnishing water or gas service within such district or extensions made or to be made by it in territory contiguous to such existing plant or system, nor may any such board construct or extend its public service properties to supply its services into areas served by or in competition with existing waterworks or gas facilities or extensions made or to be made in territory contiguous to such existing plant or system by the owner thereof. (1953, c. 147; 1980, c. 60; 1981, c. 124.)

Eminent domain. — The grant of power of eminent domain to public service districts by this section is valid. *State ex rel. McMillion v. Stahl*, 141 W. Va. 233, 89 S.E.2d 693 (1955).

If a facility creates a nuisance this harm is simply an element of just compensation in an eminent domain proceeding. *Sexton v. Public Serv. Comm'n*, 188 W. Va. 305, 423 S.E.2d 914 (1992).

Public service commission, in the absence of specific statutory authority, is not empowered to determine whether particular property interests acquired or to be acquired by a utility are compensable in an eminent domain action, or to render any type of monetary judgment for such property interests. Affixing the value of the property taken is the function of the trier of fact in an eminent domain proceeding. *Sexton v. Public Serv. Comm'n*, 188 W. Va. 305, 423 S.E.2d 914 (1992).

Superior right of municipality to extend

public services. — If a tract of real estate located within a public service district has been annexed into a municipality, then, as between the municipality and the public service district, the municipality has the superior right under this section to extend public services, such as water and/or sewer service, which were not being previously furnished to the tract by the public service district. *Berkeley County Pub. Serv. Sewer Dist. v. West Va. Pub. Serv. Comm'n*, 204 W. Va. 279, 512 S.E.2d 201 (1998).

When consent of municipality needed. — Where municipality has superior right to extend social services, a public service district would need the consent of the municipality and the public service commission in order to provide such services. *Berkeley County Pub. Serv. Sewer Dist. v. West Va. Pub. Serv. Comm'n*, 204 W. Va. 279, 512 S.E.2d 201 (1998).

Cited in 45 Op. Att'y Gen. 506 (1953).

§ 16-13A-9. Rules; service rates and charges; discontinuance of service; required water and sewer connections; lien for delinquent fees.

The board may make, enact and enforce all needful rules and regulations in connection with the acquisition, construction, improvement, extension, management, maintenance, operation, care, protection and the use of any public service properties owned or controlled by the district, and the board shall establish rates and charges for the services and facilities it furnishes, which shall be sufficient at all times, notwithstanding the provisions of any other law or laws, to pay the cost of maintenance, operation and depreciation of such public service properties and principal of and interest on all bonds issued, other obligations incurred under the provisions of this article and all reserve or other payments provided for in the proceedings which authorized the issuance of any bonds hereunder. The schedule of such rates and charges may be based upon either (a) the consumption of water or gas on premises connected with such facilities, taking into consideration domestic, commercial, industrial and public use of water and gas; or (b) the number and kind of fixtures connected with such facilities located on the various premises; or (c) the number of persons served by such facilities; or (d) any combination thereof; or (e) may be determined on any other basis or classification which the board may determine to be fair and reasonable, taking into consideration the location of the premises served and the nature and extent of the services and facilities furnished. Where water, sewer and gas services are all furnished to any premises, the schedule of charges may be billed as a single amount for the aggregate thereof. The board shall require all users of services and facilities furnished by the district to designate on every application for service whether the applicant is a tenant or an owner of the premises to be served. If the applicant is a tenant, he or she shall state the name and address of the owner or owners of the premises to be served by the district. All new applicants for service shall

deposit a minimum of fifty dollars with the district to secure the payment of service rates and charges in the event they become delinquent as provided in this section. In any case where a deposit is forfeited to pay service rates and charges which were delinquent at the time of disconnection or termination of service, no reconnection or reinstatement of service may be made by the district until another minimum deposit of fifty dollars has been remitted to the district. Whenever any rates, rentals or charges for services or facilities furnished remain unpaid for a period of thirty days after the same become due and payable, the property and the owner thereof, as well as the user of the services and facilities provided are delinquent and the owner, user and property are liable at law until such time as all such rates and charges are fully paid: Provided, That the property owner shall be given notice of any said delinquency by certified mail, return receipt requested. The board may, under reasonable rules promulgated by the public service commission, shut off and discontinue water or gas services to all delinquent users of either water or gas facilities, or both: Provided, however, That upon written request of the owner or owners of the premises, the board shall shut off and discontinue water and gas services where any rates, rentals, or charges for services or facilities remain unpaid by the user of the premises for a period of sixty days after the same became due and payable.

In the event that any publicly or privately owned utility, city, incorporated town, other municipal corporation or other public service district included within the district owns and operates separately either water facilities or sewer facilities, and the district owns and operates the other kind of facilities, either water or sewer, as the case may be, then the district and such publicly or privately owned utility, city, incorporated town or other municipal corporation or other public service district shall covenant and contract with each other to shut off and discontinue the supplying of water service for the nonpayment of sewer service fees and charges: Provided, That any contracts entered into by a public service district pursuant to this section shall be submitted to the public service commission for approval. Any public service district providing water and sewer service to its customers has the right to terminate water service for delinquency in payment of either water or sewer bills. Where one public service district is providing sewer service and another public service district or a municipality included within the boundaries of the sewer district is providing water service, and the district providing sewer service experiences a delinquency in payment, the district or the municipality included within the boundaries of the sewer district that is providing water service, upon the request of the district providing sewer service to the delinquent account, shall terminate its water service to the customer having the delinquent sewer account: Provided, however, That any termination of water service must comply with all rules and orders of the public service commission.

Any district furnishing sewer facilities within the district may require, or may by petition to the circuit court of the county in which the property is located, compel or may require the bureau of public health to compel all owners, tenants or occupants of any houses, dwellings and buildings located near any such sewer facilities, where sewage will flow by gravity or be

transported by such other methods approved by the bureau of public health including, but not limited to, vacuum and pressure systems, approved under the provisions of section nine [§ 16-1-9], article one, chapter sixteen of this code, from such houses, dwellings or buildings into such sewer facilities, to connect with and use such sewer facilities, and to cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such houses, dwellings and buildings where there is such gravity flow or transportation by such other methods approved by the bureau of public health including, but not limited to, vacuum and pressure systems, approved under the provisions of section nine, article one, chapter sixteen of this code, and such houses, dwellings and buildings can be adequately served by the sewer facilities of the district, and it is hereby found, determined and declared that the mandatory use of such sewer facilities provided for in this paragraph is necessary and essential for the health and welfare of the inhabitants and residents of such districts and of the state: Provided, That if the public service district determines that the property owner must connect with the sewer facilities even when sewage from such dwellings may not flow to the main line by gravity and the property owner must incur costs for any changes in the existing dwellings' exterior plumbing in order to connect to the main sewer line, the public service district board shall authorize the district to pay all reasonable costs for such changes in the exterior plumbing, including, but not limited to, installation, operation, maintenance and purchase of a pump, or any other method approved by the bureau of public health; maintenance and operation costs for such extra installation should be reflected in the users charge for approval of the public service commission. The circuit court shall adjudicate the merits of such petition by summary hearing to be held not later than thirty days after service of petition to the appropriate owners, tenants or occupants.

Whenever any district has made available sewer facilities to any owner, tenant or occupant of any house, dwelling or building located near such sewer facility, and the engineer for the district has certified that such sewer facilities are available to and are adequate to serve such owner, tenant or occupant, and sewage will flow by gravity or be transported by such other methods approved by the bureau of public health from such house, dwelling or building into such sewer facilities, the district may charge, and such owner, tenant or occupant shall pay the rates and charges for services established under this article only after thirty-day notice of the availability of the facilities has been received by the owner.

All delinquent fees, rates and charges of the district for either water facilities, sewer facilities or gas facilities are liens on the premises served of equal dignity, rank and priority with the lien on such premises of state, county, school and municipal taxes. In addition to the other remedies provided in this section, public service districts are hereby granted a deferral of filing fees or other fees and costs incidental to the bringing and maintenance of an action in magistrate court for the collection of delinquent water, sewer or gas bills. If the district collects the delinquent account, plus reasonable costs, from its customer or other responsible party, the district shall pay to the magistrate the

normal filing fee and reasonable costs which were previously deferred. In addition, each public service district may exchange with other public service districts a list of delinquent accounts.

Anything in this section to the contrary notwithstanding, any establishment, as defined in section three [§ 22-11-3], article eleven, chapter twenty-two, now or hereafter operating its own sewage disposal system pursuant to a permit issued by the division of environmental protection, as prescribed by section eleven [§ 22-11-11], article eleven, chapter twenty-two of this code, is exempt from the provisions of this section. (1953, c. 147; 1965, c. 134; 1980, c. 60; 1981, c. 124; 1986, c. 81; 1989, c. 174; 1994, c. 61.)

W. Va. Law Review. — Fisher, "The Scope of Title Examination in West Virginia: Can Reasonable Minds Differ?," 98 W. Va. L. Rev. 449 (1996).

Abandonment of private systems. — Where a public service district requires a property owner, tenant, or occupant to connect onto its sewer system and to abandon a private sewer system located on the property, such person cannot recover from the public service district the value of the private system on the ground that such abandonment constitutes a taking of private property without just compensation within the meaning of W. Va. Const., art. III, § 9. *Kingmill Valley Pub. Serv. Dist. v. Riverview Estates Mobile Home Park*, 182 W. Va. 116, 386 S.E.2d 483 (1989).

Buffer-zone requirements. — Public Service Commission did not err in finding that the proposed sewage lagoons site satisfied the buffer-zone requirements. *Sexton v. Public Serv. Comm'n*, 188 W. Va. 305, 423 S.E.2d 914 (1992).

Duty to pay. — Owners, tenants, or occupants have a duty under this section to pay rates and charges for the district sewer facilities from and after the date of receipt of notice (now 30 days after receipt) that such facilities are available. *Rhodes v. Malden Pub. Serv. Dist.*

171 W. Va. 645, 301 S.E.2d 601 (1983) (construing this section prior to 1980 and 1981 amendments).

Liens. — The provision that delinquent fixed rates and charges for services rendered by a public service district shall be a lien on the premises served of equal dignity, rank and priority with the lien on such premises of state, county, school and municipal taxes, does not deprive the owners of their property without due process of law. *State ex rel. McMillion v. Stahl*, 141 W. Va. 233, 89 S.E.2d 693 (1955).

Public service district liens created and enforceable under this section are subject to the recordation requirements of § 38-10C-1 so that such liens must be docketed to be enforceable against a purchaser of the property for valuable consideration, without notice. *McClung Invs., Inc. v. Green Valley Community Pub. Serv. Dist.*, 199 W. Va. 490, 485 S.E.2d 434 (1997).

Sewer connection requirements. — The boards of public service districts have no authority to require potential users who live outside the boundaries of the districts, but within the 10-mile limit, to hook onto the district's sewer facilities. *Op. Att'y Gen.*, July 8, 1976.

Quoted in *State ex rel. Water Dev. Auth. v. Northern Wayne County Pub. Serv. Dist.*, 195 W. Va. 135, 464 S.E.2d 777 (1995).

§ 16-13A-9a. Limitations with respect to foreclosure.

No public service district shall foreclose upon the premises served by such district for delinquent fees, rates or charges for which a lien is authorized by sections nine or nineteen [§§ 16-13A-9 or 16-13A-19] of this article except through the bringing and maintenance of a civil action for such purpose brought in the circuit court of the county wherein the district lies. In every such action, the court shall be required to make a finding based upon the evidence and facts presented that the district prior to the bringing of such action had exhausted all other remedies for the collection of debts with respect to such delinquencies. In no event shall foreclosure procedures be instituted by any such district or on its behalf unless such delinquency had been in existence or continued for a period of two years from the date of the first such delinquency for which foreclosure is being sought. (1982, c. 74.)

§ 16-13A-10. Budget.

The board shall establish the beginning and ending of its fiscal year, which period shall constitute its budget year, and at least thirty days prior to the beginning of the first full fiscal year after the creation of the district and annually thereafter the general manager shall prepare and submit to the board a tentative budget which shall include all operation and maintenance expenses, payments to a capital replacement account and bond payment schedules for the ensuing fiscal year. Such tentative budget shall be considered by the board, and, subject to any revisions or amendments that may be determined by the board, shall be adopted as the budget for the ensuing fiscal year. Upon adoption of the budget, a copy of the budget shall be forwarded to the county commission. No expenditures for operation and maintenance expenses in excess of the budget shall be made during such fiscal year unless unanimously authorized and directed by the board. (1953, c. 147; 1981, c. 124.)

Textbooks. -- Instructions for Virginia and West Virginia, Publisher's Editorial Staff (Michie).

§ 16-13A-11. Accounts; audit.

The general manager, under direction of the board, shall install and maintain a proper system of accounts, in accordance with all rules, regulations or orders pertaining thereto by the public service commission, showing receipts from operation and application of the same, and the board shall at least once a year cause such accounts to be properly audited: Provided, That such audit may be any audit by an independent public accountant completed within one year of the time required for the submission of the report: Provided, however, That if the district is required to have its books, records and accounts audited annually by an independent certified public accountant as a result of any covenant in any board resolution or bond instrument, a copy of such audit may be submitted in satisfaction of the requirements of this section, and is hereby found, declared and determined to be sufficient to satisfy the requirements of article nine [§§ 6-9-1 et seq.], chapter six of this code pertaining to the annual audit report by the state tax commission. A copy of the audit shall be forwarded within thirty days of submission to the county commission and to the public service commission.

The treasurer of each public service district shall keep and preserve all financial records of the public service district for ten years, and shall at all times have such records readily available for public inspection. At the end of his term of office, the treasurer of each public service district shall promptly deliver all financial records of the public service district to his successor in office. Any treasurer of a public service district who knowingly or willfully violates any provision of this section is guilty of a misdemeanor, and shall be fined not less than one hundred dollars nor more than five hundred dollars or imprisoned in the county jail not more than ten days, or both. (1953, c. 147; 1981, c. 124; 1986, c. 81.)

Textbooks. — Instructions for Virginia and West Virginia, Publisher's Editorial Staff (Michie).

§ 16-13A-12. Disbursement of district funds.

No money may be paid out by a district except upon an order signed by the chairman and secretary of such board, or such other person or persons authorized by the chairman or secretary, as the case may be, to sign such orders on their behalf. Each order for the payment of money shall specify the purposes for which the amount thereof is to be paid, with sufficient clearness to indicate the purpose for which the order is issued, and there shall be endorsed thereon the name of the particular fund out of which it is payable and it shall be payable from the fund constituted for such purpose, and no other. All such orders shall be reflected in the minutes of the next meeting of the board. (1953, c. 147; 1981, c. 124.)

§ 16-13A-13. Revenue bonds.

For constructing or acquiring any public service properties for the authorized purposes of the district, or necessary or incidental thereto, and for constructing improvements and extensions thereto, and also for reimbursing or paying the costs and expenses of creating the district, the board of any such district is hereby authorized to borrow money from time to time and in evidence thereof issue the bonds of such district, payable solely from the revenues derived from the operation of the public service properties under control of the district. Such bonds may be issued in one or more series, may bear such date or dates, may mature at such time or times not exceeding forty years from their respective dates, may bear interest at such rate or rates not exceeding eighteen percent per annum payable at such times, may be in such form, may carry such registration privileges, may be executed in such manner, may be payable at such place or places, may be subject to such terms of redemption with or without premium, may be declared or become due before maturity date thereof, may be authenticated in any manner, and upon compliance with such conditions, and may contain such terms and covenants as may be provided by resolution or resolutions of the board. Notwithstanding the form or tenor thereof, and in the absence of any express recital on the face thereof, that the bond is nonnegotiable, all such bonds shall be, and shall be treated as, negotiable instruments for all purposes. Bonds bearing the signatures of officers in office on the date of the signing thereof shall be valid and binding for all purposes notwithstanding that before the delivery thereof any or all of the persons whose signatures appear thereon shall have ceased to be such officers. Notwithstanding the requirements or provisions of any other law, any such bonds may be negotiated or sold in such manner and at such time or times as is found by the board to be most advantageous, and all such bonds may be sold at such price that the interest cost of the proceeds therefrom does not exceed nineteen percent per annum, based on the average maturity of such bonds and computed according to standard tables of bond values. Any resolu-

tion or resolutions providing for the issuance of such bonds may contain such covenants and restrictions upon the issuance of additional bonds thereafter as may be deemed necessary or advisable for the assurance of the payment of the bonds thereby authorized. (1953, c. 147; 1970, cc. 11, 12; 1970, 1st Ex. Sess., c. 2; 1980, c. 33; 1981, 1st Ex. Sess., c. 2; 1989, c. 174.)

Cross references. — Procedure for borrowing and issuing bonds, § 16-13A-25.

§ 16-13A-14. Items included in cost of properties.

The cost of any public service properties acquired under the provisions of this article shall be deemed to include the cost of the acquisition or construction thereof, the cost of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; interest upon bonds prior to and during construction or acquisition and for six months after completion of construction or of acquisition of the improvements and extensions; engineering, fiscal agents and legal expenses; expenses for estimates of cost and of revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, and such other expenses as may be necessary or incident to the financing herein authorized, and the construction or acquisition of the properties and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof. (1953, c. 147.)

§ 16-13A-15. Bonds may be secured by trust indenture.

In the discretion and at the option of the board such bonds may be secured by a trust indenture by and between the district and a corporate trustee, which may be a trust company or bank having powers of a trust company within or without the State of West Virginia, but no such trust indenture shall convey, mortgage or create any lien upon the public service properties or any part thereof. The resolution authorizing the bonds and fixing the details thereof may provide that such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of bondholders as may be reasonable and proper, not in violation of law, including covenants setting forth the duties of the district and the members of its board and officers in relation to the construction or acquisition of public service properties and the improvement, extension, operation, repair, maintenance and insurance thereof, and the custody, safeguarding and application of all moneys, and may provide that all or any part of the construction work shall be contracted for, constructed and paid for, under the supervision and approval of consulting engineers employed or designated by the board and satisfactory to the original bond purchasers, their successors, assignees or nominees, who may be given the right to require the security given by contractors and by any depository of the proceeds of bonds or revenues of the public service properties or other money pertaining thereto be satisfactory to such purchasers, their successors, assignees or

nominees. Such indenture may set forth the rights and remedies of the bondholders and such trustee. (1953, c. 147.)

§ 16-13A-16. Sinking fund for revenue bonds.

At or before the time of the issuance of any bonds under this article the board shall by resolution or in the trust indenture provide for the creation of a sinking fund and for monthly payments into such fund from the revenues of the public service properties operated by the district such sums in excess of the cost of maintenance and operation of such properties as will be sufficient to pay the accruing interest and retire the bonds at or before the time each will respectively become due and to establish and maintain reserves therefor. All sums which are or should be, in accordance with such provisions, paid into such sinking fund shall be used solely for payment of interest and for the retirement of such bonds at or prior to maturity as may be provided or required by such resolutions. (1953, c. 147.)

§ 16-13A-17. Collection, etc., of revenues and enforcement of covenants; default; suit, etc., by bondholder or trustee to compel performance of duties; appointment and powers of receiver.

The board of any such district shall have power to insert enforceable provisions in any resolution authorizing the issuance of bonds relating to the collection, custody and application of revenues of the district from the operation of the public service properties under its control and to the enforcement of the covenants and undertakings of the district. In the event there shall be default in the sinking fund provisions aforesaid or in the payment of the principal or interest on any of such bonds or, in the event the district or its board or any of its officers, agents or employees, shall fail or refuse to comply with the provisions of this article, or shall default in any covenant or agreement made with respect to the issuance of such bonds or offered as security therefor, then any holder or holders of such bonds and any such trustee under the trust indenture, if there be one, shall have the right by suit, action, mandamus or other proceeding instituted in the circuit court for the county or any of the counties wherein the district extends, or in any other court of competent jurisdiction, to enforce and compel performance of all duties required by this article or undertaken by the district in connection with the issuance of such bonds, and upon application of any such holder or holders, or such trustee, such court shall, upon proof of such defaults, appoint a receiver for the affairs of the district and its properties, which receiver so appointed shall forthwith directly, or by his agents and attorneys, enter into and upon and take possession of the affairs of the district and each and every part thereof, and hold, use, operate, manage and control the same, and in the name of the district exercise all of the rights and powers of such district as shall be deemed expedient, and such receiver shall have power and authority to collect and receive all revenues and apply same in such manner as the court shall

direct. Whenever the default causing the appointment of such receiver shall have been cleared and fully discharged and all other defaults shall have been cured, the court may in its discretion and after such notice and hearing as it deems reasonable and proper direct the receiver to surrender possession of the affairs of the district to its board. Such receiver so appointed shall have no power to sell, assign, mortgage, or otherwise dispose of any assets of the district except as hereinbefore provided. (1953, c. 147.)

Rules of Civil Procedure. — As to abolition of the procedural distinctions between law and equity, see Rule 2.

As to receivers, see Rule 66.

As to application of rules to writ of mandamus, see Rule 81(a)(5).

As to effect of rules on jurisdiction and venue, see Rule 82.

Mandamus. — Mandamus is a proper remedy to be pursued by the holder of a municipal revenue bond to require a municipal corporation to comply with rate covenants in its rev-

enue bonds. *State ex rel. Allstate Ins. Co. v. Union Pub. Serv. Dist.*, 151 W. Va. 207, 151 S.E.2d 102 (1966).

Under this section, any holder of the bonds of the Union public service district shall have the right by mandamus to enforce and compel the performance of all the duties required by statute or undertaken by the district in connection with the issuance of bonds by such district. *State ex rel. Allstate Ins. Co. v. Union Pub. Serv. Dist.*, 151 W. Va. 207, 151 S.E.2d 102 (1966).

§ 16-13A-18. Operating contracts.

The board may enter into contracts or agreements with any persons, firms or corporations for the operation and management of the public service properties within the district, or any part thereof, for such period of time and under such terms and conditions as shall be agreed upon between the board and such persons, firms or corporations. The board shall have power to provide in the resolution authorizing the issuance of bonds, or in any trust indenture securing such bonds, that such contracts or agreements shall be valid and binding upon the district as long as any of said bonds, or interest thereon, are outstanding and unpaid. (1953, c. 147.)

§ 16-13A-18a. Sale, lease or rental of water, sewer or gas system by district; distribution of proceeds.

In any case where a public service district owns a water, sewer or gas system, and a majority of not less than sixty percent of the members of the public service board thereof deem it for the best interests of the district to sell, lease or rent such water, sewer or gas system to any municipality or privately-owned water, sewer or gas system, or to any water, sewer or gas system owned by an adjacent public service district, the board may so sell, lease or rent such water, sewer or gas system upon such terms and conditions as said board, in its discretion, considers in the best interests of the district: Provided, That such sale, leasing or rental may be made only upon: (1) The publication of notice of a hearing before the board of the public service district, as a Class I legal advertisement in compliance with the provisions of article three [§§ 59-3-1 et seq.], chapter fifty-nine of this code, in a newspaper published and of general circulation in the county or counties wherein the district is located, such publication to be made not earlier than twenty days and not later than seven days prior to the hearing; (2) approval by the county commission or commis-

sions of the county or counties in which the district operates; and (3) approval by the public service commission of West Virginia.

In the event of any such sale, the proceeds thereof, if any, remaining after payment of all outstanding bonds and other obligations of the district, shall be ratably distributed to any persons who have made contributions in aid of construction of such water, sewer or gas system, such distribution not to exceed the actual amount of any such contribution, without interest, and any balance of funds thereafter remaining shall be paid to the county commission of the county in which the major portion of such water, sewer or gas system is located to be placed in the general funds of such county commission. (1963, c. 75; 1981, c. 124; 1986, c. 81; 1997, c. 160.)

§ 16-13A-19. Statutory mortgage lien created; foreclosure thereof.

There shall be and is hereby created a statutory mortgage lien upon such public service properties of the district, which shall exist in favor of the holders of bonds hereby authorized to be issued, and each of them, and the coupons attached to said bonds, and such public service properties shall remain subject to such statutory mortgage lien until payment in full of all principal of and interest on such bonds. Any holder of such bonds, of any coupons attached thereto, may, either at law or in equity, enforce said statutory mortgage lien conferred hereby and upon default in the payment of the principal of or interest on said bonds, may foreclose such statutory mortgage lien in the manner now provided by the laws of the State of West Virginia for the foreclosure of mortgages on real property. (1953, c. 147.)

Rules of Civil Procedure. — As to abolition of the procedural distinctions between law and equity, see Rule 2.

holders a statutory mortgage lien is valid. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693 (1955).

In general. — The provision granting bond-

§ 16-13A-20. Refunding revenue bonds.

The board of any district having issued bonds under the provisions of this article is hereby empowered thereafter by resolution to issue refunding bonds of such district for the purpose of retiring or refinancing such outstanding bonds, together with any unpaid interest thereon and redemption premium thereunto appertaining and all of the provisions of this article relating to the issuance, security and payment of bonds shall be applicable to such refunding bonds, subject, however, to the provisions of the proceedings which authorized the issuance of the bonds to be so refunded. (1953, c. 147.)

In general. — The only purpose for refunding bonds is the retirement or refinancing of outstanding bond issues of a particular district. Op. Att'y Gen., July 8, 1976.

Combination of bond issues. — Combination of two outstanding bond issues into one refunding bond issue may well be restricted by

the use of the singular language in this section. Op. Att'y Gen., July 8, 1976.

Previous issuance of bonds. — This section is clearly written in language which speaks only of refunding bonds issued by any district which has previously issued bonds. Op. Att'y Gen., July 8, 1976.

§ 16-13A-21. Complete authority of article; liberal construction; district to be public instrumentality; tax exemption.

This article is full and complete authority for the creation of public service districts and for carrying out the powers and duties of same as herein provided. The provisions of this article shall be liberally construed to accomplish its purpose and no procedure or proceedings, notices, consents or approvals, are required in connection therewith except as may be prescribed by this article: Provided, That all functions, powers and duties of the public service commission of West Virginia, the bureau of public health, the division of environmental protection and the environmental quality board remain unaffected by this article. Every district organized, consolidated, merged or expanded under this article is a public instrumentality created and functioning in the interest and for the benefit of the public, and its property and income and any bonds issued by it are exempt from taxation by the state of West Virginia, and the other taxing bodies of the state: Provided, however, That the board of any such district may use and apply any of its available revenues and income for the payment of what such board determines to be tax or license fee equivalents to any local taxing body and in any proceedings for the issuance of bonds of such district may reserve the right to annually pay a fixed or computable sum to such taxing bodies as such tax or license fee equivalent. (1953, c. 147; 1986, c. 81; 1994, c. 61.)

Constitutionality. — The tax exemption granted to the property, income, and bonds of the district does not violate W. Va. Const., art. X, § 1. State ex rel. McMillion v. Stahl, 141 W.

Va. 233, 89 S.E.2d 693 (1955).

Applied in Rhodes v. Malden Pub. Serv. Dist, 171 W. Va. 645, 301 S.E.2d 601 (1983).

§ 16-13A-22. Validation of prior acts and proceedings of county courts for creation of districts, inclusion of additional territory, and appointment of members of district boards.

All acts and proceedings taken by any county court [county commission] of this State purporting to have been carried out under the provisions of this article which have been taken, prior to the date this section takes effect for the purpose of creating public service districts or for the purpose of subsequent inclusion of additional territory to existing public service districts, after notice published by any such county court having territorial jurisdiction thereof of its intention to include such additional territory after hearing thereon, are hereby validated, ratified, approved and confirmed notwithstanding any other lack of power (other than constitutional) of any such county court to create such public service districts or to include additional territory to existing public service districts or irregularities (other than constitutional) in such proceedings, relating to the appointment and qualification of more than three members to the board of any such public service district or the subsequent appointment of successors of any or all of such members, notwithstanding that no city,

incorporated town or other municipal corporation having a population in excess of three thousand is included within the district, and the appointment and qualification of such members, and further including any irregularities in the petition for the creation of any public service district, irregularities in the description of the area embraced by such district, and irregularities in the notice and publication of notice for the hearing creating such district, prior to the date this section takes effect, is hereby validated, ratified, approved and confirmed; and, further, in such cases where more than three members of the board of such districts have been so appointed prior to the date this section takes effect then such county court shall appoint, and they are hereby authorized and empowered to appoint, successors to such members in the manner as otherwise provided by this article. (1958, c. 14; 1960, c. 19.)

Editor's notes. — For construction of the county court as the county commission, see W.Va. Const. art. IX, § 9.

Concerning the reference to "the date this section takes effect", Acts 1958, c. 14, which

enacted this section and included this language, became effective February 1, 1958. Acts 1960, c. 19, which amended this section, provided that the act take effect January 29, 1960.

§ 16-13A-23. Validation of acts and proceedings of public service boards.

All acts and proceedings taken by any public service board the members of which were appointed, prior to the date this section takes effect, by any county court [county commission] of this State having territorial jurisdiction thereof, are hereby validated, ratified, approved and confirmed, as to defects and irregularities which may otherwise exist on account of their appointment and qualification: Provided, however, That nothing herein contained shall be construed to excuse a criminal act. (1958, c. 14; 1960, c. 19; 1965, c. 134.)

Editor's notes. — For construction of the county court as the county commission, see W.Va. Const. art. IX, § 9.

Concerning the reference to "the date this

section takes effect", Acts 1965, c. 134, which amended this section, provided that the act take effect March 13, 1965.

§ 16-13A-24. Acceptance of loans, grants or temporary advances.

Any public service district created pursuant to the provisions of this article is authorized and empowered to accept loans or grants and procure loans or temporary advances evidenced by notes or other negotiable instruments issued in the manner, and subject to the privileges and limitations, set forth with respect to bonds authorized to be issued under the provisions of this article, for the purpose of paying part or all of the cost of construction or acquisition of water systems, sewage systems or gas facilities, or all of these, and the other purposes herein authorized, from any authorized agency or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual, which loans or temporary advances, including the interest thereon, may be repaid out of the proceeds of the bonds authorized to be issued under the provisions of this

article, the revenues of the said water system, sewage system or gas facilities or grants to the public service district from any authorized agency or from the United States of America or any federal or public agency or department of the United States or from any private agency, corporation or individual or from any combination of such sources of payment, and to enter into the necessary contracts and agreements to carry out the purposes hereof with any authorized agency or the United States of America or any federal or public agency or department of the United States, or with any private agency, corporation or individual. Any other provisions of this article to the contrary notwithstanding, interest on any such loans or temporary advances may be paid from the proceeds thereof until the maturity of such notes or other negotiable instrument. (1958, c. 14; 1980, c. 60; 1981, c. 124; 1986, c. 118.)

Permissible borrowing. — The borrowing by public service districts of money from counties and/or municipalities, as evidenced by a note, is permissible borrowing under this section. Op. Att'y Gen., May 6, 1988, No. 27.

§ 16-13A-25. Borrowing and bond issuance; procedure.

Notwithstanding any other provisions of this article to the contrary, a public service district shall not borrow money, enter into contracts for the provision of engineering, design or feasibility studies, issue or contract to issue revenue bonds or exercise any of the powers conferred by the provisions of section thirteen, twenty or twenty-four [§ 16-13A-13, § 16-13A-20 or § 16-13A-24] of this article, without the prior consent and approval of the public service commission. The public service commission may waive the provision of prior consent and approval for entering into contracts for engineering, design or feasibility studies pursuant to this section for good cause shown which is evidenced by the public service district filing a request for waiver of this section stated in a letter directed to the commission with a brief description of the project, evidence of compliance with chapter five-g [§§ 5G-1-1 et seq.] of this code, and further explanation of ability to evaluate their own engineering contract, including, but not limited to: (1) Experience with the same engineering firm in the past two years requiring engineering services; or (2) completion of a construction project within the past two years requiring engineering services. The district shall also forward an executed copy of the engineering contract to the commission after receiving approval of the waiver. Unless the properties to be constructed or acquired represent ordinary extensions or repairs of existing systems in the usual course of business, a public service district must first obtain a certificate of public convenience and necessity from the public service commission in accordance with the provisions of chapter twenty-four [§§ 24-1-1 et seq.] of this code, when a public service district is seeking to acquire or construct public service property.

Thirty days prior to making formal application for the certificate, the public service district shall prefile with the public service commission its plans and supporting information for the project and shall publish a Class II legal advertisement in a newspaper or newspapers of general circulation in each city, incorporated town or municipal corporation if available in the public service district, which legal advertisement shall state:

(a) The amount of money to be borrowed, or the amount of revenue bonds to be issued: Provided, That if the amount is an estimate, the notice may be stated in terms of an amount "not to exceed" a specific amount;

(b) The interest rate and terms of the loan or bonds: Provided, That if the interest rate is an estimate, the notice may be stated in terms of a rate "not to exceed" a specific rate;

(c) The public service properties to be acquired or constructed, and the cost of the public service properties;

(d) The anticipated rates which will be charged by the public service district: Provided, That if the rates are an estimate, the notice may be stated in terms of rates "not to exceed" a specific rate; and

(e) The date that the formal application for a certificate of public convenience and necessity is to be filed with the public service commission. The public service commission may grant its consent and approval for the certificate, or any other request for approval under this section, subject to such terms and conditions as may be necessary for the protection of the public interest, pursuant to the provisions of chapter twenty-four of this code, or may withhold such consent and approval for the protection of the public interest.

In the event of disapproval, the reasons for the disapproval shall be assigned in writing by the commission. (1969, 1st Ex. Sess., c. 6; 1981, c. 124; 1986, c. 81; 1996, c. 213; 1997, c. 159.)

Cross references. — Class II legal advertisement defined, § 59-3-2.

Certificate. — Under this section, a public service district must first obtain a certificate of public convenience and necessity before it can acquire or construct public service property. *Sexton v. Public Serv. Comm'n*, 188 W. Va. 305, 423 S.E.2d 914 (1992).

Eminent domain. — Although construction

of a new facility proposed by a utility will often require the taking of private property through eminent domain, in the absence of express statutory language, the public service commission has no duty to review and decide issues that are inherent in the eminent domain proceeding. *Sexton v. Public Serv. Comm'n*, 188 W. Va. 305, 423 S.E.2d 914 (1992).

ARTICLE 13B.

COMMUNITY IMPROVEMENT ACT.

Sec.	Sec.
16-13B-1. Short title.	
16-13B-2. Definitions.	
16-13B-3. Power and authority of counties and municipalities relating to flood relief, wastewater and water projects.	
16-13B-4. Determination of need and feasibility of creating an assessment district.	
16-13B-5. Notice to property owners before creation of assessment district and construction of project; form of notice; affidavit of publication.	
16-13B-6. Petition of property owners for creation of assessment district.	
16-13B-7. Receipt of petition of property owners; ordinance or order authorizing creation of assessment district and construction of project.	
	16-13B-8. Assessment district to be a public corporation and political subdivision; powers thereof; community improvement boards.
	16-13B-9. Provisions for construction of a project.
	16-13B-10. Notice to property owners of assessments; hearings, correcting and laying assessments; report on project completion; permits.
	16-13B-11. Construction of projects; assessments; corner lots, etc.
	16-13B-12. Apportionment and assessment of cost.

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(k) All rates, fees or charges, if not paid when due, shall constitute a lien upon the premises served by such works. If any service rate, fees or charge so established is not paid within twenty days after the same is due, the amount thereof, together with a penalty of ten percent, and a reasonable attorney's fee, may be recovered by the board in a civil action in the name of the municipality, and in connection with such action said lien may be foreclosed against such lot, parcel of land or building, in accordance with the laws relating thereto: Provided, That where both water and sewer services are furnished by any municipality to any premises the schedule of charges may be billed as a single amount or individually itemized and billed for the aggregate thereof.

(l) Whenever any rates, rentals, fees or charges for services or facilities furnished shall remain unpaid for a period of twenty days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities shall be delinquent until such time as all rates, fees and charges are fully paid. When any payment for rates, rentals, fees or charges becomes delinquent, the governing body may use the security deposit to satisfy the delinquent payment.

(m) The board collecting such rates, fees or charges shall be obligated under reasonable rules to shut off and discontinue both water and sewer services to all delinquent users of either water facilities, or sewer facilities or both, and shall not restore either water facilities or sewer facilities, to any delinquent user of either until all delinquent rates, fees or charges for both water facilities, and sewer facilities, including reasonable interest and penalty charges, have been paid in full. (1933, Ex. Sess., c. 25, § 16; 1933, 2nd Ex. Sess., c. 48; 1959, c. 125; 1967, c. 105; 2001, c. 212; 2004, c. 185.)

Effect of amendment of 2004. — Acts 2004, c. 185, effective June 10, 2004, inserted "deposit required for new customers; forfeiture of deposit; reconnecting deposit; tenant's deposit" in the section heading; added the subsection designations for (c) through (m); added (d)

and (e); substituted "Class II-0" for "Class II-O" in (h); substituted "within twenty days" for "within thirty days" in (k); in (l) substituted "twenty days" for "thirty days" and added the second sentence; and deleted "and regulations" following "reasonable rules" in (m).

§ 16-13-22. Powers conferred in addition to existing powers; jurisdiction outside corporate limits.

Cited in *Buda v. Town of Masontown*, 2005 W. Va. LEXIS 18, — W. Va. —, — S.E.2d — (Mar 22, 2005).

ARTICLE 13A.

PUBLIC SERVICE DISTRICTS FOR WATER, SEWERAGE AND GAS SERVICES.

Sec.

16-13A-1c.

General purpose of districts.

16-13A-2.

Creation of districts by county commission; enlarging, re-

Sec.

ducing, merging, or dissolving district; consolidation; agreements, etc.; infringing-

(k) All rates, fees or charges, if not paid when due, shall constitute a lien upon the premises served by such works. If any service rate, fees or charge so established is not paid within twenty days after the same is due, the amount thereof, together with a penalty of ten percent, and a reasonable attorney's fee, may be recovered by the board in a civil action in the name of the municipality, and in connection with such action said lien may be foreclosed against such lot, parcel of land or building, in accordance with the laws relating thereto: Provided, That where both water and sewer services are furnished by any municipality to any premises the schedule of charges may be billed as a single amount or individually itemized and billed for the aggregate thereof.

(l) Whenever any rates, rentals, fees or charges for services or facilities furnished shall remain unpaid for a period of twenty days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities shall be delinquent until such time as all rates, fees and charges are fully paid. When any payment for rates, rentals, fees or charges becomes delinquent, the governing body may use the security deposit to satisfy the delinquent payment.

(m) The board collecting such rates, fees or charges shall be obligated under reasonable rules to shut off and discontinue both water and sewer services to all delinquent users of either water facilities, or sewer facilities or both, and shall not restore either water facilities or sewer facilities, to any delinquent user of either until all delinquent rates, fees or charges for both water facilities, and sewer facilities, including reasonable interest and penalty charges, have been paid in full. (1933, Ex. Sess., c. 25, § 16; 1933, 2nd Ex. Sess., c. 48; 1959, c. 125; 1967, c. 105; 2001, c. 212; 2004, c. 185.)

Effect of amendment of 2004. — Acts 2004, c. 185, effective June 10, 2004, inserted "deposit required for new customers; forfeiture of deposit; reconnecting deposit; tenant's deposit" in the section heading; added the subsection designations for (c) through (m); added (d)

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ARTICLE 13A.

PUBLIC SERVICE DISTRICTS FOR WATER, SEWERAGE AND GAS SERVICES.

Sec.

16-13A-1c. General purpose of districts.

16-13A-2. Creation of districts by county commission; enlarging, re-

Sec.

ducing, merging, or dissolving district; consolidation; agreements, etc.; infringing-

§ 16-13A-1

PUBLIC HEALTH

Sec.		Sec.	
	upon powers of county commission; filing list of members and districts with the Secretary of State.	16-13A-9.	Rules; service rates and charges; discontinuance of service; required water and sewer connections; lien for delinquent fees.
16-13A-3.	District to be a public corporation and political subdivision; powers thereof; public service boards.	16-13A-14.	Items included in cost of properties.
16-13A-4.	Board chairman; members' compensation; procedure; district name.	16-13A-18a.	Sale, lease or rental of water, sewer, stormwater or gas system by district; distribution of proceeds.
16-13A-5.	General manager of board.	16-13A-24.	Acceptance of loans, grants or temporary advances.
16-13A-7.	Acquisition and operation of district properties.	16-13A-25.	Borrowing and bond issuance; procedure.
16-13A-8.	Acquisition and purchase of public service properties; right of eminent domain; extraterritorial powers.		

§ 16-13A-1. Legislative findings.

Code of State Rules References. — Government of public service districts, 150 CSR 17, effective September 1, 1990.

§ 16-13A-1c. General purpose of districts.

Any territory constituting the whole or any part of one or more counties in the state so situated that the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of, properties supplying water, sewerage or stormwater services or gas distribution services or all of these within such territory, will be conducive to the preservation of the public health, comfort and convenience of such area, may be constituted a public service district under and in the manner provided by this article. The words "public service properties," when used in this article, shall mean and include any facility used or to be used for or in connection with: (1) The diversion, development, pumping, impounding, treatment, storage, distribution or furnishing of water to or for the public for industrial, public, private or other uses (herein sometimes referred to as "water facilities"); (2) the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (herein sometimes referred to as "sewer facilities" or "landfills"); (3) the distribution or the furnishing of natural gas to the public for industrial, public, private or other uses (herein sometimes referred to as "gas utilities or gas system"); or (4) the collection, control or disposal of stormwater (herein sometimes referred to as "stormwater system" or "stormwater systems"), or (5) the management, operation, maintenance and control of stormwater and stormwater systems (herein sometimes referred to as "stormwater management program" or "stormwater management programs"). As used in this article "stormwater system" or "stormwater systems" means a stormwater system in its entirety or any integral part thereof used to collect, control or dispose of stormwater, and includes all facilities, structures and

natural water courses used for collecting and conducting stormwater to, through and from drainage areas to the points of final outlet including, but not limited to, any and all of the following: Inlets, conduits, outlets, channels, ponds, drainage easements, water quality facilities, catch basins, ditches, streams, gulches, flumes, culverts, siphons, retention or detention basins, dams, floodwalls, pipes, flood control systems, levies and pumping stations: Provided, That the term "stormwater system" or "stormwater systems" does not include highways, road and drainage easements, or stormwater facilities constructed, owned or operated by the West Virginia Division of Highways. As used in this article "stormwater management program" or "stormwater management programs" means those activities associated with the management, operation, maintenance and control of stormwater and stormwater systems, and includes, but is not limited to, public education, stormwater and surface runoff water quality improvement, mapping, planning, flood control, inspection, enforcement and any other activities required by state and federal law: Provided, however, That the term "stormwater management program" or "stormwater management programs" does not include those activities associated with the management, operation, maintenance and control of highways, road and drainage easements, or stormwater facilities constructed, owned or operated by the West Virginia Division of Highways without the express agreement of the Commissioner of Highways. (1986, c. 81; 2002, c. 272.)

Effect of amendment of 2002. — Acts 2002, c. 272, effective June 7, 2002, inserted "or stormwater" following sewerage" in the first sentence; added subdivisions (4) and (5); added the last two sentences; and made minor stylistic changes.

§ 16-13A-2. Creation of districts by county commission; enlarging, reducing, merging, or dissolving district; consolidation; agreements, etc.; infringing upon powers of county commission; filing list of members and districts with the Secretary of State.

(a) The county commission of any county may propose the creation, enlargement, reduction, merger, dissolution, or consolidation of a public service district by any of the following methods: (1) On its own motion by order duly adopted, (2) upon the recommendation of the Public Service Commission, or (3) by petition of twenty-five percent of the registered voters who reside within the limits of the proposed public service district within one or more counties. The petition shall contain a description, including metes and bounds, sufficient to identify the territory to be embraced therein and the name of such proposed district: Provided, That after the effective date of this section, no new public service district shall be created, enlarged, reduced, merged, dissolved or consolidated under this section without the written consent and approval of the Public Service Commission, which approval and consent shall be in accordance with rules promulgated by the Public Service Commission and may only be requested after consent is given by the appropriate county commission or commissions pursuant to this section. Any territory may be included

regardless of whether or not the territory includes one or more cities, incorporated towns or other municipal corporations which own and operate any public service properties and regardless of whether or not it includes one or more cities, incorporated towns or other municipal corporations being served by privately owned public service properties: Provided, however, That the same territory shall not be included within the boundaries of more than one public service district except where the territory or part thereof is included within the boundaries of a separate public service district organized to supply water, sewerage services, stormwater services or gas facilities not being furnished within such territory or part thereof: Provided further, That no city, incorporated town or other municipal corporation shall be included within the boundaries of the proposed district except upon the adoption of a resolution of the governing body of the city, incorporated town or other municipal corporation consenting.

(b) The petition shall be filed in the office of the clerk of the county commission of the county in which the territory to constitute the proposed district is situated, and if the territory is situated in more than one county, then the petition shall be filed in the office of the clerk of the county commission of the county in which the major portion of the territory extends, and a copy thereof (omitting signatures) shall be filed with each of the clerks of the county commission of the other county or counties into which the territory extends. The clerk of the county commission receiving such petition shall present it to the county commission of the county at the first regular meeting after the filing or at a special meeting called for the consideration thereof.

(c) When the county commission of any county enters an order on its own motion proposing the creation, enlargement, reduction, merger, dissolution or consolidation of a public service district, as aforesaid, or when a petition for the creation is presented, as aforesaid, the county commission shall at the same session fix a date of hearing in the county on the creation, enlargement, reduction, merger, dissolution or consolidation of the proposed public service district, which date so fixed shall be not more than forty days nor less than twenty days from the date of the action. Within ten days of fixing the date of hearing, the county commission shall provide the Executive Secretary of the Public Service Commission with a copy of the order or petition and notification of the time and place of the hearing to be held by the county commission. If the territory proposed to be included is situated in more than one county, the county commission, when fixing a date of hearing, shall provide for notifying the county commission and clerk thereof of each of the other counties into which the territory extends of the date so fixed. The clerk of the county commission of each county in which any territory in the proposed public service district is located shall cause notice of the hearing and the time and place thereof, and setting forth a description of all of the territory proposed to be included therein to be given by publication as a Class I legal advertisement in compliance with the provisions of article three [§§ 59-3-1 et seq.], chapter fifty-nine of this code, and the publication area for the publication shall be by publication in each city, incorporated town or municipal corporation if avail-

able in each county in which any territory in the proposed public service district is located. The publication shall be at least ten days prior to the hearing.

(d) In all cases where proceedings for the creation, enlargement, reduction, merger, dissolution or consolidation of the public service districts are initiated by petition as aforesaid, the person filing the petition shall advance or satisfactorily indemnify the payment of the cost and expenses of publishing the hearing notice, and otherwise the costs and expenses of the notice shall be paid in the first instance by the county commission out of contingent funds or any other funds available or made available for that purpose. In addition to the notice required herein to be published, there shall also be posted in at least five conspicuous places in the proposed public service district, a notice containing the same information as is contained in the published notice. The posted notices shall be posted not less than ten days before the hearing.

(e) All persons residing in or owning or having any interest in property in the proposed public service district shall have an opportunity to be heard for and against its creation, enlargement, reduction, merger, dissolution or consolidation. At the hearing the county commission before which the hearing is conducted shall consider and determine the feasibility of the creation, enlargement, reduction, merger, dissolution or consolidation of the proposed district. If the county commission determines that the construction or acquisition by purchase or otherwise and maintenance, operation, improvement and extension of public service properties by the public service district will be conducive to the preservation of public health, comfort and convenience of such area, the county commission shall by order create, enlarge, reduce, merge, dissolve or consolidate such public service district. If the county commission, after due consideration, determines that the proposed district will not be conducive to the preservation of public health, comfort or convenience of the area or that the creation, enlargement, reduction, merger, dissolution or consolidation of the proposed district as set forth and described in the petition or order is not feasible, it may refuse to enter an order creating the district or it may enter an order amending the description of the proposed district and create, enlarge, reduce, merge, dissolve or consolidate the district as amended.

(f) If the county commission determines that any other public service district or districts can adequately serve the area of the proposed public service district, whether by enlargement, reduction, merger, dissolution or consolidation, it shall refuse to enter the order, but shall enter an order creating, enlarging, reducing, merging, dissolving or consolidating the area with an existing public service district, in accordance with rules adopted by the Public Service Commission for such purpose: Provided, That no enlargement of a public service district may occur if the present or proposed physical facilities of the public service district are determined by the appropriate county commission or the Public Service Commission to be inadequate to provide such enlarged service. The clerk of the county commission of each county into which any part of such district extends shall retain in his office an authentic copy of the order creating, enlarging, reducing, merging, dissolving or consolidating the district: Provided, however, That within ten days after the entry of an order

creating, enlarging, reducing, merging, dissolving or consolidating a district, such order must be filed for review and approval by the Public Service Commission. The Public Service Commission may provide a hearing in the affected county on the matter and may approve, reject or modify the order of the county commission if it finds it is in the best interests of the public to do so. The Public Service Commission shall adopt rules relating to such filings and the approval, disapproval or modification of county commission orders for creating, enlarging, merging, dissolving or consolidating districts. The provisions of this section shall not apply to the implementation by a county commission of an order issued by the Public Service Commission pursuant to this section and section one-b [§ 16-13A-1b], of this article.

(g) The county commission may, if in its discretion it deems it necessary, feasible and proper, enlarge the district to include additional areas, reduce the area of the district, where facilities, equipment, service or materials have not been extended, or dissolve the district if inactive or create or consolidate two or more such districts. If consolidation of districts is not feasible, the county commission may consolidate and centralize management and administration of districts within its county or multi-county area to achieve efficiency of operations: Provided, That where the county commission determines on its own motion by order entered of record, or there is a petition to enlarge the district, merge and consolidate districts, or the management and administration thereof, reduce the area of the district or dissolve the district if inactive, all of the applicable provisions of this article providing for hearing, notice of hearing and approval by the Public Service Commission shall apply. The Commission shall at all times attempt to bring about the enlargement or merger of existing public service districts in order to provide increased services and to eliminate the need for creation of new public service districts in those areas which are not currently serviced by a public service district: Provided, however, That where two or more public service districts are consolidated pursuant to this section, any rate differentials may continue for the period of bonded indebtedness incurred prior to consolidation. The districts may not enter into any agreement, contract or covenant that infringes upon, impairs, abridges or usurps the duties, rights or powers of the county commission, as set forth in this article, or conflicts with any provision of this article.

(h) A list of all districts and their current board members shall be filed by the county commission with the Secretary of State and the Public Service Commission by the first day of July of each year. (1953, c. 147; 1965, c. 134; 1967, c. 105; 1975, c. 140; 1980, c. 60; 1981, c. 124; 1986, c. 81; 1995, c. 125; 2002, c. 272; 2005, c. 195.)

Effect of amendment of 2002. — Acts 2002, c. 272, effective June 7, 2002, in (a), capitalized "On" at the beginning of subdivision (1), and inserted "stormwater services" near the middle of the last sentence.

Effect of amendment of 2005. — Acts 2005, c. 195, effective July 8, 2005, added the second sentence in (c); and made minor stylistic changes.

§ 16-13A-3. District to be a public corporation and political subdivision; powers thereof; public service boards.

From and after the date of the adoption of the order creating any public service district, it is a public corporation and political subdivision of the state, but without any power to levy or collect ad valorem taxes. Each district may acquire, own and hold property, both real and personal, in its corporate name, and may sue, may be sued, may adopt an official seal and may enter into contracts necessary or incidental to its purposes, including contracts with any city, incorporated town or other municipal corporation located within or without its boundaries for furnishing wholesale supply of water for the distribution system of the city, town or other municipal corporation, or for furnishing stormwater services for the city, town or other municipal corporation, and contract for the operation, maintenance, servicing, repair and extension of any properties owned by it or for the operation and improvement or extension by the district of all or any part of the existing municipally owned public service properties of any city, incorporated town or other municipal corporation included within the district: Provided, That no contract shall extend beyond a maximum of forty years, but provisions may be included therein for a renewal or successive renewals thereof and shall conform to and comply with the rights of the holders of any outstanding bonds issued by the municipalities for the public service properties.

The powers of each public service district shall be vested in and exercised by a public service board consisting of not less than three members, who shall be persons residing within the district, who possess certain educational, business or work experience which will be conducive to operating a public service district. Each board member shall, within six months of taking office, successfully complete the training program to be established and administered by the Public Service Commission in conjunction with the Division of Environmental Protection and the Bureau of Public Health. Board members shall not be or become pecuniarily interested, directly or indirectly, in the proceeds of any contract or service, or in furnishing any supplies or materials to the district nor shall a former board member be hired by the district in any capacity within a minimum of twelve months after board member's term has expired or such board member has resigned from the district board. The members shall be appointed in the following manner:

Each city, incorporated town or other municipal corporation having a population of more than three thousand but less than eighteen thousand is entitled to appoint one member of the board, and each city, incorporated town or other municipal corporation having a population in excess of eighteen thousand shall be entitled to appoint one additional member of the board for each additional eighteen thousand population. The members of the board representing such cities, incorporated towns or other municipal corporations shall be residents thereof and shall be appointed by a resolution of the governing bodies thereof and upon the filing of a certified copy or copies of the resolution or resolutions in the office of the clerk of the county commission

which entered the order creating the district, the persons so appointed become members of the board without any further act or proceedings. If the number of members of the board so appointed by the governing bodies of cities, incorporated towns or other municipal corporations included in the district equals or exceeds three, then no further members shall be appointed to the board and the members so appointed are the board of the district except in cases of merger or consolidation where the number of board members may equal five.

If no city, incorporated town or other municipal corporation having a population of more than three thousand is included within the district, then the county commission which entered the order creating the district shall appoint three members of the board, who are persons residing within the district and residing within the state of West Virginia, which three members become members of the board of the district without any further act or proceedings except in cases of merger or consolidation where the number of board members may equal five.

If the number of members of the board appointed by the governing bodies of cities, incorporated towns or other municipal corporations included within the district is less than three, then the county commission which entered the order creating the district shall appoint such additional member or members of the board, who are persons residing within the district, as is necessary to make the number of members of the board equal three except in cases of merger or consolidation where the number of board members may equal five, and the member or members appointed by the governing bodies of the cities, incorporated towns or other municipal corporations included within the district and the additional member or members appointed by the county commission as aforesaid, are the board of the district. A person may serve as a member of the board in one or more public service districts.

The population of any city, incorporated town or other municipal corporation, for the purpose of determining the number of members of the board, if any, to be appointed by the governing body or bodies thereof, is the population stated for such city, incorporated town or other municipal corporation in the last official federal census.

Notwithstanding any provision of this code to the contrary, whenever a district is consolidated or merged pursuant to section two [§ 16-13A-2] of this article, the terms of office of the existing board members shall end on the effective date of the merger or consolidation. The county commission shall appoint a new board according to rules promulgated by the public service commission. Whenever districts are consolidated or merged no provision of this code prohibits the expansion of membership on the new board to five.

The respective terms of office of the members of the first board shall be fixed by the county commission and shall be as equally divided as may be, that is approximately one third of the members for a term of two years, a like number for a term of four years, the term of the remaining member or members for six years, from the first day of the month during which the appointments are made. The first members of the board appointed as aforesaid shall meet at the office of the clerk of the county commission which entered the order creating the district as soon as practicable after the appointments and shall qualify by

taking an oath of office: Provided, That any member or members of the board may be removed from their respective office as provided in section three-a [§ 16-13A-3a] of this article.

Any vacancy shall be filled for the unexpired term within thirty days, otherwise successor members of the board shall be appointed for terms of six years and the terms of office shall continue until successors have been appointed and qualified. All successor members shall be appointed in the same manner as the member succeeded was appointed. The district shall provide to the Public Service Commission, within thirty days of the appointment, the following information: The new board member's name, home address, home and office phone numbers, date of appointment, length of term, who the new member replaces and if the new appointee has previously served on the board. The Public Service Commission shall notify each new board member of the legal obligation to attend training as prescribed in this section.

The board shall organize within thirty days following the first appointments and annually thereafter at its first meeting after the first day of January of each year by selecting one of its members to serve as chair and by appointing a secretary and a treasurer who need not be members of the board. The secretary shall keep a record of all proceedings of the board which shall be available for inspection as other public records. Duplicate records shall be filed with the county commission and shall include the minutes of all board meetings. The treasurer is lawful custodian of all funds of the public service district and shall pay same out on orders authorized or approved by the board. The secretary and treasurer shall perform other duties appertaining to the affairs of the district and shall receive salaries as shall be prescribed by the board. The treasurer shall furnish bond in an amount to be fixed by the board for the use and benefit of the district.

The members of the board, and the chair, secretary and treasurer thereof, shall make available to the county commission, at all times, all of its books and records pertaining to the district's operation, finances and affairs, for inspection and audit. The board shall meet at least monthly. (1953, c. 147; 1965, c. 134; 1971, c. 72; 1981, c. 124; 1983, c. 166; 1986, c. 81; 1994, c. 61; 1997, c. 159; 2002, c. 272.)

Effect of amendment of 2002. — Acts town or other municipal corporation" in the 2002, c. 272, effective June 7, 2002, inserted "or second sentence of the first paragraph. for furnishing stormwater services for the city,

§ 16-13A-4. Board chairman; members' compensation; procedure; district name.

(a) The chairman shall preside at all meetings of the board and may vote as any other member of the board. If the chairman is absent from any meeting, the remaining members may select a temporary chairman and if the member selected as chairman resigns as such or ceases for any reason to be a member of the board, the board shall select one of its members as chairman to serve until the next annual organization meeting.

(b) Salaries of the board members are:

(1) For districts with fewer than six hundred customers, up to seventy-five dollars per attendance at regular monthly meetings and fifty dollars per attendance at additional special meetings, total salary not to exceed fifteen hundred dollars per annum;

(2) For districts with six hundred customers or more but fewer than two thousand customers, up to one hundred dollars per attendance at regular monthly meetings and seventy-five dollars per attendance at additional special meetings, total salary not to exceed two thousand five hundred fifty dollars per annum;

(3) For districts with two thousand customers or more, up to one hundred twenty-five dollars per attendance at regular monthly meetings and seventy-five dollars per attendance at additional special meetings, total salary not to exceed three thousand seven hundred fifty dollars per annum; and

(4) For districts with four thousand or more customers, up to one hundred fifty dollars per attendance at regular monthly meetings and one hundred dollars per attendance at additional special meetings, total salary not to exceed five thousand four hundred dollars per annum.

The public service district shall certify the number of customers served to the Public Service Commission beginning on the first day of July, one thousand nine hundred eighty-six, and continue each fiscal year thereafter.

(c) Public service districts selling water to other water utilities for resale may adopt the following salaries for its board members:

(1) For districts with annual revenues of less than fifty thousand dollars, up to seventy-five dollars per attendance at regular monthly meetings and fifty dollars per attendance at additional special meetings, total salary not to exceed fifteen hundred dollars per annum;

(2) For districts with annual revenues of fifty thousand dollars or more, but less than two hundred fifty thousand dollars, up to one hundred dollars per attendance at regular monthly meetings and seventy-five dollars per attendance at special meetings, total salary not to exceed two thousand five hundred fifty dollars per annum;

(3) For districts with annual revenues of two hundred fifty thousand dollars or more, but less than five hundred thousand dollars, up to one hundred twenty-five dollars per attendance at regular monthly meetings and seventy-five dollars per attendance at additional special meetings, total salary not to exceed three thousand seven hundred fifty dollars per annum; and

(4) For districts with annual revenues of five hundred thousand dollars or more, up to one hundred fifty dollars per attendance at regular monthly meetings and one hundred dollars per attendance at additional special meetings, total salary not to exceed five thousand four hundred dollars per annum.

The public service district shall certify the number of customers served and its annual revenue to the public service commission beginning on the first day of July, two thousand, and continue each fiscal year thereafter.

(d) Board members may be reimbursed for all reasonable and necessary expenses actually incurred in the performance of their duties as provided for by the rules of the board.

(e) The board shall by resolution determine its own rules of procedure, fix the time and place of its meetings and the manner in which special meetings may be called. Public notice of meetings shall be given in accordance with section three [§ 6-9A-3], article nine-a, chapter six of this code. Emergency meetings may be called as provided for by said section. A majority of the members constituting the board also constitute a quorum to do business.

(f) The members of the board are not personally liable or responsible for any obligations of the district or the board, but are answerable only for willful misconduct in the performance of their duties. The county commission which created a district or county commissions if more than one created the district may, upon written request of the district, adopt an order changing the official name of a public service district: Provided, That such name change will not be effective until approved by the Public Service Commission of West Virginia and the owners of any bonds and notes issued by the district, if any, shall have consented, in writing, to the name change. If a district includes territory located in more than one county, the county commission or county commissions changing the name of the district shall provide any county commission into which the district also extends with a certified copy of the order changing the name of the district. The official name of any district created under the provisions of this article may contain the name or names of any city, incorporated town or other municipal corporation included therein or the name of any county or counties in which it is located. (1953, c. 147; 1981, c. 124; 1986, c. 81; 1997, c. 159; 2000, c. 199; 2005, c. 196.)

Effect of amendment of 2005. — Acts 2005, c. 196, effective July 7, 2005, rewrote the second sentence in (f) pertaining to the chang- ing of the official or corporate name of a public service district by the public service board; and made minor stylistic changes.

§ 16-13A-5. General manager of board.

The board may employ a general manager to serve a term of not more than five years and until his or her successor is employed, and his or her compensation shall be fixed by resolution of the board. Such general manager shall devote all or the required portion of his or her time to the affairs of the district and may employ, discharge and fix the compensation of all employees of the district, except as in this article otherwise provided, and he or she shall perform and exercise such other powers and duties as may be conferred upon him or her by the board.

Such general manager shall be chosen without regard to his or her political affiliations and upon the sole basis of his or her administrative and technical qualifications to manage public service properties and affairs of the district and he or she may be discharged only upon the affirmative vote of two thirds of the board. Such general manager need not be a resident of the district at the time he or she is chosen. Such general manager may not be a member of the board but shall be an employee of the board.

The board of any public service district which purchases water, sewer or stormwater service from a municipal water, sewer or stormwater system or another public service district may, as an alternative to hiring its own general

manager, elect to permit the general manager of the municipal water, sewer or stormwater system or public service district from which such water, sewer or stormwater service is purchased provide professional management to the district, if the appropriate municipality or public service board agrees to provide such assistance. The general manager shall receive reasonable compensation for such service. (1953, c. 147; 1981, c. 124; 1986, c. 81; 2002, c. 272.)

Effect of amendment of 2002. — Acts 2002, c. 272, effective June 7, 2002, inserted "or stormwater" following "sewer" four times in the third paragraph, and made minor stylistic changes.

§ 16-13A-7. Acquisition and operation of district properties.

The board of such districts shall have the supervision and control of all public service properties acquired or constructed by the district, and shall have the power, and it shall be its duty, to maintain, operate, extend and improve the same, including, but not limited to, those activities necessary to comply with all federal and state requirements, including water quality improvement activities. All contracts involving the expenditure by the district of more than fifteen thousand dollars for construction work or for the purchase of equipment and improvements, extensions or replacements, shall be entered into only after notice inviting bids shall have been published as a Class I legal advertisement in compliance with the provision of article three [§§ 59-3-1 et seq.], chapter fifty-nine of this code, and the publication area for such publication shall be as specified in section two [§ 16-13A-2] of this article in the county or counties in which the district is located. The publication shall not be less than ten days prior to the making of any such contract. To the extent allowed by law, in-state contractors shall be given first priority in awarding public service district contracts. It shall be the duty of the board to ensure that local in-state labor shall be utilized to the greatest extent possible when hiring laborers for public service district construction or maintenance repair jobs. It shall further be the duty of the board to encourage contractors to use American made products in their construction to the extent possible. Any obligations incurred of any kind or character shall not in any event constitute or be deemed an indebtedness within the meaning of any of the provisions or limitations of the constitution, but all such obligations shall be payable solely and only out of revenues derived from the operation of the public service properties of the district or from proceeds of bonds issued as hereinafter provided. No continuing contract for the purchase of materials or supplies or for furnishing the district with electrical energy or power shall be entered into for a longer period than fifteen years. (1953, c. 147; 1967, c. 105; 1981, c. 124; 1982, c. 24; 1986, c. 81; 1997, c. 159; 2002, c. 272.)

Effect of amendment of 2002. — Acts 2002, c. 272, effective June 7, 2002, added "including, but not limited to, those activities necessary to comply with all federal and state requirements, including water quality improvement activities" to the end of the first sentence.

§ 16-13A-8. Acquisition and purchase of public service properties; right of eminent domain; extraterritorial powers.

The board may acquire any publicly or privately owned public service properties located within the boundaries of the district regardless of whether or not all or any part of such properties are located within the corporate limits of any city, incorporated town or other municipal corporation included within the district and may purchase and acquire all rights and franchises and any and all property within or outside the district necessary or incidental to the purpose of the district.

The board may construct any public service properties within or outside the district necessary or incidental to its purposes and each such district may acquire, construct, maintain and operate any such public service properties within the corporate limits of any city, incorporated town or other municipal corporation included within the district or in any unincorporated territory within ten miles of the territorial boundaries of the district: Provided, That if any incorporated city, town or other municipal corporation included within the district owns and operates either water facilities, sewer facilities, stormwater facilities or gas facilities or all of these, then the district may not acquire, construct, establish, improve or extend any public service properties of the same kind within such city, incorporated towns or other municipal corporations or the adjacent unincorporated territory served by such cities, incorporated towns or other municipal corporations, except upon the approval of the public service commission, the consent of such cities, incorporated towns or other municipal corporations and in conformity and compliance with the rights of the holders of any revenue bonds or obligations theretofore issued by such cities, incorporated towns or other municipal corporations then outstanding and in accordance with the ordinance, resolution or other proceedings which authorize the issuance of such revenue bonds or obligations.

Whenever such district has constructed, acquired or established water facilities, sewer facilities, a stormwater system, stormwater management program or gas facilities for water, sewer, stormwater or gas services within any city, incorporated town or other municipal corporation included within a district, then such city, incorporated town or other municipal corporation may not thereafter construct, acquire or establish any facilities of the same kind within such city, incorporated town or other municipal corporation without the consent of such district.

For the purpose of acquiring any public service properties or lands, rights or easements deemed necessary or incidental for the purposes of the district, each such district has the right of eminent domain to the same extent and to be exercised in the same manner as now or hereafter provided by law for such right of eminent domain by cities, incorporated towns and other municipal corporations: Provided, That the power of eminent domain provided in this section does not extend to highways, road and drainage easements, or stormwater facilities constructed, owned or operated by the West Virginia Division of Highways without the express agreement of the Commissioner of

Highways: Provided, however, That such board may not acquire all or any substantial part of a privately owned waterworks system unless and until authorized so to do by the Public Service Commission of West Virginia, and that this section shall not be construed to authorize any district to acquire through condemnation proceedings either in whole or substantial part an existing privately owned waterworks plant or system or gas facilities located in or furnishing water or gas service within such district or extensions made or to be made by it in territory contiguous to such existing plant or system, nor may any such board construct or extend its public service properties to supply its services into areas served by or in competition with existing waterworks or gas facilities or extensions made or to be made in territory contiguous to such existing plant or system by the owner thereof. (1953, c. 147; 1980, c. 60; 1981, c. 124; 2002, c. 272.)

Effect of amendment of 2002. — Acts 2002, c. 272, effective June 7, 2002, in the second paragraph, inserted "stormwater facilities" following "sewer facilities" in the proviso; in the third paragraph, inserted "a stormwater

system, stormwater management program" following "sewer facilities" and "stormwater" preceding "or gas services"; in the last paragraph, added a new first proviso and redesignated the former first proviso as the second.

§ 16-13A-9. Rules; service rates and charges; discontinuance of service; required water and sewer connections; lien for delinquent fees.

(a)(1) The board may make, enact and enforce all needful rules in connection with the acquisition, construction, improvement, extension, management, maintenance, operation, care, protection and the use of any public service properties owned or controlled by the district. The board shall establish rates, fees and charges for the services and facilities it furnishes, which shall be sufficient at all times, notwithstanding the provisions of any other law or laws, to pay the cost of maintenance, operation and depreciation of the public service properties and principal of and interest on all bonds issued, other obligations incurred under the provisions of this article and all reserve or other payments provided for in the proceedings which authorized the issuance of any bonds under this article. The schedule of the rates, fees and charges may be based upon:

(A) The consumption of water or gas on premises connected with the facilities, taking into consideration domestic, commercial, industrial and public use of water and gas;

(B) The number and kind of fixtures connected with the facilities located on the various premises;

(C) The number of persons served by the facilities;

(D) Any combination of paragraphs (A), (B) and (C) of this subdivision; or

(E) May be determined on any other basis or classification which the board may determine to be fair and reasonable, taking into consideration the location of the premises served and the nature and extent of the services and facilities furnished. However, no rates, fees or charges for stormwater services may be assessed against highways, road and drainage easements or stormwater

facilities constructed, owned or operated by the West Virginia Division of Highways.

(2) Where water, sewer, stormwater or gas services, or any combination thereof, are all furnished to any premises, the schedule of charges may be billed as a single amount for the aggregate of the charges. The board shall require all users of services and facilities furnished by the district to designate on every application for service whether the applicant is a tenant or an owner of the premises to be served. If the applicant is a tenant, he or she shall state the name and address of the owner or owners of the premises to be served by the district. Notwithstanding the provisions of section eight [§ 24-3-8], article three, chapter twenty-four of this code to the contrary, all new applicants for service shall deposit the greater of a sum equal to two twelfths of the average annual usage of the applicant's specific customer class or fifty dollars, with the district to secure the payment of service rates, fees and charges in the event they become delinquent as provided in this section. If a district provides both water and sewer service, all new applicants for service shall deposit the greater of a sum equal to two twelfths of the average annual usage for water service or fifty dollars and the greater of a sum equal to two twelfths of the average annual usage for wastewater service of the applicant's specific customer class or fifty dollars. In any case where a deposit is forfeited to pay service rates, fees and charges which were delinquent at the time of disconnection or termination of service, no reconnection or reinstatement of service may be made by the district until another deposit equal to the greater of a sum equal to two twelfths of the average usage for the applicant's specific customer class or fifty dollars has been remitted to the district. After twelve months of prompt payment history, the district shall return the deposit to the customer or credit the customer's account at a rate as the Public Service Commission may prescribe: Provided, That where the customer is a tenant, the district is not required to return the deposit until the time the tenant discontinues service with the district. Whenever any rates, fees, rentals or charges for services or facilities furnished remain unpaid for a period of twenty days after the same become due and payable, the user of the services and facilities provided is delinquent and the user is liable at law until all rates, fees and charges are fully paid. The board may, under reasonable rules promulgated by the Public Service Commission, shut off and discontinue water or gas services to all delinquent users of either water or gas facilities, or both, ten days after the water or gas services become delinquent.

(b) In the event that any publicly or privately owned utility, city, incorporated town, other municipal corporation or other public service district included within the district owns and operates separately either water facilities or sewer facilities, and the district owns and operates the other kind of facilities, either water or sewer, as the case may be, then the district and the publicly or privately owned utility, city, incorporated town or other municipal corporation or other public service district shall covenant and contract with each other to shut off and discontinue the supplying of water service for the nonpayment of sewer service fees and charges: Provided, That any contracts entered into by a public service district pursuant to this section shall be

submitted to the Public Service Commission for approval. Any public service district providing water and sewer service to its customers has the right to terminate water service for delinquency in payment of either water or sewer bills. Where one Public Service District is providing sewer service and another public service district or a municipality included within the boundaries of the sewer district is providing water service, and the district providing sewer service experiences a delinquency in payment, the district or the municipality included within the boundaries of the sewer district that is providing water service, upon the request of the district providing sewer service to the delinquent account, shall terminate its water service to the customer having the delinquent sewer account: Provided, however, That any termination of water service must comply with all rules and orders of the Public Service Commission.

(c) Any district furnishing sewer facilities within the district may require, or may by petition to the circuit court of the county in which the property is located, compel or may require the division of health to compel all owners, tenants or occupants of any houses, dwellings and buildings located near any sewer facilities where sewage will flow by gravity or be transported by other methods approved by the Division of Health, including, but not limited to, vacuum and pressure systems, approved under the provisions of section nine [§ 16-1-9], article one, chapter sixteen of this code, from the houses, dwellings or buildings into the sewer facilities, to connect with and use the sewer facilities and to cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from the houses, dwellings and buildings where there is gravity flow or transportation by any other methods approved by the Division of Health, including, but not limited to, vacuum and pressure systems, approved under the provisions of section nine, article one, chapter sixteen of this code and the houses, dwellings and buildings can be adequately served by the sewer facilities of the district and it is declared that the mandatory use of the sewer facilities provided for in this paragraph is necessary and essential for the health and welfare of the inhabitants and residents of the districts and of the state. If the public service district requires the property owner to connect with the sewer facilities even when sewage from dwellings may not flow to the main line by gravity and the property owner incurs costs for any changes in the existing dwellings' exterior plumbing in order to connect to the main sewer line, the public service district board shall authorize the district to pay all reasonable costs for the changes in the exterior plumbing, including, but not limited to, installation, operation, maintenance and purchase of a pump or any other method approved by the division of health. Maintenance and operation costs for the extra installation should be reflected in the users charge for approval of the Public Service Commission. The circuit court shall adjudicate the merits of the petition by summary hearing to be held not later than thirty days after service of petition to the appropriate owners, tenants or occupants.

(d) Whenever any district has made available sewer facilities to any owner, tenant or occupant of any house, dwelling or building located near the sewer facility and the engineer for the district has certified that the sewer facilities

are available to and are adequate to serve the owner, tenant or occupant and sewage will flow by gravity or be transported by other methods approved by the Division of Health from the house, dwelling or building into the sewer facilities, the district may charge, and the owner, tenant or occupant shall pay the rates and charges for services established under this article only after thirty-day notice of the availability of the facilities has been received by the owner, tenant or occupant. Rates and charges for sewage services shall be based upon actual water consumption or the average monthly water consumption based upon the owner's, tenant's or occupant's specific customer class.

(e) Whenever any district has made available a stormwater system to any owner, tenant or occupant of any real property located near the stormwater system and where stormwater from real property affects or drains into the stormwater system, it is hereby found, determined and declared that the owner, tenant or occupant is being served by the stormwater system and it is further hereby found, determined and declared that the mandatory use of the stormwater system is necessary and essential for the health and welfare of the inhabitants and residents of the district and of the state. The district may charge, and the owner, tenant or occupant shall pay the rates, fees and charges for stormwater services established under this article only after thirty-day notice of the availability of the stormwater system has been received by the owner.

(f) All delinquent fees, rates and charges of the district for either water facilities, sewer facilities, gas facilities or stormwater systems or stormwater management programs are liens on the premises served of equal dignity, rank and priority with the lien on the premises of state, county, school and municipal taxes. In addition to the other remedies provided in this section, public service districts are granted a deferral of filing fees or other fees and costs incidental to the bringing and maintenance of an action in magistrate court for the collection of delinquent water, sewer, stormwater or gas bills. If the district collects the delinquent account, plus reasonable costs, from its customer or other responsible party, the district shall pay to the magistrate the normal filing fee and reasonable costs which were previously deferred. In addition, each public service district may exchange with other public service districts a list of delinquent accounts: Provided, That an owner of real property may not be held liable for the delinquent rates or charges for services or facilities of a tenant, nor may any lien attach to real property for the reason of delinquent rates or charges for services or facilities of a tenant of the real property, unless the owner has contracted directly with the public service district to purchase the services or facilities.

(g) Anything in this section to the contrary notwithstanding, any establishment, as defined in section three [§ 22-11-3], article eleven, chapter twenty-two, now or hereafter operating its own sewage disposal system pursuant to a permit issued by the Division of Environmental Protection, as prescribed by section eleven [§ 22-11-11], article eleven, chapter twenty-two of this code, is exempt from the provisions of this section. (1953, c. 147; 1965, c. 134; 1980, c. 60; 1981, c. 124; 1986, c. 81; 1989, c. 174; 1994, c. 61; 2002, c. 272; 2003, c. 183.)

Code of State Rules References. — Rules and regulations for the government of gas utilities and gas pipeline safety, 150 CSR 4, effective July 21, 1996.

Rules and regulations for the government of sewer utilities, 150 CSR 5, effective October 24, 2003.

Rules and regulations for the government of telephone utilities, 150 CSR 6, effective October 10, 2000.

Rules and regulations for the government of water utilities, 150 CSR 7, effective October 24, 2003.

Effect of amendment of 2002. — Acts 2002, c. 272, effective June 7, 2002, inserted "fees" following "rates" throughout the section; in the first paragraph, deleted "and regulations" following "needful rules" in the first sentence, inserted a new third sentence, substituted "Where water, sewer, stormwater or gas services, or any combination thereof" for

"Where water, sewer and gas services" in the present fourth sentence; inserted the fifth paragraph; in the present sixth paragraph, inserted "stormwater systems or stormwater management systems" following "sewer facilities" and "stormwater" preceding "or gas bills" in the first sentence.

Effect of amendment of 2003. — Acts 2003, c. 183, effective June 6, 2003, added subsection designations; rewrote present (a)(2), and (c); in (d), substituted "division of health" for "bureau of public health," added "tenant or occupant" to the end of the next-to-last sentence, and added the last sentence; in (f), substituted "gas facilities or stormwater systems or stormwater management programs" for "stormwater systems or stormwater management systems or gas facilities" and added the proviso to the end; and made minor stylistic changes.

§ 16-13A-14. Items included in cost of properties.

The cost of any public service properties acquired under the provisions of this article shall be deemed to include the cost of the acquisition or construction thereof, the cost of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; for stormwater systems and associated stormwater management programs, those activities which include, but are not limited to, water quality improvement activities necessary to comply with all federal and state requirements; interest upon bonds prior to and during construction or acquisition and for six months after completion of construction or of acquisition of the improvements and extensions; engineering, fiscal agents and legal expenses; expenses for estimates of cost and of revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, and such other expenses as may be necessary or incident to the financing herein authorized, and the construction or acquisition of the properties and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof. (1953, c. 147; 2002, c. 272.)

Effect of amendment of 2002. — Acts 2002, c. 272, effective June 7, 2002, inserted "for stormwater systems ... federal and state requirements" following the first phrase.

§ 16-13A-18a. Sale, lease or rental of water, sewer, stormwater or gas system by district; distribution of proceeds.

In any case where a public service district owns a water, sewer, stormwater or gas system, and a majority of not less than sixty percent of the members of the public service board thereof deem it for the best interests of the district to

sell, lease or rent such water, sewer, stormwater or gas system to any municipality or privately-owned water, sewer, stormwater or gas system, or to any water, sewer, stormwater or gas system owned by an adjacent public service district, the board may so sell, lease or rent such water, sewer, stormwater or gas system upon such terms and conditions as said board, in its discretion, considers in the best interests of the district: Provided, That such sale, leasing or rental may be made only upon: (1) The publication of notice of a hearing before the board of the public service district, as a Class I legal advertisement in compliance with the provisions of article three [§§ 59-3-1 et seq.], chapter fifty-nine of this code, in a newspaper published and of general circulation in the county or counties wherein the district is located, such publication to be made not earlier than twenty days and not later than seven days prior to the hearing; (2) approval by the county commission or commissions of the county or counties in which the district operates; and (3) approval by the Public Service Commission of West Virginia.

In the event of any such sale, the proceeds thereof, if any, remaining after payment of all outstanding bonds and other obligations of the district, shall be ratably distributed to any persons who have made contributions in aid of construction of such water, sewer, stormwater or gas system, such distribution not to exceed the actual amount of any such contribution, without interest, and any balance of funds thereafter remaining shall be paid to the county commission of the county in which the major portion of such water, sewer, stormwater or gas system is located to be placed in the general funds of such county commission. (1963, c. 75; 1981, c. 124; 1986, c. 81; 1997, c. 160; 2002, c. 272.)

Effect of amendment of 2002. — Acts "stormwater" following "sewer" in the section 2002, c. 272, effective June 7, 2002, inserted heading and throughout the section.

§ 16-13A-24. Acceptance of loans, grants or temporary advances.

Any public service district created pursuant to the provisions of this article is authorized and empowered to accept loans or grants and procure loans or temporary advances evidenced by notes or other negotiable instruments issued in the manner, and subject to the privileges and limitations, set forth with respect to bonds authorized to be issued under the provisions of this article, for the purpose of paying part or all of the cost of construction or acquisition of water systems, sewage systems, stormwater systems or stormwater management systems or gas facilities, or all of these, and the other purposes herein authorized, from any authorized agency or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual, which loans or temporary advances, including the interest thereon, may be repaid out of the proceeds of the bonds authorized to be issued under the provisions of this article, the revenues of the said water system, sewage system, stormwater system or associated stormwater management system or gas facilities, or grants to the public service district from any authorized agency or from the United States of

America or any federal or public agency or department of the United States or from any private agency, corporation or individual or from any combination of such sources of payment, and to enter into the necessary contracts and agreements to carry out the purposes hereof with any authorized agency or the United States of America or any federal or public agency or department of the United States, or with any private agency, corporation or individual. Any other provisions of this article to the contrary notwithstanding, interest on any such loans or temporary advances may be paid from the proceeds thereof until the maturity of such notes or other negotiable instrument. (1958, c. 14; 1980, c. 60; 1981, c. 124; 1986, c. 118; 2002, c. 272.)

Effect of amendment of 2002. — Acts 2002, c. 272, effective June 7, 2002, inserted "stormwater systems or stormwater management systems" and "stormwater system or associated stormwater management system." "stormwater systems or stormwater manage-

§ 16-13A-25. Borrowing and bond issuance; procedure.

(a) Notwithstanding any other provisions of this article to the contrary, a public service district may not borrow money, enter into contracts for the provision of engineering, design or feasibility studies, issue or contract to issue revenue bonds or exercise any of the powers conferred by the provisions of section thirteen [§ 16-13A-13], twenty [§ 16-13A-20] or twenty-four [§ 16-13A-24] of this article, without the prior consent and approval of the Public Service Commission.

(b) The Public Service Commission may waive the provision of prior consent and approval for entering into contracts for engineering, design or feasibility studies pursuant to this section for good cause shown which is evidenced by the public service district filing a request for waiver of this section stated in a letter directed to the commission with a brief description of the project, a verified statement by the board members that the public service district has complied with chapter five-g [§§ 5G-1-1 et seq.] of this code, and further explanation of ability to evaluate their own engineering contract, including, but not limited to:

(1) Experience with the same engineering firm; or
 (2) completion of a construction project requiring engineering services. The district shall also forward an executed copy of the engineering contract to the commission after receiving approval of the waiver.

(c) An engineering contract that meets one or more of the following criteria is exempt from the waiver or approval requirements:

(1) A contract with a public service district that is a Class A utility on the first day of April, two thousand three, or subsequently becomes a Class A utility as defined by commission rule;

(2) A contract with a public service district that does not require borrowing and that can be paid out of existing rates;

(3) A contract where the payment of engineering fees are contingent upon the receipt of funding, and commission approval of the funding, to construct the project which is the subject of the contract; or

(4) A contract that does not exceed fifteen thousand dollars.

(d) Requests for approval or waivers of engineering contracts shall be deemed granted thirty days after the filing date unless the staff of the Public Service Commission or a party files an objection to the request. If an objection is filed, the Public Service Commission shall issue its decision within one hundred twenty days of the filing date. In the event objection is received to a request for a waiver, the application shall be considered a request for waiver as well as a request for approval in the event a waiver is not appropriate.

(e) Unless the properties to be constructed or acquired represent ordinary extensions or repairs of existing systems in the usual course of business, a public service district must first obtain a certificate of public convenience and necessity from the Public Service Commission in accordance with the provisions of chapter twenty-four [§§ 24-1-1 et seq.] of this code, when a public service district is seeking to acquire or construct public service property. (1969, 1st Ex. Sess., c. 6; 1981, c. 124; 1986, c. 81; 1996, c. 213; 1997, c. 159; 2003, c. 184; 2005, c. 193.)

Effect of amendment of 2003. — Acts 2003, c. 184, effective June 5, 2003, added subsection designations; inserted (c) and (d); in (b), substituted "a verified statement by the board members that the public service district has complied" for "evidence of compliance," deleted "in the past two years requiring engineering services" from the end of subdivision (1), and deleted "within the past two years" preceding "requiring engineering services" in subdivision (2); and rewrote the final paragraph of the

section, deleting former subdivisions (a) through (e) regarding requirements for legal advertisements giving public notice of projects.

Effect of amendment of 2005. — Acts 2005, c. 193, effective July 8, 2005, deleted the second paragraph in (e), pertaining to pre-filing of plans by the public service district; and made minor stylistic changes.

ALR references. — Remedies for sewage treatment plant alleged or deemed to be nuisance, 101 ALR5th 287.

ARTICLE 13C.

DRINKING WATER TREATMENT REVOLVING FUND ACT.

§ 16-13C-2. Designation of division of health as state instrumentality; rules; small systems; disadvantaged communities.

Code of State Rules References. — Drinking water treatment revolving fund, 64 CSR 49, effective June 1, 1998.

Public water systems capacity development, 64 CSR 61, effective May 14, 1999.

ARTICLE 13E.

COMMUNITY ENHANCEMENT ACT.

Sec.		Sec.	
16-13E-1.	Short title.		
16-13E-2.	Definitions.		tion of community enhancement district; petition requirements.
16-13E-3.	Power and authority of counties and municipalities to create and establish community enhancement districts.	16-13E-5.	Notice to property owners before creation or expansion of community enhancement district and construction or acquisi-
16-13E-4.	Petition for creation or expan-		

At a regular session of the County Court, continued and held for the County of Wood, at the Court House thereof, on Saturday, the 21st day of November, 1964; Present, J. L. Amos, President of said Court, and Frank J. Harrison and Harry C. Nicely, Commissioners. The orders and proceedings of the previous session of this Court, held on Thursday, the 19th day of November, 1964, were read in open Court, approved and ordered signed.

IN RE: CLAYWOOD PARK PUBLIC SERVICE DISTRICT

On the 21st day of November, 1964, this matter came upon again to be heard, this Court having heretofore on October 27, 1964, having fixed this date for a public hearing on the creation of the proposed Claywood Park Public Service District and having provided in the said Order that all persons residing in or owning or having any interest in property in the said proposed public service district might appear before the County Court at this hearing and have an opportunity to be heard for and against the creation of the said public service district.

It appearing to the Court from the certificate of the publisher thereof that notice of this hearing was duly published as required by Chapter 16, Article 13a of the Code of West Virginia, 1931, as amended, which said certificate is hereby ORDERED to be filed herein, and it further appearing to the Court that all interested persons have been afforded an opportunity of being heard for and against the creation of the said district and it further appearing to the Court that no written protests have been filed by any qualified voters registered and residing within the said proposed public service district, the Court did proceed to hear and consider testimony and evidence relating to the feasibility of the creation of the said public service district from all of which the Court does find that it is feasible and desirable to create the proposed Claywood Park Public Service District and that the construction and acquisition and maintenance, operation and improvement of the public service properties by the proposed public service district will be conducive to the preservation of public health and convenience within the area of the proposed public service district hereinafter described. It is accordingly ORDERED as follows:

1. That a public service district within Wood County, West Virginia, is hereby created and said district shall have the following boundaries:

BEGINNING on the northerly bank of the Little Kanawha River at a point in the center of Worthington Creek and thence with the center line of Worthington Creek upstream in a general northeasterly direction fifteen hundred (1500) feet more or less to a point; thence south thirty (30) degrees east eight thousand one hundred (8,100) feet more or less to a point; thence north sixty-three (63) degrees east crossing Dry Run twelve hundred (1200) feet more or less to a point; thence south seventy-three (73) degrees ten (10) minutes east eighteen hundred (1800) feet more or less to a point in the westerly controlled access right-of-way line of Interstate Route #77; thence north seventy-eight (78) degrees fifty (50) minutes west fifty-five hundred (5500) feet more or less to a point; thence north ten (10) degrees east crossing U. S. Route #50 six thousand four hundred (6,400) feet to a point; thence south forty-one (41) degrees east twenty-nine hundred (2900) feet to a point; thence south three (3) degrees east twenty-five hundred (2500) feet to a point; thence south sixty-five (65) degrees east twenty-nine hundred (2900) feet more or less to a point; thence south eight (8) degrees ten (10) minutes east twenty-two hundred (2200) feet more or less to a point; thence south forty (40) degrees twenty-five (25) minutes west crossing U. S. Route #50 five thousand four hundred (5,400) feet more or less to a point; thence west one hundred (100) feet to a point; thence south fifty (50) degrees thirty (30) minutes west crossing State Route #47 thirteen thousand two hundred (13,200) feet more or less to a point on the northerly bank of the Little Kanawha River; thence with the northerly bank of the Little Kanawha River down stream twenty-seven thousand (27000) feet more or less to the place beginning.

2. That said public service district shall have the name and corporate title of Claywood Park Public Service District and shall acquire all public properties and political subdivisions of the State of West Virginia within the boundaries of said district.

upon public service districts by the laws of the State of West Virginia and particularly by Chapter 16, Article 13a of the Code of West Virginia, 1931, as amended.
THE COUNTY COURT OF WOOD COUNTY
By J. Lloyd Amos, President

STATE OF WEST VIRGINIA,
COUNTY OF WOOD, TO WIT:

I, JAMIE SIX, Clerk of the County Commission in and for the County of Wood and State of West Virginia, having a Seal, and the Officer in whose custody of files, books and records of said Office are required by laws of said State to be kept, do hereby certify that the attached and foregoing writing is a full, true and complete transcript and copy of

IN RE: CLAYWOOD PARK PUBLIC SERVICE DISTRICT

as the same appears of record in my said Office in ORDER BOOK 29, Page 418.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of said Office, at the City of Parkersburg, County of Wood and State of West Virginia, this the 23RD day of JUNE, 2006.

JAMIE SIX, CLERK
WOOD COUNTY COMMISSION

By: *Penny Givens*
Deputy

At a regular session of the County Court, continued and held for the County of Wood, at the Court House thereof, on Tuesday, the 13th day of September, 1966, Present, Frank J. Harrison, President of said Court, and Harry C. Nicely, Commissioner.

The orders and proceedings of the previous session of this Court, held on Saturday, the 10th day of September, 1966, were read in open Court, approved and ordered signed.

IN RE: CLAYWOOD PARK PUBLIC SERVICE DISTRICT ENLARGEMENT

ORDER

"On the 13th day of September, 1966, this matter came again to be heard, this Court having heretofore by order entered on August 23, 1966, fixed this date for a public hearing on the enlargement of Claywood Park Public Service District, and having provided in said order that all persons residing in, or owning, or having any interest in property in Claywood Park Public Service District, or in the proposed addition to Claywood Park Public Service District, might appear before the County Court at this hearing and have an opportunity to be heard for and against the enlargement of the said Public Service District.

It appearing to the Court from the certificate of the publisher thereof, that notice of this hearing was duly published as required by Chapter 16, Article 13a, of the Code of West Virginia of 1931, as amended, which said certificate is hereby ORDERED to be filed herein, and it further appearing to the Court that all interested persons have been afforded an opportunity of being heard for and against the enlargement of the said district, and it further appearing to the Court that no written protests have been filed by any qualified voters resided in or residing within the said Public Service District or the proposed addition thereto, the Court did proceed to hear and consider testimony and evidence relating to the necessity, feasibility, and propriety of enlarging Claywood Park Public Service District so as to include the additional territory described in the petition heretofore filed herein, and in the notice above referred to, from all of which the Court does find that it is necessary, feasible and proper to enlarge Claywood Park Public Service District so as to include therein, the additional territory hereinafter fully described, and the Court does further find that the enlargement of Claywood Park Public Service District will be conducive to the preservation of public health and convenience within the area of the enlarged public service district. It is accordingly ORDERED as follows:

1.) That the boundaries of Claywood Park Public Service District heretofore created by this Court by order entered in the County Court of Wood County, on November, 21, 1964, be enlarged so as to include within the boundaries of the said public service district, the area described in the order last above referred to, and in addition thereto, the following addition:

BEGINNING on the Northerly bank of the Little Kanawha River at the point at which the present Southeasterly boundary of Claywood Park Public Service District intersects the said Northerly bank of the Little Kanawha River, and thence with the Northerly bank of the Little Kanawha River upstream to the mouth of Allen Run; thence with the center of Allen Run to the intersection of West Virginia State Route 47 and said Allen Run; thence South 58° West 12,000 feet, more or less, to a point in the present Southeasterly line of Claywood Park Public Service District; thence with the present Southeasterly line of Claywood Park Public Service

District South 50° West 7,800 feet, more or less, to the place of beginning; which said area is shown on a map entitled "Addition to Claywood Park Public Service District, Wood County, West Virginia", dated August, 1966, prepared by M. Edward Norman, professional Engineer, which said map has been filed with the Clerk of the County Court of Wood County, West Virginia,

THE COUNTY COURT OF WOOD COUNTY
By: Frank J. Harrison, President."

STATE OF WEST VIRGINIA,
COUNTY OF WOOD, TO WIT:

I, JAMIE SIX, Clerk of the County Commission in and for the County of Wood and State of West Virginia, having a Seal, and the Officer in whose custody of files, books and records of said Office are required by laws of said State to be kept, do hereby certify that the attached and foregoing writing is a full, true and complete transcript and copy of

IN RE: CLAYWOOD PARK PUBLIC SERVICE DISTRICT ENLARGEMENT

as the same appears of record in my said Office in ORDER BOOK 32, Page 122.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of said Office, at the City of Parkersburg, County of Wood and State of West Virginia, this the 23RD day of JUNE, 20 06.

JAMIE SIX, CLERK
WOOD COUNTY COMMISSION

By: *Patty Lewis*
Deputy

ORDERS—Wood County Court, West Virginia

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THURSDAY, MARCH 8th, 1973

IN RE: CLAYWOOD PARK PUBLIC SERVICE DISTRICT

ORDER

On this 8th day of March, 1973, the Court again considered the enlargement and reduction of Claywood Park Public Service District. The Court finds and determines that the written protests in the form of Petitions filed with the Court on March 3, 1973, do not constitute written protests by 30% or more of the qualified voters registered in or residing in the proposed boundaries of Claywood Park Public Service District. Accordingly, the Court having on February 6 and March 3 heard and considered testimony and evidence relating to the necessity, feasibility, and propriety of enlarging Claywood Park Public Service District so as to include the additional territory described in the petition heretofore filed herein, and in notices of said Public Hearing on February 6, 1973, and further did proceed to hear and consider evidence relating to the necessity, feasibility, and propriety of reducing Claywood Park Public Service District so as to remove therefrom the territory also described in the petition herein, and in the notice above referred to, and all interested persons having been afforded an opportunity to be heard for and against the enlargement and reduction of the said Public Service District the Court does find that it is necessary, feasible, and proper to enlarge Claywood Park Public Service District so as to include therein the additional territory hereinafter fully described and to reduce the said District by removing therefrom the territory described in the said petition; and the Court does further find that the enlargement and reduction of Claywood Park Public Service District will be conducive to the preservation of public health and convenience within the area of the enlarged public service district. It is accordingly ordered that the boundaries of Claywood Park Public Service District heretofore created by this Court by order entered on November 21, 1964, and enlarged by order entered on September 13, 1966, be again enlarged so as to include within the boundaries of the said Claywood Park Public Service District all of the area in Parkersburg, Clay, Walker, and Union Magisterial Districts of Wood County, West Virginia bounded and described as follows and that the District be reduced by removing therefrom that territory in Parkersburg District adjacent the present corporate limits of the City of Parkersburg more fully shown and described upon the map of said District hereinafter referred to:

BEGINNING on the northerly bank of the Little Kanawha River at a point in the line of the Parkersburg Magisterial District 2600 feet, more or less, upstream from the mouth of Worthington Creek thence proceeding up the Little Kanawha River with the Parkersburg Magisterial south boundary to the Clay Magisterial boundary at Dry Run and continuing up the Little Kanawha River along the south boundary of Clay Magisterial District 47,400 feet to the mouth of Miller Creek; thence northeastward 41,700 feet to community of Doyls at the center line of the intersection of West Virginia State Route 31 and West Virginia Secondary Road No. 3/16, a common corner of Union Williams Public Service District; thence with the Union Williams Public Service District boundary westward 28,500 feet to the community of Boreman at the intersection of West Virginia Secondary Route 16 and 16/5; thence proceeding 9400 feet to the center of the intersection of Interstate Highway 77 and U. S. Route 50; thence the boundary proceeds 6200 feet, more or less, northwesterly to a point in the property line of land now owned by J. Stewart Dudley, the proposed corporation line of the City of Parkersburg; thence with the Dudley line extended S. 29° 13' W. 1500 feet, more or less, to the place of beginning, containing 35 square miles, more or less, which said area is shown on a map entitled Claywood Park Public Service District New and Enlarged Boundary Wood County, West Virginia, dated August 1, 1972, prepared by Carrone & Vaughn, Inc., Professional Engineers, which said map is attached to the petition heretofore filed herein and made a part thereof and to which map reference is hereby made and had.

thence the boundary proceeds 10,000 feet, in a southwesterly direction to Dry Run approximately 800 feet, more or less, northeast of West Virginia State Route 47;

There appearing no further business to claim the attention of this Court, it is hereby ordered that this Court do now adjourn to meet in regular session, Saturday, March 10, 1973, at 9:00 o'clock, A. M.

James A. ...
President

STATE OF WEST VIRGINIA,
COUNTY OF WOOD, TO WIT:

I, JAMIE SIX, Clerk of the County Commission in and for the County of Wood and State of West Virginia, having a Seal, and the Officer in whose custody of files, books and records of said Office are required by laws of said State to be kept, do hereby certify that the attached and foregoing writing is a full, true and complete transcript and copy of

IN RE: CLAYWOOD PARK PUBLIC SERVICE DISTRICT

as the same appears of record in my said Office in ORDER BOOK 36, Page 161.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of said Office, at the City of Parkersburg, County of Wood and State of West Virginia, this the 23RD day of JUNE, 2006.

JAMIE SIX, CLERK
WOOD COUNTY COMMISSION

By: _____

Patty Lewis

Deputy

IN RE: CLAYWOOD PARK PUBLIC SERVICE
DISTRICT ENLARGEMENT

O R D E R

ON THE 10th day of June, 1976, at 10:00 o'clock, A. M., this matter came on to be heard, this Commission having heretofore by ORDER entered on May 13, 1976, and appears of Record in Order Book No. 37, at Page 257, fix this date and time for a public hearing on the enlargement of Claywood Park Public Service District, and having provided in said Order that all persons residing in, or owning, or having any interest in property in Claywood Park Public Service District, might appear before the County Commission at this hearing and have an opportunity to be heard for and against the enlargement of the said Public Service District.

Thereupon, Claywood Park Public Service District tendered to the Commission for filing, the following:

- 1) The Affidavit of Mary F. Cheuvront that Notice of the time and place of this hearing was published in the Parkersburg Sentinel on the 29th day of May, 1976, which was more than ten (10) days prior to the date of this hearing.
- 2) The return of G. G. Chapman, a Deputy Sheriff in and for the County of Wood, State of West Virginia, that notice of the time and place of this hearing was posted by the said G. G. Chapman, at five (5) conspicuous places in Claywood Park Public Service District and in the proposed enlargement of Claywood Park Public Service District.

The Commission, having examined the foregoing, and the same appearing to be proper, the said Affidavit and return are hereby ordered to be, and are hereby filed herein.

It further appearing to the Commission that all interested persons have been afforded an opportunity of being heard, for and against, the enlargement of the said Public Service District, and it further appearing to this Commission that no written protests have been filed by any qualified voters, registered or residing within the said Public Service District or the proposed addition thereto, the Commission did proceed to hear and consider testimony and evidence relating to the necessity and feasibility of enlarging Claywood Park Public Service District, so as to include the additional territory described in the Petition heretofore filed, herein, and in the Notice hereinabove referred to, from all of which the Commission does find that it is necessary, feasible and proper to enlarge Claywood Park Public Service District so as to include the additional territory described in said Petition, and the Commission does further find that the enlargement of Claywood Park Public Service District will be conducive to the preservation of public health, comfort and convenience within the area of the enlarged public service district.

IT IS ACCORDINGLY ORDERED, that the boundaries of Claywood Park Public Service District heretofore created by this Commission (formerly Court and successor by conversion), by Order entered on November 21, 1964, and enlarged by Order entered on September 13, 1966, and reduced and enlarged by Order entered on March 8, 1973, be again enlarged so as to include within the boundaries of the said Claywood Park Public Service District, all of the area bounded and described as follows:

BEGINNING on the northerly bank of the Little Kanawha River at a point in the line of the Parkersburg Magisterial District 2,600 ft., more or less, upstream from the mouth of Worthington Creek; thence, proceeding up the Little Kanawha River with the south boundary of Parkersburg and Clay Magisterial Districts, 73,700 ft. to the intersection of the Wood-Wirt County line (Point #2); thence, proceeding with the Wood-Wirt County line 42,000 ft., more or less, to the intersection of the Ritchie County line near the community of Eatons (Point #3); thence, proceeding along the Wood-Ritchie County line 42,000 ft., more or less, to the intersection of the Wood-Ritchie-Plasants County line (Point #4); thence, proceeding along the Wood-Plasants County line 43,000 ft., more or less, to the mouth of Hosenack Run and Bull Run and a point on the Union-Williams Public Service District boundary (Point #5); thence, proceeding in a southwesterly direction with the Union-Williams Public Service District boundary 19,475 ft., more or less, to the community of Doyle (Point #6); thence, proceeding in a westerly direction along the Union-Williams Public Service District boundary 25,500 ft., more or less, to the community of Berean at the intersection of West Virginia Secondary Route 16 and 36/5 (Point #7); thence, continuing in a southwesterly direction 9,400 ft. to the intersection of U. S. Route 50 and Interstate Highway 1-77 (Point #8); thence, continuing in a southwesterly direction 10,000 ft. to a point in Dry Run 800 ft., more or less, from State Route 47 (Point #9); thence, proceeding in a northwesterly direction 6,200 ft., more or less to a point in the property line of land now owned by J. Stewart Dudley, the proposed corporation line of the City of Parkersburg (Point #10); thence, with the Dudley line extended S 29° 13' W 1,500 ft.; more or less, to the place of beginning, containing 107sq. miles, more or less, which said area is shown on a map entitled "Claywood Park Public Service District, Wood County, West Virginia, March, 1976", prepared by Cerrone & Vaughn, Inc., Professional Engineers, which said map is on file in the Office of the Clerk of the County Commission of Wood County, West Virginia.

THE COUNTY COMMISSION OF WOOD COUNTY

s/ Victor H. Rafferty, President
s/ James A. Fittro, Commissioner
s/ Marvin H. Leach, Commissioner

STATE OF WEST VIRGINIA,
COUNTY OF WOOD, TO WIT:

I, JAMIE SIX, Clerk of the County Commission in and for the County of Wood and State of West Virginia, having a Seal, and the Officer in whose custody of files, books and records of said Office are required by laws of said State to be kept, do hereby certify that the attached and foregoing writing is a full, true and complete transcript and copy of

IN RE: CLAYWOOD PARK PUBLIC SERVICE DISTRICT ENLARGEMENT

as the same appears of record in my said Office in ORDER BOOK 37, Page 269.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of said Office, at the City of Parkersburg, County of Wood and State of West Virginia, this the 23RD day of JUNE, 2006.

JAMIE SIX, CLERK
WOOD COUNTY COMMISSION

By: *Priscilla Lewis*
Deputy

APRIL TERM

NINTH DAY
MONDAY, MAY 2, 1994

MAY, 1994

At a regular session of the County Commission, continued and held for the County of Wood, at the Court House thereof, Monday, May 2, 1994, Present, Holmes R. Shaver, President of said Commission, and Jean Grapes and Steven A. Grimm, Commissioners.

The orders and proceedings of the previous session of this Commission, held on Thursday, April 28, 1994, were read before the Commission, approved and ordered signed.

CASCO & HARRIS, INC., SPENCER, W. VA. BY ORDER NO. 061261-01

IN RE: CLAYWOOD PARK PUBLIC SERVICE DISTRICT ENLARGEMENT.
O R D E R

On the 2nd day of May, 1994, at 10:00 a.m., this matter came to be heard, this Commission having heretofore by ORDER entered on the 4th day of April, 1994, which appears of record in Order Book 55, at Page 555, fixed this date and time for a public hearing on the enlargement of Claywood Park Public Service District, and having provided in the Order that all persons residing in, or owning, or having any interest in property in Claywood Park Public Service District, or in the proposed addition thereto, might appear before the Commission at this hearing and have the opportunity to be heard for and against the enlargement of the District.

Thereupon, Claywood Park Public Service District tendered to the Commission for filing:

1) The affidavit of Heather J. Byers that notice of the time and place of this hearing was published in the Parkersburg Sentinel on the 13th day of April, 1994, which was more than ten (10) days prior to the date of this hearing.

2) The affidavit of Joyce Moler that notice of the time and place of this hearing was published in the Wirt County Journal on the 13th day of April, 1994, which was more than ten (10) days prior to the date of this hearing.

3) The affidavit of R. Neil Bee, an employee of Claywood Park Public Service District, that notice of the time and place of this hearing was posted by him in at least (5) conspicuous places in the proposed boundaries of Claywood Park Public Service District not less than ten (10) days before the date of this hearing.

4) the certificate of service showing that a copy of the notice of the time and place of this hearing was mailed to the Clerk of the County Commission of Wirt County, at the Wirt County Courthouse, Elizabeth, West Virginia, not less than ten days before the date of this hearing.

5) The certificate of service showing that a copy of the notice of the time and place of this hearing was mailed to the Executive Secretary of the Public Service Commission of West Virginia, at 201 Brooks Street, Post Office Box 812, Charleston, West Virginia, not less than ten (10) days before the date of this hearing.

The Commission having examined the foregoing and the same appearing to be proper, these documents are hereby ordered to be, and are hereby, filed herein.

It further appearing to the Commission that all interested person have been afforded an opportunity of being heard, for and against, the enlargement of the District, the Commission did proceed to hear and consider testimony and evidence relating to the necessity and feasibility of enlarging Claywood Park Public Service District, so as to include therein the territory described in the Petition heretofore filed herein, and in the notice hereinabove referred to. From all of which, the Commission does find that it is necessary, feasible and proper to enlarge Claywood Public Service District so as to include the territory described in the Petition; and that the enlargement of Claywood Park Public Service District will be conducive to the preservation of the public health, comfort and convenience within the area of the enlarged public service district.

IT IS ACCORDINGLY ORDERED, as follows:

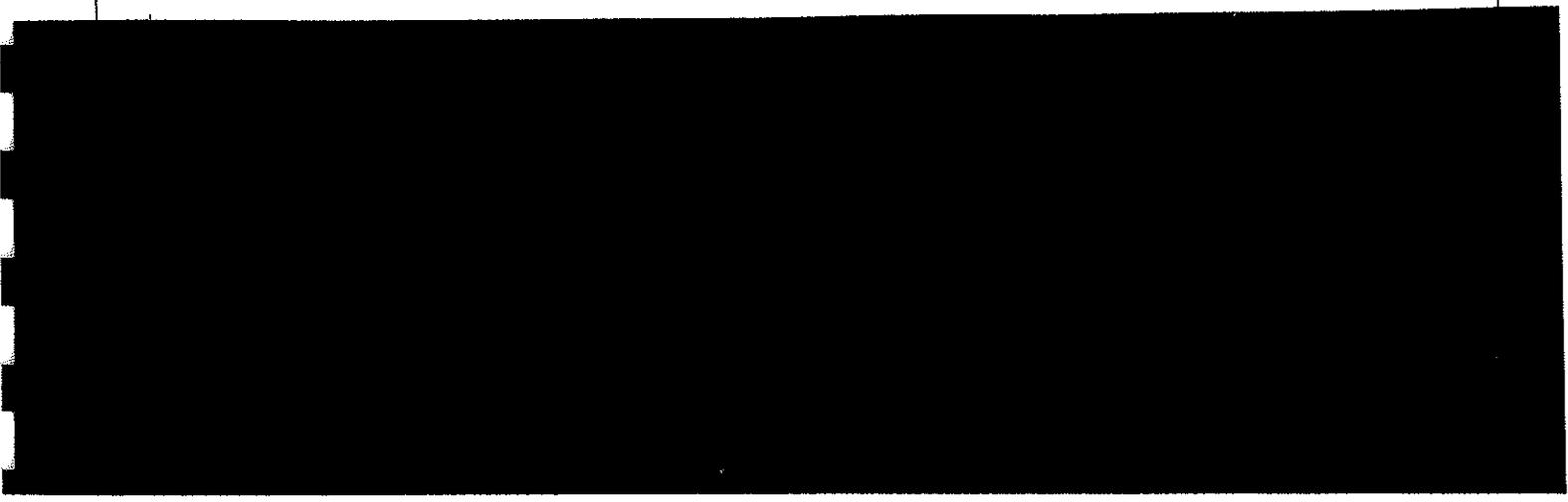
1) The the boundaries of Claywood Park Public Service District be enlarged so as to include the boundaries of the District, for purposes of providing water service, the area which is more fully described and set forth on Exhibit A attached hereto and made a part hereof by reference.

2) That the Petitioner cause a certified copy of this Order to be served upon the Executive Secretary of the Public Service Commission of West Virginia within ten (10) days of its entry.

THE COUNTY COMMISSION OF WOOD COUNTY, WEST VIRGINIA

s/ Holmes R. Shaver
Holmes R. Shaver, President
s/ Steven A. Grimm
Steven A. Grimm, Commissioner
s/ Jean Grapes
Jean Grapes, Commissioner

(SEE PHOTOSTAT PAGES IN BOOK 44K
PAGE 366 FOR COPY OF
BOUNDARY EXPANSION - 1994
IN ITS ENTIRETY)



STATE OF WEST VIRGINIA,
COUNTY OF WOOD, TO WIT:

I, JAMIE SIX, Clerk of the County Commission in and for the County of Wood and State of West Virginia, having a Seal, and the Officer in whose custody of files, books and records of said Office are required by laws of said State to be kept, do hereby certify that the attached and foregoing writing is a full, true and complete transcript and copy of

IN RE: CLAYWOOD PARK PUBLIC SERVICE DISTRICT ENLARGEMENT

as the same appears of record in my said Office in ORDER BOOK 55, Page 575.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of said Office, at the City of Parkersburg, County of Wood and State of West Virginia, this the 23RD day of JUNE, 2006.

JAMIE SIX, CLERK
WOOD COUNTY COMMISSION

By: _____

Kathy Emrick

Deputy

IN THE COUNTY COMMISSION OF WIRT COUNTY, WEST VIRGINIA

IN RE:

CLAYWOOD PARK PUBLIC SERVICE
DISTRICT ENLARGEMENT

ORDER

On the 3rd day of May, 1994, at 10:00 a.m., this matter came to be heard, this Commission having heretofore by ORDER entered on the 5th day of April, 1994, which appears of record in Book No. _____, at Page _____, fixed this date and time for a public hearing on the enlargement of Claywood Park Public Service District, and having provided in the Order that all persons residing in, or owning, or having any interest in property in Claywood Park Public Service District, or in the proposed addition thereto, might appear before the Commission at this hearing and have the opportunity to be heard for and against the enlargement of the District.

Thereupon, Claywood Park Public Service District tendered to the Commission for filing:

- 1) The affidavit of Heather J. Byers that notice of the time and place of this hearing was published in the Parkersburg Sentinel on the 13th day of April, 1994, which was more than ten (10) days prior to the date of this hearing.
- 2) The affidavit of Joyce Moler that notice of the time and place of this hearing was published in the Wirt County Journal on the 13th day of April, 1994, which was more than ten (10) days prior to the date of this hearing.
- 3) The affidavit of R. Neil Bee, an employee of Claywood Park Public Service District, that notice of the time and place of this hearing was posted by him in at least five (5) conspicuous places in the proposed boundaries of Claywood Park Public Service District not less than ten (10) days before the date of this hearing.
- 4) The certificate of service showing that a copy of the notice of the time and place of this hearing was mailed to the Clerk of the County Commission of Wood County, at the Wood County Courthouse, Parkersburg, West Virginia, not less than ten days before the date of this hearing.
- 5) The certificate of service showing that a copy of the notice of the time and place of this hearing was mailed to the Executive Secretary of the Public Service Commission of West Virginia, at 201 Brooks Street, Post Office Box 812, Charleston, West Virginia, not less than ten (10) days before the date of this hearing.

The Commission having examined the foregoing and the same appearing to be proper, these documents are hereby ordered to be, and are hereby, filed herein.

It further appearing to the Commission that all interested persons have been afforded an opportunity of being heard, for and against, the enlargement of the District, the Commission did proceed to hear and consider testimony and evidence relating to the necessity and feasibility of enlarging Claywood Park Public Service District, so as to include therein the territory described in the Petition heretofore filed herein, and in the notice hereinabove referred to. From all of which, the Commission does find that it is necessary, feasible and proper to enlarge Claywood Park Public Service District so as to include the territory described in the Petition; and that the enlargement of Claywood Park Public Service District will be conducive to the preservation of the public health, comfort and convenience within the area of the enlarged public service district.

IT IS ACCORDINGLY ORDERED, as follows:

- 1) That the boundaries of Claywood Park Public Service District be enlarged so as to include within the boundaries of the District, for purposes of providing water service, the area which is more fully described and set forth on Exhibit A attached hereto and made a part hereof by reference.
- 2) That the Petitioner cause a certified copy of this Order to be served upon the Executive Secretary of the Public Service Commission of West Virginia within ten (10) days of its entry.

THE COUNTY COMMISSION OF WIRT COUNTY,
WEST VIRGINIA

Paul M. Bumgarner
Paul M. Bumgarner, President

Harry Matheeny
Harry Matheeny

Herman Full
Herman Full

240441

I, BARBARA CHEUVRONT, do hereby certify
that this is a true copy from the original.

Teste: BARBARA CHEUVRONT

Wirt County Clerk

By Michelle Colburn

Deputy

I, BARBARA CHEUVRONT, do hereby certify
that this is a true copy from the original.
Teste:

5-4-94

Barbara Cheuvront
Clerk

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: September 14, 1994

FINAL

10-4-94

CASE NO. 94-0307-PWD-PC

WOOD AND WIRT COUNTY COMMISSIONS
Petition for approval of expansion of
territorial boundaries of Claywood
Park Public Service District.

RECOMMENDED DECISION

PROCEDURE

On April 15, 1994, the Wood and Wirt County Commissions filed with the Public Service Commission (Commission) a petition to extend the boundaries of the Claywood Park Public Service District (Claywood Park PSD), located in Wood County, into the Newark, Clay, Elizabeth and Tucker Magisterial Districts of Wirt County.

On May 18, 1994, Staff Attorney J. Joseph Watkins filed the Initial and Final Joint Staff Memorandum, with attached memorandum from Robert M. Hubbard, Senior Utilities Analyst of the Public Service District Division of the Commission, stating that the Wood and Wirt County Commissions appear to have acted in substantial compliance with West Virginia Code §16-13A-2 and that Staff recommended approval of the boundary expansion.

On May 23, 1994, the Commission issued an Order referring this matter to the Division of Administrative Law Judges (ALJ) for decision to be issued no later than November 10, 1994.

On June 9, 1994, the undersigned ALJ issued a Procedural Order stating that, under West Virginia Code §16-13A-2, the Commission is required to provide a hearing "in the affected county" any time a county commission petitions to expand the boundaries of a public service district, and, accordingly, scheduling hearing on this matter on August 23, 1994, at 10:00 a.m. in the Judge's Chambers, City Building, 2nd Floor, 2nd and Avery Streets, Parkersburg, West Virginia, and at 2:00 p.m. in the County Commissioners' Courtroom, Wirt County Courthouse, Elizabeth, West Virginia. The Procedural Order also required publication of the Notice of Hearings in both counties.

Hearing was held as scheduled. Mr. Watkins appeared on the behalf of Staff, and John S. Bailey appeared on behalf of the Claywood Park PSD. Mr. Watkins called as witnesses Mr. Hubbard and R. Neil Bee, the General Manager of the Claywood Park PSD. No protestant appeared at either part of the bifurcated hearing. Rather, Karen Caltrider, whose residence on Camp Barbe Road would be within the expanded boundaries of the Claywood Park PSD, appeared at hearing in Parkersburg and testified in support of

the expansion. At hearing in Elizabeth twenty-two individuals appeared in support of¹ the expansion, whose names were entered into the record; none testified.

EVIDENCE

Mr. Hubbard's memorandum of May 2, 1994, was entered into evidence as Staff Exhibit 1. Mr. Hubbard testified that the boundary expansions are necessary to furnish new water service and that there was no overlapping with public service districts or other utilities. (Tr. 7). He stated that the Claywood Park PSD now serves approximately 241 customers but that, should the Commission approve an application for a certificate of convenience and necessity now pending before it in Case No. 94-0131-PWD-CN, the Claywood Park PSD would serve approximately 81 new customers, and that expansion of its boundaries is necessary to include the new project. (Tr. 8). He stated that Staff considers it in the best interest of the public to approve the expansion at issue in this matter.

Admitted into evidence were affidavits of publication establishing that the Notice of Hearings was published in the Parkersburg Sentinel and the Wirt County Journal on August 10, 1994. (Exhibits B and D). Moreover, affidavits of publication were submitted into evidence showing that notice of public hearing before the Wood County Commission on May 2, 1994, had been published in the same newspapers on April 13, 1994. (Exhibits A and C). An affidavit from Mr. Bee also established that posting of notice was also effected. (Staff Exhibit 2).

Mr. Bee testified that the water treatment plant that is part of the project being considered for a certificate of convenience and necessity will have adequate capacity to provide service to the area of expansion. (Tr. 13). He stated that the people who will receive the water are reliant presently on wells or cisterns, and some haul water to their homes. (Tr. 13). He stated that there is presently no water utility in the area of the expansion and he knows of no feasible alternative other than the expansion at issue in this matter. (Tr. 14).

Ms. Caltrider testified that she is dependent on well water. (Tr. 16). She also stated that the expansion would benefit the community as a whole, and particularly stated that it would be in the interest of Camp Barbe, a 4-H camp that is also used for the Wirt County Fair and other gatherings, to have a new supply of water, because its well water is extremely poor. (Tr. 16-19).

¹Lyle R. Bibbee, Ritchie Cooper, Harley Morgan, Eileen Morgan, Juanita Matheny, Thelma Bibbee, W.G. Monroe, James Matheny, Clayburn J. Hanna, Beulah Cooper, Bonnie Powell, Freda Nicholson, Harvey Nicholson, Harry Matheny, Thelma McCue, Patricia Ludwig, Betty Miller, Barbara Chevront, Suellen Calebaugh, Wayne Wright, Homer Ludwig, Michael Bumgarner.

FINDINGS OF FACT

1. On April 15, 1994, the Wood and Wirt County Commissions filed with the Public Service Commission a petition to extend the boundaries of the Claywood Park Public Service District, located in Wood County, into the Newark, Clay, Elizabeth and Tucker Magisterial Districts of Wirt County. (See petition).

2. Commission Staff recommended approval of the proposed expansion. (See Staff Exhibit 1, Tr. 8).

3. The Wood County Commission held public hearing on May 2, 1994, on the proposed expansion and provided notice thereof in Wood and Wirt Counties by publication in the the Parkersburg Sentinel and the Wirt County Journal on April 13, 1994, and by posting. (See petition, Exhibits A and C, and Staff Exhibit 2).

4. Notice of Hearing held before the undersigned ALJ on August 23, 1994, was published in the the Parkersburg Sentinel and the Wirt County Journal on August 10, 1994. (See Exhibits B and D).

5. No protestants appeared at the public hearing held August 23, 1994, in Parkersburg and Elizabeth, West Virginia, but supporters of the expansion appeared at hearing. (See Tr. 4-5, 22-23).

CONCLUSIONS OF LAW

1. The Wood and Wirt County Commissions substantially complied with the requirements of W.Va. Code §16-13A-2.

2. Because of the above conclusion and the facts given in Findings of Fact 2, 4 and 5, it is appropriate to grant the petition as an unprotested case.

ORDER

IT IS, THEREFORE, ORDERED that the petition of the Wirt and Wood County Commission filed April 15, 1994, to extend the boundaries of the Claywood Park Public Service District into the Newark, Clay, Elizabeth and Tucker Magisterial District of Wirt County, be, and it hereby is, granted.

IT IS FURTHER ORDERED that within ten (10) days of the date this decision becomes a final order the Wirt and Wood County file with the Commission Orders signed by the Commissions of said counties expanding the Claywood Park Public Service District, consistent with said petition.

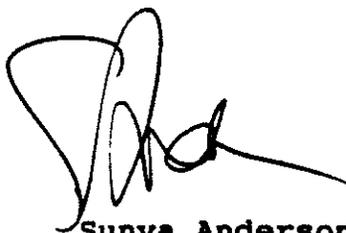
IT IS FURTHER ORDERED that this matter be removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this order upon the Commission by hand delivery, 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.



Sunya Anderson
Administrative Law Judge

SA:mal

CERTIFICATION

I, C. Randall Law, Secretary of the Public Service Board of the Claywood Park Public Service District, Wood and Wirt Counties, West Virginia, do hereby certify that the attached is a true and accurate copy of the By-Laws of Claywood Park Public Service District and that the foregoing remain in full force and effect and have not been amended or repealed.

Given under my hand and seal of Claywood Park Public Service District this 28th day of June, 2006.



Secretary

[SEAL]

RULES OF PROCEDURE

PUBLIC SERVICE DISTRICT

ARTICLE I
NAME AND PLACE OF BUSINESS

Section 1. The name of this Public Service District shall be CLAYWOOD PARK PUBLIC SERVICE DISTRICT (the "District").

Section 2. The principal office of the District will be located in Wood County, West Virginia.

Section 3. The official seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Claywood Park Public Service District, and in the center "seal" as follows:

Section 4. The fiscal year of the District shall begin on the 1st day of July in each year and shall end on June 30 of the following year.

ARTICLE II
PURPOSE

Section 1. The District is organized and operated exclusively for the purposes set forth in Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the "Act").

ARTICLE III
MEMBERSHIP

Section 1. The members of the Public Service Board of the District (the "Board") shall be those persons appointed by The County Commission of Wood County, West Virginia (the "County Commission"), 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 Board resign or otherwise become legally disqualified to serve as a member of the Board, the District 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 Board, the District 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 Board.

Section 3. The District shall provide to the Public Service Commission of West Virginia, within 30 days of the appointment, the following information: the new board member's name, home address, home and office phone numbers, date of appointment, length of term, who the new member replaces and if the new appointee has previously served on the board, and such other information required under the Act.

Section 4. Each board member shall, within 6 months of taking office, successfully complete the training program established and administered by the Public Service Commission of West Virginia in conjunction with the West Virginia Division of Environmental Protection and the West Virginia Bureau for Public Health.

Section 5. Board members shall not be or become pecuniarily interested, directly or indirectly, in the proceeds of any contract or service, or in furnishing any supplies or materials to the District, nor shall a former board member be hired by the District in any capacity within a minimum of 12 months after such board member's term has expired or after such board member has resigned from the Board.

Section 6. Salaries of the board members shall be established as provided in Chapter 16, Article 13A, Section 4 of the Act. The District shall certify the number of customers served to the Public Service Commission of West Virginia on the first day of July each year. Board members may be reimbursed for all reasonable and necessary expenses actually incurred in the performance of their duties.

Section 7. The members of the Board are not personally liable or responsible for any obligations of the District or the Board but are answerable only for willful misconduct in the performance of their duties.

ARTICLE IV
MEETINGS OF THE BOARD

Section 1. The members of the Board shall hold regular monthly meetings on such days of each month and 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 Board may be called at any time by the Chairman or by a quorum of the Board.

Section 2. At any meeting of the Board, a majority of the members of the Board shall constitute a quorum. Each member of the Board shall have one vote at any meeting and if a quorum is not present, those present may adjourn the meeting to a later date.

Section 3. Unless otherwise waived, notice to members of regular meetings shall be by letter or telephone. Unless otherwise waived, notice to members of each special meeting shall be by letter or telephone not less than 48 hours 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 at such meeting, and no business other than that stated in the notice shall be transacted at such special meeting.

Section 4. Pursuant to Chapter 6, Article 9A, Section 3 of the Code of West Virginia, 1931, as amended, notice of the date, time, place and agenda of all regularly scheduled meetings of the Board, and the date, time, place and purpose of all special meetings of the Board, shall be made available, in advance, to the public and news media as follows:

Rule No. 1. Notice of Regularly Scheduled Meetings. Immediately after adoption of these Rules of Procedure and in July of each year thereafter, the Board shall instruct the Secretary to, and the Secretary shall, post, and leave posted throughout the year to which it applies, at the regular meeting place of the Board and at the Wood County Courthouse, where notices customarily are posted, a notice setting forth the date, time and place of the Board's regularly scheduled meetings for the ensuing year. In addition, a copy of the agenda for each regularly scheduled meeting shall also be posted at the same location by the Secretary not less than 48 hours before such regular meeting is to be held.

The Board shall also instruct the Secretary to, and the Secretary shall, distribute to each of the newspapers and other news media listed below a notice identical to that posted:

News Media

Address

WTAP-TV

One Television Plaza
Parkersburg, West Virginia 26101

WXIL-FM, WHBR-FM,
WGGE-FM, WKYG-AM
WADC-AM

P. O. Box 1228
Parkersburg, West Virginia 26102

WRZZ-FM, WLTP-AM,
WRVB-FM, WNUS-FM,
WVVV-FM, WDMX-FM

P. O. Box 5559
Vienna, West Virginia 26105

The Parkersburg News

519 Juliana Street
Parkersburg, West Virginia 26101

The Parkersburg Sentinel

519 Juliana Street
Parkersburg, West Virginia 26101

Wirt County Journal

P. O. Box 309
Elizabeth, West Virginia 26143

A notice shall be considered distributed to a news medium when it has either been (i) addressed to such news medium at the address listed above, or at such other address as the news medium has in writing requested be used, marked or stamped with first class postage and deposited in the United States mail or (ii) sent by facsimile transmission to such news medium. In July of each year after the adoption of these Rules of Procedure, the Board shall review the above list and shall amend such list as needed, in the opinion of the Board, to reflect properly all the newspapers and other news media that customarily cover news of the area served by the Board. In addition, a copy of the agenda for each regularly scheduled meeting shall also be distributed to the news media by the Secretary not less than 48 hours before such regular meeting is to be held.

In the event of any modification to the date, time, place or agenda of a regularly scheduled meeting of the Board, notice of such modification shall immediately be given to the public and news media by posting at the places and distributing to the news

media in the manner set forth above. A copy of the notice of such modification shall be attached to and made a part of the minutes of the meeting for which such notice was given.

Rule No. 2. Notice of Special Meetings. Not less than 48 hours prior to the date set for any special meeting of the Board, the Board shall instruct the Secretary to, and the Secretary shall, post at the regular meeting place of the Board and at the Wood County Courthouse, where notices customarily are posted, a notice setting forth the date, time, place and purpose or purposes of such special meeting. Business at such special meeting shall be limited to the purpose or purposes specified in said notice.

As soon as practical after the posting of said notice, but not less than 48 hours prior to the date set for such special meeting, the Secretary shall distribute to each of the newspapers and other news media listed in Rule No. 1 hereof, a notice identical to that posted. Amendments made to such news media list, as provided for in said Rule No. 1, shall be incorporated by reference in this Rule No. 2. A notice shall be considered distributed to a news medium when it has either been (i) addressed to such news medium at the address listed in said Rule No. 1, or at such other address as the news medium has in writing requested be used, marked or stamped with first class postage and deposited in the United States mail or (ii) sent by facsimile transmission to such news medium.

A copy of such notice posted and distributed pursuant to this Rule No. 2 shall be attached to and made a part of the minutes of the meeting for which such notice was given.

Rule No. 3. Emergency Meetings. The Board may hold a meeting without providing the notice to the public and news media required by Rule No. 1 and Rule No. 2 hereof only in the event of an emergency requiring immediate official action. The existence for such an emergency requiring immediate official action shall be determined by the Board and shall be attested to in a certificate by the Secretary describing such emergency and setting forth the reason or reasons immediate official action is required, which certificate shall be attached to and made a part of the minutes of such emergency meeting.

Rule No. 4. Executive Sessions. The Board may hold an executive session during a regular, special or emergency meeting in accordance with Chapter 6, Article 9A, Section 4 of the Code of West Virginia, 1931, as amended. During the open portion of the meeting, prior to convening an executive session, the Chairman shall identify the authorization under Chapter 6, Article 9A, Section 4 of the Code of West Virginia, 1931, as amended, for holding the executive session and present it to the Board and to the general public, but no decision may be made in the executive session. An executive session may be held only upon a majority affirmative vote of the Board members present. The Board may

hold an executive session and exclude the public only when a closed session is required for any of the actions permitted under Chapter 6, Article 9A, Section 4 of the Code of West Virginia, 1931, as amended.

Rule No. 5. Minutes. The Board shall provide for the preparation of written minutes of all of its meetings. Subject to the exceptions set forth in Chapter 6, Article 9A, Section 4 of the Code of West Virginia, 1931, as amended, minutes of all meetings except minutes of executive sessions, if any are taken, shall be available to the public within a reasonable time after the meeting and shall include, at least, the following information:

- (1) The date, time and place of the meeting;
- (2) The name of each Board member present and absent;
- (3) All motions, proposals, resolutions, orders, ordinances and measures proposed, the name of the person proposing the same and their disposition; and
- (4) The results of all votes and, upon the request of a Board member, the vote of each Board member, by name.

Rule No. 6. No Actions by Reference. Except as otherwise expressly provided by law, the Board may not deliberate, vote, or otherwise take official action upon any matter by reference to a letter, number or other designation or other secret device or method, which may render it difficult for persons attending a meeting to understand what is being deliberated, voted or acted upon. However, this rule does not prohibit the Board from deliberating, voting or otherwise taking action by reference to an agenda, if copies of the agenda, sufficiently worded to enable the public to understand what is being deliberated, voted or acted upon, are available for public inspection at the meeting. The Board may not vote by secret or written ballot.

Rule No. 7. Broadcasting of Meetings. Except as otherwise provided in this rule, any radio or television station is entitled to broadcast all or any part of a Board meeting required to be open. The Board may regulate the placement and use of equipment necessary for broadcasting, photographing, filming or recording a meeting, so as to prevent undue interference with the meeting. The Board shall allow the equipment to be placed within the meeting room in such a way as to permit its intended use, and the ordinary use of the equipment may not be declared to constitute undue interference; provided, that if the Board, in good faith, determines that the size of the meeting room is such that all the members of the public present and the equipment and personnel necessary for broadcasting, photographing, filming and tape-recording the meeting cannot be accommodated in the meeting room without unduly interfering with the meeting and an adequate alternative meeting room is not readily available, then the Board, acting in good faith and consistent

with the purposes of this rule, may require the pooling of the equipment and the personnel operating it.

Rule No. 8. Telephonic Meetings. Board meetings may be held by telephone conference or other electronic means. All Board members participating by telephone or other electronic means must be audible to all those personally present.

Section 5. All meetings of any committee of the Board shall be subject to the Rules of Procedure set forth in Section 4 above.

ARTICLE V OFFICERS

Section 1. The officers of the Board shall be a Chairman, Secretary and Treasurer. The Chairman shall be elected from the members of the Board. The Secretary and Treasurer need not be members of the Board.

Section 2. The officers of the Board shall be elected each year by the members at the first meeting after the first day of January of each 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 Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the next annual organizational meeting of the Board when their successors shall be elected as hereinabove provided.

ARTICLE VI DUTIES OF OFFICERS

Section 1. When present, the Chairman shall preside as Chairman at all meetings of the Board. He/She shall, together with the Secretary, sign the minutes of all meetings at which he/she shall preside. He/She shall attend generally to the executive business of the Board and exercise such powers as may be conferred upon him/her by the Board, by these Rules of Procedure, or prescribed by law.* He/She shall execute, and if necessary, acknowledge for record, any deeds, deeds of trust, contracts, notes, bonds, agreements, or other documents 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. If the Chairman is absent from any meeting, the remaining members of the Board shall select a temporary Chairman.

Section 3. The Secretary shall keep a record of all proceedings of the Board which shall be available for inspection as other public records. If requested by the County Commission, duplicate records shall be filed with the County Commission and shall include the minutes of all Board meetings. He/She shall, together with the Chairman, sign the minutes of the meetings at which he/she is present. The Secretary shall have charge of the minute book, be the custodian of deeds and other documents and papers of the Board. He/She shall also perform such other duties as may be required of him/her by law or as may be conferred upon him/her from time to time by the members of the Board.

Section 4. The Treasurer shall be the lawful custodian of all funds of the District and shall pay same out 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/her 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. The Treasurer shall keep and preserve all financial records of the District for 10 years and shall at all times have such records readily available for public inspection. At the end of his/her term of office, the Treasurer shall promptly deliver all financial records of the District to his successor in office. He/She shall also perform such other duties as may be required of him/her by law or as may be conferred upon him/her from time to time by the members of the Board. The Treasurer shall furnish bond in an amount to be fixed by the Board for the use and benefit of the District.

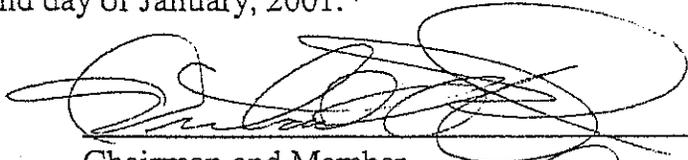
Section 5. No money may be paid out by the District except upon an order signed by the Chairman and Secretary, or such other person or persons authorized by the Chairman or the Secretary, as the case may be, to sign such orders on their behalf. Each order for the payment of money shall specify the purposes for which the amount thereof is to be paid, with sufficient clearness to indicate the purpose for which the order is issued, and there shall be endorsed thereon the name of the particular fund out of which it is payable and it shall be payable from the fund constituted for such purpose, and no other. All such orders shall be reflected in the minutes of the next meeting of the Board.

Section 6. The members and officers of the Board shall make available to the County Commission, at all times, all of its books and records pertaining to the District's operation, finances and affairs, for inspection and audit.

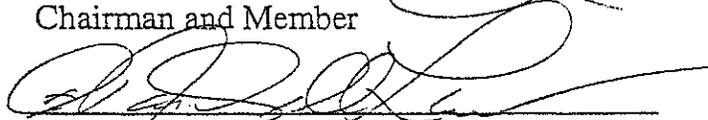
ARTICLE VII
AMENDMENTS TO RULES OF PROCEDURE

Section 1. These Rules of Procedure may be altered, changed, amended or added to at any regular or special meeting of the Board when a quorum is present and a majority of those present vote for the alteration, change, amendment or addition; but no such alteration, change, amendment or addition shall be made at any special meeting unless notice of the intention to propose such alteration, change, amendment or addition and a clear statement of the substance thereof be included in the written notice calling such special meeting.

Adopted this 2nd day of January, 2001.



Chairman and Member



Member



Member

THURSDAY, NOVEMBER 7, 2002
ELEVENTH DAY

OCTOBER TERM
2002

65/351
NOVEMBER,

At a Regular Session of the County Commission, continued and held for the County of Wood at the Courthouse thereof, Thursday, November 7, 2002, Present, Robert K. Tebay, President of said Commission, and Rick Modesitt, Commissioner.

The orders and proceedings of the previous sessions of this Commission, held on Monday, November 4, 2002, were read before the County Commission, approved and ordered signed.

IN RE: THE COUNTY COMMISSION REAPPOINTED MICHAEL A. MILLER TO THE CLAYWOOD PARK PUBLIC SERVICE DISTRICT BOARD.

ORDER

On this date, the County Commission of Wood County, upon a motion made by Rick Modesitt, seconded by Robert K. Tebay, and passed, reappointed Michael A. Miller to the Claywood Park Public Service District Board. Said reappointment is pursuant to an Order appearing in Order Book 51, at Page 433 and bearing the date of April 1, 1991, dealing with the procedure policy for appointments to boards and authorities. Mr. Miller's new term will expire on November 1, 2008.

Approved:

THE COUNTY COMMISSION OF WOOD COUNTY

s/Robert K. Tebay

Robert K. Tebay, President

s/Rick Modesitt

Rick Modesitt, Commissioner

There appearing no further business to claim the attention of this Commission, it is hereby ordered that this Commission do now adjourn to meet in regular session, Thursday, November 14, 2002, at 9:30 o'clock A.M. and sitting in Special Session, at 9:30 o'clock A.M. to meet Ex-Officio as a Board of Canvassers.


President

STATE OF WEST VIRGINIA,
COUNTY OF WOOD, TO WIT:

I, JAMIE SIX, Clerk of the County Commission in and for the County of Wood and State of West Virginia, having a Seal, and the Officer in whose custody of files, books and records of said Office are required by laws of said State to be kept, do hereby certify that the attached and foregoing writing is a full, true and complete transcript and copy of

IN RE: THE COUNTY COMMISSION REAPPOINTED MICHAEL A. MILLER TO THE
CLAYWOOD PARK PUBLIC SERVICE DISTRICT BOARD

as the same appears of record in my said Office in ORDER BOOK 65, Page 351.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of said Office, at the City of Parkersburg, County of Wood and State of West Virginia, this the 23rd day of JUNE, 2006.

JAMIE SIX, CLERK
WOOD COUNTY COMMISSION

By: Beth A. McBride
Deputy

65/385

THURSDAY, NOVEMBER 14, 2002
FOURTEENTH DAY

OCTOBER TERM
NOVEMBER, 2002

At a Regular Session of the County Commission, continued and held for the County of Wood at the Courthouse thereof, Thursday, November 14, 2002, Present, Robert K. Tebay, President of said Commission, Rick Modesitt, and K. D. Merritt, Commissioners.

The orders and proceedings of the previous sessions of this Commission, held on Thursday, November 7, 2002, Tuesday, November 12, and Wednesday, November 13, 2002, were read before the County Commission, approved and ordered signed.

IN RE: MICHAEL A. MILLER—OATH OF OFFICE—REAPPOINTED MEMBER OF THE CLAYWOOD PUBLIC SERVICE DISTRICT BOARD.
STATE OF WEST VIRGINIA,
COUNTY OF WOOD, TO-WIT:

I, MICHAEL A. MILLER, do solemnly swear that I will support the Constitution of the United States, the Constitution of West Virginia, and that I will faithfully and impartially discharge the duties of the office of REAPPOINTED MEMBER TO THE CLAYWOOD PUBLIC SERVICE DISTRICT BOARD in and for Wood County, West Virginia, to the best of my skill and judgment during my continuance in the same; SO HELP ME GOD.

s/ Michael A. Miller

Subscribed and sworn to, before the County Commission of Wood County, West Virginia, this 14th day of November, 2002

Jamie Six,

Clerk Wood County Commission

By: Brenda Blondin, Deputy"

There appearing no further business to claim the attention of this Commission, it is hereby ordered that this Commission do now adjourn to meet in Regular Session, Thursday, November 18, 2002, at 9:30 o'clock A.M.



President

STATE OF WEST VIRGINIA,
COUNTY OF WOOD, TO WIT:

I, JAMIE SIX, Clerk of the County Commission in and for the County of Wood and State of West Virginia, having a Seal, and the Officer in whose custody of files, books and records of said Office are required by laws of said State to be kept, do hereby certify that the attached and foregoing writing is a full, true and complete transcript and copy of

IN RE: MICHAEL A. MILLER-OATH OF OFFICE-REAPPOINTED MEMBER OF THE
CLAYWOOD PARK PUBLIC SERVICE DISTRICT BOARD

as the same appears of record in my said Office in ORDER BOOK 65, Page 355.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of said Office, at the City of Parkersburg, County of Wood and State of West Virginia, this the 23rd day of JUNE, 2006.

JAMIE SIX, CLERK
WOOD COUNTY COMMISSION

By: Ruth A. McBride
Deputy

OCTOBER TERM

THURSDAY, OCTOBER 26, 2000
SEVENTH DAY

OCTOBER, 2000

64/347

At a regular session of the County Commission, continued and held for the County of Wood at the Courthouse thereof, Thursday October 26, 2000, Present, Holmes R. Shaver, President of said Commission, and Robert K. Tebay, and David A. Couch, Commissioners

The orders and proceedings of the previous session of this Commission, held on Monday, October 23, 2000 and Tuesday, October 24, 2000, were read before this Commission, approved and ordered signed.

IN RE: THE COUNTY COMMISSION REAPPOINTED C. RANDALL LAW TO THE CLAYWOOD PARK PUBLIC SERVICE DISTRICT BOARD. HIS TERM WILL EXPIRE NOVEMBER 1, 2006.

ORDER

On this date, the County Commission of Wood County, upon a motion made by David A. Couch, seconded by Robert K. Tebay and made unanimous by Holmes R. Shaver, reappointed C. Randall Law to the Claywood Park Public Service District Board. Said announcement is pursuant to an Order appearing in Order Book 64, at Page 341 putting Mr. Law in nomination. Said announcement is further pursuant to an Order appearing in Order Book 51, at Page 433 and bearing the date of April 1, 1991, which deals with the procedure policy for appointments to boards and authorities. Mr. Law's new term will expire November 6, 2006.

Approved:

THE COUNTY COMMISSION OF WOOD COUNTY

s/Holmes R. Shaver

Holmes R. Shaver, President

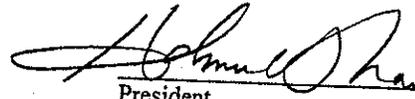
s/Robert K. Tebay

Robert K. Tebay, Commissioner

s/David A. Couch

David A. Couch, Commissioner

There appearing no further business to claim the attention of this Commission, it is hereby ordered that this Commission, do now adjourn to meet in regular session, Monday, October 30, 2000, at 9:30 o'clock A.M.



President

STATE OF WEST VIRGINIA,
COUNTY OF WOOD, TO WIT:

I, JAMIE SIX, Clerk of the County Commission in and for the County of Wood and State of West Virginia, having a Seal, and the Officer in whose custody of files, books and records of said Office are required by laws of said State to be kept, do hereby certify that the attached and foregoing writing is a full, true and complete transcript and copy of

IN RE: THE COUNTY COMMISSION REAPPOINTED C. RANDALL LAW TO THE CLAYWOOD

PARK PUBLIC SERVICE DISTRICT BOARD. HIS TERM WILL EXPIRE NOVEMBER 2, 2006

as the same appears of record in my said Office in ORDER BOOK 64, Page 347.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of said Office, at the City of Parkersburg, County of Wood and State of West Virginia, this the 23RD day of JUNE, 2006.

JAMIE SIX, CLERK
WOOD COUNTY COMMISSION

By: *Perry Sixes*

Deputy

JANUARY TERM

THURSDAY, JANUARY 4, 2001
FIRST DAY

64/391
JANUARY, 2001

At a regular session of the County Commission, continued and held for the County of Wood at the Courthouse thereof, Thursday, January 4, 2001, Present, Robert K. Tebay, President of said Commission, Rick Modesitt, Commissioner.

The orders and proceedings of the previous session of this Commission, held on Thursday, December 28, 2000, were read before the County Commission, approved and ordered signed.

✓ IN RE: C. RANDALL LAW--OATH OF OFFICER--MEMBER CLAYWOOD PARK PUBLIC DISTRICT BOARD.
"STATE OF WEST VIRGINIA,
COUNTY OF WOOD TO-WIT"

I, C. RANDALL LAW, do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will faithfully and impartially discharge the duties of the office of MEMBER CLAYWOOD PARK PUBLIC SERVICE DISTRICT BOARD in and for Wood County, West Virginia, to the best of my skill and judgment, during my continuance in the same; SO HELP ME GOD.

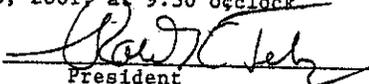
Subscribed and sworn to, before the COUNTY COMMISSION of Wood County, West Virginia, this 4th day of January, 2001.
TERM EXPIRES; NOVEMBER 6, 2006

s/ C. Randall Law

s/ Jamie Six

Clerk Wood County West Virginia"

A.D. RESILED, COMMISSIONER
There appearing no further business to claim the attention of this Commission, it is hereby ordered that this Commission do now adjourn to meet in regular session, Monday, January 8, 2001 at 9:30 o'clock


President

STATE OF WEST VIRGINIA,
COUNTY OF WOOD, TO WIT:

I, JAMIE SIX, Clerk of the County Commission in and for the County of Wood and State of West Virginia, having a Seal, and the Officer in whose custody of files, books and records of said Office are required by laws of said State to be kept, do hereby certify that the attached and foregoing writing is a full, true and complete transcript and copy of

IN RE: C. RANDALL LAW-OATH OF OFFICE-MEMBER CLAYWOOD PARK PUBLIC DISTRICT
BOARD

as the same appears of record in my said Office in ORDER BOOK 64, Page 391.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of said Office, at the City of Parkersburg, County of Wood and State of West Virginia, this the 23rd day of JUNE, 2006.

JAMIE SIX, CLERK
WOOD COUNTY COMMISSION

By: *Ruth A. McBride*
Deputy

MONDAY, NOVEMBER 1, 2004
SEVENTH DAY

NOVEMBER, 2004

OCTOBER TERM

At a Regular Session of the County Commission, continued and held for the County of Wood at the Courthouse thereof, Monday, November 1, 2004, Present, Rick Modesitt, President of said Commission, K. D. Merritt, and Robert K. Tebay, Commissioners.

The orders and proceedings of the previous sessions of this Commission, held on Thursday, October 28, 2004, and in Special Session, Thursday, October 28, 2004, were read before the County Commission, approved and ordered signed.

IN RE: THE COUNTY COMMISSION REAPPOINTED EDNA SUMMERS TO THE CLAYWOOD PARK PUBLIC SERVICE DISTRICT BOARD. HER NEW TERM WILL EXPIRE NOVEMBER 1, 2010.

ORDER

On this date, and pursuant to an Order appearing in Order Book 51, at Page 433 and bearing the date of April 1, 1991, dealing with the procedure policy for appointments being made by the County Commission of Wood County, the County Commission, upon a motion made by K.D. Merritt, seconded by Robert K. Tebay and made unanimous by Rick Modesitt, reappointed Edna Summers to the Claywood Park Public Service District Board. Her new term will expire November 1, 2010.

Approved:

THE COUNTY COMMISSION OF WOOD COUNTY

s/Rick Modesitt

Rick Modesitt, President

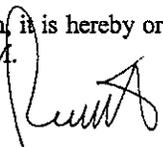
s/K.D. Merritt

K.D. Merritt, Commissioner

s/Robert K. Tebay

Robert K. Tebay, Commissioner

There appearing no further business to claim the attention of this Commission, it is hereby ordered that this Commission do not adjourn to meet in Regular Session, Thursday, November 4, 2004, at 9:30 o'clock A.M.



President

STATE OF WEST VIRGINIA,
COUNTY OF WOOD, TO WIT:

I, JAMIE SIX, Clerk of the County Commission in and for the County of Wood and State of West Virginia, having a Seal, and the Officer in whose custody of files, books and records of said Office are required by laws of said State to be kept, do hereby certify that the attached and foregoing writing is a full, true and complete transcript and copy of

IN RE: THE COUNTY COMMISSION REAPPOINTED EDNA SUMMERS TO THE CLAYWOOD PARK
PUBLIC SERVICE DISTRICT BOARD. HER NEW TERM WILL EXPIRE NOVEMBER 1, 2010

as the same appears of record in my said Office in ORDER BOOK 64, Page 430.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of said Office, at the City of Parkersburg, County of Wood and State of West Virginia, this the 23rd day of JUNE, 2006.

JAMIE SIX, CLERK
WOOD COUNTY COMMISSION

By: Ruth A. McBerrie
Deputy

OCTOBER TERM
2004

MONDAY, NOVEMBER 22, 2004
SEVENTEENTH DAY

NOVEMBER,
66/452

At a Regular Session of the County Commission, continued and held for the County of Wood at the Courthouse thereof, Monday, November 22, 2004, Present, Rick Modesitt, President of said Commission, K. D. Merritt, and Robert K. Tebay, Commissioners.

The orders and proceedings of the previous sessions of this Commission, held on Thursday, November 18, 2004, were read before the County Commission, approved and ordered signed.

IN RE: EDNA SUMMERS—OATH OF OFFICE—REAPPOINTED MEMBER OF THE CLAYWOOD PARK PUBLIC SERVICE DISTRICT BOARD.

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

I, EDNA SUMMERS, do solemnly swear that I will support the Constitution of the United States, the Constitution of West Virginia, and that I will faithfully and impartially discharge the duties of the office of REAPPOINTED MEMBER OF THE CLAYWOOD PARK PUBLIC SERVICE DISTRICT BOARD, in and for Wood County, West Virginia, to the best of my skill and judgment, during the continuance in the same; SO HELP ME GOD.

s/Edna Summers

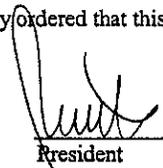
Subscribed and sworn to, before the County Commission of Wood County, West Virginia, this 22nd day of November, 2004.

Jamie Six,

Clerk Wood County Commission

By: Brenda Blondin, Deputy

There appearing no further business to claim the attention of this Commission, it is hereby ordered that this Commission do now adjourn to meet in Regular Session, Monday, November 29, 2004, at 9:30 o'clock A.M.



President

STATE OF WEST VIRGINIA,
COUNTY OF WOOD, TO WIT:

I, JAMIE SIX, Clerk of the County Commission in and for the County of Wood and State of West Virginia, having a Seal, and the Officer in whose custody of files, books and records of said Office are required by laws of said State to be kept, do hereby certify that the attached and foregoing writing is a full, true and complete transcript and copy of

IN RE: EDNA SUMMERS-OATH OF OFFICE-REAPPOINTED MEMBER OF THE CLAYWOOD
PARK PUBLIC SERVICE DISTRICT BOARD.

as the same appears of record in my said Office in ORDER BOOK 66, Page 452.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of said Office, at the City of Parkersburg, County of Wood and State of West Virginia, this the 23rd day of JUNE, 2006.

JAMIE SIX, CLERK
WOOD COUNTY COMMISSION

By: Beth A. McBride
Deputy

CERTIFICATION

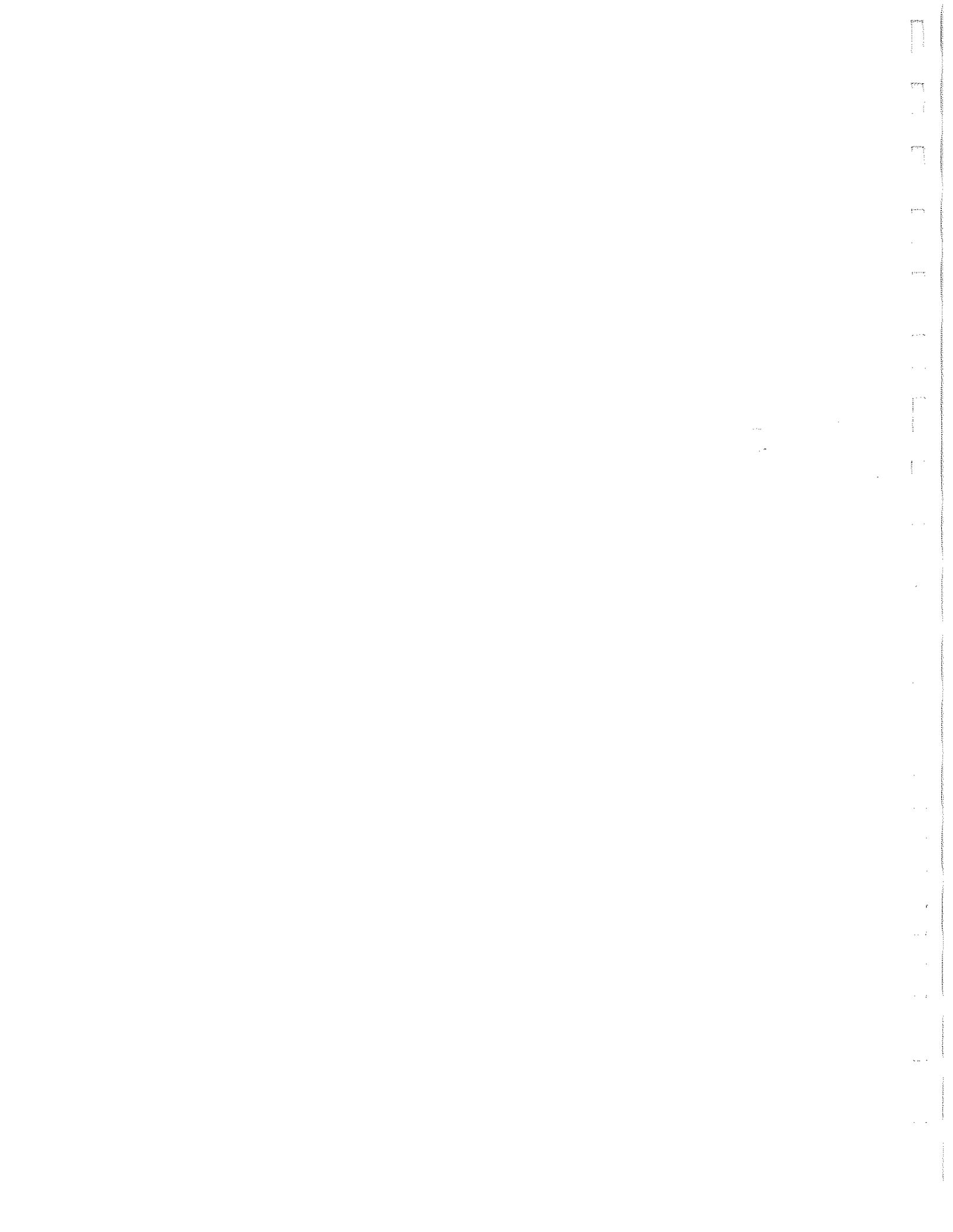
I, C. Randall Law, Secretary of the Public Service Board of the Claywood Park Public Service District, Wood and Wirt Counties, West Virginia, do hereby certify that the attached is a true and accurate copy of the Minutes of the Annual Organizational Meeting of Claywood Park Public Service District held on January 6, 2006, and that the foregoing remains in full force and effect and has not been amended or repealed.

Given under my hand and seal of Claywood Park Public Service District this 28th day of June, 2006.



Secretary

[SEAL]



CLAYWOOD PARK PUBLIC SERVICE DISTRICT
P.O. BOX 127
PARKERSBURG, WV 26102

DATE: JANUARY 3, 2006
TIME: 6:00 P.M.
PLACE: CLAYWOOD PARK OFFICE
ATTENDING: Todd Grinstead, Donna Ingraham, Michael Miller, Edna Summers,
Randy Law, Shayne Brabham.

Michael Miller, Chairman of the Board, called the meeting to order and said if there were no objections, the District would dispense with the reading of the minutes from the previous meeting. There were no objections. Mike then turned the meeting over to Todd Grinstead, General Manager of the District.

Disbursements- The December disbursements and accounts payable were approved and initialed by the Commissioners.

Election of Officers – Mike Miller opened the floor to nominations for the chairman, secretary and treasurer. The Board agreed to leave the officers the same as the previous year. Motion by Edna and seconded by Randy. Motion carried. Officers are Chairman-Michael Miller, Secretary-Randy Law, Member-Edna Summers, and Treasurer-Donna Ingraham.

Questions or Comments from the Public- There were none.

Water Plant Upgrade- Advertisement for bids has been published in the newspapers on December 27, 2005 and January 3, 2006. Bids will be received until February 2, 2006 at 11:00 A.M. They will be opened at that time.

A pre-bid meeting will be conducted at the Claywood Park office on January 19, 2006 at 10:30 A.M.

Red Hill Sewer Project- Todd said he had nothing new to report. We are waiting for Amy to say when we can go to Washington D.C. the first of February.

Riser Ridge/Laurel Fork Project- Todd said that he has had several request from people who live on Bull Run off Route 31. They would like to be added to the project. We will have Manning check on adding them to the project, there is 12 homes there.

Water System Improvements Project – (New Office, Metering System included.)
Nothing new to report.

Miscellaneous Items- Todd reported that we had one service line leak and three main lines repaired. We had 5 new water taps installed in December.

Miscellaneous Items – The System Upgrade (Elizabeth's Jessica Lynch water project)
There is nothing new to report.

Little Kanawha Service Company- Lawyers are still working on drawing up the new agreement.

Computer System Upgrade-The Dell Equipment has arrived. Mr Fraizer will be up to install them. A Resolution authorizing Todd to sign the Comvest Leasing papers on behalf of Claywood Park P.S.D. Motion by Randy and seconded by Edna. Motion carried.

Todd informed the Board that we should be able to take the Debt Service surcharge off the sewer bills by the middle of March. We should have our bond reserves paid back by then. He would like to send letters out to the customers with the good news.

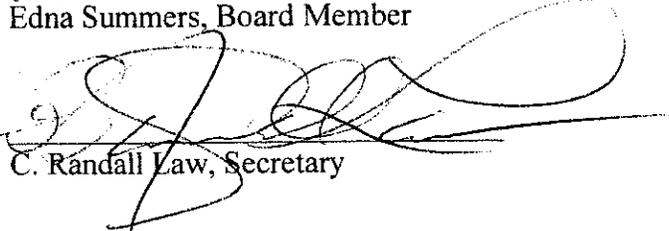
Donna presented the Income and Expense Statements and Balance sheets for the past six months.

Next Board Meeting- The next regular board meeting will be February 7, 2006
The time will be at 6:00 P.M.
Mike said if there were no further business, the meeting would be adjourned. Adjourned at 7:00 P.M. Motion by Randy and seconded by Edna to adjourn.

Donna Ingraham, Bookkeeper



Michael Miller, Chairman


Edna Summers, Board Member
C. Randall Law, Secretary

CLAYWOOD PARK PUBLIC SERVICE DISTRICT

WATER REVENUE BONDS
(WATER TREATMENT PLANT EXPANSION AND IMPROVEMENT PROJECT)
SERIES 2005

MINUTES ON ADOPTION OF
BOND AUTHORIZING RESOLUTION

I, C. Randall Law, Secretary of the Public Service Board of Claywood Park Public Service District, hereby certify that the following is a true and correct excerpt of the minutes of a [special] meeting of the said Public Service Board:

The Public Service Board of Claywood Park Public Service District met in special session, pursuant to notice duly given, on the 26th day of June, 2006, at Parkersburg, West Virginia, at the hour of 10:00 a.m.

PRESENT: Michael A. Miller
C. Randall Law
Edna Summers

Michael A. Miller, Chairman, presided and C. Randall Law 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:

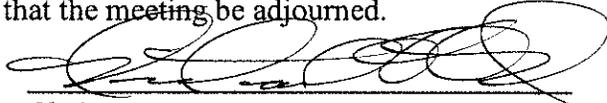
RESOLUTION AUTHORIZING THE ISSUANCE OF WATER REVENUE BONDS (WATER TREATMENT PLANT EXPANSION AND IMPROVEMENT PROJECT), SERIES 2006 A, 2006 B AND 2006 C, OF CLAYWOOD PARK PUBLIC SERVICE DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,608,000 ON A PARITY WITH THE SERIES 1975 BOND, THE SERIES 1979 BOND, THE SERIES 1993 B BOND, THE SERIES 1995 BOND, THE SERIES 1997 A BOND, THE SERIES 1998 BOND, THE SERIES 2002 BOND AND THE SERIES 2003 BONDS TO FINANCE THE ACQUISITION AND CONSTRUCTION OF ADDITIONS AND IMPROVEMENTS TO THE EXISTING WATER TREATMENT PLANT; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE SERIES 2006 BONDS; AUTHORIZING INTERIM CONSTRUCTION FINANCING; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDER OF THE SERIES 2006 BONDS AND THE HOLDERS OF THE INTERIM FINANCING NOTES AND FOR A STATUTORY MORTGAGE LIEN; AND

PROVIDING WHEN THIS RESOLUTION SHALL TAKE
EFFECT

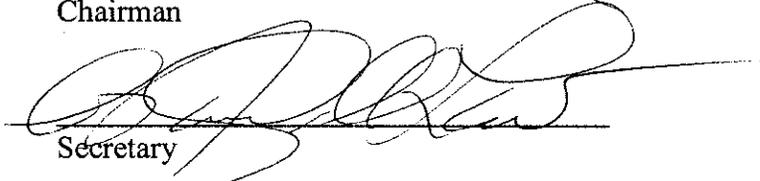
and caused the same to be read and there was discussion. Thereupon, on motion of C. Randall Law seconded by Edna Summers, it was unanimously ordered that the said Bond Resolution be adopted and be in full force on and from the date hereof.

Thereupon, the Chairman presented a Supplemental Resolution in writing and caused the same to be read and there was discussion. Thereupon, on motion of C. Randall Law seconded by Edna Summers, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force on and from the date hereof.

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



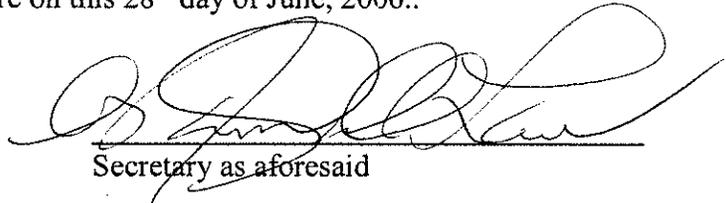
Chairman



Secretary

I further certify that the foregoing action of said Public Service Board remains in full force and effect and has not been amended or repealed.

WITNESS my signature on this 28th day of June, 2006..



Secretary as aforesaid

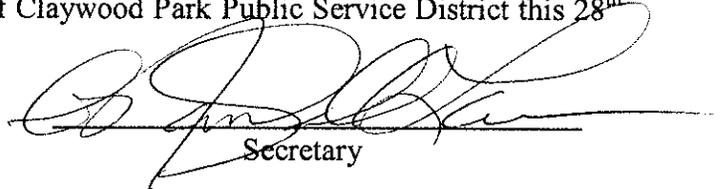
[SEAL]

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CERTIFICATION

I, C. Randall Law, Secretary of the Public Service Board of the Claywood Park Public Service District, Wood and Wirt Counties, West Virginia, do hereby certify that the attached is a true and accurate copy of the Resolution adopted by the Public Service Board on June 26, 2006, authorizing the Claywood Park Public Service District's Water Revenue Bonds (Water Treatment Plant Expansion and Improvement Project), Series 2006.

Given under my hand and seal of Claywood Park Public Service District this 28th day of June, 2006.



Secretary

[SEAL]

RESOLUTION AUTHORIZING THE ISSUANCE OF WATER REVENUE BONDS (WATER TREATMENT PLANT EXPANSION AND IMPROVEMENT PROJECT), SERIES 2006 A, 2006 B AND 2006 C, OF CLAYWOOD PARK PUBLIC SERVICE DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,608,000 ON A PARITY WITH THE SERIES 1975 BOND, THE SERIES 1979 BOND, THE SERIES 1993 B BOND, THE SERIES 1995 BOND, THE SERIES 1997 A BOND, THE SERIES 1998 BOND, THE SERIES 2002 BOND AND THE SERIES 2003 BONDS TO FINANCE THE ACQUISITION AND CONSTRUCTION OF ADDITIONS AND IMPROVEMENTS TO THE EXISTING WATER TREATMENT PLANT; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE SERIES 2006 BONDS; AUTHORIZING INTERIM CONSTRUCTION FINANCING; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDER OF THE SERIES 2006 BONDS AND THE HOLDERS OF THE INTERIM FINANCING NOTES AND FOR A STATUTORY MORTGAGE LIEN; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

CLAYWOOD PARK PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ISSUANCE OF A \$5,045,000
WATER REVENUE BOND (WATER TREATMENT PLANT EXPANSION AND
IMPROVEMENT PROJECT),
SERIES 2006 A, 2006 B AND 2006 C

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BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF CLAYWOOD PARK 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 Code of West Virginia of 1931, as amended (the "Act"), other applicable provisions of law, and a resolution (the "Prior Resolution") of Claywood Park Public Service District (the "Issuer") adopted on December 27, 1979. The Issuer is a public service district of Wood and Wirt Counties, West Virginia, created pursuant to the Act by the County Commission of Wood County.

Section 1.02. Definitions. All capitalized terms used in this Resolution and not otherwise defined herein shall have the meanings set forth in the Prior Resolution, and in addition the following terms shall have the following meanings herein unless the context otherwise expressly requires:

"Bank" means Wesbanco Bank, Inc., Parkersburg, West Virginia, a member of the FDIC, or any other bank which is a member of the FDIC that is subsequently designated by the Issuer to serve as the Bank as set forth in a supplemental resolution adopted by the Issuer.

"Bonds" means collectively the Series 2006 Bonds, the Series 1975 Bond, the Series 1979 Bond, the Series 1993 B Bond, the Series 1995 Bond, the Series 1997 A Bond, the Series 1998 Bond, the Series 2002 Bond and the Series 2003 Bonds.

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

"Construction Account" means the Claywood Park Public Service District Construction Account established by Section 4.01 hereof.

"Consulting Engineer" means Cerrone Associates, Inc., Wheeling, West Virginia, or any qualified engineer or firm of engineers which at any time hereafter may be retained by the Issuer as Consulting Engineer for the System.

"FDIC" means the Federal Deposit Insurance Corporation.

"Grant" means the grant from the United States Department of Agriculture, Rural Utilities Service in the amount of \$250,000 to pay a portion of the Project Costs.

"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.

"Herein" means in this Resolution.

"Issuer" means Claywood Park Public Service District, of Wood and Wirt Counties, West Virginia, and, unless the context clearly indicates otherwise includes the Board of the Issuer and any commission, board or department established by the Issuer to operate and maintain the System.

"Notes" means the line of credit notes of the Issuer as defined in Section 3.01 hereof.

"Prior Resolution" means the Resolution adopted by the Claywood Park Public Service District on December 27, 1979, authorizing the Series 1979 Bond.

"Project" means the acquisition and construction of additions and improvements to the existing water treatment plant of the Issuer known as the Water Treatment Plant Expansion and Improvement Project to be financed with the proceeds of the sale of the Series 2006 Bonds and the Grant, as herein provided.

"Project Costs" means all those costs set out in Section 1.03(E) hereof.

"Purchaser" means United States of America as the holder of the Bond.

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

(A) Government Obligations;

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

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

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

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

(F) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (A) through (E) above;

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

(H) Obligations of States or political subdivisions or agencies thereof, the interest on which is exempt from federal income taxation, and which are rated at least "A" from Moody's Investors Service, Inc. or Standard & Poor's Corporation; and

(I) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended.

"Resolution" means collectively this Resolution and any resolution of the Board supplemental hereto.

“Series 1975 Bond” shall have the meaning provided in Section 1.03(G) hereof.

“Series 1979 Bond” shall have the meaning provided in Section 1.03(G) hereof.

“Series 1993 B Bond” shall have the meaning provided in Section 1.03(G) hereof.

“Series 1995 Bond” shall have the meaning provided in Section 1.03(G) hereof.

“Series 1997 A Bond” shall have the meaning provided in Section 1.03(G) hereof.

“Series 1998 Bond” shall have the meaning provided in Section 1.03(G) hereof.

“Series 2002 Bond shall have the meaning provided in Section 1.03(G) hereof.

“Series 2003 Bonds” shall have the meaning provided in Section 1.03(G) hereof.

“1993 B Resolution” means the Resolution adopted by the Issuer on December 1, 1993, authorizing the issuance of the Series 1993 B Bond.

“1995 Resolution” means the Resolution adopted by the Issuer on April 3, 1995, authorizing the issuance of the Series 1995 Bond.

“1997 A Resolution” means the Resolution adopted by the Issuer on August 18, 1997, authorizing the issuance of the Series 1997 A Bond.

“1998 Resolution” means the Resolution adopted by the Issuer on January 23, 1998, authorizing the issuance of the Series 1998 Bond.

“2002 Resolution” means the Resolution adopted by the Issuer on December 17, 2002, authorizing the issuance of the Series 2002 Bond.

“2003 Resolution” means the Bond Resolution adopted by the Issuer on May 20, 2003, authorizing issuance of the Series 2003 Bonds.

“Series 2006 Bonds” means collectively the Series 2006 A Bond, the Series 2006 B Bond and the Series 2006 C Bond authorized hereby.

“Series 2006 A Bond” means the \$4,175,000 Water Revenue Bond (Water Treatment Plant Expansion and Improvement Project), Series 2006 A, authorized hereby.

“Series 2006 A Bond Reserve Account” means the Water Revenue Bond (Water Treatment Plant Expansion and Improvement Project), Series 2006 A Reserve Account created and established by Section 4.02(B) hereof.

“Series 2006 A Bond Reserve Requirement” means the maximum amount of principal and interest which will come due on the Series 2006 A Bond in the then current or any fiscal year thereafter.

“Series 2006 B Bond” means the \$870,000 Water Revenue Bond (Water Treatment Plant Expansion and Improvement Project), Series 2006 B, authorized hereby.

“Series 2006 B Bond Reserve Account” means the Water Revenue Bond (Water Treatment Plant Expansion and Improvement Project) Series 2006 B Reserve Account created and established by Section 4.02 (B) hereof.

“Series 2006 B Bond Reserve Requirement” means the maximum amount of principal and interest which will come due on the Series 2006 B Bond in the then current or any fiscal year thereafter.

“Series 2006 C Bond” means the \$2,563,000 Water Revenue Bond (Water Treatment Plant Expansion and Improvement Project), Series 2006 C, authorized hereby.

“Series 2006 C Bond Reserve Account” means the Water Revenue Bond (Water Treatment Plant Expansion and Improvement Project) Series 2006 C Reserve Account created and established by Section 4.02 (B) hereof.

“Series 2006 C Bond Reserve Requirement” means the maximum amount of principal and interest which will come due on the Series 2006 C Bond in the then current or any fiscal year thereafter.

Words importing the singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

Section 1.03. Findings and Determinations. It is hereby found, determined and declared as follows:

(A) The Issuer now has a water treatment plant which requires expansion and improvements.

(B) The Project is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Claywood Park Public Service District and, accordingly, it is hereby ordered that there be acquired and constructed additions and improvements to the existing water treatment plant of the Issuer, particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed with the Secretary of the Issuer. 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) It is necessary for the Issuer to issue its water revenue bonds, in three series being the Series 2006 A Bond, the Series 2006 B Bond and the Series 2006 C Bond, in the aggregate principal amount of \$7,608,000 to finance a portion of the costs of such acquisition and construction in the manner hereinafter provided.

(D) The estimated maximum cost of the acquisition and construction of the Project is \$7,858,000, \$7,608,000 of which will be obtained from the proceeds of the sale of the Series 2006 Bonds herein authorized, and the balance, not to exceed \$250,000, will be obtained

from a grant from the United States Department of Agriculture, Rural Utilities Service (the "Grant").

(E) The cost of such 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 2006 Bonds and the Notes or any note, bond, construction loan, or other indebtedness of the Issuer issued to provide interim financing of the Project in anticipation of the issuance of the Series 2006 Bonds prior to, during and for six months after completion of such construction; 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 construction of the Project and the financing authorized hereby. Notwithstanding any provision herein to the contrary, Project Costs shall include all amounts necessary to redeem and pay in full the Issuer's Waterworks System Design Notes, Series 2001 (West Virginia Infrastructure Fund) issued on October 18, 2001, in the original aggregate principal amount of \$143,920.

(F) The period of usefulness of the System after completion of the Project is not less than forty years.

(G) The only outstanding obligations of the Issuer which will rank on a parity with the Series 2006 Bonds as to liens and source of and security for payment are the following:

Waterworks Revenue Bond, Series 1975, dated March 3, 1975 ("Series 1975 Bond"), issued in the original principal amount of \$685,000, bearing interest at the rate of 5% per annum;

Water Revenue Bond, Series 1979, dated January 7, 1979 ("Series 1979 Bond"), issued in the original principal amount of \$1,100,000, bearing interest at the rate of 5% per annum;

Water Revenue Bond, Series 1993 B, dated December 1, 1993 ("Series 1993 B Bond"), issued in the original principal amount of \$410,000, bearing interest at the rate of 5% per annum;

Water Revenue Bond, Series 1995, dated April 3, 1995 ("Series 1995 Bond"), issued in the original principal amount of \$190,000, bearing interest at the rate of 4.5% per annum;

Water Revenue Bond, Series 1997 A, dated August 18, 1997 ("Series 1997 A Bond"), issued in the original principal amount of \$145,000, bearing interest at the rate of 5.5% per annum; and

Water Revenue Bond, Series 1998, dated January 23, 1998 ("Series 1998 Bond"), issued in the original principal amount of \$750,000, bearing interest at the rate of 5.25% per annum.

Water Revenue Bond, Series 2002, dated December 19, 2002 ("Series 2002 Bond) issued in the original principal amount of \$1,250,000, bearing interest at the rate of 4.625% per annum.

Water Refunding Revenue Bonds, Series 2003, dated June 1, 2003 ("Series 2003 Bonds"), issued in the original principal amount of \$975,000, bearing interest at rates from 3.5% to 5.5% per annum.

(H) The Issuer has complied with all requirements of the law of West Virginia, the Prior Resolution and the 2003 Resolution relating to authorization of the construction, acquisition and operation of the Project and issuance of the Series 2006 Bonds, or will have so complied prior to issuance of the Series 2006 Bonds including, among other things, obtaining a certificate of convenience and necessity for the Project from the Public Service Commission of West Virginia by final order, the time for a rehearing and appeal of which shall have been waived or shall have expired. The rates, charges and rules as provided by Article VI hereof shall be in full force and effect.

(I) Under the provisions of Section 4.04 of the Prior Resolution, additional parity bonds may be issued by the Issuer only with the consent of the Purchaser, which consent, in writing, has been obtained and is filed in the office of the Issuer.

(J) Under the provisions of Section 6.08 of the 2003 Resolution, additional parity bonds may be issued by the Issuer only upon receipt of certain certifications by the Independent Accounts and Consulting Engineers, as such terms are defined in the 2003 Resolution, which certifications have been obtained and are filed in the office of the Issuer.

((K) The Purchaser is expected by the Issuer to purchase the entire principal amount of the Series 2006 Bonds.

(L) Notwithstanding any provision herein to the contrary, \$148,237.60 of the proceeds of the Series 2006 Bonds will be used to redeem and pay in full the Issuer's Waterworks System Design Notes, Series 2001 (West Virginia Infrastructure Fund) issued on October 18, 2001, in the original aggregate principal amount of \$143,920, together with the 3% administrative fee in the amount of \$4,317.60.

Section 1.04. Resolution to Constitute Contract. In consideration of the acceptance of the Series 2006 Bonds by the Purchaser, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Purchaser, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Purchaser as holder of the Series 2006 Bonds.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF SERIES 2006 BONDS

Section 2.01. Authorization of Series 2006 Bonds. Subject and pursuant to the provisions hereof, the Series 2006 A Bond of the Issuer, to be known as "Water Revenue Bond (Water Treatment Plant Expansion and Improvement Project), Series 2006 A", is hereby authorized to be issued in the principal amount of \$4,175,000, for the purpose of financing part of the costs of the acquisition and construction of the Project.

Subject and pursuant to the provisions hereof, the Series 2006 B Bond of the Issuer, to be known as "Water Revenue Bond (Water Treatment Plant Expansion and Improvement Project), Series 2006 B" is hereby authorized to be issued in the principal amount of \$870,000, for the purpose of financing part of the costs of the acquisition and construction of the Project.

Subject and pursuant to the provisions hereof, the Series 2006 C Bond of the Issuer, to be known as "Water Revenue Bond (Water Treatment Plant Expansion and Improvement Project), Series 2006 C" is hereby authorized to be issued in the principal amount of \$2,563,000, for the purpose of financing part of the costs of the acquisition and construction of the Project.

Section 2.02. Description of Series 2006 Bonds. The Series 2006 A Bond shall be issued in single form, No. AR-1, fully registered to the United States of America and shall be dated on the date of delivery. The Series 2006 A Bond shall bear interest from date, payable monthly at the rate of 4.375% per annum, and shall be sold at the par value thereof. The Series 2006 A 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.

The Series 2006 B Bond shall be issued in single form, No. BR-1, fully registered to the United States of America and shall be dated on the date of delivery. The Series 2006 B Bond shall bear interest from date, payable monthly at the rate of 4.25% per annum, and shall be sold at the par value thereof. The Series 2006 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.

The Series 2006 C Bond shall be issued in single form, No. CR-1, fully registered to the United States of America and shall be dated on the date of delivery. The Series 2006 C Bond shall bear interest from date, payable monthly at the rate of 4.375% per annum, and shall be sold at the par value thereof. The Series 2006 C 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 2.03. Negotiability, Registration, Transfer and Exchange of Series 2006 Bonds. The Series 2006 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 any Series 2006 Bond, and the right to the principal of, and stated interest on, such Series 2006 Bond, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 2.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Registrar.

Whenever any Series 2006 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 any Series 2006 Bond shall be permitted to be made after the 15th day next preceding any installment payment date on such Bond.

Section 2.04. Registrar. The Secretary of the Issuer will keep or cause to be kept at the office of the Issuer, sufficient books for the registration and transfer of the Series 2006 Bonds, and, upon presentation for such purpose, the Secretary shall register the Series 2006 Bonds initially issued pursuant hereto and register the transfer, or cause to be registered, on such books, the transfer of any Series 2006 Bond as hereinbefore provided.

Section 2.05. Execution of Series 2006 Bonds. The Series 2006 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.

Section 2.06. Mutilated, Destroyed, Stolen or Lost Series 2006 Bonds. In case any Series 2006 Bond shall become mutilated, destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new bond of like tenor as the Series 2006 Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Series 2006 Bond or in lieu of and substitution for the Series 2006 Bond destroyed, stolen or lost, and upon the holder of such Series 2006 Bond furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Series 2006 Bond so surrendered shall be canceled and held for the account of the Issuer. If such Series 2006 Bond shall have matured or be about to mature, instead of issuing a substitute Series 2006 Bond the Issuer may pay the same, and, if such bond be destroyed, stolen or lost, without surrender thereof.

Section 2.07. Series 2006 Bonds not to be Indebtedness of the Members of the Public Service Board of the Issuer. The Series 2006 Bonds shall not be or constitute an indebtedness of the members of the Public Service Board of the Issuer but shall be payable solely from the Net Revenues and from funds in the Revenue Fund.

Section 2.08. Series 2006 Bonds Secured by Pledge of Net Revenues, Funds and Unexpended Bond Proceeds. Payment of the Series 2006 Bonds shall be secured forthwith by a

first lien on the Net Revenues derived from the System and the funds on deposit in the Revenue Fund on a parity with the Series 1975 Bond, the Series 1979 Bond, the Series 1993 B Bond, the Series 1995 Bond, the Series 1997 A Bond, the Series 1998 Bond, the Series 2002 Bond and the Series 2003 Bonds, in addition to the statutory mortgage lien on the System provided for herein. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Series 2006 Bonds, and to make the payments as hereinafter provided, together with the funds on deposit in the Revenue Fund and the unexpended proceeds of the Series 2006 Bonds are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2006 Bonds as the same become due.

Section 2.09. Forms of Series 2006 Bonds. Subject to the provisions hereof, the texts of the respective Series 2006 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 Series 2006 A Bond)

WATER REVENUE BOND (WATER TREATMENT PLANT EXPANSION AND
IMPROVEMENT PROJECT),
SERIES 2006 A

CLAYWOOD PARK PUBLIC SERVICE DISTRICT

\$ _____

No. AR-1

Date: _____, 2006

CLAYWOOD PARK PUBLIC SERVICE DISTRICT (the "Issuer"), for value received, promises to pay to the order of the United States of America, (the "Purchaser"), or its registered assigns, at its National Finance Office, St. Louis, Missouri, 63103, or at such other place as the Purchaser may hereafter designate in writing, the principal sum of \$ _____, plus interest on the unpaid principal balance at the rate of [_____ per cent (_____ %)] per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only commencing 30 days following delivery of the Series 2006 A Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof and \$ _____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Series 2006 A Bond, 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 hereof is not advanced at the time of closing, the proceeds hereof shall be advanced to Issuer as requested by Issuer and approved by the Purchaser 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 hereon 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 the Issuer. Refunds and extra payments, as defined in the regulations of the Purchaser according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Series 2006 A Bond and shall not affect the obligation of Issuer to pay the remaining installments as scheduled herein.

If the United States of America at any time assigns this Series 2006 A Bond and insures the payment thereof, Issuer shall continue to make payments to the United States of America as collection agent for the holder.

While this Series 2006 A Bond is held by an insured lender, prepayments made by Issuer may, at the option of the Purchaser, be remitted by the Purchaser to the Holder

promptly or, except for final payment, be retained by the Purchaser 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 Issuer, except payments retained and remitted by the Purchaser on an annual installment due date basis, shall be the date of the United States Treasury check by which the Purchaser remits the payment to the Holder. The effective date of any prepayment retained and remitted by the Purchaser to the Holder on an annual installment due date basis shall be the date of the prepayment by Issuer and the Purchaser 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 Purchaser 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 Purchaser 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 Issuer to the Purchaser without demand. Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Purchaser.

Issuer 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 rates and terms in or near its community for loans for similar purposes and periods of time.

This Series 2006 A Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing such funds for financing all or part of the costs of construction of repairs, replacements, expansions and improvements to the waterworks system (the "System") of the Issuer, 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 Series 2006 A Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation.

Registration of this Series 2006 A 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 Secretary of the Issuer, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Resolutions hereinafter described, and upon surrender and cancellation of this Series 2006 A Bond. Upon such transfer a new Series 2006 A Bond or Series 2006 A Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Series 2006 A 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 Secretary of the Issuer.

This Series 2006 A 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 Code of West Virginia of 1931, as amended (herein called the "Act") and

Resolutions of the Issuer adopted on December 27, 1979, May 20, 2003 and on _____
____,2006.

If at any time it shall appear to the Purchaser that Issuer 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, Issuer will, at Purchaser's request, apply for and accept such loan in sufficient amount to repay the Purchaser.

This Series 2006 A Bond is given as evidence of a loan to Issuer made or insured by the Purchaser pursuant to the Consolidated Farmers Home Rural Development Act. This Series 2006 A Bond shall be subject to the present regulations of the Farmers Home Administration and its successors and assigns and to future regulations not inconsistent with the express provisions hereof.

This Series 2006 A Bond is issued on a parity in all respects with the Series 1975 Bond, the Series 1979 Bond, the Series 1993 B Bond, the Series 1995 Bond, the Series 1997 A Bond, the Series 1998 Bond, the Series 2002 Bond, the Series 2003 Bonds, the Series 2006 B Bond and the Series 2006 C Bond described in the Resolutions above described.

CLAYWOOD PARK PUBLIC SERVICE DISTRICT

Attest:

Secretary, Public Service Board

By: _____
Chairman, Public Service Board

[CORPORATE SEAL]

RECORD OF ADVANCES			
AMOUNT	DATE	AMOUNT	DATE
(1) \$		(6) \$	
(2) \$		(7) \$	
(3) \$		(8) \$	
(4) \$		(9) \$	
(5) \$		(10) \$	
TOTAL \$			

(No writing on this Series 2006 A Bond except by the Issuer as Registrar.)

<u>Date of Registration</u>	<u>In Whose Name Registered</u>	<u>Signature of Secretary or Registrar</u>
_____, 2006	United States of America Post Office Box 678 Morgantown, West Virginia 26505	_____
_____	_____	_____
_____	_____	_____

ASSIGNMENT

Pay to the Order of _____

UNITED STATES OF AMERICA

By: _____

 (Title)

(Form of Series 2006 B Bond)

WATER REVENUE BOND (WATER TREATMENT PLANT EXPANSION AND
IMPROVEMENT PROJECT),
SERIES 2006 B

CLAYWOOD PARK PUBLIC SERVICE DISTRICT

\$ _____

No. BR-1

Date: _____, 2006

CLAYWOOD PARK PUBLIC SERVICE DISTRICT (the "Issuer"), for value received, promises to pay to the order of the United States of America, (the "Purchaser"), or its registered assigns, at its National Finance Office, St. Louis, Missouri, 63103, or at such other place as the Purchaser may hereafter designate in writing, the principal sum of \$ _____, plus interest on the unpaid principal balance at the rate of [_____ per cent (_____%)] per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only commencing 30 days following delivery of the Series 2006 B Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof and \$ _____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Series 2006 B Bond, 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 hereof is not advanced at the time of closing, the proceeds hereof shall be advanced to Issuer as requested by Issuer and approved by the Purchaser 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 hereon 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 the Issuer. Refunds and extra payments, as defined in the regulations of the Purchaser according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Series 2006 B Bond and shall not affect the obligation of Issuer to pay the remaining installments as scheduled herein.

If the United States of America at any time assigns this Series 2006 B Bond and insures the payment thereof, Issuer shall continue to make payments to the United States of America as collection agent for the holder.

While this Series 2006 B Bond is held by an insured lender, prepayments made by Issuer may, at the option of the Purchaser, be remitted by the Purchaser to the Holder promptly

or, except for final payment, be retained by the Purchaser 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 Issuer, except payments retained and remitted by the Purchaser on an annual installment due date basis, shall be the date of the United States Treasury check by which the Purchaser remits the payment to the Holder. The effective date of any prepayment retained and remitted by the Purchaser to the Holder on an annual installment due date basis shall be the date of the prepayment by Issuer and the Purchaser 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 Purchaser 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 Purchaser 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 Issuer to the Purchaser without demand. Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Purchaser.

Issuer 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 rates and terms in or near its community for loans for similar purposes and periods of time.

This Series 2006 B Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing such funds for financing all or part of the costs of repairs, replacements, construction of expansions and improvements to the waterworks system (the "System") of the Issuer, 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 Series 2006 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation.

Registration of this Series 2006 B 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 Secretary of the Issuer, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Resolutions hereinafter described, and upon surrender and cancellation of this Series 2006 B Bond. Upon such transfer a new Series 2006 B Bond or Series 2006 B Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Series 2006 B 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 Secretary of the Issuer.

This Series 2006 B 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 Code of West Virginia of 1931, as amended (herein called the "Act") and

Resolutions of the Issuer adopted on December 27, 1979, May 20, 2003 and on _____
____,2006.

If at any time it shall appear to the Purchaser that Issuer 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, Issuer will, at Purchaser's request, apply for and accept such loan in sufficient amount to repay the Purchaser.

This Series 2006 B Bond is given as evidence of a loan to Issuer made or insured by the Purchaser pursuant to the Consolidated Farmers Home Rural Development Act. This Series 2006 B Bond shall be subject to the present regulations of the Farmers Home Administration and its successors and assigns and to future regulations not inconsistent with the express provisions hereof.

This Series 2006 B Bond is issued on a parity in all respects with the Series 1975 Bond, the Series 1979 Bond, the Series 1993 B Bond, the Series 1995 Bond, the Series 1997 A Bond, the Series 1998 Bond, the Series 2002 Bond, the Series 2003 Bonds, the Series 2006 A Bond and the Series 2006 C Bond described in the Resolutions above described.

CLAYWOOD PARK PUBLIC SERVICE DISTRICT

Attest:

Secretary, Public Service Board

By:

Chairman, Public Service Board

[CORPORATE SEAL]

RECORD OF ADVANCES			
AMOUNT	DATE	AMOUNT	DATE
(1) \$		(6) \$	
(2) \$		(7) \$	
(3) \$		(8) \$	
(4) \$		(9) \$	
(5) \$		(10) \$	
TOTAL . . . \$			

(No writing on this Series 2006 B Bond except by the Issuer as Registrar.)

<u>Date of Registration</u>	<u>In Whose Name Registered</u>	<u>Signature of Secretary or Registrar</u>
_____, 2006	United States of America Post Office Box 678 Morgantown, West Virginia 26505	_____
_____	_____	_____
_____	_____	_____

ASSIGNMENT

Pay to the Order of _____

UNITED STATES OF AMERICA

By: _____

 (Title)

(Form of Series 2006 C Bond)

WATER REVENUE BOND (WATER TREATMENT PLANT EXPANSION AND
IMPROVEMENT PROJECT),
SERIES 2006 C

CLAYWOOD PARK PUBLIC SERVICE DISTRICT

\$ _____

No. CR-1

Date: _____, 2006

CLAYWOOD PARK PUBLIC SERVICE DISTRICT (the "Issuer"), for value received, promises to pay to the order of the United States of America, (the "Purchaser"), or its registered assigns, at its National Finance Office, St. Louis, Missouri, 63103, or at such other place as the Purchaser may hereafter designate in writing, the principal sum of \$ _____, plus interest on the unpaid principal balance at the rate of [_____ per cent (_____ %)] per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only commencing 30 days following delivery of the Series 2006 C Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof and \$ _____, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Series 2006 C Bond, 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 hereof is not advanced at the time of closing, the proceeds hereof shall be advanced to Issuer as requested by Issuer and approved by the Purchaser 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 hereon 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 the Issuer. Refunds and extra payments, as defined in the regulations of the Purchaser according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Series 2006 C Bond and shall not affect the obligation of Issuer to pay the remaining installments as scheduled herein.

If the United States of America at any time assigns this Series 2006 C Bond and insures the payment thereof, Issuer shall continue to make payments to the United States of America as collection agent for the holder.

While this Series 2006 C Bond is held by an insured lender, prepayments made by Issuer may, at the option of the Purchaser, be remitted by the Purchaser to the Holder promptly

or, except for final payment, be retained by the Purchaser 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 Issuer, except payments retained and remitted by the Purchaser on an annual installment due date basis, shall be the date of the United States Treasury check by which the Purchaser remits the payment to the Holder. The effective date of any prepayment retained and remitted by the Purchaser to the Holder on an annual installment due date basis shall be the date of the prepayment by Issuer and the Purchaser 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 Purchaser 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 Purchaser 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 Issuer to the Purchaser without demand. Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Purchaser.

Issuer 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 rates and terms in or near its community for loans for similar purposes and periods of time.

This Series 2006 C Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing such funds for financing all or part of the costs of repairs, replacements, construction of expansions and improvements to the waterworks system (the "System") of the Issuer, 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 Series 2006 C Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation.

Registration of this Series 2006 C 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 Secretary of the Issuer, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Resolutions hereinafter described, and upon surrender and cancellation of this Series 2006 C Bond. Upon such transfer a new Series 2006 C Bond or Series 2006 C Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Series 2006 C 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 Secretary of the Issuer.

This Series 2006 C 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 Code of West Virginia of 1931, as amended (herein called the "Act") and

Resolutions of the Issuer adopted on December 27, 1979, May 20, 2003 and on _____
____,2006.

If at any time it shall appear to the Purchaser that Issuer 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, Issuer will, at Purchaser's request, apply for and accept such loan in sufficient amount to repay the Purchaser.

This Series 2006 C Bond is given as evidence of a loan to Issuer made or insured by the Purchaser pursuant to the Consolidated Farmers Home Rural Development Act. This Series 2006 C Bond shall be subject to the present regulations of the Farmers Home Administration and its successors and assigns and to future regulations not inconsistent with the express provisions hereof.

This Series 2006 C Bond is issued on a parity in all respects with the Series 1975 Bond, the Series 1979 Bond, the Series 1993 B Bond, the Series 1995 Bond, the Series 1997 A Bond, the Series 1998 Bond, the Series 2002 Bond, the Series 2003 Bonds, the Series 2006 A Bond and the Series 2006 B Bond described in the Resolutions above described.

CLAYWOOD PARK PUBLIC SERVICE DISTRICT

Attest:

Secretary, Public Service Board

By: _____
Chairman, Public Service Board

[CORPORATE SEAL]

RECORD OF ADVANCES			
AMOUNT	DATE	AMOUNT	DATE
(1) \$		(6) \$	
(2) \$		(7) \$	
(3) \$		(8) \$	
(4) \$		(9) \$	
(5) \$		(10) \$	
TOTAL \$			

(No writing on this Series 2006 C Bond except by the Issuer as Registrar.)

<u>Date of Registration</u>	<u>In Whose Name Registered</u>	<u>Signature of Secretary or Registrar</u>
_____, 2006	United States of America Post Office Box 678 Morgantown, West Virginia 26505	_____
_____	_____	_____
_____	_____	_____

ASSIGNMENT

Pay to the Order of _____

UNITED STATES OF AMERICA

By: _____

 (Title)

ARTICLE III

INTERIM CONSTRUCTION FINANCING

Section 3.01. Authorization and General Terms. In order to pay certain Project Costs pending receipt of the gross proceeds of the Series 2006 Bonds and proceeds of the Grant, the Issuer may issue and sell its Notes, in an aggregate principal amount not to exceed \$7,858,000. The Notes may be issued as evidence of a line of credit from a commercial bank or other lender, at the discretion of the Issuer, and as shall be set forth in a resolution supplemental hereto. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such date or dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the indenture or supplemental resolution, as applicable.

Section 3.02. Terms of and Security for Notes; Trust Indenture. The Notes, if issued, shall be issued with such terms and secured in the manner set forth in an indenture, if applicable (which indenture in the form to be executed and delivered by the Issuer shall be approved by the supplemental resolution), or supplemental resolution, if no indenture is used.

Section 3.03. Notes are Special Obligations. The Notes shall be special obligations of the Issuer payable as to principal and interest solely from proceeds of the Series 2006 Bonds, proceeds of the Grant, the surplus revenues, letter of credit proceeds, if any, and other sources described in an indenture or supplemental resolution. 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, if any, of the Issuer 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 in an indenture or the supplemental resolution.

Section 3.04. Letters of Credit. As additional security for the Notes, the Issuer may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree to pay the trustee to be appointed by a supplemental resolution, upon presentation by the trustee of certain certificates, the sum or sums set forth therein but not to exceed \$7,858,000 in the aggregate. In the event of a draw under any such letter of credit, the Issuer shall issue its refunding notes to the bank issuing such letter of credit. Any such letter of credit shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto.

ARTICLE IV

BOND PROCEEDS; REVENUES AND APPLICATION THEREOF

Section 4.01. Bond Proceeds; Project Construction Account. The proceeds of the sale of the Series 2006 Bonds shall be deposited on receipt by the Issuer in the Bank, in a

special account hereby created and designated "Claywood Park Public Service District, Water Treatment Plant Expansion and Improvement Project Construction Account". The moneys in the Construction Account in excess of the amount insured by FDIC shall be secured at all times by the Bank by the pledge of Government Obligations or otherwise in a manner lawful for the securing of deposits of state and municipal funds under West Virginia law. Moneys in the Construction Account shall be expended by the Issuer solely for the purposes provided herein. Until so used, the Purchaser shall have a lien thereon for securing payment of the Series 2006 Bonds and the interest thereon.

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

Moneys in the Construction Account shall be used solely to pay the Project Costs upon vouchers and other documentation approved by the Purchaser.

If the Issuer shall determine at any time that all funds on deposit in the Construction Account exceed the estimated disbursements on account of the Project for the ensuing ninety (90) days, the Issuer may invest such excess funds in Government Obligations which shall mature not later than eighteen (18) months after the date of such investment. All such investments and the income therefrom shall be carried to the credit of the Construction Account.

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

Section 4.02. Covenants of the Issuer as to Revenues and Funds. As long as the Series 2006 Bonds shall be outstanding and unpaid, or until (i) there shall have been set apart in the Series 2006 A Bond Reserve Account hereinafter established, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2006 A Bond remaining unpaid, together with interest accrued and to accrue thereon; (ii) there shall have been set apart in the Series 2006 B Bond Reserve Account hereinafter established, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2006 B Bond remaining unpaid, together with interest accrued and to accrue thereon; and (iii) there shall have been set apart in the Series 2006 C Bond Reserve Account hereinafter established, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Series 2006 C Bond remaining unpaid, together with interest accrued and to accrue thereon; the Issuer further covenants with the holder of the Series 2006 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 established by the Prior Resolution. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Resolution and herein and shall be kept separate and apart from all other funds of the Issuer and used only for the purposes and in

the manner provided herein. The holder of the Series 2006 A Bond shall have a lien on and a pledge, hereby granted, of all the Net Revenues of the System, as herein provided, and a statutory mortgage lien upon the System, granted and created by the Act, as long as the Series 2006 A Bond remains unpaid, on a parity in all respects with the holders of the Series 1975 Bond, the Series 1979 Bond, the Series 1993 B Bond the Series 1995 Bond, the Series 1997 A Bond, the Series 1998 Bond, the Series 2002 Bond, the Series 2003 Bonds, the Series 2006 B Bond and the Series 2006 C Bond. The holder of the Series 2006 B Bond shall have a lien on and a pledge, hereby granted, of all the Net Revenues of the System, as herein provided, and a statutory mortgage lien upon the System, granted and created by the Act, as long as the Series 2006 B Bond remains unpaid, on a parity in all respects with the holders of the Series 1975 Bond, the Series 1979 Bond, the Series 1993 B Bond the Series 1995 Bond, the Series 1997 A Bond, the Series 1998 Bond, the Series 2002 Bond, the Series 2003 Bonds, the Series 2006 A Bond and the Series 2006 C Bond. The holder of the Series 2006 C Bond shall have a lien on and a pledge, hereby granted, of all the Net Revenues of the System, as herein provided, and a statutory mortgage lien upon the System, granted and created by the Act, as long as the Series 2006 C Bond remains unpaid, on a parity in all respects with the holders of the Series 1975 Bond, the Series 1979 Bond, the Series 1993 B Bond the Series 1995 Bond, the Series 1997 A Bond, the Series 1998 Bond, the Series 2002 Bond, the Series 2003 Bonds, the Series 2006 A Bond and the Series 2006 B Bond.

(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 transfer from the Revenue Fund and pay into the Operation and Maintenance Fund established by the 1967 Resolution such sum as the Issuer may determine, in accordance with its budget, to be necessary to pay all current Operating Expenses.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) pay to the National Finance Office designated in the respective Series 2006 Bonds the amount required to pay the interest on the Bonds, other than the Series 2003 Bonds, and to amortize the principal of the Bonds, other than the Series 2003 Bonds, over the lives of the Series 1975 Bond, the Series 1979 Bond, the Series 1993 B Bond, the Series 1995 Bond, the Series 1997 A Bond, the Series 1998 Bond, the Series 2002 Bond, the Series 2006 A Bond, the Series 2006 B Bond and the Series 2006 C Bond, respectively; (ii) beginning on the first day of that month which is 6 months prior to the first interest payment date on the Series 2003 Bonds, remit to the Commission for deposit in the Series 2003 Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2003 Bonds on the next ensuing semiannual interest payment date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2003 Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2003 Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2003 Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2003 Bonds

Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2003 Bonds Sinking Fund, and (iii) beginning on the first day of that month which is 12 months prior to the first principal payment date or mandatory redemption date of the Series 2003 Bonds, remit to the Commission for deposit in the Series 2003 Bonds Sinking Fund, and in the Series 2003 Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2003 Bonds on the next ensuing principal payment date or mandatory redemption date, provided, that in the event the period to elapse between the date of such initial deposit in the Series 2003 Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory redemption date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory redemption date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2003 Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously deposit pro rata (i) in the Reserve Fund established by the 1967 Resolution, one-twelfth of one-tenth of the maximum annual aggregate amount of interest and principal which will fall due on the Series 1975 Bonds and Series 1979 Bonds outstanding until the amount in the Reserve Fund is equal to the Minimum Reserve as defined in the Prior Resolution; (ii) in the Series 1993 B Bond Reserve Account established by the 1993 B Resolution, one-twelfth of one-tenth of the maximum annual aggregate amount of interest and principal which will fall due on the Series 1993 B Bond until the amount in the Series 1993 B Bond Reserve Account is equal to the Series 1993 B Bond Reserve Requirement as defined in the 1993 B Resolution; (iii) in the Series 1995 Bond Reserve Account established by the 1995 Resolution, one-twelfth of one-tenth of the maximum annual aggregate amount of interest and principal which will fall due on the Series 1995 Bond until the amount in the Series 1995 Bond Reserve Account is equal to the Series 1995 Bond Reserve Requirement as defined in the 1995 Resolution; (iv) in the Series 1997 A Bond Reserve Account established by the 1997 A Resolution, one-twelfth of one-tenth of the maximum annual aggregate amount of interest and principal which will fall due on the Series 1997 A Bond until the amount in the Series 1997 A Bond Reserve Account is equal to the Series 1997 A Bond Reserve Requirement as defined in the 1997 A Resolution; (v) in the Series 1998 Bond Reserve Account established by the 1998 Resolution, one-twelfth of one-tenth of the maximum annual aggregate amount of interest and principal which will fall due on the Series 1998 Bond until the amount in the Series 1998 Bond Reserve Account is equal to the Series 1998 Bond Reserve Requirement as defined in the 1998 Resolution; (vi) in the Series 2002 Bond Reserve Account established by the 2002 Resolution, one-twelfth of one-tenth of the maximum annual aggregate amount of interest and principal which will fall due on the Series 2002 Bond until the amount in the Series 2002 Bond Reserve Account is equal to the Series 2002 Bond Reserve Requirement as defined in the 2002 Resolution; (vii) into the Series 2003 Bonds Reserve Account established with the Commission, if not fully funded upon the issuance of the Series 2003 Bonds, one-twelfth of one-tenth of the maximum annual aggregate amount of interest and principal which will fall due on the Series 2003 Bond until the amount in the Series 2003 Bonds Reserve Account is equal to the Series 2003 Bonds Reserve Requirement, as defined in the 2003 Resolution; (viii) in an account hereby designated the "Series 2006 A Bond Reserve Account" which is hereby established with the

Commission, one-twelfth of one-tenth of the maximum annual aggregate amount of interest and principal which will fall due on the Series 2006 A Bond until the amount in the Series 2006 A Bond Reserve Account is equal to the Series 2006 A Bond Reserve Requirement; (ix) in an account hereby designated the "Series 2006 B Bond Reserve Account" which is hereby established with the Commission, one-twelfth of one-tenth of the maximum annual aggregate amount of interest and principal which will fall due on the Series 2006 B Bond until the amount in the Series 2006 B Bond Reserve Account is equal to the Series 2006 B Bond Reserve Requirement; and (x) in an account hereby designated the "Series 2006 C Bond Reserve Account" which is hereby established with the Commission, one-twelfth of one-tenth of the maximum annual aggregate amount of interest and principal which will fall due on the Series 2006 C Bond until the amount in the Series 2006 C Bond Reserve Account is equal to the Series 2006 C Bond Reserve Requirement

After the Minimum Reserve has been accumulated in the Reserve Fund, the Series 1993 B Bond Reserve Requirement has been accumulated in the Series 1993 B Bond Reserve Account, the Series 1995 Bond Reserve Requirement has been accumulated in the Series 1995 Bond Reserve Account, the Series 1997 A Bond Reserve Requirement has been accumulated in the Series 1997 A Bond Reserve Account, the Series 1998 Bond Reserve Requirement has been accumulated in the Series 1998 Bond Reserve Account, the Series 2002 Bond Reserve Requirement has been accumulated in the Series 2002 Bond Reserve Account, the Series 2003 Bonds Reserve Requirement has been accumulated in the Series 2003 Bonds Reserve Account, the Series 2006 A Bond Reserve Requirement has been accumulated in the Series 2006 A Bond Reserve Account, the Series 2006 B Bond Reserve Requirement has been accumulated in the Series 2006 B Bond Reserve Account, and the Series 2006 C Bond Reserve Requirement has been accumulated in the Series 2006 C Bond Reserve Account, respectively, the Issuer shall deposit monthly pro rata into the Reserve Fund, the Series 1993 B Bond Reserve Account, the Series 1995 Bond Reserve Account, the Series 1997 A Bond Reserve Account, the Series 1998 Bond Reserve Account, the Series 2002 Bond Reserve Account, the Series 2003 Bonds Reserve Account, the Series 2006 A Bond Reserve Account, the Series 2006 B Bond Reserve Account and the Series 2006 C Bond Reserve Account such part of the moneys remaining in the Revenue Fund, after such provision for payment of monthly installments on the Bonds and for payment of Operating Expenses of the System, as shall be required to maintain the Minimum Reserve, the Series 1993 B Bond Reserve Requirement, the Series 1995 Bond Reserve Requirement, the Series 1997 A Bond Reserve Requirement, the Series 1998 Bond Reserve Requirement, the Series 2002 Bond Reserve Requirement, the Series 2003 Bond Reserve Requirement; the Series 2006 A Bond Reserve Requirement, the Series 2006 B Bond Reserve Requirement and the Series 2006 C Bond Reserve Requirement, respectively.

Moneys in the Reserve Fund shall be used solely to make up any deficiency for monthly installments required to be paid on the Series 1975 Bond and the Series 1979 Bond, as the same shall become due, for prepayments of installments on the Series 1975 Bond and the Series 1979 Bond or for mandatory prepayment of the Series 1975 Bond and the Series 1979 Bond, as provided in the Prior Resolution, the 1993 B Resolution, the 1995 Resolution, the 1997 A Resolution, the 1998 Resolution, the 2002 Resolution, the 2003 Resolution and herein, and for no other purpose.

Moneys in the Series 1993 B Bond Reserve Account shall be used solely to make up any deficiency for monthly installments required to be paid on the Series 1993 B Bond as the same shall become due, for prepayment of installments on the Series 1993 B Bond or for mandatory prepayment of the Series 1993 B Bond as provided in the Prior Resolution, the 1993 B Resolution, the 1995 Resolution, the 1997 A Resolution, the 1998 Resolution, the 2002 Resolution, the 2003 Resolution and herein, and for no other purpose.

Moneys in the Series 1995 Bond Reserve Account shall be used solely to make up any deficiency for monthly installments required to be paid on the Series 1995 Bond as the same shall become due, for prepayment of installments on the Series 1995 Bond or for mandatory prepayment of the Series 1995 Bond as provided in the Prior Resolution, the 1995 Resolution, the 1997 A Resolution, the 1998 Resolution, the 2002 Resolution, the 2003 Resolution and herein, and for no other purpose.

Moneys in the Series 1997 A Bond Reserve Account shall be used solely to make up any deficiency for monthly installments required to be paid on the Series 1997 A Bond as the same shall become due, for prepayment of installments on the Series 1997 A Bond or for mandatory prepayment of the Series 1997 A Bond as provided in the Prior Resolution, the 1997 A Resolution, the 1998 Resolution, the 2002 Resolution, the 2003 Resolution and herein, and for no other purpose.

Moneys in the Series 1998 Bond Reserve Account shall be used solely to make up any deficiency for monthly installments required to be paid on the 1998 Bond as the same shall become due, for prepayment of installments on the 1998 Bond or for mandatory prepayment of the 1998 Bond as provided in the Prior Resolution, the 1998 Resolution, the 2002 Resolution, the 2003 Resolution and herein, and for no other purpose.

Moneys in the Series 2002 Bond Reserve Account shall be used solely to make up any deficiency for monthly installments required to be paid on the Series 2002 Bond as the same shall become due, for prepayment of installments on the Series 2002 Bond or for mandatory prepayment of the Series 2002 Bond as provided in the Prior Resolution, the 2002 Resolution, the 2003 Resolution and herein, and for no other purpose.

Moneys in the Series 2003 Bonds Reserve Account shall be used solely to make up any deficiency for monthly installments required to be paid on the Series 2003 Bonds as the same shall become due, for prepayment of installments on the Series 2003 Bonds or for mandatory prepayment of the Series 2003 Bonds as provided in the Prior Resolution, the 2003 Resolution and herein, and for no other purpose.

Moneys in the Series 2006 A Bond Reserve Account shall be used solely to make up any deficiency for monthly installments required to be paid on the Series 2006 A Bond as the same shall become due, for prepayment of installments on the Series 2006 A Bond or for mandatory prepayment of the Series 2006 A Bond as provided in the Prior Resolution and herein, and for no other purpose.

Moneys in the Series 2006 B Bond Reserve Account shall be used solely to make up any deficiency for monthly installments required to be paid on the Series 2006 B Bond as the

same shall become due, for prepayment of installments on the Series 2006 B Bond or for mandatory prepayment of the Series 2006 B Bond as provided in the Prior Resolution and herein, and for no other purpose.

Moneys in the Series 2006 C Bond Reserve Account shall be used solely to make up any deficiency for monthly installments required to be paid on the Series 2006 C Bond as the same shall become due, for prepayment of installments on the Series 2006 C Bond or for mandatory prepayment of the Series 2006 C Bond as provided in the Prior Resolution and herein, and for no other purpose.

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

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

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

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

The Bank (and any successor appointed by the Issuer) is hereby designated as Fiscal Agent for the administration of the Reserve Fund, the Series 1993 B Bond Reserve Account, the Series 1995 Bond Reserve Account, the Series 1997 A Bond Reserve Account, the Series 1998 Bond Reserve Account and the Series 2002 Bond Reserve Account as herein provided, and all amounts required therefor will be deposited 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 Commission is hereby designated as Fiscal Agent for the administration of the Series 2006 A Bond Reserve Account, the Series 2006 B Bond Reserve Account and the Series 2006 C Bond Reserve Account as herein provided, and all amounts required therefor will be deposited 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 solely for the purposes and in the order provided herein, and until so used, the Purchaser and the holders of the Series 2003 Bonds shall have a lien thereon for further securing payment of the Bonds and the interest thereon, provided that, with respect to the respective sinking funds and reserve accounts described in this Section, only the holder of the respective series of Bonds

payable therefrom or secured thereby shall have a lien thereon. The moneys in excess of the sum insured by FDIC in any of such funds shall at all times be secured, to the full extent thereof in excess of such insured sum, by the pledge of Government Obligations or otherwise in a manner lawful for securing deposits of state and municipal funds under the laws of the State of West Virginia. The Bank or the Commission 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 Bank shall keep the moneys in the Reserve Fund, the Series 1993 B Bond Reserve Account, the Series 1995 Bond Reserve Account, the Series 1997 A Bond Reserve Account, the Series 1998 Bond Reserve Account and the Series 2002 Bond Reserve Account invested and reinvested to the fullest extent practicable in Qualified Investments. Earnings upon moneys in the Reserve Fund, the Series 1993 B Bond Reserve Account, the Series 1995 Bond Reserve Account, the Series 1997 A Bond Reserve Account, the Series 1998 Bond Reserve Account and the Series 2002 Bond Reserve Account, as long as the Minimum Reserve, the Series 1993 B Bond Reserve Requirement, the Series 1995 Bond Reserve Requirement, the Series 1997 A Bond Reserve Requirement, the Series 1998 Bond Reserve Requirement, and the Series 2002 Bond Reserve Requirement are on deposit and maintained therein, shall be paid annually in January into the Revenue Fund by the Bank.

The Commission shall keep the moneys in the 2006 A Bond Reserve Account, the 2006 B Bond Reserve Account and the 2006 C Bond Reserve Account invested and reinvested to the fullest extent possible in Qualified Investments. Earnings upon moneys in the 2006 A Bond Reserve Account, the 2006 B Bond Reserve Account and the 2006 C Bond Reserve Account, as long as the Series 2006 A Bond Reserve Requirement, the Series 2006 B Bond Reserve Requirement and the Series 2006 C Bond Reserve Requirement are on deposit and maintained therein, shall be paid annually in January into the Revenue Fund by the Commission.

(C) Change of Bank as Fiscal Agent. The Issuer may designate another bank insured by FDIC as Fiscal Agent for the administration of the Reserve Fund, the Series 1993 B Bond Reserve Account, the Series 1995 Bond Reserve Account, the Series 1997 A Bond Reserve Account, the Series 1998 Bond Reserve Account and the Series 2002 Bond Reserve Account if the Bank should cease for any reason to serve or if the Board determines by resolution that the Bank or its successor should no longer serve as Fiscal Agent. Upon any such change, the Board will cause note of the change to be sent by registered or certified mail to the Purchaser.

(D) Additional User Contracts. The Issuer has at least 3,458 *bona fide* users of the System.

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. As long as any of the Series 2006 Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 1993 B Bond Reserve Account, the Series 1995 Bond Reserve Account, the Series 1997 A Bond Reserve Account, the Series 1998 Bond Reserve Account, the Series 2002 Bond Reserve Account, the Series 2006 A Bond Reserve Account, the Series 2006 B Bond Reserve Account and the Series 2006 C Bond Reserve Account a sum sufficient to prepay the entire principal of the Bonds, other than the Series 2003 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 Purchaser.

Until the payment in full of the principal of and interest on the Notes when due, and to the extent they do not materially adversely affect the holders of the Bonds, the covenants, agreements and provisions contained herein shall, where applicable, also inure to the benefit of the holders of the Notes and the trustee therefor and constitute valid and legally binding covenants of the Issuer, enforceable in any court of competent jurisdiction by the trustee or any holder or holders of the Notes as prescribed in the indenture or supplemental resolution; provided, that Section 5.05 shall not be applied to the Notes.

Section 5.02. Covenants of Prior Resolution Applicable. All covenants and provisions of the Prior Resolution except for any and all covenants relating to arbitrage and those covenants specifically herein modified shall apply equally and ratably to the Series 2006 Bonds. Without limiting the generality of the foregoing sentence, such covenants and provisions of the Prior Resolution shall remain fully effective notwithstanding the payment of the Series 1979 Bonds authorized by the Prior Resolution.

Section 5.03. Bonds and Notes not to be Indebtedness of the Issuer. Neither the Bonds nor the Notes shall be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Resolution. No holder or holders of any Bonds or Notes shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay said Bonds or Notes or the interest thereon.

Section 5.04. 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. Such rates shall also be sufficient to make the debt service payments on the Bonds, to make all payments required herein into the Reserve Fund, the Series 1993 B Bond Reserve Account, the Series 1995 Bond Reserve Account, the Series 1997 A Bond Reserve Account, the Series 1998 Bond Reserve Account, the Series 2002 Bond Reserve Account, the Series 2003 Bonds Reserve Account, the Series 2006 A Bond Reserve Account, the Series 2006 B Bond Reserve Account and the Series 2006 C Bond Reserve Account and to pay 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 5.05. Statutory Mortgage. For the further protection of the holder of the Series 2006 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon delivery of the Series 2006 Bonds for the benefit of the holder of the Series 2006 Bonds on a parity with the Series 1975 Bonds, the Series 1979 Bond, the Series 1993 B Bond, the Series 1995 Bond, the Series 1997 A Bond, the Series 1998 Bond, the Series 2002 Bond and the Series 2003 Bonds.

Section 5.06. Conditions Precedent Fulfilled; Interim Financing. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Series 2006 Bonds and the Notes, if issued, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of 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 shall have been waived or shall have expired. The Notes, if issued, will not be payable from the Net Revenues, but shall be payable from proceeds of the Series 2006 Bonds, Grant receipts, surplus revenues and proceeds from a letter of credit, if any, all as shall be set forth in the indenture or a supplemental resolution authorizing the Notes.

Section 5.07. Investments. The Issuer shall invest and reinvest, and hereby instructs the Bank and the Commission to invest and reinvest, in Qualified Investments any moneys held as part of the funds and accounts created by this Resolution, other than the Revenue Fund, to the fullest extent possible subject to applicable laws and this Resolution, and the need for such moneys for the purposes set forth herein, and the specific restrictions and provisions set forth in this Section 5.07. The Issuer may direct the Bank and the Commission in writing as to what particular permitted investments shall be made.

Except as provided herein and in the indenture, if any, any investment shall be held in and at all times be deemed a part of the fund or account in which the moneys and investments are held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the corresponding fund or account. The Bank or 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 any loss on such liquidation. The Issuer may invest funds on deposit with the Bank through the trust department of the Bank. The Bank or the Commission shall not be responsible for any losses from such investments, except losses due to its own gross negligence or willful misconduct.

Section 5.08. Wetlands Covenant. The Issuer shall not use any Series 2006 Bond proceeds for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity. Failure to comply with this covenant shall constitute an Event of Default under Section 4.07 of the Prior Resolution.

ARTICLE VI

RATES, ETC.

Section 6.01. Initial Schedule of Rates and Charges; Rules. The schedule of rates and charges for the services and facilities of the extension to the System initially shall be those contained in the Commission Order of the Public Service Commission of West Virginia dated June 19 2006, and such rates are hereby adopted.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Modification or Amendment. No modification or amendment of this Resolution, or of any resolution amendatory hereof or supplemental hereto, may be made without the prior consent in writing of the Purchaser.

Section 7.02. Delivery of Series 2006 Bonds. The Chairman, Secretary and Treasurer of the Issuer are hereby authorized and directed to cause Series 2006 A Bond No. AR-1, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

The Chairman, Secretary and Treasurer of the Issuer are hereby authorized and directed to cause Series 2006 B Bond No. BR-1, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

The Chairman, Secretary and Treasurer of the Issuer are hereby authorized and directed to cause Series 2006 C Bond No. CR-1, 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 7.03. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Series 2006 Bonds.

Section 7.04. 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, but excluding the Loan Resolution (Form FmHA 442-47) and the Prior Resolution.

Section 7.05. 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 7.06. 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 final enactment and passage 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, the Secretary and the Treasurer of the Board were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such service.

This Resolution shall become effective immediately upon its adoption.

Adopted June 26, 2006.

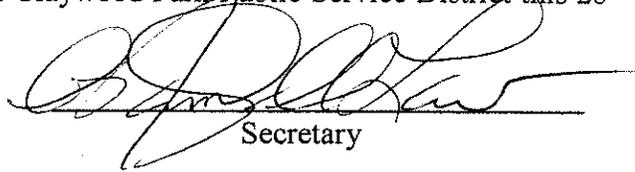


Chairman, Public Service Board

CERTIFICATION

I, C. Randall Law, Secretary of the Public Service Board of the Claywood Park Public Service District, Wood and Wirt Counties, West Virginia, do hereby certify that the attached is a true and accurate copy of the Supplemental Resolution adopted by the Public Service Board on June 26, 2006.

Given under my hand and seal of Claywood Park Public Service District this 28th day of June, 2006.



Secretary

[SEAL]

CLAYWOOD PARK PUBLIC SERVICE DISTRICT

SUPPLEMENTAL RESOLUTION

WHEREAS, Claywood Park Public Service District (the "Issuer") is a public service district of Wood and Wirt Counties, West Virginia, created pursuant to Chapter 16, Article 13A of the Code of West Virginia of 1931, as amended, by The County Commission of Wood County; and

WHEREAS, the Issuer has previously issued its (i) Waterworks Revenue Bond, Series 1975 (the "Series 1975 Bond"); (ii) Water Revenue Bond, Series 1979 (the "Series 1979 Bond"); (iii) Water Revenue Bond, Series 1993 B (the "Series 1993 B Bond"); (iv) Water Revenue Bond, Series 1995 (the "Series 1995 Bond"); (v) Water Revenue Bond, Series 1997 A (the "Series 1997 A Bond"); (vi) Water Revenue Bond, Series 1998 (the "Series 1998 Bond"); and (vii) Water Revenue Bond, Series 2002 (the "Series 2002 Bond"), pursuant to Bond Resolutions adopted by the Issuer on February 19, 1975, December 27, 1979, December 1, 1993, April 3, 1995, August 18, 1997, January 23, 1998, and December 17, 2002, respectively (collectively, the "Prior Resolutions"); and

WHEREAS, the Issuer desires to eliminate the requirement for the creation, maintenance and funding of the Repair and Replacement Fund as described and required in the Prior Resolutions; and

WHEREAS, the Issuer has received the written consent of the United States of America acting through the Rural Utilities Service, United States Department of Agriculture (formerly the United States of America, Farmers Home Administration), as sole present holder of the Series 1975 Bond, the Series 1979 Bond, the Series 1993 B Bond, the Series 1995 Bond, the Series 1997 A Bond, the Series 1998 Bond and the Series 2002 Bond (collectively, the "Prior Bonds"); and

WHEREAS, the creation, maintenance and funding of the Repair and Replacement Fund shall continue as required by the Bond Resolution adopted by the Issuer on May 20, 2003, authorizing the issuance of the Issuer's Water Refunding Revenue Bonds, Series 2003 (the "Series 2003 Bond Resolution").

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF CLAYWOOD PARK PUBLIC SERVICE DISTRICT AS FOLLOWS:

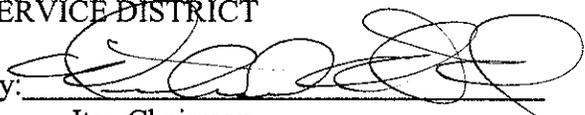
1. The creation, maintenance and funding of the Repair and Replacement Fund pursuant to the Prior Resolutions are hereby terminated and the Prior Resolutions are hereby supplemented and amended accordingly.

2. The creation, maintenance and funding of the Repair and Replacement Fund as provided in the Series 2003 Bond Resolution shall continue in accordance with the provisions of the Series 2003 Bond Resolution.

3. Except as supplemented and amended as provided herein, the Prior Resolutions shall remain in full force and effect.

Adopted this 26th day of June, 2006.

CLAYWOOD PARK PUBLIC
SERVICE DISTRICT

By: 

Its: Chairman





United States Department of Agriculture
Rural Development
West Virginia State Office

**CLAYWOOD PARK PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2006 A
WATER REVENUE BOND, SERIES 2006 B
WATER REVENUE BOND, SERIES 2006 C**

TO WHOM IT MAY CONCERN:

United States of America acting through the Rural Utilities Service, United States Department of Agriculture (formerly the United States of America, Farmers Home Administration), as sole present holder of the Claywood Park Public Service District (i) Waterworks Revenue Bond, Series 1975 (the "Series 1975 Bond"); (ii) Water Revenue Bond, Series 1979 (the "Series 1979 Bond"); (iii) Water Revenue Bond, Series 1993 B (the "Series 1993 B Bond"); (iv) Water Revenue Bond, Series 1995 (the "Series 1995 Bond"); (v) Water Revenue Bond, Series 1997 A (the "Series 1997 A Bond"); (vi) Water Revenue Bond, Series 1998 (the "Series 1998 Bond"); and (vii) Water Revenue Bond, Series 2002 (the "Series 2002 Bond"), hereby consents to the amendment of the respective bond resolutions authorizing the issuance of the Series 1975 Bond, the Series 1979 Bond, the Series 1993 B Bond, the Series 1995 Bond, the Series 1997 A Bond, the Series 1998 Bond and the Series 2002 Bond (collectively, the "Prior Bonds"), to remove the requirement for the creation, maintenance and funding of the Repair and Replacement Fund as further set forth in the attached Supplemental Resolution.

Dated this 21st day of June, 2006.

By: Richard E. Sattelfeld
Its: Acting State Director

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CLAYWOOD PARK PUBLIC SERVICE DISTRICT
\$7,608,000 WATER REVENUE BONDS
(WATER TREATMENT PLANT EXPANSION AND IMPROVEMENT PROJECT)
SERIES 2006

ENGINEER'S CERTIFICATE

I, Dominic P. Cerrone, Registered Professional Engineer, West Virginia Registration No. 14750, of Cerrone Associates, Inc., Consulting Engineers, Wheeling, West Virginia, hereby certify that my firm is engineer for the construction of the water system additions and improvements (herein called the "Project") of the Claywood Park Public Service District to be constructed in Wood County, West Virginia, which construction is being financed by the above-captioned Water Revenue Bonds of the District.

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

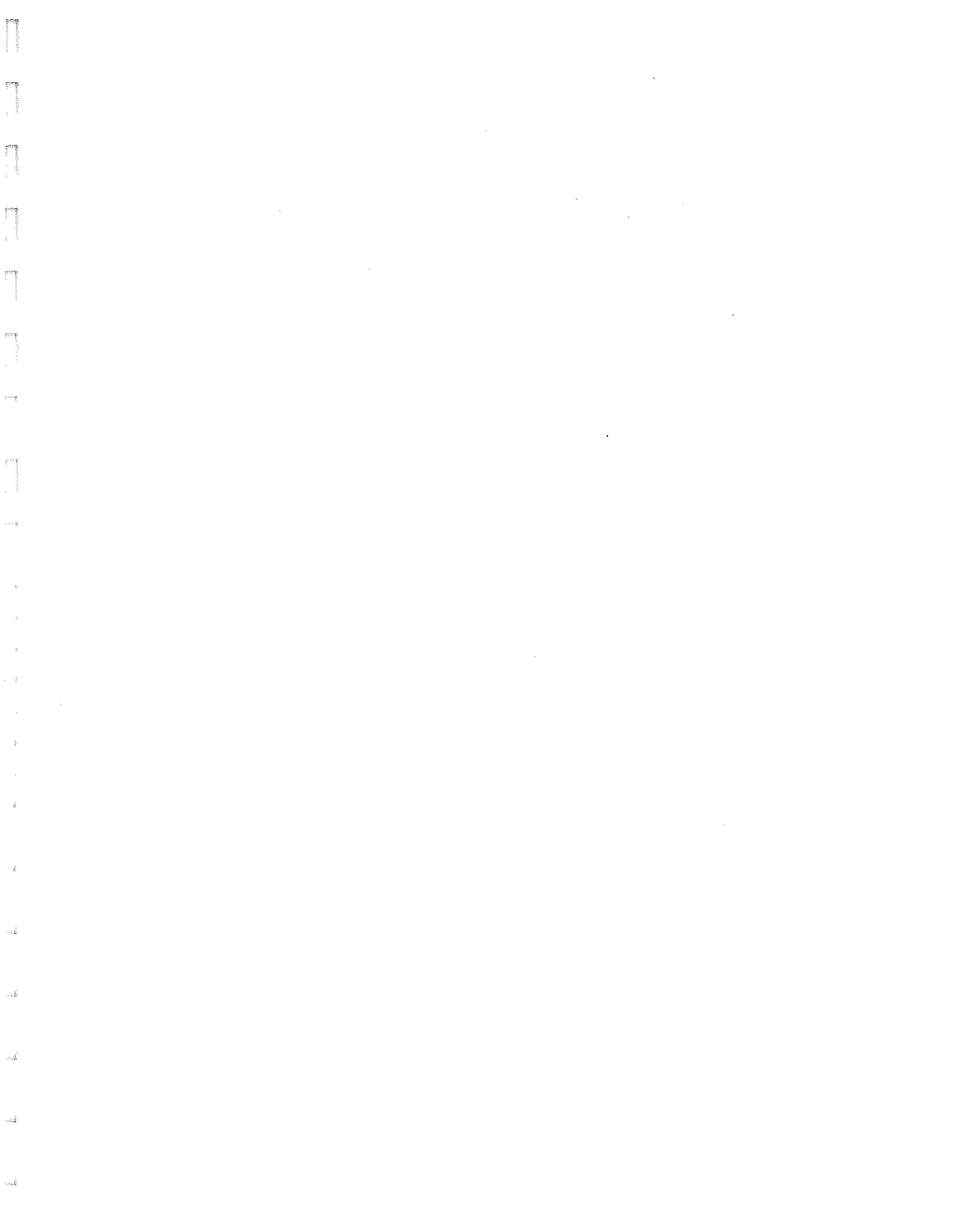
I further certify that the Project is adequate for the purpose for which it was designed and that all necessary governmental approvals and permits for the construction thereof have been obtained or can be obtained.

WITNESS my signature on this 28th day of June, 2006.

CERRONE ASSOCIATES, INC.

By:





BASSETT & LOWE
CERTIFIED PUBLIC ACCOUNTANTS

1156 South Main Street
Milton, West Virginia 25541
Telephone: (304) 743-5573
Fax: (304) 743-1150 Toll Free: 1-800-720-9629
e-mail: ralphwb@charterinternet.com (Ralph W. Bassett, Jr.)
e-mail: rodlowe@charterinternet.com (Rodman G. Lowe)

CLAYWOOD PARK PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS
(WATER TREATMENT PLANT EXPANSION AND IMPROVEMENT PROJECT)
SERIES 2006 A, SERIES 2006 B and SERIES 2006 C

June 28, 2006

United States Department of Agriculture
Rural Development
Federal Building
75 High Street, Room 320
Morgantown, West Virginia 26525

Bowles Rice McDavid Graff &
Love, LLP
600 Quarrier Street
Charleston, West Virginia 25301

Claywood Park Public Service District
Post Office Box 127
Parkersburg, West Virginia 26102

Ladies and Gentlemen:

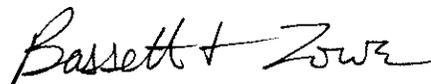
Based upon the rates and charges approved in the Commission Order of the Public Service Commission of West Virginia entered on June 19, 2006, in Case No. 05-0479-PWD-CN-PC, for the waterworks system (the "System") of the Claywood Park Public Service District (the "Issuer"), and projected operation and maintenance expenses and anticipated customer usage as furnished to us by the Issuer, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the System, will pay all repair, operation and maintenance expenses and leave a balance each year equal to at least 110% of the maximum amount required in any year for debt service on the Issuer's Water Revenue Bonds (Water Treatment Plant Expansion and Improvement Project) Series 2006 A, Series 2006 B and Series 2006 C (the "Bonds"), to be issued to the United States Department of Agriculture and all other obligations secured by or payable from the revenues of the System on a parity with the Bonds, including the Issuer's Waterworks Revenue Bond, Series 1975, the Water Revenue Bond, Series 1979, the Water Revenue Bond, Series 1993 B, the Water Revenue Bond, Series 1995, the Water Revenue Bond, Series 1997 A, the Water Revenue Bond, Series 1998, the Water Revenue Bond, Series 2002 and the Water Refunding Revenue Bonds, Series 2003 (collectively as the "Prior Bonds").

RE: Claywood Park Public Service District
June 28, 2006
Page 2

Further, based upon information (including financial information) provided to us by the Issuer, and further based upon the certificate of Cerrone Associates, Inc., Consulting Engineers for the Issuer, which certificate is attached hereto, it is our opinion that the Net Revenues actually derived from the System during 12 consecutive months within the 18 months immediately preceding the date hereof, plus estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Bonds, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Prior Bonds and the Bonds.

The Net Revenues referenced above in the immediately preceding paragraph have been adjusted by adding to such Net Revenues the amount of \$453,800, which is the amount of the additional Net Revenues which, in our opinion, would have been received during the 12 consecutive months within the 18 months immediately preceding the date hereof on account of the increased rates and charges for the Issuer's waterworks system approved in the Commission Order of the Public Service Commission of West Virginia entered on June 19, 2006, in Case No. 05-0479-PWD-CN-PC, the period for appeal of which has expired prior to the date hereof, if said rates had been in effect during the entirety of the said 12 consecutive month period.

Sincerely yours,



Bassett & Lowe

RGL:pbs

**CLAYWOOD PARK PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS
(WATER TREATMENT PLANT EXPANSION AND IMPROVEMENT PROJECT)
SERIES 2006 A, SERIES 2006 B AND SERIES 2006 C**

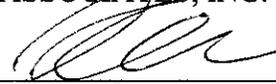
CERTIFICATE OF CONSULTING ENGINEER

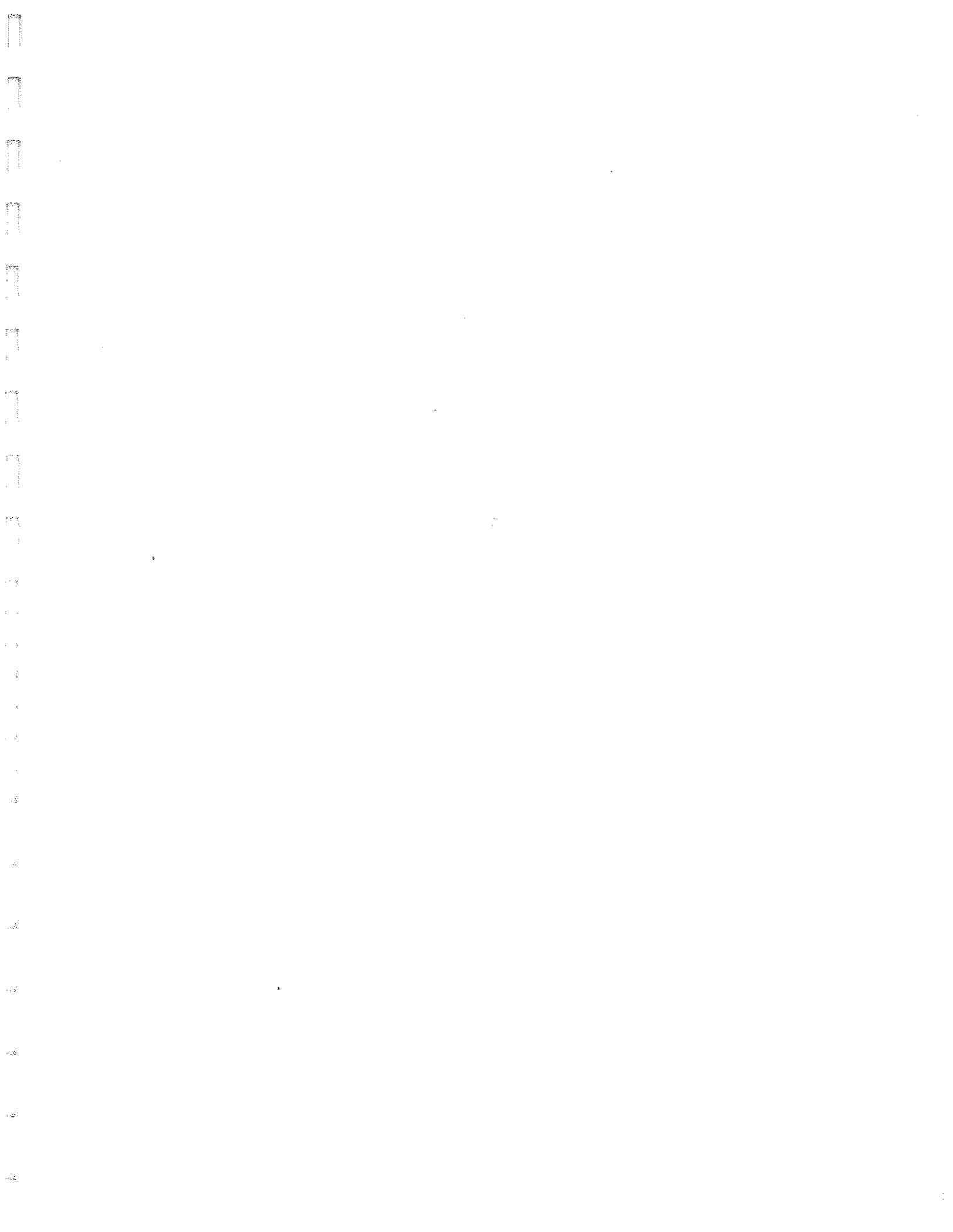
The undersigned authorized representative of Cerrone Associates, Inc., Consulting Engineers for the Claywood Park Public Service District (the "Issuer"), hereby certifies as follows:

We, having conducted such investigation as we have deemed necessary, believe the projected operation and maintenance expenses and anticipated customer usage referenced in the Certificate of Bassett & Lowe, Certified Public Accountants, dated June 28, 2006 (the "Certificate"), to which this Certificate is to be attached, are reasonable and accurate.

Dated: June 28, 2006.

CERRONE ASSOCIATES, INC.

By: 
Its: Engineer





United States Department of Agriculture
Rural Development
West Virginia State Office

**CLAYWOOD PARK PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2006 A
WATER REVENUE BOND, SERIES 2006 B
WATER REVENUE BOND, SERIES 2006 C**

TO WHOM IT MAY CONCERN:

United States of America acting through the Rural Utilities Service, United States Department of Agriculture (formerly the United States of America, Farmers Home Administration), as sole present holder of the Claywood Park Public Service District (the "Issuer") (i) Waterworks Revenue Bond, Series 1975 (the "Series 1975 Bond"); (ii) Water Revenue Bond, Series 1979 (the "Series 1979 Bond"); (iii) Water Revenue Bond, Series 1993 B (the "Series 1993 B Bond"); (iv) Water Revenue Bond, Series 1995 (the "Series 1995 Bond"); (v) Water Revenue Bond, Series 1997 A (the "Series 1997 A Bond"); (vi) Water Revenue Bond, Series 1998 (the "Series 1998 Bond"); and (vii) Water Revenue Bond, Series 2002 (the "Series 2002 Bond"), hereby consents to the issuance of the Issuer's Water Revenue Bond, Series 2006 A in an aggregate principal amount not to exceed \$4,175,000 (the "Series 2006 A Bond"), the Issuer's Water Revenue Bond, Series 2006 B in an aggregate principal amount not to exceed \$870,000 (the "Series 2006 B Bond"), and the Issuer's Water Revenue Bond, Series 2006 C in an aggregate principal amount not to exceed \$2,563,000 (the "Series 2006 C Bond") on parity with respect to liens, pledges and sources of and security for payment, with the Series 1975 Bond, the Series 1979 Bond, the Series 1993 B Bond, the Series 1995 Bond, the Series 1997 A Bond, the Series 1998 Bond and the Series 2002 Bond (collectively, the "Prior Bonds"), together with the Issuer's Water Refunding Revenue Bonds, Series 2003 (the "Series 2003 Bonds"), under the terms of the Bond Resolution authorizing such Series 2006 A Bond, Series 2006 B Bond and Series 2006 C Bond (collectively, the "Series 2006 Bonds") and hereby waives any requirements imposed by the Prior Bonds or the respective Resolutions authorizing the same, regarding the issuance of parity bonds which are not met by the Series 2006 Bonds; and agrees that the Prior Bonds, the Series 2003 Bonds and the Series 2006 Bonds will be on parity and of equal priority with each other as to their lien on the net revenues of the Claywood Park Public Service District water system and the statutory mortgage lien thereon.

Dated this 21st day of June, 2006.

By: Richard E. Safford
Its: Acting State Director

75 High Street Federal Building • Suite 320 • Morgantown, WV 26505-7500
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Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

050479alj101405.wpd

Entered: October 14, 2005

FINAL

11-3-05

CASE NO. 05-0479-PWD-CN-PC

CLAYWOOD PARK PUBLIC SERVICE DISTRICT,
a public utility.

Application for a certificate of convenience and necessity to construct, operate and maintain water treatment plant improvements to serve approximately 3,300 customers in Wood and Wirt Counties and the Mineral Wells Public Service District and the Town of Elizabeth.

RECOMMENDED DECISION

On April 8, 2005, the Claywood Park Public Service District (Utility) filed an application for a certificate of convenience and necessity to upgrade its water facilities.

On May 25, 2005, the Commission referred the matter. The Commission required a decision on or before November 4, 2005.

The Utility properly published notice of its filing. A protest was filed.

By Procedural Order issued August 5, 2005, the matter was set for hearing on September 9, 2005. The Utility published notice of the hearing in both Wood and Wirt Counties.

The hearing was held as scheduled. Steven R. Hardman, Esquire, appeared on behalf of the Utility. Ronald E. Robertson, Jr., Esquire, appeared on behalf of Staff. The parties waived their right to file briefs.

On September 27, 2005, the Utility and the Mineral Wells Public Service District (MWPSD) filed two agreements with the Commission seeking approval in this proceeding. The first agreement set forth the resale rate agreed to between the two parties associated with the project. The second agreement required the parties to review the allocation of costs twelve months after the improved treatment plant went on line.

On October 12, 2005, Staff recommended approval of the contracts. Staff concluded that the first agreement set forth sufficient rates to support the project.

EVIDENCE

The Utility serves approximately 3,300 customers, as well as the resale customers of the Town of Elizabeth (Elizabeth), MWPSD, and about 65 customers in the Little Kanawha Estates Homeowners Association. (Staff Ex. 1; Tr. 9). The treatment plant went on line in 1980 and, since that time, both the Utility and MWPSD have experienced considerable growth increasing their demand for water. (Staff Ex. 1). The Utility and MWPSD have several additional proposed or recently completed projects which will further increase the demand for water. (Id.).

The Utility's treatment plant currently produces 1,200 gallons per minute (gpm) and operates roughly 16 hours a day. (Id.). During the peak summer months, the plant operates as long as 21 hours a day. (Tr. 10). Continuing to increase the plant operating time would substantially increase the Utility's operation and maintenance (O&M) expenses because the Utility would be forced to hire an additional operator. (Staff Ex. 1). Increasing operating time above 16 hours a day would make it difficult for proper maintenance on the plant because of insufficient downtime. (Staff Ex. 1). Staff believes it is reasonable for the Utility to increase its output capacity. (Id.).

The proposed project will increase the treatment plant capacity to 3,000 gpm and decrease its operating time to approximately 8 hours a day, resulting in a reduction of \$15,000 in O&M expenses. (Id.).

The project will also help the Utility meet the current and proposed standards of the Environmental Protection Agency and the Safe Drinking Water Act. (Tr. 8). The project includes new filtration equipment, clarifier equipment, chemical feed equipment and sludge handling facilities among other things. (Tr. 8). The project will improve the level of treatment and the removal of pathogens. (Tr. 11).

The project is estimated to cost \$5,295,000. (Staff Ex. 1). It will be financed using USDA Rural Development Service loans totaling \$5,045,000 which are interest only for two years over a total life of 40 years at 4.25% interest. (Tr. 13; Appendix III of Application). There is also a USDA Rural Development Service grant in the amount of \$250,000. (Staff Ex. 1).

Staff estimates the total cost per customer as being \$910 including all customers of the resale customers. (Id.). Staff viewed the cost per customer as reasonable. (Id.).

Staff concluded that the plans and specifications for the plant are in general conformance with the Commission's rules and regulations. (Id.). The Utility's rates will need to be increased 33.5% to support the project. (Id.). The Staff-recommended rates result in a cash surplus of \$18,710 and a 116.9% debt coverage. (Id.).

At the time of the hearing, Staff did not have the newest agreement between the Utility and MWPSD to review. (Tr. 19). The two utilities use "an elaborate calculation" which assigns costs related to the volume of water used, debt service and O&M. (Tr. 18). Staff indicated that the two utilities needed to have the new agreement finalized in order for the

project to move forward. (Tr. 19). Staff also recommended a rate review for the Utility a year after the project went on line in order for resale rates which were cost based to be implemented. (Tr. 20). Staff assumed that the Utility would receive the revenue listed in the Utility's Rule 42 filing from MWPSD. (Tr. 22).

Staff believes that the Utility charges MWPSD a higher rate than it charges Elizabeth because it reserves capacity for MWPSD. (Tr. 23, 24). Staff believes that the numerous rate schedules for the various sections of the Utility's own customers came out of various certificate filings for projects to serve those areas. (Tr. 24, 25). Staff believes it would be a "good idea" to do a class cost of service study a year after the plant is in operations to unify rates and get a resale rate that reflects costs. (Tr. 26, 27).

FINDINGS OF FACT

1. On April 8, 2005, the Utility filed an application for a certificate of convenience and necessity to construct, operate and maintain a water treatment plant to serve its existing customers in Wood and Wirt Counties. (See application).
2. The Utility serves 3,300 of its own customers and three resale customers: MWPSD, Elizabeth and a homeowners association. (Staff Ex. 1; Tr. 9).
3. MWPSD serves 1,820 customers. Elizabeth serves 681 customers. The homeowners association serves 65 customers. These resale customers all depend upon the Utility to treat water to serve their customers. (Staff Ex. 1; Tr. 9).
4. The project is estimated to cost \$5,295,000. (Staff Ex. 1).
5. The Utility plans to finance the project with USDA Rural Development Service loans in the amount of \$5,045,000 for 40 years (interest only first two years) at a 4.25% interest rate and a \$250,000 USDA Rural Development Service grant. (Staff Ex. 1).
6. The project will require a 33.5% increase in rates for the average user of the system. (Staff Ex. 1).
7. The Staff-recommended rates result in a cash surplus of \$18,710 and a debt service coverage of 116.9%. (Staff Ex. 1).
8. The plans and specifications are in general conformance with the Commission's rules and regulations. (Staff Ex. 1).
9. The project's cost per customer of \$910 is reasonable. (Staff Ex. 1).
10. The Utility's treatment plant currently produces 1,200 gpm and operates 16 hours a day. In the peak summer months, it operates as much as 21 hours a day. (Staff Ex. 1; Tr. 10).

11. Since the plant went on line in 1980, both the Utility and MWPSD have experienced considerable growth in customers, therefore, increasing the demand for water. (Staff Ex. 1).

12. The Utility and MWPSD both have planned or recently completed projects which will substantially increase the demand for water. (Staff Ex. 1).

13. Further increasing the operating time of the existing plant would substantially increase the Utility's O&M expenses and would make it difficult to perform proper maintenance on the plant because of insufficient downtime. (Staff Ex. 1).

14. The proposed project will increase the treatment plant capacity to 3,000 gpm, while decreasing operating hours to approximately 8 hours per day, which will decrease labor and benefit costs by \$15,000. (Staff Ex. 1).

15. The Utility has received most of the required permits for the project from state and federal agencies. (Staff Ex. 1).

16. Staff recommended approval of the two contracts entered between the Utility and MWPSD after the hearing. (Staff filing of October 12, 2005).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the project.
2. The Utility's proposed financing of the project is reasonable and should be approved.
3. The Utility's application for a certificate of convenience and necessity should be granted, contingent upon the receipt of all necessary federal, state and local permits.
4. The Utility should be required to seek Commission approval should the project scope or proposed financing change for any reason.
5. The Staff-recommended rates for use after the construction of the project are reasonable, just, based primarily on the cost of providing service, and should be approved for use by the Utility.
6. The agreements between the Utility and MWPSD filed on September 27, 2005, should be approved. Given that the proceeding also concerns approval of the contracts, the case number in the case should be modified to include "PC."
7. The Utility should be required to file for a Commission review of its rates one year after the new treatment plant has been in operation to allow a proper class cost of service study and the unification of the Utility's rates.

ORDER

IT IS, THEREFORE, ORDERED that the application filed by the Claywood Park Public Service District on April 8, 2005, for a certificate of convenience and necessity to construct improvements to its water treatment plant be, and hereby is, granted, contingent upon the receipt of all necessary federal, state and local permits. The Utility shall file copies of any outstanding permits and approvals with the Commission immediately upon receipt of such documents.

IT IS FURTHER ORDERED that the proposed financing of the project, consisting of loans from the USDA Rural Development Services in the amounts of \$4,175,000 and \$870,000 for 40 years (interest only first two years) at a 4.25% interest rate and a \$250,000 grant from the Rural Development Service, be, and hereby is, approved.

IT IS FURTHER ORDERED that the Claywood Park Public Service District petition the Commission to reopen the proceeding should the cost, scope or financing of the project change for any reason.

IT IS FURTHER ORDERED that the Claywood Park Public Service District submit a certified copy of bid tabulations for all contract bids as soon as they are available. The Utility shall also submit a copy of a certificate of substantial completion issued for each construction contract associated with project as soon as they are available.

IT IS FURTHER ORDERED that the rates attached as Appendix A be, and hereby are, approved for use by the Claywood Park Public Service District upon substantial completion of the project. The Utility shall file with the Commission a proper tariff and five (5) copies within thirty (30) days from the date of substantial completion.

IT IS FURTHER ORDERED that, one year after operating under the new rates, the Claywood Park Public Service District file a 19A application in order for the Commission to conduct a class cost of service study, unify the Utility's rates and develop a proper resale rate for its tariff.

IT IS FURTHER ORDERED that the agreements between the Claywood Park Public Service District and the Mineral Wells Public Service District filed with the Commission on September 27, 2005, be, and hereby are, approved, without approving the specific terms and conditions of the contracts. The agreements are only approved until the Commission can revisit the issue of a proper resale rate for the Utility after the new treatment plant has been in operation for one year.

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

IT IS FURTHER ORDERED that the case number be modified to reflect the review of the contracts between the utilities by adding "PC."

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 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 the exceptions.

If no exceptions are filed, this order shall become the order of the Commission, without further action, five (5) days following the expiration of the fifteen (15) day time period, unless it is ordered stayed 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 the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.



Keith A. George
Administrative Law Judge

KAG:mal
050479aa.wpd

CLAYWOOD PARK PUBLIC SERVICE DISTRICT
CASE NO. 05-0479-PWD-CN
APPROVED RATES

SCHEDULE NO. 1

APPLICABILITY

Applicable in entire territory served, except Deerwalk Extension area, Camp Barbe/Rt. 14, Walker-Kites Run area and Mountwood Park.

AVAILABILITY

Available for general domestic, commercial and industrial service.

RATE - (For two months billing)

First	6,000 gallons used in two-month period	\$6.04 per 1,000 gallons
Next	14,000 gallons used in two-month period	\$4.44 per 1,000 gallons
Next	20,000 gallons used in two-month period	\$3.43 per 1,000 gallons
Next	60,000 gallons used in two-month period	\$3.02 per 1,000 gallons
Over	100,000 gallons used in two-month period	\$2.43 per 1,000 gallons

RATE - (For one months billing)

First	3,000 gallons used in two-month period	\$6.04 per 1,000 gallons
Next	7,000 gallons used in two-month period	\$4.44 per 1,000 gallons
Next	10,000 gallons used in two-month period	\$3.43 per 1,000 gallons
Next	30,000 gallons used in two-month period	\$3.02 per 1,000 gallons
Over	50,000 gallons used in two-month period	\$2.43 per 1,000 gallons

MINIMUM CHARGE

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

	<u>Monthly</u>	<u>Bi-Monthly</u>
5/8 inch meter	\$ 18.12	\$ 36.23
3/4 inch meter	\$ 27.17	\$ 54.35
1 inch meter	\$ 45.29	\$ 90.58
1-1/4 inch meter	\$ 66.13	\$ 132.24
1-1/2 inch meter	\$ 90.58	\$ 181.15
2 inch meter	\$ 144.92	\$ 289.84
3 inch meter	\$ 271.73	\$ 543.56
4 inch meter	\$ 452.88	\$ 905.76
6 inch meter	\$ 905.76	\$1,811.52
8 inch meter	\$1,449.22	\$2,898.43

PRIVATE FIRE PROTECTION SERVICE

For Private Fire Hydrants	\$16.63 per month per tap
For Sprinkler Systems	\$55.42 per month

BILLING PROCEDURE

Monthly meter reading and billing of all rental property accounts and industrial, commercial or school accounts requesting monthly billing. On all other accounts, meter reading and billing shall be on bi-monthly basis.

TRAILER COURTS

House trailers, either mobile or immobile, located on sites other than a park or court shall be billed in the same manner as any other family or business unit.

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 a customer 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.

CHARGE FOR RECONNECTION

Whenever the supply of water is turned off for violation of rules and regulations, nonpayment of bills or fraudulent use of water, the utility shall make a charge of \$20.00 for reestablishing service.

ADMINISTRATIVE FEE

In the event the District collects payment in full of a delinquent water bill at the customer's premises in lieu of a discontinuance of service for nonpayment, an administrative fee of \$10.00 shall also be collected in addition to the delinquent water bill.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed penalty is not interest and is only to be collected once for each bill where it is appropriate.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the District or 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.

INCREMENTAL COST OF WATER PRODUCED

\$0.35 per 1,000 gallons is to be used when the bill reflects unusual consumption, which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SCHEDULE NO. 2

APPLICABILITY

Applicable within the Deerwalk Extension area, Camp Barbe/Rt. 14 Extension and Mountwood Park.

AVAILABILITY

Available for general domestic, commercial and industrial service.

RATE - (For two months billing)

First 6,000 gallons used in two-month period \$10.67 per 1,000 gallons
 Next 14,000 gallons used in two-month period \$ 7.84 per 1,000 gallons
 Next 20,000 gallons used in two-month period \$ 6.14 per 1,000 gallons
 Next 60,000 gallons used in two-month period \$ 5.46 per 1,000 gallons
 Over 100,000 gallons used in two-month period \$ 4.28 per 1,000 gallons

RATE - (For one months billing)

First 3,000 gallons used in two-month period \$10.67 per 1,000 gallons
 Next 7,000 gallons used in two-month period \$ 7.84 per 1,000 gallons
 Next 10,000 gallons used in two-month period \$ 6.14 per 1,000 gallons
 Next 30,000 gallons used in two-month period \$ 5.46 per 1,000 gallons
 Over 50,000 gallons used in two-month period \$ 4.28 per 1,000 gallons

MINIMUM CHARGE

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

	<u>Monthly</u>	<u>Bi-Monthly</u>
5/8 inch meter	\$ 32.01	\$ 64.02
3/4 inch meter	\$ 48.03	\$ 96.05
1 inch meter	\$ 80.04	\$ 160.08
1-1/4 inch meter	\$ 118.33	\$ 233.69
1-1/2 inch meter	\$ 160.06	\$ 320.12
2 inch meter	\$ 256.10	\$ 512.20
3 inch meter	\$ 480.19	\$ 960.37
4 inch meter	\$ 800.31	\$1,600.62
6 inch meter	\$1,600.62	\$3,201.24
8 inch meter	\$2,560.99	\$5,128.98

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed penalty is not interest and is only to be collected once for each bill where it is appropriate.

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 a customer 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.

RECONNECTION FEE

Whenever the supply of water is turned off for violation of rules and regulations, nonpayment of bills or fraudulent use of water, the utility shall make a charge of \$20.00 for reestablishing service.

ADMINISTRATIVE FEE

In the event the District collects payment in full of a delinquent water bill at the customer's premises in lieu of a discontinuance of service for nonpayment, an administrative fee of \$10.00 shall also be collected in addition to the delinquent water bill.

PRIVATE FIRE PROTECTION SERVICE

For Private Fire Hydrants	\$16.63 per month per tap
For Sprinkler Systems	\$55.42 per month

BILLING PROCEDURE

Monthly meter reading and billing of all rental property accounts and industrial, commercial or school accounts requesting monthly billing. On all other accounts, meter reading and billing shall be on bi-monthly basis.

TRAILER COURTS

House trailers, either mobile or immobile, located on sites other than a park or court shall be billed in the same manner as any other family or business unit.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the District or 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.

INCREMENTAL COST OF WATER PRODUCED

\$0.35 per 1,000 gallons is to be used when the bill reflects unusual consumption, which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SCHEDULE NO. 3

APPLICABILITY

Applicable in Walker-Kites Run area.

AVAILABILITY

Available for general domestic, commercial and industrial service.

RATE - (For two months billing)

First	6,000 gallons used in two-month period	\$7.61 per 1,000 gallons
Next	14,000 gallons used in two-month period	\$5.59 per 1,000 gallons
Next	20,000 gallons used in two-month period	\$4.38 per 1,000 gallons
Next	60,000 gallons used in two-month period	\$3.89 per 1,000 gallons
Over	100,000 gallons used in two-month period	\$3.03 per 1,000 gallons

RATE - (For one months billing)

First	3,000 gallons used in two-month period	\$7.61 per 1,000 gallons
Next	7,000 gallons used in two-month period	\$5.59 per 1,000 gallons
Next	10,000 gallons used in two-month period	\$4.38 per 1,000 gallons
Next	30,000 gallons used in two-month period	\$3.89 per 1,000 gallons
Over	50,000 gallons used in two-month period	\$3.03 per 1,000 gallons

MINIMUM CHARGE

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

	<u>Monthly</u>	<u>Bi-Monthly</u>
5/8 inch meter	\$ 22.82	\$ 45.64
3/4 inch meter	\$ 34.23	\$ 68.46
1 inch meter	\$ 57.05	\$ 114.11
1-1/4 inch meter	\$ 83.29	\$ 166.60
1-1/2 inch meter	\$ 114.11	\$ 228.22
2 inch meter	\$ 182.57	\$ 365.15
3 inch meter	\$ 342.32	\$ 684.65
4 inch meter	\$ 570.54	\$1,141.08
6 inch meter	\$1,141.08	\$2,282.16
8 inch meter	\$1,825.73	\$3,651.46

PRIVATE FIRE PROTECTION SERVICE

For Private Fire Hydrants	\$16.63 per month per tap
For Sprinkler Systems	\$55.42 per month

BILLING PROCEDURE

Monthly meter reading and billing of all rental property accounts and industrial, commercial or school accounts requesting monthly billing. On all other accounts, meter reading and billing shall be on bi-monthly basis.

TRAILER COURTS

House trailers, either mobile or immobile, located on sites other than a park or court shall be billed in the same manner as any other family or business unit.

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 a customer 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.

CHARGE FOR RECONNECTION

Whenever the supply of water is turned off for violation of rules and regulations, nonpayment of bills or fraudulent use of water, the utility shall make a charge of \$20.00 for reestablishing service.

ADMINISTRATIVE FEE

In the event the District collects payment in full of a delinquent water bill at the customer's premises in lieu of a discontinuance of service for nonpayment, an administrative fee of \$10.00 shall also be collected in addition to the delinquent water bill.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed penalty is not interest and is only to be collected once for each bill where it is appropriate.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the District or 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.

INCREMENTAL COST OF WATER PRODUCED

\$0.35 per 1,000 gallons is to be used when the bill reflects unusual consumption, which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SCHEDULE NO. 4

APPLICABILITY

Applicable for Town of Elizabeth.

AVAILABILITY

Available for sales for resale.

RATE - \$2.14 per thousand gallons

**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 19th day of June, 2006.

CASE NO. 05-0479-PWD-CN-PC

CLAYWOOD PARK PUBLIC SERVICE DISTRICT

Amended Application for a Certificate of Convenience and Necessity to construct, operate, and maintain water treatment plant improvements to serve approximately 3,300 customers of the District in Wood and Wirt Counties and the Mineral Wells Public Service District and the Town of Elizabeth (resale customers).

COMMISSION ORDER

On April 8, 2005 the Claywood Park Public Service District (Applicant) filed an application, duly verified, for a Certificate to construct improvements to serve approximately 3,300 customers of the Applicant in Wood and Wirt Counties and the Mineral Wells Public Service District and the Town of Elizabeth (resale customers).

On October 14, 2005 the Administrative Law Judge (ALJ) Division issued its Recommended Decision (Final Order, November 3, 2005) which, among other things, approved the certificate, funding, and proposed rates.

The Applicant filed a Petition for Reconsideration on November 14, 2005 regarding an agreement between the Applicant and the Mineral Wells Public Service District. The Petition for Reconsideration was denied by a Commission Order issued February 9, 2006, although several unrelated modifications were made to the Recommended Decision.

On March 28, 2006 the Applicant filed an "Amended Application for a Certificate of Convenience and Necessity." The Applicant estimated that construction will cost approximately \$7,858,000. It proposed that the construction will be financed as follows:

- Loan from the USDA - Rural Development in the amount of \$4,175,000;
- Loan from the USDA - Rural Development in the amount of \$ 870,000;
- Loan from the USDA - Rural Development in the amount of \$2,563,000; and

Grant from the USDA - Rural Development in the amount of \$ 250,000.

On April 3, 2006 the Applicant's engineer filed a letter describing the bids received on the project.

On April 4, 2006 the Applicant filed a copy of its Letter of Conditions from the Rural Utilities Service of the United States Department of Agriculture, Rural Development. The Applicant also filed Amendment No. 2 of the Letter of Conditions on April 4, 2006.

On April 17, 2006, the Applicant filed Revised Proposed Tariff Schedules 1, 2, 3, and 4, which were inadvertently omitted from its March 28, 2006 filing.

The Commission issued an Amended Notice of Filing on April 28, 2006 directing the Applicant to provide notice of its proposed rates.

On May 1, 2006 Commission Staff (Staff) filed its "Initial and Final Joint Staff Memorandum." Therein Staff recommended approval of the additional funding and revised project cost contingent upon the Applicant filing its affidavit of publication of the Amended Notice of Filing pursuant to *West Virginia Code* § 24-2-11 and its affidavit establishing that it notified its customers, including resale customers, of its proposed additional water rate increase as required by Rule 10.3.d. of the Commission's *Rules of Practice and Procedure*. Staff proposed rates designed to produce \$77,842 in billed revenue, although a few of the upper rate blocks designed by Staff were less than those proposed by the Applicant.

The Applicant filed a letter on June 5, 2006 noting the timing involved in its project and requesting expedited treatment.

On June 7, 2006 and June 12, 2006 the Applicant filed affidavits of publication and affidavits of notice to its customers, respectively.

DISCUSSION

Publication of the Commission's Amended Notice of Filing was made on May 10, 2006. The publication allowed for a 30-day protest period. No protests were filed with the Commission.

Accordingly, the Commission shall approve (1) the increased project cost of \$7,858,000; (2) the additional loan from the RUS in the amount of \$2,563,000 for 40 years at 4.375%; and (3) the increased rates and charges as contained in the Staff-proposed tariff.

FINDINGS OF FACT

1. On October 14, 2005 the ALJ Division issued its Recommended Decision (Final Order, November 3, 2005) which, among other things, approved the certificate, funding, and proposed rates.
2. On March 28, 2006 the Applicant filed an "Amended Application for a Certificate of Convenience and Necessity." The Applicant estimated that construction will cost approximately \$7,858,000. The Applicant requested approval of the new project cost, additional funding, and additional rates.
3. On May 1, 2006 Staff filed its "Initial and Final Joint Staff Memorandum." Therein Staff recommended approval of the additional funding and revised project cost contingent upon the Applicant filing its affidavits evidencing notice to its customers.
4. On June 7, 2006 and June 12, 2006 the Applicant filed affidavits of publication and affidavits of notice to its customers, respectively.
5. No protests were filed.

CONCLUSION OF LAW

It is reasonable to approve (1) the increased project cost of \$7,858,000; (2) the additional loan from the RUS in the amount of \$2,563,000 for 40 years at 4.375%; and (3) the increased rates and charges as contained in the Staff-proposed tariff.

ORDER

IT IS THEREFORE ORDERED that the Claywood Park Public Service District's increased project cost of \$7,858,000 is hereby approved.

IT IS FURTHER ORDERED that the additional loan in the amount of \$2,563,000 for 40 years at 4.375% is hereby approved.

IT IS FURTHER ORDERED that the increased rates and charges as contained in the Staff-proposed tariff, and attached hereto, are hereby approved for use by the Applicant upon substantial completion of the project.

IT IS FURTHER ORDERED that, within thirty (30) days of the date of this Order, the District shall file with the Commission's Tariff Office an original and six (6) copies of a proper tariff setting forth the rates hereby approved.

IT IS FURTHER ORDERED that if there are any changes in loans or grants related to the project, the Applicant must seek Commission approval of those changes, pursuant to *West Virginia Code* § 16-13A-25.

IT IS FURTHER ORDERED that if there are changes in the project's plans or scope, as well as the terms of any financing other than grants or loans which affect rates, the Applicant must seek the Commission's approval of those changes.

IT IS FURTHER ORDERED that if there is a change in the project cost that does not affect rates, the Applicant need not petition to reopen this case for further Commission approval, except as required by *West Virginia Code* § 16-13A-25. Instead, the Applicant must file an affidavit from its certified public accountant verifying that rates are not affected.

IT IS FURTHER ORDERED that in all other respects the October 14, 2005 Recommended Decision (Final Order, November 3, 2005), as modified by the Commission Order of February 9, 2006, remains the final order of the Commission.

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 Squire
Executive Secretary

JJW/klm
050479cc.wpd

CLAYWOOD PARK PUBLIC SERVICE DISTRICT
CASE NO. 05-0479-PWD-CN-PC

APPROVED RATES

SCHEDULE NO. 1

APPLICABILITY

Applicable in entire territory served, except Deerwalk Extension area, Camp Barbe/Rt. 14, Walker-Kites Run area and Mountwood Park

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service

(I) RATE (For two months billing)

First	6,000 gallons used in two-month period	\$6.34 per 1,000 gallons
Next	14,000 gallons used in two-month period	\$4.66 per 1,000 gallons
Next	20,000 gallons used in two-month period	\$3.60 per 1,000 gallons
Next	60,000 gallons used in two-month period	\$3.17 per 1,000 gallons
Over	100,000 gallons used in two-month period	\$2.55 per 1,000 gallons

(I) RATE (For one month billing)

First	3,000 gallons used in one-month period	\$6.34 per 1,000 gallons
Next	7,000 gallons used in one-month period	\$4.66 per 1,000 gallons
Next	10,000 gallons used in one-month period	\$3.60 per 1,000 gallons
Next	30,000 gallons used in one-month period	\$3.17 per 1,000 gallons
Over	50,000 gallons used in one-month period	\$2.55 per 1,000 gallons

(I) MINIMUM CHARGE

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

	<u>Monthly</u>	<u>Bi-Monthly</u>
5/8 inch meter	\$19.02	\$38.04
3/4 inch meter	28.53	57.06
1 inch meter	47.55	95.10
1-1/4 inch meter	69.42	138.85
1-1/2 inch meter	95.10	190.20
2 inch meter	152.16	304.32
3 inch meter	285.30	570.60

4	inch meter	475.50	951.00
6	inch meter	951.00	1,902.00
8	inch meter	1,521.60	3,043.20

PRIVATE FIRE PROTECTION SERVICE

For Private Fire Hydrants \$ 16.63 per month per tap
 For Sprinkler Systems \$ 55.42 per month

BILLING PROCEDURE

Monthly meter reading and billing of all rental property accounts, and industrial, commercial or school accounts requesting monthly billing. On all other accounts, meter reading and billing shall be on bi-monthly basis.

TRAILER COURTS

House trailers, either mobile or immobile, located on sites other than a park or court shall be billed in the same manner as any other family or business unit.

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.

CHARGE FOR RECONNECTION

Whenever the supply of water is turned off for violation of rules and regulations, nonpayment of bills, or fraudulent use of water, the utility shall make a charge of \$20.00 for reestablishing service.

ADMINISTRATIVE FEE

In the event the District collects payment in full of a delinquent water bill at the customer's premises in lieu of a discontinuance of service for nonpayment, an administrative fee of \$10.00 shall also be collected in addition to the delinquent water bill.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the District or 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.

INCREMENTAL COST OF WATER PRODUCED

\$0.35 per 1,000 gallons is to be used when the bill reflects unusual consumption, which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

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SCHEDULE NO. 2

APPLICABILITY

Applicable within the Deerwalk Extension area, Camp Barbe/Rt. 14 Extension and Mountwood Park areas.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

(I) RATE (For two months billing)

First	6,000 gallons used in two-month period	\$11.20 per 1,000 gallons
Next	14,000 gallons used in two-month period	\$ 8.23 per 1,000 gallons
Next	20,000 gallons used in two-month period	\$ 6.45 per 1,000 gallons
Next	60,000 gallons used in two-month period	\$ 5.73 per 1,000 gallons
Over	100,000 gallons used in two-month period	\$ 4.49 per 1,000 gallons

(I) RATE (For one month billing)

First	3,000 gallons used in one-month period	\$11.20 per 1,000 gallons
Next	7,000 gallons used in one-month period	\$ 8.23 per 1,000 gallons
Next	10,000 gallons used in one-month period	\$ 6.45 per 1,000 gallons
Next	30,000 gallons used in one-month period	\$ 5.73 per 1,000 gallons
Over	50,000 gallons used in one-month period	\$ 4.49 per 1,000 gallons

(I) MINIMUM CHARGE

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

	<u>Monthly</u>	<u>Bi-Monthly</u>
5/8 inch meter	\$ 33.60	\$ 67.20
3/4 inch meter	50.40	100.80
1 inch meter	84.00	168.00
1-1/4 inch meter	122.64	245.28
1-1/2 inch meter	168.00	336.00
2 inch meter	268.80	537.60
3 inch meter	504.00	1,008.00
4 inch meter	840.00	1,680.00
6 inch meter	1,680.00	3,360.00
8 inch meter	2,688.00	5,376.00

PRIVATE FIRE PROTECTION SERVICE

For Private Fire Hydrants	\$ 16.63 per month per tap
For Sprinkler Systems	\$ 55.42 per month

BILLING PROCEDURE

Monthly meter reading and billing of all rental property accounts, and industrial, commercial or school accounts requesting monthly billing. On all other accounts, meter reading and billing shall be on bi-monthly basis.

TRAILER COURTS

House trailers, either mobile or immobile, located on sites other than a park or court shall be billed in the same manner as any other family or business unit.

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.

CHARGE FOR RECONNECTION

Whenever the supply of water is turned off for violation of rules and regulations, nonpayment of bills, or fraudulent use of water, the utility shall make a charge of \$20.00 for reestablishing service.

ADMINISTRATIVE FEE

In the event the District collects payment in full of a delinquent water bill at the customer's premises in lieu of a discontinuance of service for nonpayment, an administrative fee of \$10.00 shall also be collected in addition to the delinquent water bill.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the District or 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.

INCREMENTAL COST OF WATER PRODUCED

\$0.35 per 1,000 gallons is to be used when the bill reflects unusual consumption, which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.



SCHEDULE NO. 3

APPLICABILITY

Applicable in Walker-Kites Run area.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service

(I) RATE (For two months billing)

First	6,000 gallons used in two-month period	\$7.99 per 1,000 gallons
Next	14,000 gallons used in two-month period	\$5.87 per 1,000 gallons
Next	20,000 gallons used in two-month period	\$4.60 per 1,000 gallons
Next	60,000 gallons used in two-month period	\$4.08 per 1,000 gallons
Over	100,000 gallons used in two-month period	\$3.18 per 1,000 gallons

(I) RATE (For one month billing)

First	3,000 gallons used in one-month period	\$7.99 per 1,000 gallons
Next	7,000 gallons used in one-month period	\$5.87 per 1,000 gallons
Next	10,000 gallons used in one-month period	\$4.60 per 1,000 gallons
Next	30,000 gallons used in one-month period	\$4.08 per 1,000 gallons
Over	50,000 gallons used in one-month period	\$3.18 per 1,000 gallons

(I) MINIMUM CHARGE

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

	<u>Monthly</u>	<u>Bi-Monthly</u>
5/8 inch meter	\$ 23.97	\$ 47.94
3/4 inch meter	35.96	71.91
1 inch meter	59.93	119.85
1-1/4 inch meter	87.49	174.98
1-1/2 inch meter	119.85	239.70
2 inch meter	191.76	383.52
3 inch meter	359.55	719.10
4 inch meter	599.25	1,198.50
6 inch meter	1,198.50	2,397.00
8 inch meter	1,917.60	3,835.20

PRIVATE FIRE PROTECTION SERVICE

For Private Fire Hydrants	\$ 16.63 per month per tap
For Sprinkler Systems	\$ 55.42 per month

BILLING PROCEDURE

Monthly meter reading and billing of all rental property accounts, and industrial, commercial or school accounts requesting monthly billing. On all other accounts, meter reading and billing shall be on bi-monthly basis.

TRAILER COURTS

House trailers, either mobile or immobile, located on sites other than a park or court shall be billed in the same manner as any other family or business unit.

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.

CHARGE FOR RECONNECTION

Whenever the supply of water is turned off for violation of rules and regulations, nonpayment of bills, or fraudulent use of water, the utility shall make a charge of \$20.00 for reestablishing service.

ADMINISTRATIVE FEE

In the event the District collects payment in full of a delinquent water bill at the customer's premises in lieu of a discontinuance of service for nonpayment, an administrative fee of \$10.00 shall also be collected in addition to the delinquent water bill.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the District or 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.

INCREMENTAL COST OF WATER PRODUCED

\$0.35 per 1,000 gallons is to be used when the bill reflects unusual consumption, which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

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SCHEDULE NO. 4

APPLICABILITY

Applicable for Town of Elizabeth

AVAILABILITY

Available for sales for resale

(I) RATE

\$2.25 per thousand gallons

(I) Indicates Increase

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GENERAL CERTIFICATE

CLAYWOOD PARK PUBLIC SERVICE DISTRICT

Water Revenue Bonds (Water Treatment Plant Expansion and Improvement Project),
Series 2006

CERTIFICATE OF:

1. Award of Series 2006 Bonds
2. No Litigation
3. Governmental Approvals
4. No Adverse Financial Change; Indebtedness
5. Signatures, etc.
6. Certification of Copies of Documents
7. Incumbency and Official Name
8. Delivery and Payment
9. Land and Rights of Way
10. Meetings, etc.
11. Contractors' Insurance, etc.

We, the undersigned Chairman and Secretary of the Public Service Board of Claywood Park Public Service District, of Wood and Wirt Counties, West Virginia (the "District"), and the undersigned Counsel for the District, hereby certify in connection with the Claywood Park Public Service District Water Revenue Bonds (Water Treatment Plant Expansion and Improvement Project), Series 2006, dated on the date hereof, in the aggregate principal amount of \$7,608,000, issued in three series, the first being the Series 2006 A Bond in the aggregate principal amount of \$4,175,000 and bearing interest at the rate of 4.375 % per annum (the "Series 2006 A Bond"); the second being the Series 2006 B Bond in the aggregate principal amount of \$870,000 and bearing interest at the rate of 4.25 % per annum (the "Series 2006 B Bond"); and the third being the Series 2006 C Bond in the aggregate principal amount of \$2,563,000 and bearing interest at the rate of 4.375 % per annum (the "Series 2006 C Bond") (the Series 2006 A Bond, the Series 2006 B Bond, and the Series 2006 C Bond are collectively referred to herein as the "Series 2006 Bonds"), as follows:

1. Award of Series 2006 Bonds: The entire issue of the Series 2006 Bonds has been duly awarded to the United States of America pursuant to a Letter of Conditions, as amended, from the Department of Agriculture and as appears in Section 2.02 of the Resolution authorizing the issuance of the Series 2006 Bonds.

2. No Litigation: No controversy or litigation of any nature is now pending, or to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting in any manner the issuance and delivery of the Series 2006 Bonds, nor questioning the proceedings and authority by which the District authorized the issuance and sale of the Series 2006 Bonds, nor in any manner affecting the validity or enforceability of the Series 2006 Bonds or any provisions made or authorized for the payment thereof; nor questioning the existence of the District or the title of the members and officers of the Public Service Board thereof to their respective offices;

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nor questioning the construction and acquisition of additions and improvements to the water treatment plant of the District (the "Project"), construction of which is being financed, in part, out of the proceeds of the sale of the Series 2006 Bonds; nor questioning the rates and charges for the services of the Water System.

3. Governmental Approvals: All applicable approvals and certificates required by law for construction and operation of the Project have been duly and timely obtained and remain in full force and effect.

4. No Adverse Financial Change; Indebtedness: There has been no adverse financial change in the financial condition of the District since the approval by RUS of a loan to assist in construction and acquisition of the Project.

The only outstanding obligations of the Issuer which will rank on a parity with the Series 2006 Bonds as to liens and source of and security for payment are the following:

Waterworks Revenue Bond, Series 1975, dated March 3, 1975 ("Series 1975 Bond"), issued in the original principal amount of \$685,000, bearing interest at the rate of 5% per annum, the current unpaid balance of which is \$278,258.77;

Water Revenue Bond, Series 1979, dated January 7, 1980 ("Series 1979 Bond"), issued in the original principal amount of \$1,100,000, bearing interest at the rate of 5% per annum, the current unpaid balance of which is \$628,624.77;

Water Revenue Bond, Series 1993 B, dated December 1, 1993 ("Series 1993 B Bond"), issued in the original principal amount of \$410,000, bearing interest at the rate of 5% per annum, the current unpaid balance of which is \$361,323.74;

Water Revenue Bond, Series 1995, dated April 3, 1995 ("Series 1995 Bond"), issued in the original principal amount of \$190,000, bearing interest at the rate of 4.5% per annum, the current unpaid balance of which is \$168,599.53;

Water Revenue Bond, Series 1997 A, dated August 18, 1997 ("Series 1997 A Bond"), issued in the original principal amount of \$145,000, bearing interest at the rate of 5.5% per annum, the current unpaid balance of which is \$120,495.46;

Water Revenue Bond, Series 1998, dated January 23, 1998, ("Series 1998 Bond"), issued in the original principal amount of \$750,000, bearing interest at the rate of 5.25% per annum, the current unpaid balance of which is \$705,637.17;

Water Revenue Bond, Series 2002, dated December 19, 2002, ("Series 2002 Bond"), issued in the original principal amount of \$1,350,000, bearing interest at the rate of 4.625% per annum, the current unpaid balance of which is \$1,293,306.48;

Water Refunding Revenue Bonds, Series 2003, dated June 1, 2003 ("Series 2003 Bonds"), issued in the original principal amount of \$975,000, bearing interest at rates from 3.5% to 5.5% per annum, the current unpaid balance of which is approximately \$890,000.00.

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All of these obligations are held by FmHA, its successors or assigns with the exception that the Series 2003 Bonds are held by others. The District is not in default in any of the terms contained in the above described bonds nor the resolutions authorizing them.

The Series 2006 A Bond, the Series 2006 B Bond, and the Series 2006 C Bond will be issued on a parity with each other and on a parity with the prior bonds enumerated above as to liens and source of and security for payment

5. Signatures, etc.: The undersigned Chairman and Secretary, for the District on the date hereof, officially executed and sealed the Series 2006 Bonds with the official corporate seal of the District, an impression of which seal is on this certificate above our signatures and the undersigned Chairman and Secretary are the duly elected, qualified and serving officials as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Series 2006 Bonds for the District.

6. Certification of Copies of Documents: The copies of the documents listed below, attached hereto or delivered herewith or heretofore 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 or amended or changed in any way unless modification appears from later documents also listed below:

Minutes of the Board Meeting organizing the District for the current year, on January 3, 2006

Final Order of the County Commission of Wood County creating the District

Final Orders of the County Commissions of Wood and Wirt Counties enlarging the boundaries of the District

Orders of the County Commission of Wood County appointing the members of the Public Service Board of the District and their Oaths of Office

By-Laws of the District

Bond Resolution adopted by the Public Service Board on June 26, 2006

Supplemental Resolution adopted by the Public Service Board on June 26, 2006

Minutes on adoption of the Bond Resolution and Supplemental Resolution

1979 Resolution

Final Orders of the Public Service Commission of West Virginia, entered November 3, 2005 and June 19, 2006, granting the Certificate of Convenience and Necessity

7. Incumbency and Official Name: The proper corporate title of the District is "Claywood Park Public Service District" and its principal office and place of business are in Wood County, West Virginia. The governing body of the District is its Public Service Board

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consisting of three members and their respective offices, dates of commencement and termination of current terms of office are as follows:

<u>Office</u>	<u>Name</u>	<u>Date of Commencement of Term</u>	<u>Date of Expiration of Term</u>
Chairman	Michael A. Miller	November 1, 2002	November 1, 2008
Secretary	C. Randall Law	November 1, 2000	November 1, 2006
Member	Edna Summers	November 1, 2004	November 1, 2010

All of the foregoing officers took, subscribed to and filed their oaths of office in accordance with law prior to entering upon their official duties; all of those required to give bonds or undertakings filed such bonds or undertakings at the place and in the manner required by law; all of them have otherwise duly qualified for office and were or are the acting officers for their respective periods above stated; and no proceedings for the removal from office of any such officer have been taken or are pending or threatened.

The duly appointed Counsel for the District is Steven R. Hardman, Esquire, of Bowles Rice McDavid Graff & Love LLP, of Parkersburg, West Virginia.

8. Delivery and Payment: On the date hereof, Series 2006 A Bond No. AR-1 was delivered to United States Department of Agriculture at Parkersburg, West Virginia, by the undersigned Chairman, and at the time of such delivery, the Series 2006 A Bond had been duly and fully executed and sealed on behalf of the District in accordance with the Bond Resolution.

At the time of delivery of the Series 2006 A Bond, the amount of \$187,100.00 was received by the undersigned Chairman.

On the date hereof, Series 2006 B Bond No. BR-1 was delivered to United States Department of Agriculture at Parkersburg, West Virginia, by the undersigned Chairman, and at the time of such delivery, the Series 2006 B Bond had been duly and fully executed and sealed on behalf of the District in accordance with the Bond Resolution.

At the time of delivery of the Series 2006 B Bond, the amount of \$43,500.00 was received by the undersigned Chairman.

On the date hereof, Series 2006 C Bond No. CR-1 was delivered to United States Department of Agriculture at Parkersburg, West Virginia, by the undersigned Chairman, and at the time of such delivery, the Series 2006 C Bond had been duly and fully executed and sealed on behalf of the District in accordance with the Bond Resolution.

At the time of delivery of the Series 2006 C Bond, the amount of \$128,100.00 was received by the undersigned Chairman.

9. Land and Rights of Way: All land in fee simple and all rights of way and easements necessary for the construction, operation and maintenance of the Water System and

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the Project have been acquired or can and will be acquired by purchase, or if necessary, by condemnation by the District 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 the undersigned, within the ability of the District to pay for the same without jeopardizing the security of or payments on the Series 2006 Bonds.

10. Meetings, etc.: All actions, resolutions, orders and agreements taken by and entered into by or on behalf of the District in any way connected with the construction, operation and financing of the Water System and the Project were authorized or adopted at meetings of the Public Service Board duly and regularly called and held pursuant to the By-Laws of the District and all applicable statutes, and a quorum of duly elected, qualified and acting members of the Board was present and acting at all times during all such meetings.

11. Contractors' Insurance, etc.: All contractors have been required to maintain Workers' Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Letter of Conditions and Commitment of FmHA and the Bond Resolution.

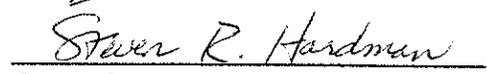
WITNESS our signatures and the official corporate seal of CLAYWOOD PARK PUBLIC SERVICE DISTRICT on the 28th day of June, 2006.

[SEAL]

CLAYWOOD PARK PUBLIC SERVICE DISTRICT

By: 
Its Chairman

By: 
Its Secretary


Counsel

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CLAYWOOD PARK PUBLIC SERVICE DISTRICT

Water Revenue Bond, Series 1979

Bond Anticipation Notes, Series 1979

BOND AND NOTE RESOLUTION

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CLAYWOOD PARK PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ISSUANCE OF \$1,100,000 WATER REVENUE BOND, SERIES 1979, BOND ANTICIPATION NOTES OF CLAYWOOD PARK PUBLIC SERVICE DISTRICT TO FINANCE CONSTRUCTION OF ADDITIONS AND IMPROVEMENTS FOR THE WATERWORKS OF THE DISTRICT; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND AND THE NOTES; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITY OF THE HOLDERS OF THE BOND AND THE NOTES; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF CLAYWOOD PARK 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 Article 13A, Chapter 16 of the West Virginia Code (the "Act") and other applicable provisions of law. Claywood Park Public Service District (the "Issuer") is a public service district created pursuant to the Act by The County Commission of Wood County.

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

(A) The Issuer now has a public waterworks.

(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 constructed additions, extensions and improvements for the existing waterworks of the Issuer consisting of a water intake facility on Little Kanawha River, a water treatment plant, additional transmission lines and water storage tanks, with 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 construction and acquisition 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) It is necessary for the Issuer to issue its revenue bond in the principal amount of \$1,100,000 to finance a portion of the cost of such construction in the manner hereinafter provided and, prior to delivery of the Bond, it is necessary for the Issuer to issue its bond anticipation notes in the same principal amount.

(D) The estimated maximum cost of the construction of the Project is \$2,100,000 of which \$1,100,000 will be obtained from the proceeds of sale of the Bond herein authorized, and the balance from a grant of \$1,000,000 from the Purchaser.

(E) The cost of such construction shall be deemed to include, without being limited to, the construction or acquisition of the Project, the acquisition of any necessary property, real or personal, or interest therein; interest on the Bond and the BAN 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 construction of the Project and the financing authorizing hereby.

(F) The period of usefulness of the System after completion of the Project is not less than forty years.

(G) There are not outstanding any obligations of the Issuer which will rank prior to or on a parity with the Bond or the BAN as to lien and source of and security for payment except the following all held by the Purchaser:

The Promissory Note (the "Note") of Claywood Park Water Association dated April 11, 1963, payable to the order of the Purchaser and assumed by the Issuer, in the original principal amount of \$330,000, to finance the original waterworks of the Issuer; and

The Water-Works System Revenue Bond, Series A, dated March 23, 1967 (the "1967 Bond") in the original principal amount of \$85,000; and

The Water Revenue Bond, Series 1975, dated February 19, 1975 (the "1975 Bonds") in the original principal amount of \$685,000.

(H) The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bond and the BAN, or will have so complied prior to issuance of the Bond or the BAN, including, among other things, the consent and approval, pursuant to the Act, of the issuance of the Bond by the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired. The interim financing by the BAN shall also be so approved prior to delivery thereof.

Section 1.03. Resolution to Constitute Contract. In consideration of the acceptance of the Bond by the Purchaser and of the BAN by the purchasers thereof, this Resolution (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Bondholder and the holders of the BAN and the

covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Purchaser as holder of the Bond and for the holders of the BAN.

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

"Act" means Article 13A, Chapter 16 of the West Virginia Code.

"BAN" means the Bond Anticipation Notes hereinafter provided for and any refunding bond anticipation note or notes hereafter issued.

"Bond" means the Water Revenue Bond, Series 1979, authorized hereby to be issued and also means and includes the BAN unless the context clearly would exclude the BAN.

"1967 Bond" means the Water-Works System Revenue Bond, Series A, described in Section 1.02(G).

"1975 Bond" means the Water Revenue Bond, Series 1975, described in Section 1.02(G).

"Bond Legislation" means this Resolution and all resolutions supplemental hereto.

"Chairman" means the Chairman of the Governing Body.

"Consulting Engineer" means Cerrone & Vaughn, Inc., Wheeling, 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.

"Issuer" means Claywood Park Public Service District, of Wood County, West Virginia, and, where appropriate, also means the Governing Body.

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

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the Public Service Board of the Issuer.

"Herein" means in this Bond Legislation.

"Holder of the Bond" or "Bondholder" or any similar term means any person who shall be the bearer or owner of the Bond and, unless the context clearly would exclude the BAN, also means the holders of the BAN.

"Issuer" means Claywood Park Public Service District and includes the Governing Body.

"Net Revenues" or "net revenues" means the balance of the gross revenues, as defined below, remaining after deduction only of Operating Expenses, as defined below.

"Note" means the promissory note described in Section 1.02(G).

"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 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.

"Outstanding Obligations" means collectively the Note, the 1967 Bond and the 1975 Bond.

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

"Purchaser" means United States Department of Agriculture, Farmers Home Administration and any successor thereof.

"1967 Resolution" means the resolution providing for issuance of the 1967 Bonds.

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

"Secretary" means the Secretary of the Governing Body.

"System" means the existing waterworks of the Issuer as expanded by the Project, and includes the complete waterworks of the Issuer and all facilities owned by the Issuer in connection with its waterworks and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the waterworks after completion of the Project.

"Trustee" - wherever herein reference is made to Commercial Banking & Trust Company, Parkersburg, West Virginia, as Trustee, such reference shall be construed to mean that said Bank is the depository of the BAN Note Repayment Account, and the Waterworks

qualified under west virginia law to serve as a Trustee.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

BOND ANTICIPATION NOTES

Section 1.01 A. Authorization and General. In order to pay certain costs of the construction of the Project pending the delivery of the Bond to the Purchaser, bond anticipation notes ("BAN") of the Issuer shall be issued and sold in the amount of \$1,100,000.

Each BAN shall be designated "Waterworks Bond Anticipation Note, Series 1979," shall be dated on the date of delivery thereof, shall be numbered 1 upward, shall be in such denominations as the Governing Body shall determine by the Supplemental Resolution, shall be negotiable, in bearer form, shall bear interest from the date of delivery payable and at the rate or rates, shall mature, shall have such paying agents and shall have such other provisions as are not set forth herein as provided in such Supplemental Resolution. The BAN shall contain the provisions shown in the form of BAN set forth in Section 1.12 A below.

The BAN shall be executed for the Issuer by the Chairman, and the seal of the Issuer shall be impressed thereon and attested by the signature of the Secretary.

The BAN shall be sold pursuant to a Purchase Agreement to be entered into between the Issuer and Underwriters pursuant to such Supplemental Resolution.

Section 1.02 A. Deposit of BAN Proceeds. The amount received upon the sale of the BAN, less interest to become due until the maturity thereof, shall be deposited on receipt by or for the Issuer in Commercial Banking & Trust Company, Parkersburg, West Virginia (the "Trustee"), a member of the Federal Deposit Insurance Corporation ("FDIC"), in the Waterworks Project Construction Account established by Section 3.01 hereof; provided, that the Issuer may designate any other bank in West Virginia as Trustee if the above-named Trustee should refuse or be unable to serve.

The balance received from the proceeds from the sale of the BAN shall be for payment of the interest on the BAN as such interest becomes due, and shall be directly deposited on receipt by or for the Issuer with the Trustee in a special segregated account designated "Claywood Park Public Service District Waterworks BAN Repayment Account," as more particularly described and upon the further terms and conditions of Section 1.06 A hereof.

Section 1.03 A. Security for the BAN. The BAN shall be secured by the pledge by the Issuer of and by a first lien on (i) the obligation of the Purchaser to make the loan to the Issuer in the amount of \$1,100,000 (the "Loan") by purchasing the Bond, (ii) the proceeds of the sale of the Bond when received from the Purchaser, (iii) all moneys and securities in the Waterworks BAN Repayment Account, (iv) the proceeds from the sale of the BAN until expended as herein authorized, (v) the proceeds of sale of the BAN refunding notes, if any, and (vi) the Net Revenues of the System until payment of the BAN, and said pledge by the District for the benefit of the holders of the BAN, to the extent of the aggregate principal

pledge and liens in favor of the Outstanding Obligations as to the Net Revenues, is hereby made and granted. The Issuer will execute such financing statements, security agreements and other documents that may be required to perfect such pledge and lien. The Trustee shall act as agent for the holders of the BAN in connection with the execution of all financing statements and other instruments necessary under applicable laws in order to fully perfect the interests of the holders of the BAN in the assets pledged hereby, and to receive all notices and respond to all inquiries in connection therewith. The BAN shall also be secured by a statutory mortgage lien on the System as provided in the Act.

Section 1.04 A. Payment of BAN. The Issuer will immediately deposit with the Trustee all proceeds from the sale of the Bond and of any refunding BAN to pay the BAN, to be placed by the Trustee directly into the Waterworks BAN Repayment Account held by the Trustee. Upon maturity of the BAN, the Trustee will pay to the Paying Agents all principal and interest owing on the BAN.

Section 1.05 A. BAN Are Limited Obligations. The BAN shall be limited obligations of the Issuer, the interest of which is payable solely from certain of the proceeds from the sale of the BAN, the principal of which is payable from the source described in Section 1.03 A above, or, the principal of and interest on which are payable, on a parity with the Outstanding Obligations, from the Net Revenues of the Issuer arising from ownership and operation of the System in the event that the Purchaser shall not purchase the Bond in accordance with its agreement to do so.

Section 1.06 A. Trustee; Waterworks BAN Repayment Account. The Trustee shall segregate all funds and securities in the Waterworks BAN Repayment Account separate and apart from other deposits and funds of the Trustee and other deposits and funds of the Issuer, including the Waterworks Project Construction Account. All moneys in the Waterworks BAN Repayment Account, until payment in full of all principal and interest owing on the BAN at maturity, shall be held by the Trustee for the holders of the BAN, and the District shall have no rights with respect thereto. All moneys in the Waterworks BAN Repayment Account in excess of the amount insured by FDIC shall be continuously secured by, or invested by the Trustee in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America ("Federal Obligations") which Federal obligations shall mature at least 1 day prior to need for the funds for payment of interest on or principal of the BAN. At or prior to any interest payment date and the maturity of the BAN, the Trustee shall transfer to the Paying Agents in immediately available funds the amount of interest or principal and interest owing on the BAN. Upon such transfer the Trustee shall pay to the Issuer any excess amounts remaining in the Waterworks BAN Repayment Account, and the Issuer shall deposit any such amounts in the Waterworks Project Construction Account. The Trustee is hereby authorized, upon payment of all principal and interest owing on the BAN, to execute UCC termination statements indicating the termination of the security interest of the holders of the BAN in the assets referred to in Section 1.03 A hereof.

The Issuer shall pay to the Trustee from time to time reasonable compensation for all services rendered by the Trustee under the Bond Legislation and all reasonable expenses, charges, counsel

fees and other disbursements incurred by the trustee in connection with its performance of its functions hereunder. The Issuer shall from time to time have the right to appoint a successor Trustee provided that such successor Trustee be a bank or trust company or national banking association insured by the FDIC. The Trustee shall signify its acceptance of the duties and obligations hereby imposed by executing and delivering to the Issuer a written acceptance thereof.

Section 1.07 A. Paying Agents. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. The Issuer may appoint as successor Paying Agent any bank, trust company or national banking association. The Underwriters shall pay to each Paying Agent from time to time reasonable compensation for all services rendered hereunder and all reasonable expenses, charges, counsel fees, and other disbursements incurred in connection with the performance of its obligations hereunder.

Section 1.08 A. Covenants. The Issuer agrees that prior to the occurrence of any Event of Default (as hereinafter defined) and until payment in full of the principal and interest owing on the BAN when due, the covenants contained in Article IV for the benefit of the Bondholder (the term "Bondholder" when used in this Article I A means and includes the holders of the Bond and the Outstanding Obligations) shall inure to the benefit of the holders of the BAN. Upon the occurrence of an Event of Default, the holders of the BAN shall continue to be entitled to the benefit of all covenants contained in Article IV as if the holders of the BAN were the Bondholder.

In addition, the Issuer covenants to issue and sell the Bond to the Purchaser not later than one business day before the maturity of the BAN and to take all actions necessary to cause the Purchaser to purchase the Bond on or before such date, payment for the Bond to be in Federal funds available on date of the Bond delivery.

Section 1.09 A. Refunding BAN. The Issuer covenants that in the event the Bond is not issued and sold not later than one day prior to the due date of the BAN, it will use its best efforts to sell one or more series of its Bond Anticipation Refunding Notes hereunder in such aggregate amount as shall be necessary to pay the principal of the BAN, accrued interest thereon to maturity and the expense of issuing the Bond Anticipation Refunding Notes. The proceeds of the Bond Anticipation Refunding Notes, after making provision for the payment of the expenses of issuance thereof, shall be deposited in the Waterworks BAN Repayment Account and used solely for the payment of the principal of and accrued interest on the BAN.

All Bond Anticipation Refunding Notes shall be in substantially the same form as the BAN, but shall be of such denominations, bear such dates, bear interest at such rates, have such maturity dates and contain an appropriate series designation, all as shall be provided in the supplemental resolution authorizing such Bond Anticipation Refunding Notes.

SECTION 1.10 D. EVENTS OF DEFAULT AND ENFORCEMENT. Each of the following events is hereby declared an "Event of Default": (a) failure to make timely payment of all principal and interest owing on the BAN at due date or maturity; and (b) failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer for the benefit of the holders of the BAN as hereinabove provided.

On the happening of any Event of Default, then, and in each such case, the holders of the BAN or any one or more of such holders shall be entitled to proceed against all assets pledged for payment of the BAN held, and shall have and are hereby given all further rights and remedies as are granted hereby to the Bondholder. Each holder of a BAN shall be deemed to be a Bondholder upon such default.

In the event that the BAN are not paid when due, the interest rate on the BAN after maturity until payment thereof in full shall be _____% per annum, and the Issuer will pay the holders of the BAN not paid when due the principal amount of the BAN together with interest at the rate shown on the BAN from the date of the BAN until the due date thereof, and plus interest on the principal of the BAN at the rate of _____% per annum from the due date of the BAN until payment thereof in full.

Section 1.11 A. Defeasance of BAN. Upon deposit by the Issuer with the Trustee of moneys sufficient to pay the BAN at maturity or of Federal Obligations, the principal of and interest on which will be sufficient to pay the BAN at maturity, the BAN shall be considered to have been paid in full pursuant hereto except as provided below, and the lien and pledge hereby granted shall be deemed to be and shall be cancelled and discharged; and the holders of the BAN shall, upon such deposit, be entitled to payment of the BAN and the interest thereon at maturity solely from the moneys then on deposit with the Trustee. All moneys and all securities deposited in accordance with the provisions of this Section shall at all times be under the exclusive control of the Trustee, shall be held by it for the sole benefit of the holders of the BAN, and shall be applied solely to the payment of the BAN except as expressly provided in this Section; and the Issuer shall have no rights or powers with respect to nor any interest in such moneys or securities or any part thereof. All moneys remaining on deposit with the Trustee at the close of business on the earlier of (A) the expiration of six months after the latest maturity date of the BAN issued hereunder or (B) the date on which all BAN have been paid in full, shall be released to the Issuer upon its written request and the Trustee shall have no further obligation in respect of the payment of such BAN and thereafter the holder of any BAN shall look to the Issuer for payment.

Section 1.12 A. Supplemental Resolution. Following adoption hereof, and upon receipt of the Purchase Agreement referred to in Section 1.01 A, the Issuer, if it be so advised, will adopt a Supplemental Resolution, which Supplemental Resolution will provide, among other things, the interest rate or rates on the BAN, the interest payment dates, the maturity date and the sale price of the BAN and such other matters as shall be required or desired in connection with issuance of the BAN.

SECTION 1.13 B. FORM OF BOND. THE BOND SHALL BE IN THE following form, subject to such changes, insertions and deletions as the Chairman shall agree to by execution of the BAN:

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CLAYWOOD PARK PUBLIC SERVICE DISTRICT
WATERWORKS BOND ANTICIPATION NOTES, SERIES 1979

No. _____

§

CLAYWOOD PARK PUBLIC SERVICE DISTRICT, a public service district in Wood County of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay to bearer upon presentation and surrender hereof the sum of _____, without option of prior redemption, on _____, 19____, with interest at the rate of _____ per cent (_____ %) per year payable at maturity. Both principal and interest are payable in lawful money of the United States of America at the principal office of Commercial Banking & Trust Company, Parkersburg, West Virginia, or at the option of the holder, at _____, New York, New York.

This Note is one of a series of Notes in the aggregate principal amount of \$1,100,000 duly authorized by the Issuer and issued in anticipation of the issuance of the Water Revenue Bond, Series 1979 (the "Bond"), of the Issuer in the principal sum of \$1,100,000 for aiding in the construction of additions, extensions and improvements for the existing Waterworks (collectively called the "System") of the Issuer.

Farmers Home Administration of the United States Department of Agriculture has agreed to purchase the Bond at least one day prior to the due date of the Issuer of Notes of which this Note is one.

The principal of this Note, and of the issue of Notes of which this Note is one, is payable solely, equally, ratably, and only from the proceeds of sale of the Bond and certain proceeds, if any, from the sale of refunding notes, and, if Farmers Home Administration should not purchase the Bond as agreed, from the Net Revenues of the System defined in the Resolution mentioned below, but as to such Net Revenues on a parity with the Outstanding Obligations also defined in said Resolution. The proceeds of sale of the Bond and certain proceeds, if any, from the sale of the refunding notes have been pledged to the Noteholders to secure payment of the principal of the Notes.

Moneys from the proceeds of sale of the Notes to pay the interest on the Notes have been deposited with Commercial Banking & Trust Company, Parkersburg, West Virginia, as Trustee.

The Notes of the issue of which this Note is one are limited and special obligations of the Issuer, and do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitations or provisions, and the Issuer shall not be obligated to pay this Note and the Notes of the issue of which this Note is one or the interest thereon except from the proceeds of the Notes and certain proceeds from the sale of refunding notes and other sources which have been provided by the Resolution authorizing issuance of the Notes and the Bond.

The Notes of the issue of which this Note is one have been duly authorized by a Resolution and a Supplemental Resolution of the Issuer pursuant to West Virginia Code, Chapter 16, Article 13A.

Every requirement of law relating to the issuance hereof has been duly complied with.

IN WITNESS WHEREOF, CLAYWOOD PARK PUBLIC SERVICE DISTRICT has caused this Note to be signed by the Chairman of its Public Service Board and has caused its seal to be hereto affixed and attested by the Secretary of said Public Service Board, all as of the date below written.

Dated:

CLAYWOOD PARK PUBLIC SERVICE DISTRICT

[SEAL]

By _____
Chairman

ATTEST:

Secretary

AUTHORIZATION, TERMS, EXECUTION,
REGISTRATION AND ISSUE OF BOND

Section 2.01. Authorization of Bond. Subject and pursuant to the provisions of this Resolution, the Bond of the Issuer, to be known as "Water Revenue Bond, Series 1979," is hereby authorized to be issued in the aggregate principal amount of not exceeding One Million One Hundred Thousand Dollars (\$1,100,000) for the purpose of financing a portion of the cost of the construction and acquisition of the Project.

Section 2.02. Description of Bond. The Bond shall be issued in single form, No. 1, and shall be dated on the date of delivery. The Bond shall bear interest from date, payable monthly at the rate of five per centum (5%) per annum, and shall be sold for the par value thereof.

The 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 2.03. Execution of Bond. The 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.

Section 2.04. Bonds Mutilated, Destroyed, Stolen or Lost. In case the 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 Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Bond so surrendered shall be cancelled and held for the account of the Issuer. If the 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 2.05. Bond and BAN Secured by Pledge of Revenues. The payment of the debt service of the Bond and the BAN shall be secured forthwith by a first lien on the Net Revenues derived from the System in addition to the statutory mortgage lien on the System hereinafter provided for. The Net Revenues derived from the System in an amount sufficient to pay the principal of and interest on the Bond and the BAN, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bond and the BAN as the same become due, all on a parity with the Outstanding Obligations.

Section 2.06. Form of Bond. Subject to the provisions hereof, the text of the 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 any resolution adopted after the date of adoption hereof and prior to the issuance thereof:

WATER REVENUE BOND, SERIES 1979

CLAYWOOD PARK PUBLIC SERVICE DISTRICT

\$1,100,000

No. 1

Date: _____

FOR VALUE RECEIVED, CLAYWOOD PARK PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (the "Government"), 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 Thousand Dollars (\$1,100,000), plus interest on the unpaid principal balance at the rate of five per cent (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only on the first day of each month for the first twenty-four months after the date hereof and \$5,401, covering principal and interest, thereafter on the first day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, 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 reverse 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 Farmers Home Administration 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,

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 construction and acquisition of additions, extensions and improvements for the waterworks system (all called 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.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Article 13A of Chapter 16 of the West Virginia Code (herein called the "Act") and Resolutions of the Borrower.

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

AMOUNT	DATE	AMOUNT	DATE
(1) \$		(6) \$	
(2) \$		(7) \$	
(3) \$		(8) \$	
(4) \$		(9) \$	
(5) \$		(10) \$	

TOTAL \$ _____

ASSIGNMENT

Pay to the Order of _____

UNITED STATES OF AMERICA
 FARMERS HOME ADMINISTRATION

By _____

 (Title)

BAN PROCEEDS; REVENUES
AND APPLICATION THEREOF

Section 3.01. BAN Proceeds; Waterworks Project Construction Account. The proceeds of sale of the BAN, less the respective sums representing interest on the BAN to the respective maturities thereof, shall be deposited on receipt by the Issuer in Commercial Banking & Trust Company, Parkersburg, West Virginia, a member of Federal Deposit Insurance Corporation (the "FDIC"), in a special account hereby created and designated as "Claywood Park Public Service District Waterworks Construction Account" (herein called the "Waterworks Project Construction Account"). The moneys in the Waterworks Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by such 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 Waterworks Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Until completion of construction of the Project, the Issuer will transfer from the Waterworks Project Construction Account and pay to the Government on or before the fifteenth day of each month, such sums as shall be from time to time required to make the monthly installment payments on the Bond if there are not sufficient Net Revenues to make such monthly payment.

If the Issuer shall determine at any time that all funds on deposit in the Waterworks Project Construction Account exceed the estimated disbursements on account of the Project for the ensuing 90 days, the Issuer may invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, which shall mature not later than eighteen months after the date of such investment. All such investments and the income therefrom shall be carried to the credit of the Waterworks Project Construction Account.

When 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 Waterworks Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 3.02. Covenants of the Issuer as to Revenues and Funds. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Fund a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bond remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Bond as follows:

(A) Sewer 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 a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund, known as the Revenue Fund" is hereby established initially with the Bank named in Section

separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner provided herein.

(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 transfer into the Operation and Maintenance Fund established by the 1967 Resolution with said Bank such sum as the Issuer may determine, in accordance with its budget, to be necessary to pay current Operating Expenses.

(2) The Issuer shall next, by the fifteenth day of each month, simultaneously with transfers from the Revenue Fund required for the Outstanding Obligations pay from the Revenue Fund and pay to the National Finance Office designated in the Bond the amount required to pay the monthly installment required, pursuant to the Bond, to amortize the principal of and the interest on the Bond over the life of the Bond issue.

(3) The Issuer shall next, by the fifteenth day of each month, transfer from the Revenue Fund and deposit with the said Bank in the Reserve Fund established by the 1967 Resolution, 1/12 of 1/10 of the amount of principal and interest becoming due on the Bond and the Outstanding Obligations in any year until the amount in the Reserve Fund equals the sum of \$135,000, such sum being herein called the "Minimum Reserve," and the "Minimum Reserve" defined in the 1967 Resolution, as amended, being hereby increased accordingly. The Issuer may reduce each monthly payment into the Reserve Fund by 1/120th of the amount on deposit in the Reserve Fund on the date of delivery of the Bond. After the Minimum Reserve has been accumulated in the Reserve Fund, the Issuer shall monthly deposit into the Reserve Fund such part of the moneys remaining in the Revenue Fund, after such provision for payment of monthly installments on the Bond, for transfers into the Bond Fund, and for payment of operating expenses of the System, as shall be required to maintain the Minimum Reserve in the Reserve Fund. Moneys in the Reserve Fund shall be used solely to make up any deficiency for monthly payments into the Bond Fund and of the principal of and interest on the Bond to said National Finance Office as the same shall become due or for prepayment of installments on the Bond, or for mandatory prepayment of the Bond as hereinafter provided, and for no other purpose.

(4) The Issuer shall next, by the fifteenth day of each month, transfer from the Revenue Fund and deposit in the Repair and Replacement Fund established by the 1967 Resolution with said Bank, the sum of not less than \$2,525 until there has been accumulated in the Repair and Replacement Fund the aggregate sum of \$43,500 and thereafter such sums as shall be required to maintain such amount therein. Moneys in the Repair and Replacement Fund shall be used first to make up any deficiencies for monthly payments of principal of and interest on the Bond and the Outstanding Obligations as the same become due, and next to restore to the Repair and Replacement Fund any sum or sums transferred therefrom. Thereafter, and provided that payments into the Reserve Fund are current and in accordance with the foregoing provisions, moneys in the Repair and

improvements for the System, or any part thereof.

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

Whenever the moneys in the Reserve Fund shall be sufficient to prepay the Bond and the Outstanding Obligations in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Bond and the Outstanding Obligations at the earliest practical date and in accordance with applicable provisions hereof and the resolutions authorizing the Outstanding Obligations.

The aforesaid Bank (and any successor appointed by the Issuer) is hereby designated as the Fiscal Agent for the administration of the Reserve Fund and the Repair and Replacement Fund as herein provided and in the 1967 Resolution, and all amounts required therefor will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times required, 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 Bond and the Outstanding Obligations and the interest thereon, all on a parity, but the aforesaid Bank shall not be a trustee as to such funds. The moneys in excess of the sum insured by FDIC in any of such funds shall at all times be secured, to the full extent thereof in excess of such insured sum, in a manner lawful for securing deposits of State and municipal funds under the laws of the State of West Virginia.

If on any payment date the revenues are insufficient to make the payments and transfers as hereinafore 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 Fiscal Agent shall keep the moneys in the Reserve Fund and the Repair and Replacement Fund invested and reinvested to the fullest extent practicable in direct obligations of, or obligations the payment of the principal of and interest on which are guaranteed by, the United States of America and having maturities not exceeding two years. Earnings upon moneys in the Reserve Fund, so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually in January into the Revenue Fund by the Fiscal Agent.

(C) Change of Fiscal Agent. The Issuer may designate another bank insured by FDIC as Fiscal Agent if the aforesaid Bank should cease for any reason to serve or if the Governing Body determines by resolution that said Bank or its successor should no longer serve as Fiscal Agent. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

the extension area constituting part of the Project and must obtain user agreements and a \$100 tap fee from each such new user and deposit in the Waterworks Project Construction Account all such tap fees collected. In addition, the Issuer must have received a tap fee in the amount of \$40,000 from Mineral Wells Public Service District.

GENERAL COVENANTS

Section 4.01. General Statement. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Fund a sum sufficient to prepay the entire principal of the Bond and the Outstanding Obligations 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 Purchaser.

Section 4.02. 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 Bond and the Outstanding Obligations and to make the payments required herein into the Reserve Fund and the Repair and Replacement 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 4.03. Sale of the System. The System will not be sold without the prior written consent of the Purchaser so long as the Bond or the Outstanding Obligations are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 4.04. Issuance of Additional Parity Bonds. No additional parity bonds payable out of the revenues of the System shall be issued after the issuance of the Bond pursuant hereto except with the prior written consent of the Purchaser.

Section 4.05. 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 Bond or the Outstanding Obligations 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 in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

... from claims for bodily injury and/or death, and not less than \$200,000 to protect the Issuer from claims or 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 Bond.

(c) Vehicle 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) Workmen's 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 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.

(e) Fidelity Bonds will be provided as to every member of the Board and as to every officer and employee thereof having custody of the Sewer Revenue Fund or of any revenues or other funds of the District in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of \$20,000 upon the treasurer, provided, however, that no bond shall be required insofar as custody of the Waterworks Project Construction Account is concerned so long as checks thereon require the signature of a representative of the Purchaser.

(f) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Bond or the Outstanding Obligations 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 4.06. Statutory Mortgage. For the further protection of the holder of the Bond, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Bond, and shall be on a parity with such lien in favor of the Outstanding Obligations.

Section 4.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

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

Section 4.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

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

Section 4.09. Fiscal Year; Budget. While the Bond or the Outstanding Obligations are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a fiscal year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty days prior to the beginning of each fiscal year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such fiscal year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each fiscal year.

If for any reason the Issuer shall not have adopted the Annual Budget before the first day of any fiscal year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than ten per centum; 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 4.10. 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

Section 4.11. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Secretary on the date of adoption hereof, subject to permitted changes.

Section 4.12. Books and Records. 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 promptly mail a copy of such audit report to the Purchaser.

Section 4.13. 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 Bond or the Outstanding Obligations are outstanding.

Section 4.14. No Competition. 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.

Section 4.15. Concerning Arbitrage. The proceeds of sale of the Bond will not be invested in such a way as to violate the regulations of the Internal Revenue Service or of the Treasury Department of the United States of America in connection with the arbitrage provisions of Section 103(c) of the Internal Revenue Code of 1954, as amended.

Section 5.01. Initial Schedule of Rates and Charges; Rules. A. The schedule of rates, charges and rules for the services and facilities of the System, set forth in the resolution authorizing the 1975 Bond and now in effect, shall be the initial schedule of such rates, charges and rules, subject to change consonant with the provisions hereof:

MISCELLANEOUS

Section 6.01. Filing Under Uniform Commercial Code. Contemporaneously with the delivery of the Bond, the Issuer shall execute Financing Statements meeting the requirements of the Uniform Commercial Code of West Virginia and promptly thereafter shall file such a Financing Statement in the offices of the Secretary of State of West Virginia and of the Clerk of the County Commission of said County.

Section 6.02. Delivery of Bond No. 1. The Chairman, Secretary and Treasurer of the Governing Body are hereby authorized and directed to cause Bond No. 1, 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 6.03. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Bond.

Section 6.04. 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); and provided further, that although this Resolution amends the 1967 Resolution and the resolution providing for the 1975 Bond, particularly to increase the amounts of reserves required, the 1967 Resolution and said resolution, except as so amended, shall continue in full force and effect.

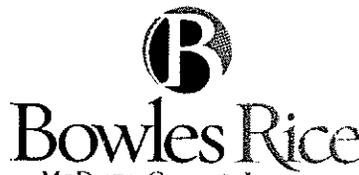
Section 6.05. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

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101 South Queen Street
Martinsburg, West Virginia 25401
(304) 263-0836

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McDAVID GRAFF & LOVE LLP

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501 Avery Street
Parkersburg, West Virginia 26101
(304) 485-8500

June 28, 2006

Claywood Park Public Service District
Post Office Box 127
Parkersburg, West Virginia 26102

Re: \$7,608,000 Water Revenue Bonds
(Water Treatment Plant Expansion and Improvement Project)
Series 2006

Ladies and Gentlemen:

We have examined a record of the proceedings relating to the issue of the Water Revenue Bonds (Water Treatment Plant Expansion and Improvement Project), Series 2006, of Claywood Park Public Service District, Wood and Wirt Counties, West Virginia (the "District"). The Series 2006 Bonds are issued in three series, being the Series 2006 A Bond, the Series 2006 B Bond, and the Series 2006 C Bond, in the aggregate principal amount of \$7,608,000 dated on the date hereof, bearing interest from the date of delivery (the "Series 2006 Bonds"). The Series 2006 A Bond bears interest at the rate of 4.375% per annum (the "Series 2006 A Bond"), and is represented by a single bond numbered AR-1, in the principal amount of \$4,175,000. The Series 2006 B Bond bears interest at the rate of 4.25% per annum (the "Series 2006 B Bond"), and is represented by a single bond numbered BR-1, in the principal amount of \$870,000. The Series 2006 C Bond bears interest at the rate of 4.375% per annum (the "Series 2006 C Bond"), and is represented by a single bond numbered CR-1, in the principal amount of \$2,563,000.

The Series 2006 Bonds have been authorized by Resolution duly enacted on June 26, 2006, by the Public Service Board of the District, which is the governing body of the District (the "Bond Resolution").

Interest only on the Series 2006 A Bond is payable in monthly installments for the first 24 months after delivery; and thereafter, principal of and interest on the Series 2006 A Bond are payable in monthly installments of \$18,830.00 to and including the 480th month after the date of the Series 2006 A Bond, the final installment to be in the sum of the unpaid principal and interest due on the date thereof.

Interest only on the Series 2006 B Bond is payable in monthly installments for the first 24 months after delivery; and thereafter, principal of and interest on the Series 2006 B Bond are payable in monthly installments of \$3,855.00 to and including the 480th month

Claywood Park Public Service District
June 28, 2006
Page 2

after the date of the Series 2006 B Bond, the final installment to be in the sum of the unpaid principal and interest due on the date thereof.

Interest only on the Series 2006 C Bond is payable in monthly installments for the first 24 months after delivery; and thereafter, principal of and interest on the Series 2006 C Bond are payable in monthly installments of \$11,560.00 to and including the 480th month after the date of the Series 2006 C Bond, the final installment to be in the sum of the unpaid principal and interest due on the date thereof.

Principal installments on the Series 2006 Bonds are subject to payment in advance as provided therein and in the Bond Resolution.

The Bond Resolution and the Series 2006 Bonds provide that the issue is for the purpose of financing the costs of construction and acquisition of additions and improvements to the existing water distribution system of the District (herein called the "System"), including the expansion and improvement of the water treatment plant.

The Series 2006 Bonds have been awarded to the United States of America at par. There are outstanding obligations of the District which rank on a parity with the Series 2006 Bonds as to liens and source of and security for payment, which are the Revenue Bonds of the District dated June 1, 2003, December 19, 2002, January 23, 1998, August 18, 1997, April 3, 1995, December 1, 1993, January 7, 1979 and March 3, 1975, issued in the original principal amounts of \$975,000, \$1,250,000, \$750,000, \$145,000, \$190,000, \$410,000, \$1,100,000, and \$685,000, respectively (collectively, the "Prior Bonds"), which are held by the United States Department of Agriculture, Farmers Home Administration or its successors or assigns, except with respect to the Series 2003 Bonds dated June 1, 2003, which are held by others.

It is our opinion that:

1. The District is a duly organized and presently existing public service district and a political subdivision of the State of West Virginia with full power and authority to construct and maintain the System and issue and sell the Series 2006 Bonds, all under the provisions of Chapter 16, Article 13A, of the Code of West Virginia of 1931, as amended, (the "Act") and other applicable provisions of law.
2. The members and officers of the Public Service Board of the District have been duly and properly appointed and elected, have taken the requisite oaths and are authorized to act in their respective capacities in behalf of the District.
3. The District has legally and effectively adopted the Bond Resolution and other resolutions in connection with the Series 2006 Bonds and has sold and delivered the Series 2006 Bonds to the United States of America.

Claywood Park Public Service District

June 28, 2006

Page 3

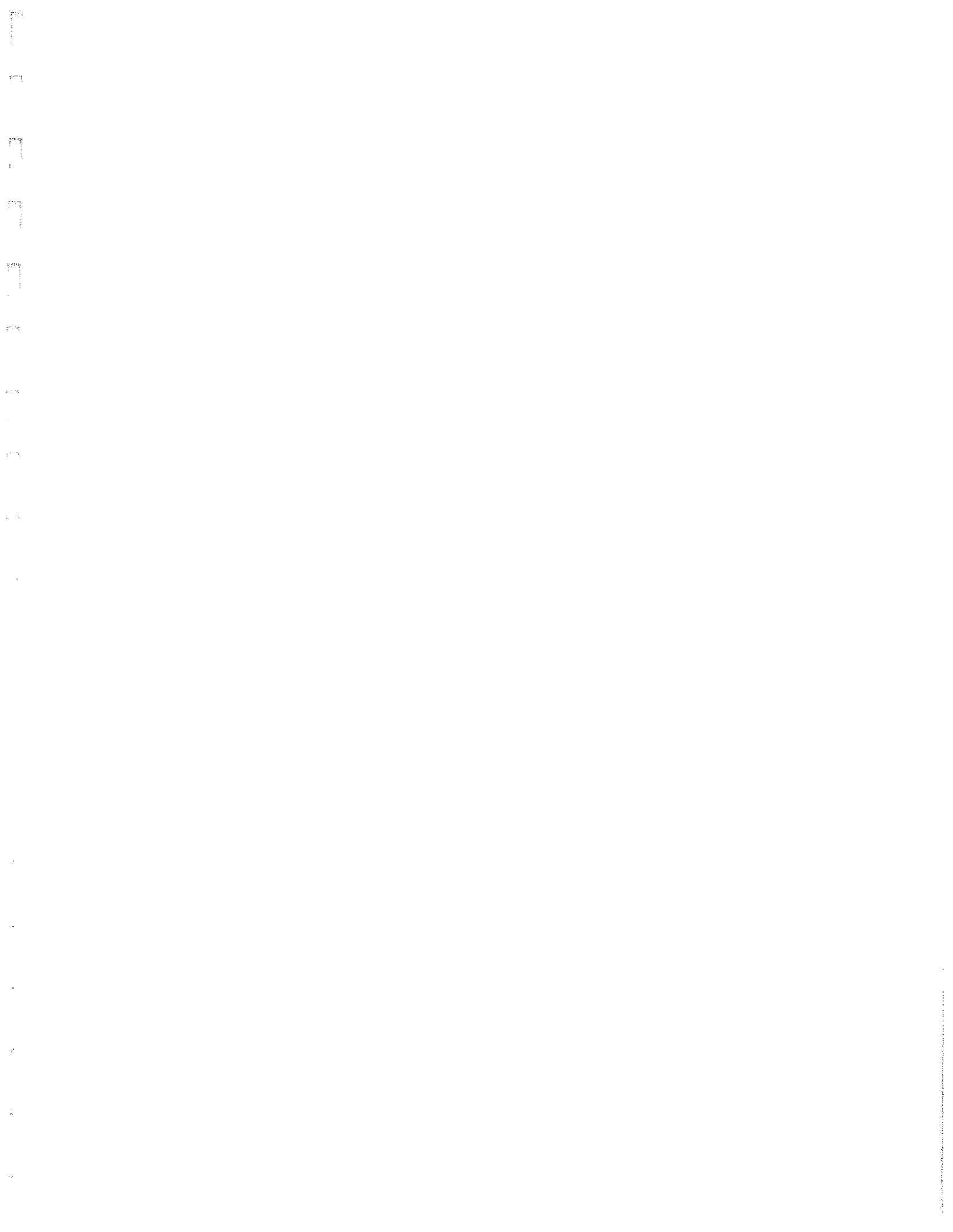
4. The execution and delivery of the Series 2006 Bonds and other documents by the District will not conflict with or cause a breach or default on the District's part under any other agreement to which the District is a party.
5. The Series 2006 Bonds constitutes a valid and legally enforceable special obligation of the District secured by and payable solely from a first lien on and pledge of the net revenues of the System on a parity with the lien of the District's Prior Bonds, all in accordance with the terms of the Series 2006 Bonds and the Bond Resolution.
6. The Series 2006 Bonds are not being issued on the basis that the interest thereon is or will be excluded from gross income for federal income tax purposes; therefore, the interest on the Series 2006 Bonds is not excluded from gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences arising with respect to the Series 2006 Bonds.
7. The Series 2006 Bonds are, by statute, exempt from all taxation by the State of West Virginia and other taxing bodies of the State and the interest on the Series 2006 Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia.
8. To the best of our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transaction contemplated by that certain Letter of Conditions, dated January 10, 2001, as amended by that certain Amendment No. 1 to Letter of Conditions dated July 25, 2003, and that certain Amendment No. 2 to Letter of Conditions dated March 28, 2006, from the United States Department of Agriculture to the District, the Bond Resolution, construction of the Project, operation of the System or the validity of the Series 2006 Bonds or the issuance of the Series 2006 Bonds or the collection or pledge of the net revenues of the System therefor or for the Series 2006 Bonds.

It is to be understood that the rights of the holders of the Series 2006 Bonds and the enforceability of the Series 2006 Bonds, the Bond Resolution and liens and pledges set forth therein may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights (to the extent constitutionally applicable) and that the enforcement thereof may also be subject to the exercise of judicial discretion in appropriate cases.

Sincerely yours,

BOWLES RICE MCDAVID GRAFF & LOVE LLP

Bowles Rice McDavid Graff & Love LLP



CLAYWOOD PARK PUBLIC SERVICE DISTRICT

\$7,608,000 Water Revenue Bonds
(Water Treatment Plant Expansion and Improvement Project)
Series 2006

RECEIPT FOR SERIES 2006 BONDS AND TRANSCRIPTS

The undersigned, for the United States Department of Agriculture, hereby certifies as follows:

1. On the 28th day of June, 2006, at Parkersburg, West Virginia, the undersigned received from the Claywood Park Public Service District the single Claywood Park Public Service District Water Revenue Bond (Water Treatment Plant Expansion and Improvement Project), Series 2006 A, No. AR-1 (the "Bond"), in the principal amount of \$4,175,000 dated as of the date hereof, bearing interest at the rate of 4.375% per annum, payable in monthly installments as stated in the Series 2006 A Bond.

2. At the time of such receipt, the Series 2006 A Bond had been executed and sealed by the Chairman and Secretary of the Public Service Board of the District.

3. At the time of such receipt, there was paid to the District the sum of \$187,100.00 from the proceeds of the Series 2006 A Bond.

4. On the 28th day of June, 2006, at Parkersburg, West Virginia, the undersigned received from the Claywood Park Public Service District the single Claywood Park Public Service District Water Revenue Bond (Water Treatment Plant Expansion and Improvement Project), Series 2006 B, No. BR-1 (the "Bond"), in the principal amount of \$870,000 dated as of the date hereof, bearing interest at the rate of 4.25% per annum, payable in monthly installments as stated in the Series 2006 B Bond.

5. At the time of such receipt, the Series 2006 B Bond had been executed and sealed by the Chairman and Secretary of the Public Service Board of the District.

6. At the time of such receipt, there was paid to the District the sum of \$43,500.00 from the proceeds of the Series 2006 B Bond.

7. On the 28th day of June, 2006, at Parkersburg, West Virginia, the undersigned received from the Claywood Park Public Service District the single Claywood Park Public Service District Water Revenue Bond (Water Treatment Plant Expansion and Improvement Project), Series 2006 C, No. CR-1 (the "Bond"), in the principal amount of \$2,563,000 dated as of the date hereof, bearing interest at the rate of 4.375% per annum, payable in monthly installments as stated in the Series 2006 C Bond.

8. At the time of such receipt, the Series 2006 C Bond had been executed and sealed by the Chairman and Secretary of the Public Service Board of the District.

CLAYWOOD PARK PUBLIC SERVICE DISTRICT
\$7,608,000 Water Revenue Bonds
(Water Treatment Plant Expansion and Improvement Project)
Series 2006

RECEIPT FOR SERIES 2006 BONDS PROCEEDS

The undersigned, for the Claywood Park Public Service District, Wood and Wirt Counties, West Virginia, hereby certifies as follows:

1. On the 28th day of June, 2006, at Parkersburg, West Virginia, the undersigned received from the United States Department of Agriculture \$187,100.00 of the proceeds from the single Claywood Park Public Service District Water Revenue Bond (Water Treatment Plant Expansion and Improvement Project), Series 2006 A, No. AR-1 (the "Series 2006 A Bond"), in the principal amount of \$4,175,000 dated as of June 28, 2006, bearing interest at the rate of 4.375% per annum, payable in monthly installments as stated in the Series 2006 A Bond.
2. At the time of such receipt, the Series 2006 A Bond had been executed and sealed by the Chairman and Secretary of the Public Service Board of the District.
3. On the 28th day of June, 2006, at Parkersburg, West Virginia, the undersigned received from the United States Department of Agriculture \$43,500.00 of the proceeds from the single Claywood Park Public Service District Water Revenue Bond (Water Treatment Plant Expansion and Improvement Project), Series 2006 B, No. BR-1 (the "Series 2006 B Bond"), in the principal amount of \$870,000 dated as of June 28, 2006, bearing interest at the rate of 4.25% per annum, payable in monthly installments as stated in the Series 2006 B Bond.
4. At the time of such receipt, the Series 2006 B Bond had been executed and sealed by the Chairman and Secretary of the Public Service Board of the District.
5. On the 28th day of June, 2006, at Parkersburg, West Virginia, the undersigned received from the United States Department of Agriculture \$128,100.00 of the proceeds from the single Claywood Park Public Service District Water Revenue Bond (Water Treatment Plant Expansion and Improvement Project), Series 2006 C, No. CR-1 (the "Series 2006 C Bond"), in the principal amount of \$2,563,000 dated as of June 28, 2006, bearing interest at the rate of 4.375% per annum, payable in monthly installments as stated in the Series 2006 C Bond.
6. At the time of such receipt, the Series 2006 C Bond had been executed and sealed by the Chairman and Secretary of the Public Service Board of the District.

WITNESS my signature on the 28th day of June, 2006.



Chairman, Public Service Board
Claywood Park Public Service District

(Specimen Series 2006 A Bond)

WATER REVENUE BOND (WATER TREATMENT PLANT EXPANSION AND
IMPROVEMENT PROJECT),
SERIES 2006 A

CLAYWOOD PARK PUBLIC SERVICE DISTRICT

\$4,175,000.00

No. AFR-1

Date: June 28, 2006

CLAYWOOD PARK PUBLIC SERVICE DISTRICT (the "Issuer"), for value received, promises to pay to the order of the United States of America, (the "Purchaser"), or its registered assigns, at its National Finance Office, St. Louis, Missouri, 63103, or at such other place as the Purchaser may hereafter designate in writing, the principal sum of \$4,175,000.00, plus interest on the unpaid principal balance at the rate of four and three eighths per cent (4.375%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only commencing 30 days following delivery of the Series 2006 A Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof and \$18,830.00, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Series 2006 A Bond, 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 hereof is not advanced at the time of closing, the proceeds hereof shall be advanced to Issuer as requested by Issuer and approved by the Purchaser 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 hereon 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 the Issuer. Refunds and extra payments, as defined in the regulations of the Purchaser according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Series 2006 A Bond and shall not affect the obligation of Issuer to pay the remaining installments as scheduled herein.

If the United States of America at any time assigns this Series 2006 A Bond and insures the payment thereof, Issuer shall continue to make payments to the United States of America as collection agent for the holder.

While this Series 2006 A Bond is held by an insured lender, prepayments made by Issuer may, at the option of the Purchaser, be remitted by the Purchaser to the Holder

promptly or, except for final payment, be retained by the Purchaser 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 Issuer, except payments retained and remitted by the Purchaser on an annual installment due date basis, shall be the date of the United States Treasury check by which the Purchaser remits the payment to the Holder. The effective date of any prepayment retained and remitted by the Purchaser to the Holder on an annual installment due date basis shall be the date of the prepayment by Issuer and the Purchaser 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 Purchaser 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 Purchaser 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 Issuer to the Purchaser without demand. Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Purchaser.

Issuer 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 rates and terms in or near its community for loans for similar purposes and periods of time.

This Series 2006 A Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing such funds for financing all or part of the costs of construction of repairs, replacements, expansions and improvements to the waterworks system (the "System") of the Issuer, 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 Series 2006 A Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation.

Registration of this Series 2006 A 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 Secretary of the Issuer, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Resolutions hereinafter described, and upon surrender and cancellation of this Series 2006 A Bond. Upon such transfer a new Series 2006 A Bond or Series 2006 A Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Series 2006 A 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 Secretary of the Issuer.

This Series 2006 A 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 Code of West Virginia of 1931, as amended (herein called the "Act") and Resolutions of the Issuer adopted on December 27, 1979, May 20, 2003, and on June 26, 2006.

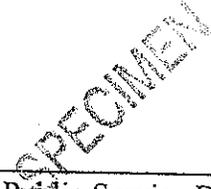
If at any time it shall appear to the Purchaser that Issuer may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Issuer will, at Purchaser's request, apply for and accept such loan in sufficient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

This Series 2006 A Bond is given as evidence of a loan to Issuer made or insured by the Purchaser pursuant to the Consolidated Farmers Home Rural Development Act. This Series 2006 A Bond shall be subject to the present regulations of the Farmers Home Administration and its successors and assigns and to future regulations not inconsistent with the express provisions hereof.

This Series 2006 A Bond is issued on a parity in all respects with the Series 1975 Bond, the Series 1979 Bond, the Series 1993 B Bond, the Series 1995 Bond, the Series 1997 A Bond, the Series 1998 Bond, the Series 2002 Bond, the Series 2003 Bonds, the Series 2006 B Bond and the Series 2006 C Bond described in the Resolutions above described.

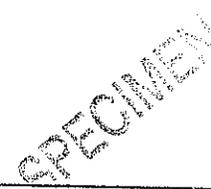
CLAYWOOD PARK PUBLIC SERVICE DISTRICT

Attest:



Secretary, Public Service Board

By:



Chairman, Public Service Board

[CORPORATE SEAL]

RECORD OF ADVANCES			
AMOUNT	DATE	AMOUNT	DATE
(1) \$ 187,100.00	June 28, 2006	(6) \$	
(2) \$		(7) \$	
(3) \$		(8) \$	
(4) \$		(9) \$	
(5) \$		(10) \$	
TOTAL \$			

(No writing on this Series 2006 A Bond except by the Issuer as Registrar.)

Date of
Registration

In Whose Name
Registered

Signature of
Secretary or Registrar

June 28, 2006

United States of America
Post Office Box 678
Morgantown, West Virginia 26505

ASSIGNMENT

Pay to the Order of

UNITED STATES OF AMERICA

By:

(Title)

(Specimen Series 2006 B Bond)

WATER REVENUE BOND (WATER TREATMENT PLANT EXPANSION AND
IMPROVEMENT PROJECT),
SERIES 2006 B

CLAYWOOD PARK PUBLIC SERVICE DISTRICT

\$870,000.00

No. BR-1

Date: June 28, 2006

CLAYWOOD PARK PUBLIC SERVICE DISTRICT (the "Issuer"), for value received, promises to pay to the order of the United States of America, (the "Purchaser"), or its registered assigns, at its National Finance Office, St. Louis, Missouri, 63103, or at such other place as the Purchaser may hereafter designate in writing, the principal sum of \$870,000.00, plus interest on the unpaid principal balance at the rate of four and one quarter per cent (4.25%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only commencing 30 days following delivery of the Series 2006 B Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof and \$3,855.00, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Series 2006 B Bond, 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 hereof is not advanced at the time of closing, the proceeds hereof shall be advanced to Issuer as requested by Issuer and approved by the Purchaser 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 hereon 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 the Issuer. Refunds and extra payments, as defined in the regulations of the Purchaser according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Series 2006 B Bond and shall not affect the obligation of Issuer to pay the remaining installments as scheduled herein.

If the United States of America at any time assigns this Series 2006 B Bond and insures the payment thereof, Issuer shall continue to make payments to the United States of America as collection agent for the holder.

While this Series 2006 B Bond is held by an insured lender, prepayments made by Issuer may, at the option of the Purchaser, be remitted by the Purchaser to the Holder promptly

or, except for final payment, be retained by the Purchaser 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 Issuer, except payments retained and remitted by the Purchaser on an annual installment due date basis, shall be the date of the United States Treasury check by which the Purchaser remits the payment to the Holder. The effective date of any prepayment retained and remitted by the Purchaser to the Holder on an annual installment due date basis shall be the date of the prepayment by Issuer and the Purchaser 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 Purchaser 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 Purchaser 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 Issuer to the Purchaser without demand. Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Purchaser.

Issuer 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 rates and terms in or near its community for loans for similar purposes and periods of time.

This Series 2006 B Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing such funds for financing all or part of the costs of repairs, replacements, construction of expansions and improvements to the waterworks system (the "System") of the Issuer, 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 Series 2006 B Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation.

Registration of this Series 2006 B 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 Secretary of the Issuer, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Resolutions hereinafter described, and upon surrender and cancellation of this Series 2006 B Bond. Upon such transfer a new Series 2006 B Bond or Series 2006 B Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Series 2006 B 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 Secretary of the Issuer.

This Series 2006 B 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 Code of West Virginia of 1931, as amended (herein called the "Act") and Resolutions of the Issuer adopted on December 27, 1979, May 20, 2003, and on June 26, 2006.

If at any time it shall appear to the Purchaser that Issuer 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, Issuer will, at Purchaser's request, apply for and accept such loan in sufficient amount to repay the Purchaser.

This Series 2006 B Bond is given as evidence of a loan to Issuer made or insured by the Purchaser pursuant to the Consolidated Farmers Home Rural Development Act. This Series 2006 B Bond shall be subject to the present regulations of the Farmers Home Administration and its successors and assigns and to future regulations not inconsistent with the express provisions hereof.

This Series 2006 B Bond is issued on a parity in all respects with the Series 1975 Bond, the Series 1979 Bond, the Series 1993 B Bond, the Series 1995 Bond, the Series 1997 A Bond, the Series 1998 Bond, the Series 2002 Bond, the Series 2003 Bonds, the Series 2006 A Bond and the Series 2006 C Bond described in the Resolutions above described.

CLAYWOOD PARK PUBLIC SERVICE DISTRICT

Attest:

Secretary, Public Service Board

By:

Chairman, Public Service Board

[CORPORATE SEAL]

RECORD OF ADVANCES			
AMOUNT	DATE	AMOUNT	DATE
(1) \$ 43,500.00	June 28, 2006	(6) \$	
(2) \$		(7) \$	
(3) \$		(8) \$	
(4) \$		(9) \$	
(5) \$		(10) \$	
TOTAL \$			

(No writing on this Series 2006 B Bond except by the Issuer as Registrar.)

Date of
Registration

In Whose Name
Registered

Signature of
Secretary or Registrar

June 28, 2006

United States of America
Post Office Box 678
Morgantown, West Virginia 26505

ASSIGNMENT

Pay to the Order of

UNITED STATES OF AMERICA

By:

(Title)

(Specimen Series 2006 C Bond)

WATER REVENUE BOND (WATER TREATMENT PLANT EXPANSION AND
IMPROVEMENT PROJECT),
SERIES 2006 C

CLAYWOOD PARK PUBLIC SERVICE DISTRICT

\$2,563,000.00

No. CR-1

Date: June 28, 2006

CLAYWOOD PARK PUBLIC SERVICE DISTRICT (the "Issuer"), for value received, promises to pay to the order of the United States of America, (the "Purchaser"), or its registered assigns, at its National Finance Office, St. Louis, Missouri, 63103, or at such other place as the Purchaser may hereafter designate in writing, the principal sum of \$2,563,000.00, plus interest on the unpaid principal balance at the rate of four and three eighths per cent (4.375%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only commencing 30 days following delivery of the Series 2006 C Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof and \$11,560.00, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Series 2006 C Bond, 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 hereof is not advanced at the time of closing, the proceeds hereof shall be advanced to Issuer as requested by Issuer and approved by the Purchaser 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 hereon 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 the Issuer. Refunds and extra payments, as defined in the regulations of the Purchaser according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Series 2006 C Bond and shall not affect the obligation of Issuer to pay the remaining installments as scheduled herein.

If the United States of America at any time assigns this Series 2006 C Bond and insures the payment thereof, Issuer shall continue to make payments to the United States of America as collection agent for the holder.

While this Series 2006 C Bond is held by an insured lender, prepayments made by Issuer may, at the option of the Purchaser, be remitted by the Purchaser to the Holder promptly

or, except for final payment, be retained by the Purchaser 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 Issuer, except payments retained and remitted by the Purchaser on an annual installment due date basis, shall be the date of the United States Treasury check by which the Purchaser remits the payment to the Holder. The effective date of any prepayment retained and remitted by the Purchaser to the Holder on an annual installment due date basis shall be the date of the prepayment by Issuer and the Purchaser 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 Purchaser 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 Purchaser 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 Issuer to the Purchaser without demand. Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Purchaser.

Issuer 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 rates and terms in or near its community for loans for similar purposes and periods of time.

This Series 2006 C Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing such funds for financing all or part of the costs of repairs, replacements, construction of expansions and improvements to the waterworks system (the "System") of the Issuer, 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 Series 2006 C Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation.

Registration of this Series 2006 C 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 Secretary of the Issuer, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Resolutions hereinafter described, and upon surrender and cancellation of this Series 2006 C Bond. Upon such transfer a new Series 2006 C Bond or Series 2006 C Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Series 2006 C 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 Secretary of the Issuer.

This Series 2006 C 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 Code of West Virginia of 1931, as amended (herein called the "Act") and Resolutions of the Issuer adopted on December 27, 1979, May 20, 2003, and on June 26, 2006.

If at any time it shall appear to the Purchaser that Issuer 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, Issuer will, at Purchaser's request, apply for and accept such loan in sufficient amount to repay the Purchaser.

This Series 2006 C Bond is given as evidence of a loan to Issuer made or insured by the Purchaser pursuant to the Consolidated Farmers Home Rural Development Act. This Series 2006 C Bond shall be subject to the present regulations of the Farmers Home Administration and its successors and assigns and to future regulations not inconsistent with the express provisions hereof.

This Series 2006 C Bond is issued on a parity in all respects with the Series 1975 Bond, the Series 1979 Bond, the Series 1993 B Bond, the Series 1995 Bond, the Series 1997 A Bond, the Series 1998 Bond, the Series 2002 Bond, the Series 2003 Bonds, the Series 2006 A Bond and the Series 2006 B Bond described in the Resolutions above described.

CLAYWOOD PARK PUBLIC SERVICE DISTRICT

Attest:

Secretary, Public Service Board

By:

Chairman, Public Service Board

[CORPORATE SEAL]

RECORD OF ADVANCES			
AMOUNT	DATE	AMOUNT	DATE
(1) \$ 128,100.00	June 28, 2006	(6) \$	
(2) \$		(7) \$	
(3) \$		(8) \$	
(4) \$		(9) \$	
(5) \$		(10) \$	
TOTAL \$			

(No writing on this Series 2006 C Bond except by the Issuer as Registrar.)

<u>Date of Registration</u>	<u>In Whose Name Registered</u>	<u>Signature of Secretary or Registrar</u>
June 28, 2006	United States of America Post Office Box 678 Morgantown, West Virginia 26505	_____
_____	_____	_____
_____	_____	_____

ASSIGNMENT

Pay to the Order of _____

UNITED STATES OF AMERICA

By: _____

 (Title)

**WEST VIRGINIA MUNICIPAL BOND COMMISSION
NEW ISSUE REPORT FORM**

Suite 500
8 Capitol Street, Charleston, WV 25301
(304) 558-3971

Date of Report: June 28, 2006

ISSUE: Claywood Park Public Service District Water Revenue Bond
(Water Treatment Plant Expansion and Improvement Project) Series 2006 B

ADDRESS: P. O. Box 127 COUNTY: Wood and Wirt Counties
Parkersburg, West Virginia 26102

PURPOSE OF ISSUE: New Money
Refunding Refunds issue(s) dated: _____
ISSUE DATE June 28, 2006 CLOSING DATE: June 28, 2006

ISSUE AMOUNT: \$ 870,000 RATE: 4.25%
1st DEBT SERVICE DUE: Not Applicable 1st PRINCIPAL DUE: Not Applicable
1st DEBT SERVICE AMOUNT: \$ Not Applicable PAYING AGENT: None

BOND COUNSEL: Bowles Rice McDavid UNDERWRITER'S COUNSEL: _____
Graff & Love LLP
Contact Person: Camden P. Siegrist Contact Person: _____
Phone: (304) 347-1129 Phone: _____

CLOSING BANK: WesBanco Bank, Inc. ESCROW TRUSTEE: _____
Contact Person: Joe Campbell, Vice President Contact Person: _____
Phone: (304) 480-2500 Phone: _____

KNOWLEDGEABLE ISSUE CONTACT: OTHER: _____
Contact Person: Todd Grinstead Contact Person: _____
Position: General Manager Function: _____
Phone: (304) 422-6042 Phone: _____

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

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

NOTES: The applicable Bond Resolution, a copy of which is provided herewith, establishes the Series 2006 B Bonds Reserve Account with the Municipal Bond Commission. Debt service payments will be paid by the District directly to the Bondholder.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

Documents Required: _____
Transfers Required: _____

**WEST VIRGINIA MUNICIPAL BOND COMMISSION
NEW ISSUE REPORT FORM**

Suite 500
8 Capitol Street, Charleston, WV 25301
(304) 558-3971

Date of Report: June 28, 2006

ISSUE: <u>Claywood Park Public Service District Water Revenue Bond</u> <u>(Water Treatment Plant Expansion and Improvement Project) Series 2006 A</u>	
ADDRESS: <u>P. O. Box 127</u> <u>Parkersburg, West Virginia 26102</u>	COUNTY: <u>Wood and Wirt Counties</u>
PURPOSE OF ISSUE: <u>New Money <input checked="" type="checkbox"/></u> <u>Refunding <input type="checkbox"/></u>	Refunds issue(s) dated: _____
ISSUE DATE <u>June 28, 2006</u>	CLOSING DATE: <u>June 28, 2006</u>
ISSUE AMOUNT: \$ <u>4,175,000</u>	RATE: <u>4.375%</u>
1 st DEBT SERVICE DUE: <u>Not Applicable</u>	1 st PRINCIPAL DUE: <u>Not Applicable</u>
1 st DEBT SERVICE AMOUNT: \$ <u>Not Applicable</u>	PAYING AGENT: <u>None</u>
BOND COUNSEL: <u>Bowles Rice McDavid</u> <u>Graff & Love LLP</u>	UNDERWRITER'S COUNSEL: _____
Contact Person: <u>Camden P. Siegrist</u>	Contact Person: _____
Phone: <u>(304) 347-1129</u>	Phone: _____
CLOSING BANK: <u>WesBanco Bank, Inc.</u>	ESCROW TRUSTEE: _____
Contact Person: <u>Joe Campbell, Vice President</u>	Contact Person: _____
Phone: <u>(304) 480-2500</u>	Phone: _____
KNOWLEDGEABLE ISSUE CONTACT:	OTHER: _____
Contact Person: <u>Todd Grinstead</u>	Contact Person: _____
Position: <u>General Manager</u>	Function: _____
Phone: <u>(304) 422-6042</u>	Phone: _____
DEPOSITS TO MBC AT CLOSE: _____	Accrued Interest: \$ _____
By: <u>Wire</u> _____	Capitalized Interest: _____
<u>Check</u> _____	Reserve Account: \$ _____
	Other: _____
REFUNDS & TRANSFERS BY MBC AT CLOSE:	
By: <u>Wire</u> _____	<u>To Escrow Trustee:</u> \$ _____
<u>Check</u> _____	<u>To Issuer:</u> \$ _____
<u>IGT</u> _____	<u>To Cons. Invest. Fund</u> \$ _____
	<u>To _____</u> \$ _____
NOTES: <u>The applicable Bond Resolution, a copy of which is provided herewith, establishes the Series 2006 A Bonds Reserve Account with the Municipal Bond Commission. Debt service payments will be paid by the District directly to the Bondholder.</u>	

FOR MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required: _____
Transfers Required: _____

WEST VIRGINIA MUNICIPAL BOND COMMISSION
NEW ISSUE REPORT FORM

Suite 500
8 Capitol Street, Charleston, WV 25301
(304) 558-3971

Date of Report: June 28, 2006

ISSUE: Claywood Park Public Service District Water Revenue Bond
(Water Treatment Plant Expansion and Improvement Project) Series 2006 C

ADDRESS: P. O. Box 127 COUNTY: Wood and Wirt Counties
Parkersburg, West Virginia 26102

PURPOSE OF ISSUE: New Money
Refunding Refunds issue(s) dated: _____
ISSUE DATE June 28, 2006 CLOSING DATE: June 28, 2006

ISSUE AMOUNT: \$ 2,563,000 RATE: 4.375%
1st DEBT SERVICE DUE: Not Applicable 1st PRINCIPAL DUE: Not Applicable
1st DEBT SERVICE AMOUNT: \$ Not Applicable PAYING AGENT: None

BOND COUNSEL: Bowles Rice McDavid UNDERWRITER'S COUNSEL: _____
Graff & Love LLP
Contact Person: Camden P. Siegrist Contact Person: _____
Phone: (304) 347-1129 Phone: _____

CLOSING BANK: WesBanco Bank, Inc. ESCROW TRUSTEE: _____
Contact Person: Joe Campbell, Vice President Contact Person: _____
Phone: (304) 480-2500 Phone: _____

KNOWLEDGEABLE ISSUE CONTACT: OTHER: _____
Contact Person: Todd Grinstead Contact Person: _____
Position: General Manager Function: _____
Phone: (304) 422-6042 Phone: _____

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

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

NOTES: The applicable Bond Resolution, a copy of which is provided herewith, establishes the Series 2006 C Bonds Reserve Account with the Municipal Bond Commission. Debt service payments will be paid by the District directly to the Bondholder.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required: _____
Transfers Required: _____