$1,000,000
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, 2009 SERIES A
(WEST VIRGINIA INFRASTRUCTURE FUND)

Closing Date: October 16, 2009

TRANSCRIPT OF PROCEEDINGS

I. ORGANIZATIONAL DOCUMENTS

1. Certified copies of Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended

2. Copy of the order of the County Commission of Wyoming County (the "Commission") creating the Eastern Wyoming Public Service District (the "Issuer")

3. Copy of the Public Service Commission (the "PSC") Order approving the creation of the Issuer

4. Copy of the County Commission Orders appointing members of the Public Service District Board (the "Board")

5. Oaths of Office of Current Board Members

6. Rules of Procedure

7. Minutes of Current Year Organizational Meeting

II. AUTHORIZING DOCUMENTS

8. Loan Agreement dated October 16, 2009, by and between the Issuer and the West Virginia Water Development Authority (the "Authority")

9. Bond Resolution adopted by the Issuer on October 13, 2009

10. Affidavit of Publication of Notice of Public Hearing

11. Excerpt of Minutes of the Regular Meeting of the Board on Adoption of the Bond Resolution and Resolution Approving Invoices

12. Final PSC Recommended Decision dated December 28, 2008

13. West Virginia Infrastructure and Jobs Development Council Approval Letter

14. Small Cities Block Grant Commitment Letter

15. [Reserved]

16. West Virginia Infrastructure and Jobs Development Council Grant Agreement

17. West Virginia Department of Environmental Protection – Abandoned Mine Lands Grant Commitment Letter

18. West Virginia Legislative Digest Grant

19. Wyoming County Commission Grant Commitment Letter

20. West Virginia Infrastructure and Jobs Development Council Grant Commitment Letter

21. Specimen Bond

22. 2001 Bond Resolution and Supplemental Resolution

23. 2004 Bond Resolution

24. 2006 Bond Resolution

25. WDA Consent to Issuance of Parity Bonds

III. CERTIFICATES AND ACCEPTANCES

26. General Certificate of Issuer and Attorney

27. Certificate as to the Use of Proceeds

28. Certificate of Engineer with Schedule B

29. Certificate of Certified Public Accountant

30. Cross-Receipt for Bonds and Bond Proceeds

31. Direction to Authenticate and Deliver Bonds

32. Acceptance of Duties as Registrar

33. Certificate of Registration of Bonds

34. Registrar's Agreement

35. Acceptance of Appointment as Depository Bank

IV. OPINIONS OF COUNSEL

36. Opinion of Spilman Thomas & Battle, PLLC, Bond Counsel

37. Opinion of Rist Higgins & Associates, PLLC, Counsel to Issuer

38. Final Title Opinion

V. MISCELLANEOUS

39. Municipal Bond Commission New Issue Report

40. Environmental Health Services Permit

41. Insurance Certificates

42. Closing Memorandum

43. Resolution Approving Invoices

44. Resolution approving Electronic Payments to WV Municipal Bond Commission

45. (A) Operating Agreement between the Issuer and Logan County Public Service District ("LCPSD")
(B) Written Consent of LCPSD pursuant to Agreement

46. Intergovernmental Agreement between the Issuer and the City of Mullens

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State of West Virginia

Certificate

I, Natalie E. Tennant, 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 2009 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

October 14, 2009

Natalie E Tennant

Secretary of State

ARTICLE 13A

PUBLIC SERVICE DISTRICTS

Section

16-13A-1. Legislative findings.
16-13A-1a. Jurisdiction of the public service commission.
16-13A-1b. County commissions to develop plan to create, consolidate, merge, expand or dissolve public service districts.
16-13A-1c. General purpose of districts.
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.
16-13A-3. District to be a public corporation and political subdivision; powers thereof; public service boards.
16-13A-3a. Removal of members of public service board.
16-13A-4. Board chairman; members' compensation; procedure; district name.
16-13A-5. General manager of board.
16-13A-6. Employees of board.
16-13A-7. Acquisition and operation of district properties.
16-13A-8. Acquisition and purchase of public service properties; right of eminent domain; extraterritorial powers.
16-13A-9. Rules; service rates and charges; discontinuance of service; required water and sewer connections; lien for delinquent fees.
16-13A-9a. Limitations with respect to foreclosure.
16-13A-10. Budget.
16-13A-11. Accounts; audit.
16-13A-12. Disbursement of district funds.
16-13A-13. Revenue bonds.
16-13A-14. Items included in cost of properties.
16-13A-15. Bonds may be secured by trust indenture.
16-13A-16. Sinking fund for revenue bonds.
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.
16-13A-18. Operating contracts.
16-13A-18a. Sale, lease or rental of water, sewer, stormwater or gas system by district; distribution of proceeds.
16-13A-19. Statutory mortgage lien created; foreclosure thereof.
16-13A-20. Refunding revenue bonds.
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.
16-13A-24. Acceptance of loans, grants or temporary advances.
16-13A-25. Borrowing and bond issuance; procedure.

§ 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 insure 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.

Acts 1953, c. 147; Acts 1980, c. 60; Acts 1986, c. 81.

Cross References

County courts, authority to make grants for water and sewer systems, see § 7–1–3t.

Administrative Code References

Sewer utilities regulations, see W. Va. Code St. R. § 150–5–1 et seq.

Library References

Counties ⇐18.
Municipal Corporations ⇐5, 6.
Public Utilities ⇐145.
Westlaw Topic Nos. 104, 268, 317A.

C.J.S. Counties § 31.
C.J.S. Municipal Corporations § 11.
C.J.S. Public Utilities §§ 26 to 32, 159 to 167, 169 to 171, 177 to 178.

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1. Validity

Title of act authorizing creation of public service districts in connection with acquisition, construction, maintenance, operation, improvement and extension of properties supplying water and sewerage services, clearly defines objects and purposes of act and powers of governing board, and is sufficient to meet constitutional requirements. Acts 1953, c. 147; Const. art. 6,

§ 30. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Statutes ⇐ 123(3); Statutes ⇐ 123(5)

Statute authorizing creation of public service districts violates no provision of State Constitution, nor is it violative of Fourteenth Amendment to United States Constitution. Act 1953, c. 147; U.S.C.A.Const. Amend. 14. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Constitutional Law ⇐ 4056; Municipal Corporations ⇐ 4

In statute authorizing creation of public service districts, provision for delinquent fixed rates and charges for services rendered to be lien on premises served was not unconstitutional as depriving owners of property without due process of law or as violating Fourteenth Amendment of United States Constitution or applicable provisions of State Constitution. Acts 1953, c. 147, § 1 et seq.; Const. art. 3, §§ 9, 10; U.S.C.A.Const. Amend. 14. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Constitutional Law ⇐ 4416; Municipal Corporations ⇐ 408(1)

Statute authorizing creation of public service districts does not, in so far as it requires County Court to define territory to be included in public service district and appoint a board to govern same in first instance, involve unconstitutional delegation of judicial functions to the County Court, Acts 1953, c. 147; Const. art. 8, § 24. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Constitutional Law ⇐ 2355; Municipal Corporations ⇐ 4

2. In general

A public service district may be created for the purpose of furnishing water or sewer services, or both water and sewer services. Code, 16–13A–1. Canyon Public Service Dist. v. Tasa Coal Co., 1973, 195 S.E.2d 647, 156 W.Va. 606. Municipal Corporations ⇐ 5

Creation and operation of water or sanitary districts or authorities by issuance of revenue bonds payable from revenues are authorized. Code, 16–13A–1 et seq. State ex rel. Appalachian Power Co. v. Gainer, 1965, 143 S.E.2d 351, 149 W.Va. 740. Health ⇐ 369; Waters And Water Courses ⇐ 183.5

A county court may use Federal Revenue Sharing Funds for ordinary and necessary maintenance and operating expenses for sewage disposal, sanitation, and pollution abatement, and ordinary and necessary capital expenditures authorized by law but may not use such funds for matching purposes under any other federal-aid program. 55 W.Va. Op.Atty.Gen. 116 (June 27, 1973) 1973 WL 159152.

3. Construction and application

A public service district is a public corporation and does not come within constitutional provision which in substance provides that all corporations shall be created by general laws and which is applicable to private corporations. Acts 1953, c. 147, § 1 et seq.; Const. art. 11, § 1. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Statutes ⇐ 80(3)

4. Eminent domain powers

Where notice, hearing and order with respect to creation of public service district considered only the question of furnishing water, such district was created only for the purposes of furnishing water services, and had no power to condemn real estate for sewerage facilities. Code, 16-13A–1, 16–13A–2. Canyon Public Service Dist. v. Tasa Coal Co., 1973, 195 S.E.2d 647, 156 W.Va. 606. Eminent Domain ⇐ 32

Condemnation by public service district is not a taking of private property for private use in violation of applicable constitutional provision. Const. art. 3, § 9. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Eminent Domain ⇐ 13

5. Property of public service district

Property of public service district is public property used for public purposes, and, under constitutional provision that public property shall be exempt from taxation, statute authorizing creation of public service districts and granting tax exemption was not violative of constitutional provision requiring that taxation be equal and uniform throughout state. Acts 1953, c. 147, § 1 et seq.; Const. art. 10, § 1. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Taxation ⇐ 2289

6. Rates and charges for service

Relief under Federal Securities Act of 1933 was not adequate or sufficient remedy for relief sought by corporations holding sewer revenue bonds of public service district in mandamus proceeding to compel district to establish and collect rates for services rendered by district sufficient to provide for all operational and maintenance expenses, to pay, when due, principal and interest of revenue bonds issued by district, and to file tariff reflecting such charges with Public Service Commission, and any relief afforded under provisions of federal statute could not supersede relief which could be granted in mandamus proceeding. Securities Act of 1933, § 1 et seq., 15 U.S.C.A. § 77a et seq.; Code, 16–13A–1 et seq. State ex rel. Allstate Ins. Co. v. Union Public Service Dist., 1966, 151 S.E.2d 102, 151 W.Va. 207. Mandamus ⇐ 3(8)

Corporations holding sewer revenue bonds of public service district, a public corporation and political subdivision of state, had right by mandamus to enforce and compel district and members of the Public Service Board to establish, charge and collect rates for services rendered by district sufficient to provide for all operation-

al and maintenance expenses, to pay, when due, principal and interest of revenue bonds issued by district, and to file tariffs reflecting such charges with Public Service Commission. Code, 16–13A–1 et seq., 16–13A–9, 16–13A–10, 16–13A–13, 16–13A–17. State ex rel. Allstate Ins. Co. v. Union Public Service Dist., 1966, 151 S.E.2d 102, 151 W.Va. 207. Mandamus ⇐ 110

It was ministerial duty of chairman of public service board of public service district to sign revenue bonds and to assist in effectuating their issuance, and in view of constitutionality of statute authorizing creation of the public service board, relator's showing of legal right to require performance of such duty, was sufficient and writ of mandamus would issue. Acts 1953, c. 147. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Mandamus ⇐ 103

7. Creation and enforcement of liens

Public service district's failure to docket notice of lien prior to date purchaser recorded deed of trust prevented district from enforcing sewer lien against purchaser. Code, 16–13A–9, 38–10C–1. McClung Investments, Inc. v. Green Valley Community Public Service Dist., 1997, 485 S.E.2d 434, 199 W.Va. 490. Municipal Corporations ⇐ 712(7)

Public service district liens must be docketed to be enforceable against purchaser of property for valuable consideration, without notice. Code, 16–13A–9, 38–10C–1. McClung Investments, Inc. v. Green Valley Community Public Service Dist., 1997, 485 S.E.2d 434, 199 W.Va. 490. Gas ⇐ 14.6; Municipal Corporations ⇐ 712(7); Waters And Water Courses ⇐ 203(14)

Statute authorizing creation of public service districts confers upon public service board authority to create mortgage lien on the property of public service district, and action of legislature conferring such authority was within the legislature's power. Acts 1953, c. 147; Const. art. 10, § 8. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Municipal Corporations ⇐ 222; Municipal Corporations ⇐ 225(1)

8. Admissibility of evidence

Extrinsic evidence relating to background and negotiations with regard to forming a public service district were not admissible in regard to construction of a contract for furnishing of water, where contract language was clear and unambiguous that district was to furnish water as customer should require. Berkeley County Public Service Dist. v. Vitro Corp. of America, 1968, 162 S.E.2d 189, 152 W.Va. 252. Evidence ⇐ 448

9. Costs

Costs of proceeding whereby constitutionality of statute authorizing creation of public service districts was tested would not be taxed against defendant who was chairman of public service board and who, honestly and in good faith though mistakenly, endeavored to perform his duty in refusing to sign revenue bonds, and each litigant would pay his own costs. Acts 1953, c. 147. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Mandamus ⇐ 190

§ 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 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.

Acts 1986, c. 81.

Library References

Public Utilities ⇐145. Westlaw Topic No. 317A.

C.J.S. Public Utilities §§ 26 to 32, 159 to 167, 169 to 171, 177 to 178.

Notes of Decisions

In general 1

1. In general

Statute clearly and unambiguously gives Public Service Commission (PSC) power to reduce or increase utility rates whenever it finds that existing rate is unjust, unreasonable, insufficient, or unjustly discriminatory or otherwise in violation of any provision of legislation governing Commission. Code, 24-1-1 et seq., 24-2-3. State ex rel. Water Development Authority v. Northern Wayne County Public Service Dist., 1995, 464 S.E.2d 777, 195 W.Va. 135. Public Utilities ⇐ 123

Legislature sought to establish in Public Service Commission (PSC) governmental entity which would protect public from unfair rates and practices by public utilities and also ensure that public utilities are given competitive return for their stockholders. Code, 24-2-3. State ex rel. Water Development Authority v. Northern Wayne County Public Service Dist., 1995, 464 S.E.2d 777, 195 W.Va. 135. Public Utilities ⇐ 123; Public Utilities ⇐ 129

§ 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.

Acts 1986, c. 81; Acts 1994, c. 61.

Cross References

Public Service Commission, participation in studies, see § 24–1–1b.

Library References

Counties ⇐18, 47.
Westlaw Topic No. 104.
C.J.S. Counties §§ 31, 70 to 73.

§ 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, enforce-

ment 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.

Acts 1986, c. 81; Acts 2002, c. 272, eff. 90 days after March 9, 2002.

Library References

Counties ⇐18.
Gas ⇐12.
Municipal Corporations ⇐5, 6.
Waters and Water Courses ⇐183.5.
Westlaw Topic Nos. 104, 190, 268, 405.

C.J.S. Counties § 31.
C.J.S. Gas §§ 43 to 45.
C.J.S. Municipal Corporations § 11.
C.J.S. Waters §§ 483, 543 to 581.

§ 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, 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 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 nine-b, 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.

Acts 1953, c. 147; Acts 1965, c. 134; Acts 1967, c. 105; Acts 1975, c. 140; Acts 1980, c. 60; Acts 1981, c. 124; Acts 1986, c. 81; Acts 1995, c. 125, eff. 90 days after March 11, 1995; Acts 2002, c. 272, eff. 90 days after March 9, 2002; Acts 2005, c. 195, eff. 90 days after April 9, 2005.

Library References

Counties ⇐47.
Municipal Corporations ⇐6.
Westlaw Topic Nos. 104, 268.

C.J.S. Counties §§ 70 to 73.
C.J.S. Municipal Corporations § 11.

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Costs 6
Creation of public service districts 2
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Notice of hearing 4
Number of voters within district 5
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1. Validity

Title of act authorizing creation of public service districts in connection with acquisition, construction, maintenance, operation, improvement and extension of properties supplying water and sewerage services, clearly defines objects and purposes of act and powers of governing board, and is sufficient to meet constitutional requirements. Acts 1953, c. 147; Const. art. 6, § 30. State ex rel. McMillion v. Stahl, 1955, 90 S.E.2d 693, 141 W.Va. 233. Statutes ⇐ 128(3); Statutes ⇐ 123(5).

Statute authorizing creation of public service districts does not, in so far as it requires County Court to define territory to be included in public service district and appoint a board to govern same in first instance, involve unconstitutional delegation of judicial functions to the County Court, Acts 1953, c. 147; Const. art. 8, § 2.

State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Constitutional Law ⇐ 2355; Municipal Corporations ⇐ 4

2. Creation of public service districts

Where notice, hearing and order with respect to creation of public service district considered only the question of furnishing water, such district was created only for the purposes of furnishing water services, and had no power to condemn real estate for sewerage facilities. Code, 16-13A–1, 16–13A–2. Canyon Public Service Dist. v. Tasa Coal Co., 1973, 195 S.E.2d 647, 156 W.Va. 606. Eminent Domain ⇐ 32

Where public service district was created for purpose of furnishing water services, county court had authority to add sewerage services to the facilities of the district under appropriate proceedings. Code, 16–13A–2. Canyon Public Service Dist. v. Tasa Coal Co., 1973, 195 S.E.2d 647, 156 W.Va. 606. Municipal Corporations ⇐ 270

Statute authorizing creation of public service districts confers upon public service board authority to create mortgage lien on the property of public service district, and action of legislature conferring such authority was within the legislature's power. Acts 1953, c. 147; Const. art. 10, § 8. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Municipal Corporations ⇐ 222; Municipal Corporations ⇐ 225(1)

3. District boundaries

Public service district statute that allowed county commission to designate district's boundaries did not also empower commission to make service territories exclusive, displacing Public Service Commission's (PSC) authority to determine service rights. Code, 16–13A–2. Berkeley County Public Service Sewer Dist. v. West Virginia Public Service Com'n, 1998, 512 S.E.2d 201, 204 W.Va. 279. Counties ⇐ 47

4. Notice of hearing

Provisions of statute, with respect to creation of public service districts, which relate to the filing of the petition or motion of the county court, the description of the territory to be embraced, and like provisions are mandatory; but, despite use of the word "shall," the requirements for posting and publication of notice and the time of setting the hearing are directory and require only substantial compliance. Code, 16–13A–2. Canyon Public Service Dist. v. Tasa Coal Co., 1973, 195 S.E.2d 647, 156 W.Va. 606. Municipal Corporations ⇐ 12(3); Municipal Corporations ⇐ 12(6)

Though record with respect to creation of public service district was silent with respect to posting of notice of hearing and as to whether hearing was not more than 40 nor less than 20 days after his fixing the date for hearing as provided by statute, there was substantial compliance with statute where hearing was set some time prior to the date of the hearing, there was publication of notice more than ten days prior to the date of the hearing as required, and there were no objections either before, during or after the hearing to the creation of the district or to the procedures employed in its creation. Code, 16–13A–2. Canyon Public Service Dist. v. Tasa Coal Co., 1973, 195 S.E.2d 647, 156 W.Va. 606. Municipal Corporations ⇐ 12(6)

5. Number of voters within district

Public service district was not void because there were not 100 legal voters owning property within the district. Code, 16–13A–2. Canyon Public Service Dist. v. Tasa Coal Co., 1973, 195 S.E.2d 647, 156 W.Va. 606. Municipal Corporations ⇐ 6

6. Costs

Costs of proceeding whereby constitutionality of statute authorizing creation of public service districts was tested would not be taxed against defendant who was chairman of public service board and who, honestly and in good faith, though mistakenly, endeavored to perform his duty in refusing to sign revenue bonds, and each litigant would pay his own costs. Acts 1953, c. 147. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Mandamus ⇐ 190

7. Referendum

A public service district, once created by county court, not subject to referendum on issue to continue or be abolished. 52 W.Va. Op.Atty. Gen. 33 (August 11, 1966) 1966 WL 87428.

§ 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 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 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.

Acts 1953, c. 147; Acts 1965, c. 134; Acts 1971, c. 72; Acts 1981, c. 124; Acts 1983, c. 166; Acts 1986, c. 81; Acts 1994, c. 61; Acts 1997, c. 159, eff. 90 days after April 12, 1997; Acts 2002, c. 272, eff. 90 days after March 9, 2002.

Law Review and Journal Commentaries

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

"Yes, West Virginia, there is a special priority for the purchase money mortgage:" The recognition of purchase money mortgage priority in West Virginia. Abraham M. Ashton, 107 W. Va. L. Rev. 525 (2005).

Library References

Counties ⇐18.
Municipal Corporations ⇐6.
Westlaw Topic Nos. 104, 268.

C.J.S. Counties § 31.
C.J.S. Municipal Corporations § 11.

Notes of Decisions

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Removal of members 4
Sale of water 6
Standard of care 2
Tort Claims Act 7

1. In general

Board members of the Mt. Zion Public Service District cannot be compensated for performing the duties of treasurer and/or secretary

for the Mt. Zion Public Service District; furthermore, a board member may not be compensated for reading meters for the Mt. Zion Public Service District. 63 W.Va. Op.Atty.Gen. 2 (July 14, 1988) 1988 WL 483329.

2. Standard of care

Public service district owes duty of reasonable care to avoid damage to property of others with respect to maintenance of water lines. McCloud v. Salt Rock Water Public Service Dist., 2000, 533 S.E.2d 679, 207 W.Va. 453. Waters And Water Courses ⇐ 205

3. Ministerial officers, generally

Public policy of West Virginia, as evidenced by statute making it unlawful for county or district board member or officer to be or become pecuniarily interested in proceeds of any contract or service over which he might have any voice, influence, or control, is not directed against actual fraud or collusion but is for purpose of preventing those acts and eliminating any opportunity therefor, and purpose of statute is to protect public funds and give official recognition to fact that person cannot properly represent public in transacting business with himself. Code, 61–10–15. State v. Neary, 1987, 365 S.E.2d 395, 179 W.Va. 115. Courts ⇐ 55; Judges ⇐ 21

4. Removal of members

Public Service District board member can be removed by majority vote of registered voters. 51 W.Va. Op.Atty.Gen. 564 (November 10, 1965) 1965 WL 92492.

5. Criminal responsibility of members

County commissioner's conviction for being or becoming pecuniarily interested in contract over which he might have some voice or influence was supported by evidence of his continued performance of contract maintenance work for public service district after his election to commission. Code, 61–10–15. State v. Neary, 1987, 365 S.E.2d 395, 179 W.Va. 115. Counties ⇐ 60

6. Sale of water

Public Service Districts may sell, at wholesale, bulk water to other municipal corporations. 51 W.Va. Op.Atty.Gen. 739 (March 16, 1966) 1966 WL 87469.

7. Tort Claims Act

Tort Claims Act's protection extended to public service districts, under the Act's definition of political subdivision, which included the term "public service districts," despite general authorization for public service districts to "sue and be sued," in the Public Health statutes. Zirkle v. Elkins Road Public Service Dist., 2007, 655 S.E.2d 155. Waters And Water Courses ⇐ 183.5

§ 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.

Acts 1963, c. 75; Acts 1971, c. 72; Acts 1981, c. 124; Acts 1986, c. 81.

Library References

Counties ⇐45.
Public Utilities ⇐145.
Westlaw Topic Nos. 104, 317A.

C.J.S. Counties § 67.
C.J.S. Public Utilities §§ 26 to 32, 159 to 167, 169 to 171, 177 to 178.

Notes of Decisions

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Ministerial officers, generally 2
Sufficiency of evidence 3

1. Criminal responsibility of members

Upon becoming member of county commission, person who is pecuniarily interested in proceeds of any contract or service with public service district violates criminal conflict of interest statute; by virtue of that position, that person has some voice, influence, or control over continuation of contract. Code, 61–10–15. State v. Neary, 1987, 365 S.E.2d 395, 179 W.Va. 115. Counties ⇐ 60

2. Ministerial officers, generally

Public policy of West Virginia, as evidenced by statute making it unlawful for county or district board member or officer to be or become pecuniarily interested in proceeds of any contract or service over which he might have any voice, influence, or control, is not directed against actual fraud or collusion but is for purpose of preventing those acts and eliminating any opportunity therefor, and purpose of statute is to protect public funds and give official recognition to fact that person cannot properly represent public in transacting business with himself. Code, 61–10–15. State v. Neary, 1987, 365 S.E.2d 395, 179 W.Va. 115. Courts ⇐ 55; Judges ⇐ 21

3. Sufficiency of evidence

County commissioner's conviction for being or becoming pecuniarily interested in contract over which he might have some voice or influence was supported by evidence of his continued performance of contract maintenance work for public service district after his election to commission. Code, 61–10–15. State v. Neary, 1987, 365 S.E.2d 395, 179 W.Va. 115. Counties ⇐ 60

Conflict of interest indictment against county commissioner was sufficient even though it did not characterize commissioner's interest as pecuniary, and commissioner was not entitled to bill of particulars. Code, 61–10–15. State v. Neary, 1987, 365 S.E.2d 395, 179 W.Va. 115. Counties ⇐ 60

§ 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, 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.

Acts 1953, c. 147; Acts 1981, c. 124; Acts 1986, c. 81; Acts 1997, c. 159, eff. 90 days after April 12, 1997; Acts 2000, c. 199, eff. 90 days after March 11, 2000; Acts 2005, c. 196, eff. 90 days after April 8, 2005.

Library References

Counties ⇐68, 87.
Municipal Corporations ⇐161.
Westlaw Topic Nos. 104, 268.

C.J.S. Counties §§ 107 to 118, 128.
C.J.S. Municipal Corporations §§ 372 to 390.

Notes of Decisions

In general 1

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1. In general

Board members of the Mt. Zion Public Service District cannot be compensated for performing the duties of treasurer and/or secretary for the Mt. Zion Public Service District; furthermore, a board member may not be compensated for reading meters for the Mt. Zion Public Service District. 63 W.Va. Op.Atty.Gen. 2 (July 14, 1988) 1988 WL 483329.

§ 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.

Acts 1953, c. 147; Acts 1981, c. 124; Acts 1986, c. 81; Acts 2002, c. 272, eff. 90 days after March 9, 2002.

Library References

Counties ⇐65, 68.
Municipal Corporations ⇐149, 161.
Westlaw Topic Nos. 104, 268.
C.J.S. Counties §§ 101 to 103, 107 to 118.
C.J.S. Municipal Corporations §§ 361 to 366, 368, 372 to 390.

§ 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.

Acts 1953, c. 147; Acts 1981, c. 124.

Library References

Counties ⇐65, 68, 87.
Municipal Corporations ⇐149, 161, 170.
Westlaw Topic Nos. 104, 268.
C.J.S. Counties §§ 101 to 103, 107 to 118, 128.
C.J.S. Municipal Corporations §§ 361 to 366, 368, 372 to 405.

§ 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, chapter fifty-nine of this code, and the publication area for such publication shall be as specified in section two 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.

Acts 1953, c. 147; Acts 1967, c. 105; Acts 1981, c. 124; Acts 1982, c. 24; Acts 1986, c. 81; Acts 1997, c. 159, eff. 90 days after April 12, 1997; Acts 2002, c. 272, eff. 90 days after March 9, 2002.

Library References

Counties ⇐107.
Municipal Corporations ⇐711.
Public Utilities ⇐114.
Westlaw Topic Nos. 104, 268, 317A.

C.J.S. Counties § 147.
C.J.S. Municipal Corporations § 1535.
C.J.S. Public Utilities §§ 5 to 9, 202 to 207.

§ 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.

Acts 1953, c. 147; Acts 1980, c. 60; Acts 1981, c. 124; Acts 2002, c. 272, eff. 90 days after March 9, 2002.

Library References

Counties ⇐103, 104.
Eminent Domain ⇐6, 16.
Municipal Corporations ⇐221, 224.
Westlaw Topic Nos. 104, 148, 268.

C.J.S. Counties §§ 143 to 144, 147.
C.J.S. Municipal Corporations §§ 873 to 880.
C.J.S. Property § 17.

Notes of Decisions

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1. Validity

Title of act authorizing creation of public service districts in connection with acquisition, construction, maintenance, operation, improvement and extension of properties supplying wa-

ter and sewerage services, clearly defines object and purposes of act and powers of governing board, and is sufficient to meet constitutional requirements. Acts 1953, c. 147; Const. art. 6, § 30. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Statutes ⇐ 123(3); Statutes ⇐ 123(5)

Property of public service district is public property used for public purposes, and, under constitutional provision that public property shall be exempt from taxation, statute authorizing creation of public service districts and granting tax exemption was not violative of constitutional provision requiring that taxation be equal and uniform throughout state. Acts 1953, c. 147, § 1 et seq.; Const. art. 10, § 1. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Taxation ⇐ 2289

2. In general

Statute providing that private property may be taken or damaged for a number of specified purposes amounts to legislative declaration of public purposes within meaning of laws, and it is a judicial question whether such declaration is consonant with organic law. Acts 1949, c. 59; Const. art. 3, § 9. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Constitutional Law ⇐ 2510

3. Eminent domain powers

Although construction of new facility proposed by utility will often require taking of private property through eminent domain, absent express statutory language Public Service Commission (PSC) has no duty to review and decide issues that are inherent in eminent domain proceeding. Sexton v. Public Service Com'n, 1992, 423 S.E.2d 914, 188 W.Va. 305. Public Utilities ⇐ 114

Statute providing that private property may be taken or damaged for a number of specified purposes is consonant with organic law and is constitutional. Acts 1949, c. 59; Const. art. 3, § 9. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Eminent Domain ⇐ 3

4. Valuation of property

Although landowner is competent to give estimate of value of property in eminent domain proceeding, that valuation is not conclusive; government agency may rely on appraisal report concerning estimated value of property to be taken. Sexton v. Public Service Com'n, 1992, 423 S.E.2d 914, 188 W.Va. 305. Evidence ⇐ 568(4)

5. Environmental assessment

Whether construction of sewage lagoons would constitute "nuisance" does not defeat Public Service Commission's (PSC) jurisdiction to issue certificate of public convenience and necessity; while PSC may assess environmental considerations, chief inquiry by PSC is need of public for project. Code, 24–2–11. Sexton v. Public Service Com'n, 1992, 423 S.E.2d 914, 188 W.Va. 305. Municipal Corporations ⇐ 708

6. Connections with sewers or drains

City, rather than sewer and water districts, was entitled to provide sewer and water services to newly developed tract that was within districts' boundaries, but was annexed to city, where such services were not previously furnished to tract. Code, 16–13A–8. Berkeley County Public Service Sewer Dist. v. West Virginia Public Service Com'n, 1998, 512 S.E.2d 201, 204 W.Va. 279. Municipal Corporations ⇐ 712(1); Waters And Water Courses ⇐ 201

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 to extend water and/or sewer service which were not being previously furnished to the tract by the public service district, and under those circumstances, a public service district would need the consent of the municipality and the Public Service Commission (PSC) in order to provide such service. Code, 16–13A–8. Berkeley County Public Service Sewer Dist. v. West Virginia Public Service Com'n, 1998, 512 S.E.2d 201, 204 W.Va. 279. Municipal Corporations ⇐ 712(1); Waters And Water Courses ⇐ 201; Waters And Water Courses ⇐ 202

7. Public corporation

A public service district is a public corporation and does not come within constitutional provision which in substance provides that all corporations shall be created by general laws and which is applicable to private corporations. Acts 1953, c. 147, § 1 et seq.; Const. art. 11, § 1. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Statutes ⇐ 80(3)

§ 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, 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, 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 munici-

pal 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, 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, article eleven, chapter twenty-two of this code, is exempt from the provisions of this section.

Acts 1953, c. 147; Acts 1965, c. 134; Acts 1980, c. 60; Acts 1981, c. 124; Acts 1986, c. 81; Acts 1989, c. 174; Acts 1994, c. 61; Acts 2002, c. 272, eff. 90 days after March 9, 2002; Acts 2003, c. 183, eff. 90 days after March 8, 2003.

Law Review and Journal Commentaries

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

"Yes, West Virginia, there is a special priority for the purchase money mortgage:" The recognition of purchase money mortgage priority in West Virginia. Abraham M. Ashton, 107 W. Va. L. Rev. 525 (2005).

Library References

Gas ⇐14.6.
Municipal Corporations ⇐712.
Waters and Water Courses ⇐203.
Westlaw Topic Nos. 190, 268, 405.

C.J.S. Gas §§ 64, 84 to 85.
C.J.S. Municipal Corporations § 1535.
C.J.S. Waters §§ 483, 666 to 732.

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Notice of availability of sewer service 5
Public service district liens 3
Rates and charges for service 4
Takings 2
Validity 1

1. Validity

In statute authorizing creation of public service districts, provision for delinquent fixed rates and charges for services rendered to be lien on premises served was not unconstitutional as depriving owners of property without due process of law or as violating Fourteenth Amendment of United States Constitution or applicable provisions of State Constitution. Acts 1953, c. 147, § 1 et seq.; Const. art. 3, §§ 9, 10; U.S.C.A.Const. Amend. 14. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Constitutional Law ⇐ 4416; Municipal Corporations ⇐ 408(1)

2. Takings

Public service district's requiring property owner to connect onto its sewer system and to abandon private sewer system located on property was not a taking of private property without just compensation. Const. Art. 3, § 9; Code, 16–13A–9; U.S.C.A. Const.Amend. 5. Kingmill Valley Public Service Dist. v. River-

view Estates Mobile Home Park, Inc., 1989, 386 S.E.2d 483, 182 W.Va. 116. Eminent Domain ⇐ 2.18

Statute providing that private property may be taken or damaged for a number of specified purposes amounts to legislative declaration of public purposes within meaning of laws, and it is a judicial question whether such declaration is consonant with organic law. Acts 1949, c. 59; Const. art. 3, § 9. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Constitutional Law ⇐ 2510

3. Public service district liens

Public service district liens must be docketed to be enforceable against purchaser of property for valuable consideration, without notice. Code, 16–13A–9, 38–10C–1. McClung Investments, Inc. v. Green Valley Community Public Service Dist., 1997, 485 S.E.2d 434, 199 W.Va. 490. Gas ⇐ 14.6; Municipal Corporations ⇐ 712(7); Waters And Water Courses ⇐ 203(14)

Public service district's failure to docket notice of lien prior to date purchaser recorded deed of trust prevented district from enforcing sewer lien against purchaser. Code, 16–13A–9, 38–10C–1. McClung Investments, Inc. v. Green Valley Community Public Service Dist., 1997, 485 S.E.2d 434, 199 W.Va. 490. Municipal Corporations ⇐ 712(7)

If owner, tenant or occupant of garage apartment did not receive notice that public service district's sewer facilities were available for apartment, district would have been without statutory authority to impose charges and a lien against apartment for sewer services, though the apartment was on a lot containing another dwelling which was properly subject to sewer service charges. Code, 16–13A–9, 16–13A–21. Rhodes v. Malden Public Service Dist., 1983, 301 S.E.2d 601, 171 W.Va. 645. Municipal Corporations ⇐ 712(7)

Statute authorizing creation of public service districts confers upon public service board authority to create mortgage lien on the property of public service district, and action of legislature conferring such authority was within the legislature's power. Acts 1953, c. 147; Const. art. 10, § 8. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Municipal Corporations ⇐ 222; Municipal Corporations ⇐ 225(1)

4. Rates and charges for service

Statute clearly and unambiguously gives Public Service Commission (PSC) power to reduce or increase utility rates whenever it finds that existing rate is unjust, unreasonable, insufficient, or unjustly discriminatory or otherwise in violation of any provision of legislation governing Commission. Code, 24–1–1 et seq., 24–2–3. State ex rel. Water Development Authority v. Northern Wayne County Public Service Dist., 1995, 464 S.E.2d 777, 195 W.Va. 135. Public Utilities ⇐ 123

Corporations holding sewer revenue bonds of public service district, a public corporation and political subdivision of state, had right by mandamus to enforce and compel district and members of the Public Service Board to establish, charge and collect rates for services rendered by district sufficient to provide for all operational and maintenance expenses, to pay, when due, principal and interest of revenue bonds issued by district, and to file tariffs reflecting such charges with Public Service Commission. Code, 16–13A–1 et seq., 16–13A–9, 16–13A–10, 16–13A–13, 16–13A–17. State ex rel. Allstate Ins. Co. v. Union Public Service Dist., 1966, 151 S.E.2d 102, 151 W.Va. 207. Mandamus ⇐ 110

Duty imposed on public service district, a public corporation and political subdivision of state, to establish rates and charges sufficient to pay cost of maintenance, operation and depreciation of properties of district and principal of and interest on all bonds issued by district is nondiscretionary duty which may be enforced by mandamus. Code, 16–13A–9. State ex rel. Allstate Ins. Co. v. Union Public Service Dist., 1966, 151 S.E.2d 102, 151 W.Va. 207. Mandamus ⇐ 80

5. Notice of availability of sewer service

Issue of fact as to whether owner or tenant had received notice that public service district's sewer services were available for garage apartment, so as to allow imposition of sewer service charges and a lien against apartment, was not appropriate for resolution in mandamus proceeding. Code, 16–13A–9, 16–13A–21. Rhodes v. Malden Public Service Dist., 1983, 301 S.E.2d 601, 171 W.Va. 645. Mandamus ⇐ 174

§ 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 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.

Acts 1982, c. 74.

Library References

Gas ⇐14.6.
Municipal Corporations ⇐712.
Waters and Water Courses ⇐203.
Westlaw Topic Nos. 190, 268, 405.

C.J.S. Gas §§ 64, 84 to 85.
C.J.S. Municipal Corporations § 1535.
C.J.S. Waters §§ 483, 666 to 732.

§ 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.

Acts 1953, c. 147; Acts 1981, c. 124.

Library References

Counties ⇐154.5.
Municipal Corporations ⇐879.
Westlaw Topic Nos. 104, 268.

C.J.S. Municipal Corporations §§ 1621 to 1622.

Notes of Decisions

In general 1

1. In general

Corporations holding sewer revenue bonds of public service district, a public corporation and political subdivision of state, had right by mandamus to enforce and compel district and members of the Public Service Board to establish, charge and collect rates for services rendered by district sufficient to provide for all operational and maintenance expenses, to pay, when due, principal and interest of revenue bonds issued by district, and to file tariffs reflecting such charges with Public Service Commission. Code, 16–13A–1 et seq., 16–13A–9, 16–13A–10, 16–13A–13, 16–13A–17. State ex rel. Allstate Ins. Co. v. Union Public Service Dist., 1966, 151 S.E.2d 102, 151 W.Va. 207. Mandamus ⇐ 110

§ 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, 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.

Acts 1953, c. 147; Acts 1981, c. 124; Acts 1986, c. 81.

Library References

Counties ⇐154.5.
Municipal Corporations ⇐879.
Westlaw Topic Nos. 104, 268.

C.J.S. Municipal Corporations §§ 1621 to 1622.

§ 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.

Acts 1953, c. 147; Acts 1981, c. 124.

Library References

Counties ⇐158.
Municipal Corporations ⇐883.
Westlaw Topic Nos. 104, 268.

C.J.S. Counties § 198.
C.J.S. Municipal Corporations §§ 1626, 1635.

§ 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 resolution 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.

Acts 1953, c. 147; Acts 1970, c. 11; Acts 1970, c. 12; Acts 1970, 1st Ex. Sess., c. 2; Acts 1980, c. 33; Acts 1981, 1st Ex. Sess., c. 2; Acts 1989, c. 174.

Library References

Counties ⇐174.
Municipal Corporations ⇐911.
Westlaw Topic Nos. 104, 268.

C.J.S. Counties § 218.
C.J.S. Municipal Corporations §§ 1647 to 1649.

Notes of Decisions

In general 1

1. In general

Corporations holding sewer revenue bonds of public service district, a public corporation and political subdivision of state, had right by mandamus to enforce and compel district and members of the Public Service Board to establish, charge and collect rates for services rendered by district sufficient to provide for all operational and maintenance expenses, to pay, when due, principal and interest of revenue bonds issued by district, and to file tariffs reflecting such charges with Public Service Commission. Code, 16–13A–1 et seq., 16–13A–9, 16–13A–10, 16–13A–13, 16–13A–17. State ex rel. Allstate Ins. Co. v. Union Public Service Dist., 1966, 151 S.E.2d 102, 151 W.Va. 207. Mandamus ⇐ 110

Two acts amending same Code section in same manner except as to maximum interest rate of bonds, enacted on same date at same legislative session, and impossible to determine which passed after the other, that having lower maximum interest rate will govern. 53 W.Va. Op.Atty.Gen. 418 (April 8, 1970) 1970 WL 116579.

§ 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.

Acts 1953, c. 147; Acts 2002, c. 272, eff. 90 days after March 9, 2002.

Library References

Counties ⇐154.5.
Municipal Corporations ⇐879.
Westlaw Topic Nos. 104, 268.

C.J.S. Municipal Corporations §§ 1621 to 1622.

§ 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.

Acts 1953, c. 147.

Library References

Counties ⇐183.
Municipal Corporations ⇐950(15).
Westlaw Topic Nos. 104, 268.

C.J.S. Counties § 222.
C.J.S. Municipal Corporations §§ 1708 to 1709.

United States Code Annotated

Trust Indenture Act of 1939, see 15 U.S.C.A. § 77aaa et seq.

§ 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.

Acts 1953, c. 147.

Library References

Counties ⇐186.5.
Municipal Corporations ⇐951.
Westlaw Topic Nos. 104, 268.

C.J.S. Municipal Corporations §§ 1704 to 1705.

§ 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.

Acts 1953, c. 147.

Library References

Counties ⇐188.
Municipal Corporations ⇐937, 955.
Westlaw Topic Nos. 104, 268.

C.J.S. Counties § 226.
C.J.S. Municipal Corporations §§ 1707, 1711.

Notes of Decisions

In general 1

1. In general

Corporations holding sewer revenue bonds of public service district, a public corporation and political subdivision of state, had right by mandamus to enforce and compel district and members of the Public Service Board to establish, charge and collect rates for services rendered by district sufficient to provide for all operational and maintenance expenses, to pay, when due, principal and interest of revenue bonds issued by district, and to file tariffs reflecting such charges with Public Service Commission. Code, 16–13A–1 et seq., 16–13A–9, 16–13A–10, 16–13A–13, 16–13A–17. State ex rel. Allstate Ins. Co. v. Union Public Service Dist., 1966, 151 S.E.2d 102, 151 W.Va. 207. Mandamus ⇐ 110

§ 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.

Acts 1953, c. 147.

Library References

Counties ⇐114.
Municipal Corporations ⇐328.
Westlaw Topic Nos. 104, 268.

C.J.S. Counties § 161.
C.J.S. Municipal Corporations §§ 1027 to 1029.

§ 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, 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.

Acts 1963, c. 75; Acts 1981, c. 124; Acts 1986, c. 81; Acts 1997, c. 160, eff. 90 days after April 10, 1997; Acts 2002, c. 272, eff. 90 days after March 9, 2002.

Library References

Counties ⇐110.
Municipal Corporations ⇐225.
Westlaw Topic Nos. 104, 268.

C.J.S. Counties § 147.
C.J.S. Municipal Corporations §§ 882 to 892.

§ 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.

Acts 1953, c. 147.

Library References

Counties ⇐188.
Municipal Corporations ⇐937, 955.
Westlaw Topic Nos. 104, 268.

C.J.S. Counties § 226.
C.J.S. Municipal Corporations §§ 1707, 1711.

Notes of Decisions

In general 1

1. In general

Statute authorizing creation of public service districts confers upon public service board authority to create mortgage lien on the property of public service district, and action of legislature conferring such authority was within the legislature's power. Acts 1953, c. 147; Const. art. 10, § 8. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Municipal Corporations ⇐ 222; Municipal Corporations ⇐ 225(1)

§ 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.

Acts 1953, c. 147.

Library References

Counties ⇐175.
Municipal Corporations ⇐913.
Westlaw Topic Nos. 104, 268.
C.J.S. Counties § 218.
C.J.S. Municipal Corporations §§ 1647 to 1648, 1651.

§ 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.

Acts 1953, c. 147; Acts 1986, c. 81; Acts 1994, c. 61.

Library References

Counties ⇐18.
Municipal Corporations ⇐5.
Taxation ⇐2316, 3519.
Westlaw Topic Nos. 104, 268, 371.
C.J.S. Counties § 31.
C.J.S. Municipal Corporations § 11.

Notes of Decisions

In general 2
Validity 1

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1. Validity

Statute authorizing creation of public service districts violates no provision of State Constitution, nor is it violative of Fourteenth Amendment to United States Constitution. Act 1953, c. 147; U.S.C.A.Const. Amend. 14. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Constitutional Law ⇐ 4056; Municipal Corporations ⇐ 4

Statute authorizing creation of public service districts does not, in so far as it requires County Court to define territory to be included in public service district and appoint a board to govern same in first instance, involve unconstitutional

delegation of judicial functions to the County Court, Acts 1953, c. 147; Const. art. 8, § 24. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Constitutional Law ⇐ 2355; Municipal Corporations ⇐ 4

2. In general

Statute authorizing creation of public service districts confers upon public service board authority to create mortgage lien on the property of public service district, and action of legislature conferring such authority was within the legislature's power. Acts 1953, c. 147; Const. art. 10, § 8. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Municipal Corporations ⇐ 222; Municipal Corporations ⇐ 225(1)

Title of act authorizing creation of public service districts in connection with acquisition, construction, maintenance, operation, improvement and extension of properties supplying water and sewerage services, clearly defines object and purposes of act and powers of governing board, and is sufficient to meet constitutional requirements. Acts 1953, c. 147; Const. art. 6, § 30. State ex rel. McMillion v. Stahl, 1955, 89 S.E.2d 693, 141 W.Va. 233. Statutes ⇐ 123(3); Statutes ⇐ 123(5)

§ 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 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.

Acts 1958, c. 14; Acts 1960, c. 19.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Counties ⇐18.
Municipal Corporations ⇐5.
Westlaw Topic Nos. 104, 268.

C.J.S. Counties § 31.
C.J.S. Municipal Corporations § 11.

§ 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 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.

Acts 1958, c. 14; Acts 1960, c. 19; Acts 1965, c. 134.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Counties ⇐47.
Municipal Corporations ⇐166.
Westlaw Topic Nos. 104, 268.

C.J.S. Counties §§ 70 to 73.
C.J.S. Municipal Corporations §§ 369 to 371.

§ 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.

Acts 1958, c. 14; Acts 1980, c. 60; Acts 1981, c. 124; Acts 1986, c. 118; Acts 2002, c. 272, eff. 90 days after March 9, 2002.

Library References

Counties ⇐149.
Municipal Corporations ⇐864(3).
Westlaw Topic Nos. 104, 268.

C.J.S. Counties §§ 185, 187.
C.J.S. Municipal Corporations §§ 1583 to 1585, 1587.

Notes of Decisions

In general 1

1. In general

The borrowing by PSD's of money from counties and/or municipalities, as evidenced by a note, is permissible borrowing under this section. 62 W.Va. Op.Atty.Gen. 27 (May 6, 1988) 1988 WL 483331.

§ 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, twenty or twenty-four of this article without the prior consent and approval of the Public Service Commission: *Provided*, That approval of funding set forth in section eleven, article two, chapter twenty-four of this code or this section is not required if the funding is for a project which has received a certificate of public convenience and necessity after the eighth day of July, two thousand five, from the commission and where the cost of the project changes but the change does not affect the rates established for the project.

(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 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 provision of chapter twenty-four of this code when a public service district is seeking to acquire or construct public service property.

Acts 1969, 1st Ex. Sess., c. 6; Acts 1981, c. 124; Acts 1986, c. 81; Acts 1996, c. 213, eff. 90 days after March 9, 1996; Acts 1997, c. 159, eff. 90 days after April 12, 1997; Acts 2003, c. 184, eff. 90 days after March 7, 2003; Acts 2005, c. 193, eff. 90 days after April 9, 2005; Acts 2006, c. 190, eff. 90 days after March 10, 2006.

Library References

Counties ⇐114.
Municipal Corporations ⇐270.
Public Utilities ⇐145.
Westlaw Topic Nos. 104, 268, 317A.

C.J.S. Counties § 161.
C.J.S. Public Utilities §§ 26 to 32, 159 to 167, 169 to 171, 177 to 178.

Research References

ALR Library

101 ALR 5th 287, Remedies for Sewage Treatment Plant Alleged or Deemed to be Nuisance.

Notes of Decisions

In general 1
Certificate of public convenience and necessity 2

1. In general

Proposed sewage treatment project complied with buffer zone requirements where all parties acknowledged that distance of proposed sewage lagoons from property owners' home was further than minimum buffer-zone requirement of 300 feet; Public Service Commission relied on ample evidence in record to support claim that proposed location was both cost-effective and environmentally sound. Code, 16–13A–25, 24–2–11, 24–2–11(a). Sexton v. Public Service Com'n, 1992, 423 S.E.2d 914, 188 W.Va. 305. Municipal Corporations ⇐ 708

2. Certificate of public convenience and necessity

Public Service district must obtain certificate of public convenience and necessity before it can acquire or construct public service property. Code, 16–13A–25. Sexton v. Public Service Com'n, 1992, 423 S.E.2d 914, 188 W.Va. 305. Public Utilities ⇐ 113

West's

Annotated Code of West Virginia

Using the Classification and Numbering System of the 1931 Code of West Virginia, as Amended

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Chapter 16

2009
Cumulative Annual Pocket Part

Replacing 2008 Pocket Part supplementing 2008 Main Volume

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Protection or the Environmental Quality Board and the authority provided herein to establish, maintain and collect rates, fees or charges is an additional and alternative method of financing such works and matters, and is independent of any other provision of this article insofar as the article provides for or requires the issuance of revenue bonds or the imposition of rates, fees and charges in connection with the bonds: *Provided*, That except for the method of financing such works and matters, the construction, acquisition, improvement, equipment, custody, operation, repair and maintenance of any plants, machinery or works in compliance with an order of the Secretary of the Department of Environmental Protection or the Environmental Quality Board and the rights, powers and duties of the municipality and the respective officers and departments thereof, including the sanitary board, are governed by the provisions of this article.

(k) The jurisdiction and authority provided by this section does not extend to highways, road and drainage easements and stormwater facilities constructed, owned 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.

(*l*) A municipality which has been designated by the Environmental Protection Agency as an entity to serve a West Virginia Separate Storm Sewer System community, as defined in 40 C.F.R. § 122.26, has the authority to enact ordinances or regulations which allow for the issuance of orders, the right to enter properties and the right to impose reasonable fines and penalties regarding correction of violations of municipal stormwater ordinances or regulations within the municipal watershed served by the municipal stormwater system, as long as such rules, regulations, fines or actions are not contrary to any rules or orders of the Public Service Commission.

(m) Notice of a violation of a municipal stormwater ordinance or regulation shall be served in person to the alleged violator or by certified mail, return receipt requested. The notice shall state the nature of the violation, the potential penalty, the action required to correct the violation and the time limit for making the correction. Should a person, after receipt of proper notice, fail to correct the violation of the municipal stormwater ordinance or regulation, the municipality may make or have made the corrections of the violation and bring the party into compliance with the applicable stormwater ordinance or regulation. The municipality may collect the costs of correcting the violation from the person by instituting a civil action, as long as such actions are not contrary to any rules or orders of the Public Service Commission.

(n) A municipality which has been designated by the Environmental Protection Agency as an entity to serve a West Virginia Separate Storm Sewer System community shall prepare an annual report detailing the collection and expenditure of rates, fees or charges and make it available for public review at the place of business of the governing body and the stormwater utility main office.

Acts 1955, c. 135; Acts 1967, c. 105; Acts 1994, c. 61; Acts 2001, c. 212, eff. 90 days after April 14, 2001; Acts 2008, c. 202, eff. March 8, 2008.

ARTICLE 13A

PUBLIC SERVICE DISTRICTS

Section

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

§ 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, 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 water facilities, sewer facilities or stormwater facilities and the district owns and operates another kind of facility either water or sewer, or both, 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

or stormwater 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 which provides water and sewer service, water and stormwater service or water, sewer and stormwater service has the right to terminate water service for delinquency in payment of water, sewer or stormwater 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 or stormwater district is providing water service and the district providing sewer or stormwater service experiences a delinquency in payment, the district or the municipality included within the boundaries of the sewer or stormwater district that is providing water service, upon the request of the district providing sewer or stormwater service to the delinquent account, shall terminate its water service to the customer having the delinquent sewer or stormwater 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, 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) The owner, tenant or occupant of any real property may be determined and declared to be served by a stormwater system only after each of the following conditions is met: (1) The district has been designated by the Environmental Protection Agency as an entity to serve a West Virginia Separate Storm Sewer System community, as defined in 40 C.F.R. § 122.26; (2) the district's authority has been properly expanded to operate and maintain a stormwater system; (3) the district has made available a stormwater system where stormwater from the real property affects or drains into the stormwater system; and (4) the real property is

located in the Municipal Separate Storm Sewer System's designated service area. 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. An entity providing stormwater service shall provide a tenant a report of the stormwater fee charged for the entire property and, if appropriate, that portion of the fee to be assessed to the tenant.

(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, article eleven, chapter twenty-two of this code, now or hereafter operating its own sewage disposal system pursuant to a permit issued by the Department of Environmental Protection, as prescribed by section eleven of said article is exempt from the provisions of this section.

(h) A public service district which has been designated by the Environmental Protection Agency as an entity to serve a West Virginia Separate Storm Sewer System community shall prepare an annual report detailing the collection and expenditure of rates, fees or charges and make it available for public review at the place of business of the governing body and the stormwater utility main office.

Acts 1953, c. 147; Acts 1965, c. 134; Acts 1980, c. 60; Acts 1981, c. 124; Acts 1986, c. 81; Acts 1989, c. 174; Acts 1994, c. 61; Acts 2002, c. 272, eff. 90 days after March 9, 2002; Acts 2003, c. 183, eff. 90 days after March 8, 2003; Acts 2008, c. 202, eff. March 8, 2008.

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

United States Code Annotated

Trust Indenture Act of 1939, see 15 U.S.C.A. § 77aaa et seq.

ARTICLE 13D

REGIONAL WATER AND WASTEWATER AUTHORITY ACT

§ 16–13D–11. Bonds may be secured by trust indenture

United States Code Annotated

Trust Indenture Act of 1939, see 15 U.S.C.A. § 77aaa et seq.

A RESOLUTION AND ORDER CREATING EASTERN WYOMING PUBLIC SERVICE DISTRICT AND MERGING WYCO PUBLIC SERVICE DISTRICT IN WYOMING COUNTY, WEST VIRGINIA

WHEREAS, on the 4th day of October, 2000, pursuant to Chapter 16, Article 13A, Section 2, of the West Virginia Code of 1931, as amended, the County Commission of Wyoming County, West Virginia, upon its own motion, entered a resolution and order fixing a date for a public hearing on the proposed creation of a Eastern Wyoming Public Service District and merger of WYCO Public Service District and in and by said resolution and order provided that all persons residing in or owning or having an interest in property within the proposed Eastern Wyoming Public Service District might appear before the County Commission and have the opportunity to be heard for and against the creation and merger of said districts; and,

WHEREAS, the City Council of the city of Mullens, Wyoming County, West Virginia, has consented to be included within the boundaries of the Eastern Wyoming Public Service District by resolution, which is attached hereto, and incorporated as part hereof; and,

WHEREAS, notice of this hearing was duly given in the manner provided and required by said resolution and order and by Article 13A of Chapter 16 of the West Virginia Code, and all interested persons have been afforded an opportunity of being heard for and against the creation of Eastern Wyoming Public Service District and merger of WYCO Public Servcie District, but no written protest has been filed by the requisite number of qualified voters registered and residing within said proposed Eastern Wyoming Public Service District and said County Commission has given due consideration to all matter for which such hearing was offered; and

WHEREAS, it is now deemed desirable by said County Commission to adopt a resolution and order creating and merging said Districts.

NOW, THEREFORE, be it and it is hereby resolved and ordered by the County Commission of Wyoming County, West Virginia as follows:

SECTION 1. That a Public Service District within Wyoming County, West Virginia is hereby created, and said District shall have boundaries as set forth by the map attached hereto.

SECTION 2. That said Public Service District so created shall have the name and corporate title of Eastern Wyoming Public Service District and shall constitute a public corporation and political subdivision of the State of West Virginia, having all the rights and

powers conferred on a public service district by the laws of the State of West Virginia, and particularly Article 13A of Chapter 16 of the West Virginia Code of 1931, as amended.

SECTION 3. That the County Commission of Wyoming County, West Virginia, has determined that the territory within Wyoming County, West Virginia, having the boundaries as follows:

BEGINNING at a point in the Wyoming County-Raleigh County line on a ridge southeast of Glen Rogers, with said point being a common corner with the existing boundary line of Ravencliff-McGraws-Saulsville Public Service District (RMSPSD) at Latitude 37° 42' 07" and Longitude 81° 23' 39"; thence with said RMSPSD boundary line in a southwesterly direction to Polks Gap at Latitude 37° 40' 59" and Longitude 81° 25' 31"; thence with said RMSPSD boundary line in a southwesterly direction to Saulsville Mountain in Twin Falls State Park boundary line at Latitude 37° 39' 11" and Longitude 81° 25' 57"; thence leaving said RMSPSD boundary line and meandering with Twin Falls State Park boundary line to a point just east of Cabin Creek, with point being a common corner to said RMSPSD boundary line at Latitude 37° 36' 30" and Longitude 81° 26' 43", thence with said RMSPSD boundary line in a southerly direction crossing Route 10 to the center of Guyandotte River at Latitude 37° 34' 22" and Longitude 81° 26' 43"; thence leaving said RMSPSD boundary line and continuing in a southerly direction to the Wyoming County-McDowell County line at County Route 6 at Latitude 37° 27' 36" and Longitude 81° 26' 43"; thence meandering with the said Wyoming County-McDowell County line in a southeasterly direction to the Wyoming County-Mercer County line at Latitude 37° 25' 24" and Longitude 81° 18' 26"; thence meandering with the said Wyoming County-Mercer County line in a northeasterly direction to the Wyoming County-Raleigh County line at Latitude 37° 30' 40" and Longitude 81° 13'20"; thence meandering with the said Wyoming County-Raleigh County line to the southeast corner of the Wyoming County Public Service District No. 1 (WYCOPSD) boundary at Latitude 37° 33' 45" and Longitude 81° 18' 05"; thence meandering with the said Wyoming County-Raleigh county line and the said WYCOPSD boundary line in a northwesterly direction to the northern most corner of the said WYCOPSD boundary at Latitude 37° 37' 52" and Longitude 81° 20' 37"; thence leaving the said WYCOPSD boundary and with

the Wyoming County-Raleigh County line in a northwesterly direction to the point of BEGINNING and containing 120 square miles, more or less.

This is so situated that the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying water services within such territory by said Eastern Wyoming Public Service District will be conducive to the preservation of public health, comfort and convenience of such area.

SECTION 4. That the WYCO Public Service District shall be merged with the Eastern Wyoming Public Service District.

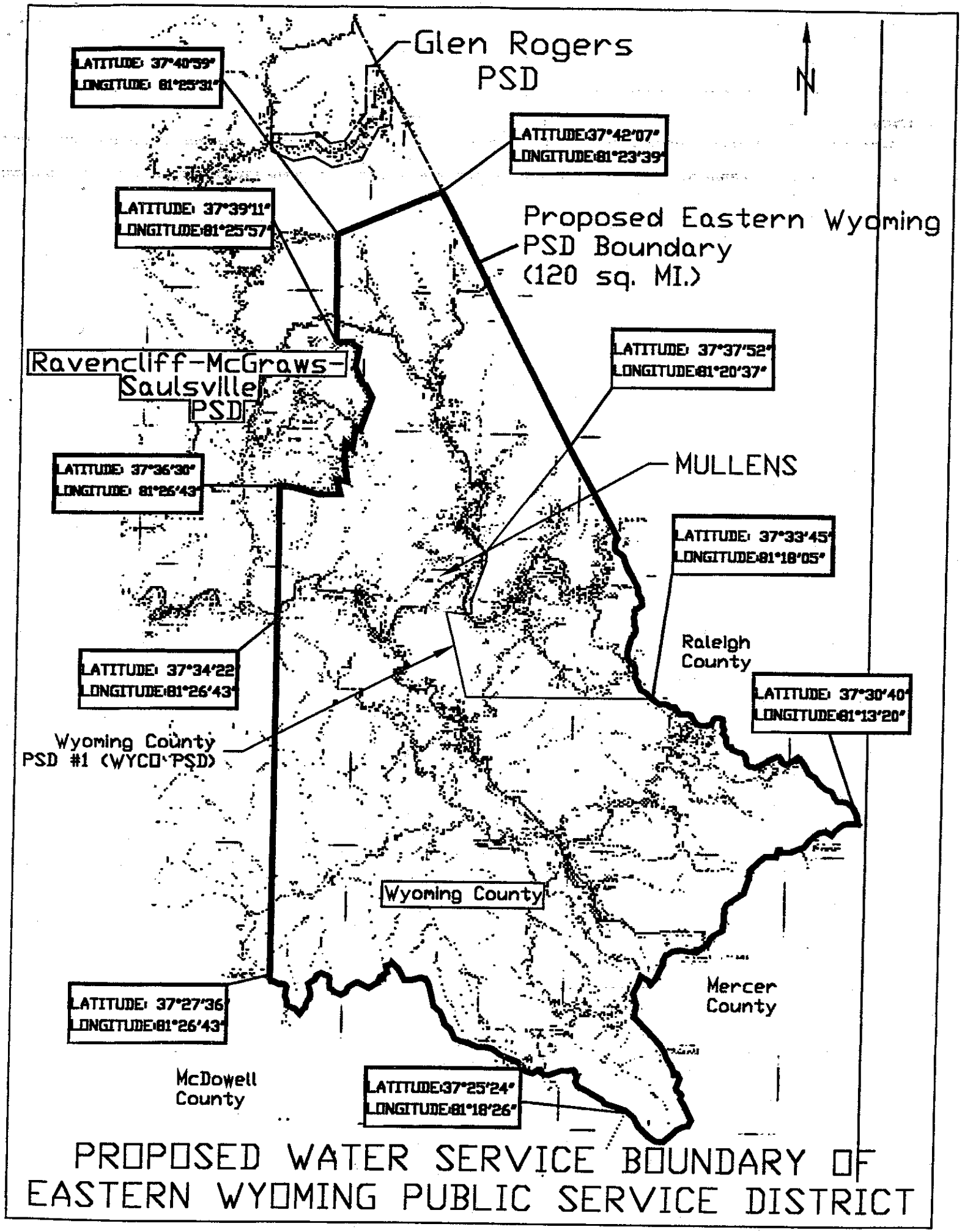
SECTION 5. That the creation of the Eastern Wyoming Public Service District and the merger of the Wyco Public Service District, as ordered herein, shall be effective on the date of the Final Order of the Public Service Commission of West Virginia approving the creation and merger.

ADOPTED BY THE COUNTY COMMISSION this 1st day of November, 2000.

H. R. Davis, President

ATTEST:

D. Michael Goode, Clerk



PROPOSED WATER SERVICE BOUNDARY OF EASTERN WYOMING PUBLIC SERVICE DISTRICT

RESOLUTION

WHEREAS, on the 4th day of October, 2000, the County Commission of Wyoming County, West Virginia, adopted a resolution and order proposing the creation of the Eastern Wyoming Public Service District to include the following territory in Wyoming County as further identified on the attached map titled "PROPOSED WATER SERVICE BOUNDARY OF EASTERN WYOMING PUBLIC SERVICE DISTRICT":

BEGINNING at a point in the Wyoming County-Raleigh County line on a ridge southeast of Glen Rogers, with said point being a common corner with the existing boundary line of Ravencliff-McGraws-Saulsville Public Service District (RMSPSD) at Latitude 37^0 42' 07" and Longitude 81^0 23' 39"; thence with said RMSPSD boundary line in a southwesterly direction to Polks Gap at Latitude 37^0 40' 59" and Longitude 81^0 25' 31"; thence with said RMSPSD boundary line in a southwesterly direction to Saulsville Mountain in Twin Falls State Park boundary line at Latitude 37^0 39' 11" and Longitude 81^0 25' 57"; thence leaving said RMSPSD boundary line and meandering with Twin Falls State Park boundary line to a point just east of Cabin Creek, with point being a common corner to said RMSPSD boundary line at Latitude 37^0 36' 30" and Longitude 81^0 26' 43", thence with said RMSPSD boundary line in a southerly direction crossing Route 10 to the center of Guyandotte River at Latitude 37^0 34' 22" and Longitude 81^0 26' 43"; thence leaving said RMSPSD boundary line and continuing in a southerly direction to the Wyoming County-McDowell County line at County Route 6 at Latitude 37^0 27' 36" and Longitude 81^0 26' 43"; thence meandering with the said Wyoming County-McDowell County line in a southeasterly direction to the Wyoming County-Mercer County line at Latitude 37^0 25' 24" and Longitude 81^0 18' 26"; thence meandering with the said Wyoming County-Mercer County line in a northeasterly direction to the Wyoming County-Raleigh County line at Latitude 37^0 30' 40" and Longitude 81^0 13'20"; thence meandering with the said Wyoming County-Raleigh County line to the southeast corner of the Wyoming County Public Service District No. 1 (WYCOPSD) boundary at Latitude 37^0 33' 45" and Longitude 81^0 18' 05"; thence meandering with the said Wyoming County-Raleigh county line and the said WYCOPSD boundary line in a northwesterly

direction to the northern most corner of the said WYCOPSD boundary at Latitude 37^0 37' 52" and Longitude 81^0 20' 37"; thence leaving the said WYCOPSD boundary and with the Wyoming County-Raleigh County line in a northwesterly direction to the point of BEGINNING and containing 120 square miles, more or less.

WHEREAS, the City of Mullens cannot be included within the boundaries of the Eastern Wyoming Public Service District without its consent; and,

WHEREAS, the City Council of Mullens is of the opinion that inclusion in the Eastern Wyoming Public Service District will be conducive to the preservation of the public health, comfort and convenience of the residents of the City of Mullens;

THEREFORE, BE IT RESOLVED that the City of Mullens does hereby consent to be included within the boundaries of the Eastern Wyoming Public Service District with respect to public water service within the City of Mullens.

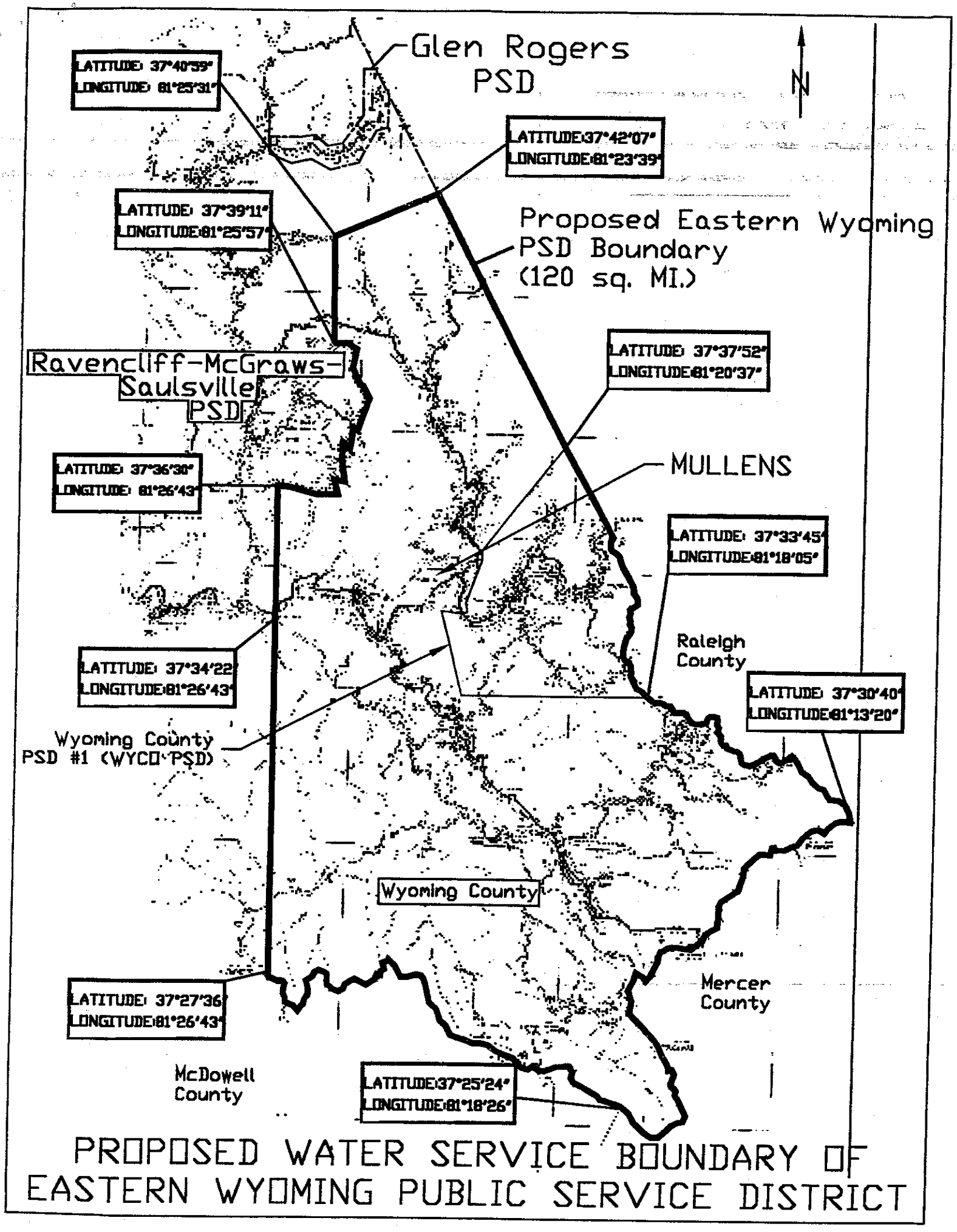
ADOPTED BY THE MULLENS CITY COUNCIL this 12th day of October, 2000.

Attest: Earl Morgan II

Its: Mayor City Manager

S. Randall Brewer

S. Randall Brewer, Mayor



PROPOSED WATER SERVICE BOUNDARY OF
EASTERN WYOMING PUBLIC SERVICE DISTRICT

IN THE COUNTY COMMISSION OF WYOMING COUNTY, WEST VIRGINIA
IN RE: RESOLUTION AND ORDER PROPOSING TO CREATE EASTERN WYOMING PUBLIC SERVICE DISTRICT AND MERGE WYCO PUBLIC SERVICE DISTRICT

On this the 4th day of October, 2000, the Wyoming County Commission, upon its own motion pursuant to Chapter 16, Article 13A, Section 2 of the West Virginia Code of 1931, as amended, proposed the creation of a Eastern Wyoming Public Service District and the merger of the WYCO Public Service District.

WHEREAS, on the 7th day of June, 1983, the Wyoming County Commission, upon its own motion by Order duly adopted, created the WYCO Public Service District in accordance with Chapter 16, Article 13A, Section 2 of the West Virginia Code of 1931, as amended.

WHEREAS, on the 22nd day of March, 1994, the Wyoming County Commission, upon its own motion by Order duly adopted, expanded the WYCO Public Service District to include certain areas of Wyoming County which were duly described in said Order.

WHEREAS, with this Order, the Wyoming County Commission proposes to merge the WYCO Public Service District with the newly created Eastern Wyoming Public Service District.

WHEREAS, it is hereby proposed that the area or part of Wyoming County included in the following described territory and indicated on the attached map titled "PROPOSED WATER SERVICE BOUNDARY OF EASTERN WYOMING PUBLIC SERVICE DISTRICT", shall be included in the Eastern Wyoming County Public Service District:

BEGINNING at a point in the Wyoming County-Raleigh County line on a ridge southeast of Glen Rogers, with said point being a common corner with the existing boundary line of Ravencliff-McGraws-Saulsville Public Service District (RMSPSD) at Latitude 37^0 42' 07" and Longitude 81^0 23' 39"; thence with said RMSPSD boundary line in a southwesterly direction to Polks Gap at Latitude 37^0 40' 59" and Longitude 81^0 25' 31"; thence with said RMSPSD

boundary line in a southwesterly direction to Saulsville Mountain in Twin Falls State Park boundary line at Latitude 37^0 39' 11" and Longitude 81^0 25' 57"; thence leaving said RMSPSD boundary line and meandering with Twin Falls State Park boundary line to a point just east of Cabin Creek, with point being a common corner to said RMSPSD boundary line at Latitude 37^0 36' 30" and Longitude 81^0 26' 43", thence with said RMSPSD boundary line in a southerly direction crossing Route 10 to the center of Guyandotte River at Latitude 37^0 34' 22" and Longitude 81^0 26' 43"; thence leaving said RMSPSD boundary line and continuing in a southerly direction to the Wyoming County-McDowell County line at County Route 6 at Latitude 37^0 27' 36" and Longitude 81^0 26' 43"; thence meandering with the said Wyoming County-McDowell County line in a southeasterly direction to the Wyoming County-Mercer County line at Latitude 37^0 25' 24" and Longitude 81^0 18' 26"; thence meandering with the said Wyoming County-Mercer County line in a northeasterly direction to the Wyoming County-Raleigh County line at Latitude 37^0 30' 40" and Longitude 81^0 13'20"; thence meandering with the said Wyoming County-Raleigh County line to the southeast corner of the Wyoming County Public Service District No. 1 (WYCOPSD) boundary at Latitude 37^0 33' 45" and Longitude 81^0 18' 05"; thence meandering with the said Wyoming County-Raleigh county line and the said WYCOPSD boundary line in a northwesterly direction to the northern most corner of the said WYCOPSD boundary at Latitude 37^0 37' 52" and Longitude 81^0 20' 37"; thence leaving the said WYCOPSD boundary and with the Wyoming County-Raleigh County line in a northwesterly direction to the point of BEGINNING and containing 120 square miles, more or less.

THEREAS, it is hereby **ORDERED** that a hearing be set on this motion to create the Eastern Wyoming Public Service District to include that part of Wyoming County as is contained in the above described territory and merge the WYCO Public Service District with the Eastern Wyoming Public Service District. It is further **ORDERED** that a hearing will be held on this matter on the 1st day of November, 2000, at 6:30 o'clock p.m. in the offices of the County Commission of Wyoming County at the Courthouse in Pineville, West Virginia.

It is further **ORDERED** that a notice of such hearing and the time and place thereof, setting forth a description of all the territory proposed to be included in said Eastern Wyoming Public Service District be given by publication as a Class I legal advertisement in the Pineville Independent Herald and the Mullens Advocate, newspapers of general circulation within the publication area and that said publication be at least ten (10) days prior to such hearing.

Furthermore, it is **ORDERED** that said notice be posted in at least five (5) conspicuous places within the area to be included in the proposed Eastern Wyoming Public Service District which contains the same information as the published notice and said posted notices be posted not less than ten (10) days before said hearing.

All persons residing in or owning or having any interest in property in such proposed area to be included in the Eastern Wyoming Public Service District shall have an opportunity to be heard for or against this proposal. At this hearing, the County Commission of Wyoming County, before which the hearing will be conducted, shall consider and determine the feasibility of creating the Eastern Wyoming Public Service District and merging the WYCO Public Service District.

ENTERED this the 4th day of October, 2000.

WYOMING COUNTY COMMISSION

H.R. Davis, President

Harold Hayden, Commissioner

Ed Harless, Commissioner

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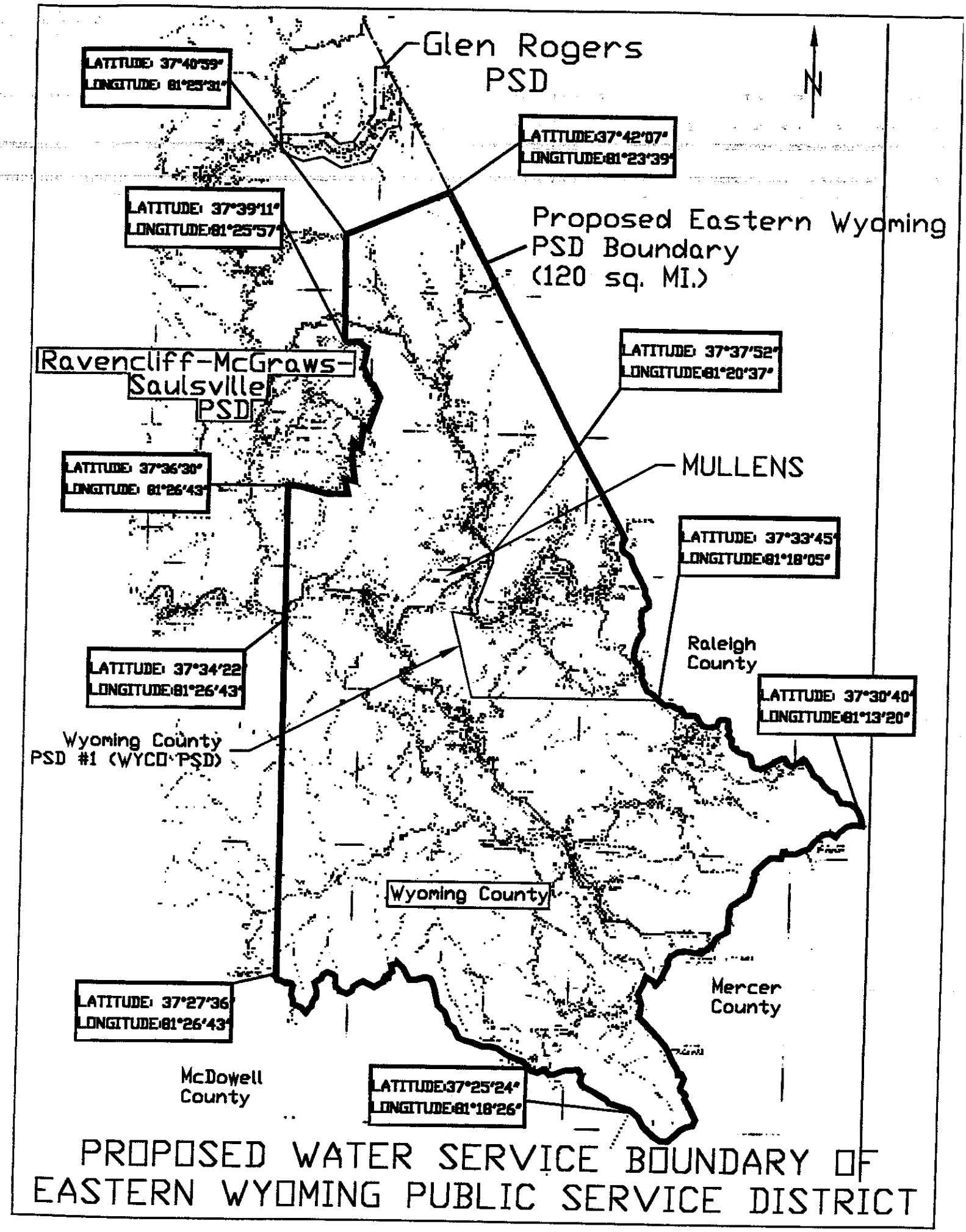

PROPOSED WATER SERVICE BOUNDARY OF EASTERN WYOMING PUBLIC SERVICE DISTRICT

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 27th day of February, 2001.

CASE NO. 00-1652-PWD-PC

WYOMING COUNTY COMMISSION
Petition for consent and approval to create the Eastern Wyoming Public Service District and for merger of the WYCO Public Service District with the Eastern Wyoming Public Service District.

COMMISSION ORDER

On November 3, 2000, the Wyoming County Commission (County Commission) filed a petition, pursuant to W.Va. Code §16-13A-2, requesting approval to create the Eastern Wyoming Public Service District (EWPSD) and to merge the WYCO Public Service District (WYCO) into the newly created EWPSD. The petition explained that the County Commission, by Order dated October 4, 2000, proposed the creation of the EWPSD and the merger of WYCO into EWPSD, for the purpose of addressing the receivership status of the water utility systems serving the towns of Corrine, Welton, and Buckeye.

On December 1, 2000, Commission Staff (Staff) filed a memorandum in this case recommending that the County Commission's petition be approved, with the modification that the Garwood, Herndon, Otsego, and Pierpont water systems also be merged into the EWPSD.

On December 8, 2000, the County Commission filed a response to Staff's memorandum and argued that adoption of Staff's recommended modification would delay the EWPSD's efforts to acquire Mullens Water Works and certain other utilities currently in receivership. The County Commission stated that it anticipates the future acquisition of the Garwood, Herndon, Otsego, and Pierpont water systems, but that such acquisition should not be a condition precedent to the Commission's approval of the creation of the EWPSD.

By Order issued December 18, 2000, the Commission adopted a procedural schedule in this case, culminating in a hearing to be held on January 24, 2001, at 1:30 p.m., Mullens City Hall, Community Room, 2nd Floor, 316 Moran Avenue, Mullens, West Virginia. The procedural schedule included a deadline of January 5, 2001, for the filing of petitions to intervene. Notice of the hearing was published in the *Pineville Independent Herald*, on December 20, 2000.

On January 3, 2001, a motion to intervene was filed by the City of Mullens, the Town of Garwood and its water system, the Town of Herndon and its water system, the Town of Otsego and its water system, the Town of Pierpont and its water system, the Herndon Heights Community Water System, and the Bud Mountain Community Water System.

The motion to intervene stated that the above referenced entities are potentially affected by the creation and merger proposed in these proceedings, in that they reside or exist within the proposed geographic boundary of the proposed public service district. The motion further stated that the entities would be potentially affected by the Staff proposal to merge "other systems into the proposed public service district."

By Order issued January 16, 2001, the Commission granted the petitions to intervene.

The hearing convened as scheduled on January 24, 2001. Mr. W. Richard Staton appeared on behalf of the Wyoming County Commission, the City of Mullens and the intervenors. Mr. Terry Owen appeared on behalf of Commission Staff. Several members of the public made statements at the hearing.

Mr. Freeman Davis, the administrator and operator of Garwood Community Water stated there have been many recent upgrades to the Garwood system and its customers did not wish to be taken over by EWPSD. (Tr. pp. 6-7).

Ms. Ella Mae Cook testified that she is a resident of Mullens and that the water quality in Mullens is poor. The water appears brownish in color. She presented a brown water sample and a dirty water filter as evidence. (Tr. p. 8-9; Protestant Exh. 1 and 2).

Mr. Owen explained that Mullens Water Works has not yet been incorporated into EWPSD. He stated that a sale is currently being negotiated between the City of Mullens and the Mullens Water Works. That option agreement would be assignable to EWPSD. Mr. Owen explained that the purpose of the hearing is to create the EWPSD. The purchase of Mullens Water Works by EWPSD cannot occur until EWPSD is properly created. Mr. Owen acknowledged that rather than have the City of Mullens purchase

Mullens Water Works and then assign the system to EWPSD, the EWPSD could purchase Mullens Water Works directly. (Tr. pp. 11-12).

Mr. Jack Feller complained that notice of the hearing was not provided in the Mullens newspaper. (Tr. p. 13). He stated that he supports the creation of EWPSD, but that the cost should not be borne solely by the citizens of Mullens. He did not believe the City should purchase Mullens Water Works. Rather, EWPSD should purchase Mullens Water Works directly. (Tr. p. 29-30)

Mrs. Carlie King testified that she is a customer of the Herndon Community Water Works system and does not want to be taken over by EWPSD. (Tr. p. 14-15). She has paid a $10 per month flat rate for seventeen (17) years. (Tr. p. 17). The Herndon Community Water Works system is located approximately nine miles from Mullens. (Tr. p. 18).

Mr. Hank Shrewsberry testified that he is a customer of the Gooney Otter Water Association and would like to be a customer of a larger water system. He believes that one public service district should serve the area between the Hinton Dam to the Baileysville Dam. Mr. Shrewsberry believes that there was not sufficient notice of this hearing, or time for citizens to prepare and plan for the hearing. (Tr. p. 18-23).

Mr. Jody Clowers suggested that the County Commission do a better job of getting the word out about hearings. He complained that notices in the Pineville newspaper are not read by most people in Mullens. (Tr. p. 24-29).

The Wyoming County Commission called Michael Goode, Clerk of the County Commission as its first witness. Mr. Goode stated that the County Commission's purpose in creating EWPSD is to resolve serious water problems in Wyco PSD, Stephenson, Buckeye, Iroquois, Corinne, Black Eagle, Black Hoe, Welton, all located along Route 16, and the City of Mullens ("Included systems"). The Mullens Water Works system was included in the boundaries because of the City of Mullens' water quality problems and because a better funding package might be available if the City were included. The application filed with the Commission did not contemplate the inclusion of the water systems serving Herndon Heights, Garwood, Bud Mountain, Otsego or Pierpont (the "Excluded systems"). The Included systems will be provided with a new water source and new piping. Mr. Goode testified that it would be difficult for the new system to serve customers of the Excluded systems because the topography of the area would make the extensions extremely difficult. The boundaries of EWPSD have been revised, however, to include the communities served by the Excluded systems so that extensions may be constructed at some future date. The current funding proposals will only build a new

water system to serve Mullens, Wyco, Stephenson, Buckeye, Iroquois, Corinne, Black Eagle, Black Hoe, and Welton. (Tr. p. 31-38).

The County Commission's second witness was David N. Cole, Assistant Executive Director of the Region I Planning and Development Council. Mr. Cole explained that this project began in 1994 in an effort to upgrade the existing Wyco Public Service District water system. The County Commission decided that the upgrade should be expanded to address other water needs in the area. The current project budget is approximately $14,580,000. The project has been awarded $3,000,000 for its construction design budget comprised of both a loan from the West Virginia Infrastructure and Jobs Development Council (Infrastructure Council) and a grant from the Corps of Engineers. The Abandoned Mines Lands Program may provide some financing. Although the HUD Small Cities and the ARC funding program rejected the project last year, the County Commission has higher hopes for funding commitments this year. The funding proposals would not cover new water service to Garwood and other areas between Mullens and the Mercer County line. Mr. Cole estimated that if all funding falls into place, construction of the new system could be completed in three (3) years. (Tr. p. 40-48).

The County Commission's third witness was Mr. Randy Brewer, Mayor of the City of Mullens. Mayor Brewer testified about the water quality problems in the City. The City was advised by the Infrastructure Council that the City needed to combine its efforts with nearby areas to obtain adequate funding to address its water problems. Mayor Brewer stated that the City has negotiated an option to purchase Mullens Water Works and that the agreement is assumable by EWPSD. The City does not have the independent means to acquire Mullens Water Works. The City hopes that the EWPSD is created as soon as possible so that it can acquire Mullens Water Works. The City would oppose the inclusion of areas into the new system that would cause a delay in funding and construction. The City has passed a resolution agreeing to be included in the EWPSD. The City has participated in negotiations with the Logan County Public Service District (Logan County PSD) to the end that Logan County PSD would operate and maintain the EWPSD system pursuant to an operation and maintenance agreement. (Tr. pp. 48-59).

The County Commission's fourth witness was Charles Richard Roberts, Managing Engineer of the Logan County Public Service District. Mr. Roberts assisted the Wyoming County Commission in producing the documentation necessary to create the EWPSD. Mr. Roberts caused the posting of the necessary County Commission orders and notices. Mr. Roberts testified that the Logan County PSD has agreed to take over operation and maintenance of the five existing systems to be included in the new EWPSD water system pursuant to a contract between Logan County PSD and EWPSD. Logan County PSD would immediately begin replacing some of the deteriorated systems. Mr. Roberts stated that the proposed service area has massive needs that will take years to address. Mr.

Roberts stated that it would not be economically feasible to add the areas served by the Excluded systems to the project. Mr. Roberts testified that Mullens Water Works had indicated a willingness to proceed with the sale of its system to EWPSD, but that the sale could not occur until the EWPSD is created. Mr. Roberts testified that it could provide daily chlorination services to the Excluded systems only with the addition of a third operator/employee. The Logan County PSD contemplates operating the EWPSD system in the short and long-term as a satellite operation with local employees. Management would continue from Logan. Initially, the water sources will be the treatment plants owned by the separate systems, but in the long-term, a new treatment plant will be constructed in the Stephenson area to satisfy the needs of the Route 16 communities and the City of Mullens. (Tr. pp. 60-74).

Mr. Staton submitted into evidence documentation that the County Commission properly resolved and ordered the creation of the EWPSD and properly published notice of its proceedings in the *Mullens Advocate* as required by state law. W.Va. Code §16-13A-2.

Commission Staff called as its sole witness Mr. Chris Farrish, Engineering Technician employed by the Public Service Commission. Mr. Farrish testified that prior to the time the Corinne Water System, Wyco PSD, Welton Water Company, Buckeye Waterworks, and Rainey Subdivision (collectively "Gulf systems") were placed into receivership, the water quality of these systems was unsatisfactory. Mr. Farrish stated that the purpose of this proceeding is to create a public service district to supply clean potable water to the Gulf systems in Eastern Wyoming County and that Commission Staff supports creation of the EWPSD. During the course of its study, Staff also became aware that the Excluded systems were not providing dependable water supplies. Staff's current plans are to petition the Commission to conduct a general investigation of the operation of the Excluded systems to determine whether the Excluded systems should be placed into receivership. The Pierpont system has been abandoned by its operators. (Tr. p. 77-88).

Following Mr. Farrish's testimony, Mr. Staton represented to the Commission that the Wyoming County Commission has no objection to adding the Otsego and Pierpont systems to the operation and maintenance agreement between the EWPSD and Logan County PSD, after those systems are legally placed into receivership. (Tr. p. 89).

Mr. Owen then represented to the Commission that Staff's position has changed from the position stated in Staff's memorandum filed on December 1, 2000. Staff no longer proposes that the areas served by Excluded systems be served by the EWPSD's proposed project. Rather, Staff plans to petition the Commission to initiate a general investigation of the operation of the Excluded systems. Within the context of the general investigation, Staff may recommend to the Commission that EWPSD take on

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responsibility for operating the Excluded systems. Staff recommends that the Commission approve the County Commission's current proposal for the creation of the EWPSD. (Tr. pp. 90-91).

Mr. Bobby Johnson made a public statement in opposition to Logan County PSD serving as operator of the EWPSD's water system. Mr. Johnson stated that he has a formal complaint against the Logan County PSD currently pending at the Public Service Commission. (Tr. p. 91-94).

DISCUSSION

A number of persons in attendance at the Commission's hearing questioned whether notice of the hearing was sufficient. There were actually two hearings held in this proceeding. The first was held by the County Commission on November 1, 2000, and the second hearing was held by the Commission on January 24, 2001. The West Virginia Code specifies the type of notice to be provided for the County Commission hearing. The Code does not specify the type of notice to be provided for the Commission's hearing. (See W.Va. Code §16-13A-2(c),(d), (f)). In the absence of specific instruction, the Commission followed its standard procedures for noticing a public hearing, and published notice in the *Pineville Independent Herald*, a newspaper of general circulation in Wyoming County. The Commission finds that the published notice was sufficient.

The Commission's review of the County Commission's application to create the EWPSD is made pursuant to W.Va. Code § 16-13A-2(f) which provides in relevant part.

> 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 . . .

Pursuant to this section of the West Virginia Code, the Commission promulgated Rule 6.1 *et seq.* of its Rules and Regulations for the Government of Public Service Districts, 150 C.S.R. 17. The rules provide as follows:

> 6.1. Upon entering an order or receipt of a petition proposing the creation, expansion, merger, consolidation, reduction or dissolution of a public service district, pursuant to West Virginia Code §16-13A-2, the county commission shall notify the Executive Secretary of the Public Service Commission of the time and place of the hearing to be held by the

county commission and shall file a copy with such order or petition with the Executive Secretary of the Public Service Commission at least ten (10) days prior to such hearing.

6.2. The county commission shall file an order creating, expanding, merging, consolidating reducing or dissolving a public service district with the Executive Secretary of the Public Service Commission within ten (10) days of entering such order.

6.3. A hearing shall be held in the county affected by a county commission order filed pursuant to rule 6.2. Such hearing may be waived if the county commission order is entered for the purpose of executing the county plan as required by West Virginia Code §16-13A-1b and as finally adopted and approved by the Public Service Commission.

6.4. After public comment and hearing the Public Service Commission shall, by order, approve, disapprove or modify a county commission order creating, expanding, merging, consolidating, reducing or dissolving a public service district. In deliberating on approval, modification or disapproval the Public Service Commission may consider, among other things:

a. Whether or not the county commission order is consistent with the county plan required by West Virginia Code §16-13A-1b as approved by the Public Service Commission;

b. the public convenience and necessity;

c. the economic feasibility, including sources of funding, costs and related benefits of the county commission's order;

d. the adequacy of facilities;

e. other facilities in the area; and

f. other possible alternatives.

The Commission finds that the record clearly establishes that the public convenience and necessity will be served by the creation of the EWPSD. (Tr. p. 31-33;

Public Service Commission of West Virginia

64). The new public service district intends to construct a new water distribution system to replace a number of failing systems. (Tr. p. 63-64). Furthermore, in the short-term, the EWPSD will improve service to customers served by the included systems by placing the management and operations of the failing systems with the Logan County PSD. (Tr. p. 53; 59; 62-65).

Secondly, we find that the County Commission's order creating the EWPSD is economically feasible if the projected funding is obtained. (Tr. p. 40-48). The economic feasibility of the EWPSD's proposed new water distribution system will, of course, be separately examined by the Commission in the future when the EWPSD files its application for a certificate of convenience and necessity for that project. The Commission will review that application in a separate proceeding.

As to the adequacy of facilities, the evidence is clear that the poor condition of the current facilities within the boundaries of the new EWPSD makes creation of the EWPSD desirable.

Finally, the Commission notes that the County Commission has inquired of other utilities operating in the vicinity and in the State, including the West Virginia-American Water Company, and that none have indicated a willingness to address the needs of Eastern Wyoming County. (Statements of Mr. Staton in response to questions posed by Mr. Clowers, Tr. p. 95-96).

Based on the foregoing, the Commission will consent to and approve the County Commission's order creating the EWPSD.

FINDINGS OF FACT

1. The County Commission seeks Commission consent and approval of the creation of the Eastern Wyoming Public Service District and the merger of Wyco PSD into EWPSD pursuant to W.Va. Code §16-13A-2. (See Application filed November 3, 2000).

2. The County Commission intends that the new EWPSD will eventually resolve water quality problems present in the Wyco PSD, Stephenson, Buckeye, Iroquois, Corinne, Black Eagle, Black Hoe, Welton, all located along Route 16, and the City of Mullens ("Included systems"). (Id.; Tr. p. 31-38).

3. Commission Staff initially recommended that the Commission approve the County Commission's petition with the modification that the Garwood, Herndon, Otsego, and Pierpont water systems also be merged into the EWPSD. (Staff Memorandum filed

December 1, 2000). However, Staff's position has changed. Staff no longer proposes that the areas served by Excluded systems be served by the EWPSD's proposed project. (Tr. p. 77-88; 90-91).

4. The County Commission contends that inclusion of the Excluded systems would delay the EWPSD's proposed water project and render the project not financially feasible. (Response filed December 8, 2000; Tr. p. 31-38; 60-74). The County Commission is willing to include the areas served by the Excluded system within the EWPSD's boundaries and to attempt to address the water quality problems in the Excluded systems at a later date. (Id.)

5. The City of Mullens, the Town of Garwood and its water system, the Town of Herndon and its water system, the Town of Otsego and its water system, the Town of Pierpont and its water system, the Herndon Heights Community Water System, and the Bud Mountain Community Water System petitioned to intervene and were granted intervenor status in this proceeding. (Commission Order entered January 16, 2001).

6. The County Commission held a hearing in this matter on November 1, 2000.

7. The Public Service Commission held a second hearing in this matter on January 24, 2001. Notice of the Commission hearing was published in the *Pineville Independent Herald*, on December 20, 2000.

8. Mr. Freeman Davis, the administrator and operator of Garwood Community Water, stated there have been many recent upgrades to the Garwood system and its customers did not wish to be taken over by EWPSC. (Tr. pp. 6-7).

9. Ms. Ella Mae Cook testified that she is a resident of Mullens and that the water quality in Mullens is poor. The water appears brownish in color. She presented a brown water sample and a dirty water filter as evidence. (Tr. p. 8-9; Protestant Exh. 1 and 2).

10. Mrs. Carlie King testified that she is a customer of the Herndon Community Water Works system and does not want to be taken over by EWPSD. (Tr. p. 14-15). She has paid a $10 per month flat rate for seventeen (17) years. (Tr. p. 17). The Herndon Community Water Works system is located approximately nine miles from Mullens. (Tr. p. 18).

11. Mr. Hank Shrewsberry testified that he is a customer of the Gooney Otter

Water Association and would like to be a customer of a larger water system. He believes that one public service district should serve the area between the Hinton Dam to the Baileysville Dam. (Tr. p. 18-23).

12. The City of Mullens has negotiated an option to purchase Mullens Water Works and would assign that agreement to EWPSD upon the creation of EWPSD. (Tr. pp. 11-12; 48-59).

13. The Mullens Water Works system was included in the new EWPSD because of the City of Mullens' water quality problems and because a better funding package might be available if the City were included. (Tr. p. 32).

14. The current project budget is approximately $14,580,000. The project has been awarded $3,000,000 for its construction design budget comprised of both a loan from the West Virginia Infrastructure and Jobs Development Council (Infrastructure Council) and a grant from the Corps of Engineers. The Abandoned Mines Lands Program may provide some financing. The project is considered to be 80% Wyoming/Gulf eligible. Although the HUD Small Cities and the ARC funding program rejected the project last year, the County Commission has higher hopes for funding commitments this year. (Tr. p. 40-48).

15. The funding proposals would not cover new water service to Garwood and other areas between Mullens and the Mercer County line. (Tr. p. 44-45).

16. The City of Mullens was advised by the Infrastructure Council that the City needed to combine its efforts with nearby areas to obtain adequate funding to address its water problems. The City does not have the independent means to acquire Mullens Water Works. (Tr. p. 50-51).

17. The Logan County PSD has agreed to take over operation and maintenance of the five existing systems to be included in the new EWPSD water system pursuant to a contract between Logan County PSD and EWPSD. Logan County PSD would immediately begin replacing some of the deteriorated systems. (Tr. p. 60-74).

18. The Logan County PSD believes it would not be economically feasible to add the areas served by the Excluded systems to the project. (Id.)

19. The Logan County PSD contemplates operating the EWPSD system in the short and long-term as a satellite operation with local employees. Management would continue from Logan. Initially, the water sources will be the treatment plants owned by the separate systems, but in the long-term, a new treatment plant will be constructed in the

Stephenson area to satisfy the needs of the Route 16 communities and the City of Mullens. (Id.)

20. Commission Staff supports creation of the EWPSD. (Tr. pp. 90-91).

21. Staff plans are to petition the Commission to conduct a general investigation of the operation of the Excluded systems to determine whether the Excluded systems should be placed into receivership. The Pierpont system has been abandoned by its operators. (Tr. p. 77-88).

22. The County Commission has no objection to adding the Otsego and Pierpont systems to the operation and maintenance agreement between the EWPSD and Logan County PSD, after those systems are legally placed into receivership. (Tr. p. 89).

23. The County Commission has inquired of other utilities operating in the vicinity and in the State, including the West Virginia-American Water Company, and that none have indicated a willingness to address the needs of Eastern Wyoming County. (Statements of Mr. Staton in response to questions posed by Mr. Clowers. Tr. p. 95-96).

CONCLUSIONS OF LAW

1. The County Commission properly resolved and ordered the creation of the EWPSD, and properly published and posted notice of its proceedings in the *Mullens Advocate* as required by state law. W.Va. Code §16-13A-2.

2. The West Virginia Code specifies the type of notice to be provided for the County Commission hearing. The Code does not specify the type of notice to be provided for the Commission's hearing. (See W.Va. Code §16-13A-2(c),(d). (f)).

3. Sufficient legal notice of the Commission's January 24, 2001, hearing was provided.

4. The Commission's review of the County Commission's application to create the EWPSD is made pursuant to W.Va. Code § 16-13A-2(f) and Rule 6.1 *et seq.* of the Commission's Rules and Regulations for the Government of Public Service Districts, 150 C.S.R. 17.

5. The Commission finds that the record clearly establishes that the public convenience and necessity will be served by the creation of the EWPSD. (Tr. p. 31-38; 48-59; 77-88).

6. The County Commission's order creating the EWPSD is economically feasible. The economic feasibility of the EWPSD's proposed new water distribution system will, of course, be separately examined by the Commission in the future when the EWPSD files its application for a certificate of convenience and necessity for that project. The Commission will review that application in a separate proceeding.

7. Creation of the EWPSD is appropriate in light of the poor condition of the current facilities within the boundaries of the new EWPSD. (Id.)

8. Creation of the EWPSD is appropriate in light of the lack of alternative solutions to the water supply problems and needs of Eastern Wyoming County. (Tr. p. 95-96).

9. The Commission will consent to and approve the County Commission's order creating the EWPSD.

ORDER

IT IS THEREFORE ORDERED that the petition filed by the Wyoming County Commission, pursuant to W.Va. Code §16-13A-2, for the Commission's consent and approval of the County Commission's creation of the Eastern Wyoming Public Service District (EWPSD) and merger of the WYCO Public Service District (WYCO) into the newly created EWPSD, is hereby granted.

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

IT IS FURTHER ORDERED that the Commission's Executive Secretary shall serve a copy of this order on all parties of record by First Class United States Mail, and upon Commission Staff by hand delivery.

JML/ljm
001652cb.wpd

A True Copy, Teste:

Sandra Squire

Sandra Squire
Executive Secretary

RULES OF PROCEDURE

EASTERN WYOMING PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: EASTERN WYOMING PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District (the "District") will be located at 316 Moran Avenue, Mullens, West Virginia 25882.

Section 3. The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Eastern Wyoming Public Service District West Virginia, and in the center "seal" as follows:

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

ARTICLE II

PURPOSE

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

ARTICLE III

MEMBERSHIP

Section 1. The members of the Board of the District shall be those persons appointed by The County Commission of Wyoming County, West Virginia, or otherwise appointed pursuant to the Act, who shall serve for such terms as may be specified in the order of the County Commission or otherwise.

Section 2. Should any member of the Board resign or otherwise become legally disqualified to serve as a member of the Board, the Secretary of the Board 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 Secretary shall notify the County Commission or other entity provided under the Act of the pending termination and request the County Commission or other entity provided under the Act to enter an order of appointment or re-appointment to maintain a fully qualified membership of the 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.

ARTICLE IV

MEETINGS OF THE BOARD

Section 1. The members of the Board of the District shall hold regular monthly meetings on the first Tuesday of each month at such place and hour as the members shall determine from time to time. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Board may be called at any time by the Chairperson or by a quorum of the Board.

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

Section 3. Unless otherwise agreed, notice to members of regular meetings shall not be required. Unless otherwise waived, notice of each special meeting of the Board shall be given to all members by the Secretary by fax, telephone, mail or other satisfactory means at least 3 days before the date fixed for such special meeting. The notice of any special meeting shall state briefly the purposes of such meeting and the nature of the business to be transacted at such meeting, and no business other than that stated in the notice or incidental thereto shall be transacted at any such special meeting.

Section 4. The Board may hold a meeting without providing the notice to the public required by Section 10 of this Article 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.

Section 5. 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 West Virginia Code of 1931, as amended. During the open portion of the meeting, prior to convening an executive session, the Chairperson shall identify the authorization under Chapter 6, Article 9A, Section 4 of the West Virginia Code of 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 West Virginia Code of 1931, as amended.

Section 6. 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 West Virginia Code of 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.

Section 7. 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 section 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.

Section 8. 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 9. All meetings of any committee of the Board shall be subject to the Rules of Procedure set forth in Sections 1-8 above.

Section 10. Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code of 1931, as amended (1999 Revision), notice of the date, time, place and agenda of all regularly scheduled meetings of such Board, and the date, time, place and purpose of all special meetings of such Board, shall be made available, in advance, to the public and news media (except in the event of an emergency requiring immediate action) as follows:

A. Regular Meetings. Immediately after adoption of these Rules of Procedure and in January 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 front door or bulletin board of the Wyoming County Courthouse and at the front door or bulletin board of the place fixed for regular meetings of the Board 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 be posted at the same locations by the Secretary of the Board not less than 48 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same locations as soon as feasible after such cancellation or postponement has been determined.

B. Special Meetings. The Board shall instruct the Secretary to, and the Secretary shall post at the front door or bulletin board of the Wyoming County Courthouse and at the front door or bulletin board of the place fixed for the regular meetings of the Board, not less than 48 hours before a specially scheduled meeting is to be held, a notice stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

ARTICLE V

OFFICERS

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

Section 2. The officers of the Board shall be elected each year by the members at the first meeting held in such year. The officers so elected shall serve until the next annual election by the membership and until their successors are duly elected and qualified. Any vacancy occurring among the officers shall be filled by the members of the Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the following first yearly meeting of the Board when their successors shall be elected as hereinabove provided.

ARTICLE VI

DUTIES OF OFFICERS

Section 1. When present, the Chairperson shall preside as Chairperson at all meetings of the Board. The Chairperson shall, together with the secretary, sign the minutes of all meetings at which he or she shall preside. The Chairperson shall attend generally to the executive business of the Board and exercise such powers as may be conferred by the Board, by these Rules of Procedure, or as prescribed by law. The Chairperson shall execute, and if necessary, acknowledge for record, any deeds, deeds of trust, contracts, notes, bonds, agreements or other papers necessary, requisite, proper or convenient to be executed by or on behalf of the Board when and if directed by the members of the Board.

Section 2. The Secretary shall keep a record of all proceedings of the Board which shall be available for inspection as other public records. The Secretary shall, together with the Chairperson, sign the minutes of the meetings at which he or she is present. The Secretary shall have charge of the minute book, be the custodian of the Common Seal of the District and all deeds and other writings and papers of the Board. The Secretary shall also perform such other duties as he or she may have under law by virtue of the office or as may be conferred from time to time by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 3. The Treasurer shall be the lawful custodian of all funds of the District and shall disburse funds of the District on orders authorized or approved by the Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him and shall prepare and submit such reports and statements of the financial condition of the Board as the members may from time to time prescribe. He shall perform such other duties as may be required of him by law or as may be conferred upon him by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 4. If the Chairperson, Secretary or Treasurer is absent from any meeting, the remaining members of the Board shall select a temporary chairperson, secretary or treasurer, as necessary, who shall have all of the powers of the absent officer during such period of absence.

ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

These Rules of Procedure may be altered, changed, amended, repealed or added to at any regular or special meeting of the Board by a majority vote of the entire Board, or at any regular or special meeting of the members when a quorum is present in person and a majority of those present vote for the amendment; but no such change, alteration, amendment, repeal or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.

These Rules of Procedure shall replace any and all previous rules of procedure, bylaws or similar rules heretofore adopted by the District.

Adopted this 3rd day of April, 2001.

Morgan K Davis, Chair and Member

Charles W. Thompson, Member

Dallas J. Cecil, Member

not cover the whole costs. They need 8% to 10% of the costs from HUD and that paper work needs to be done soon as well.

RURAL GARBAGE-Tralee compactor station

Mark Chapman and Ron White, owners of Rural Garbage met with the Commission to discuss the possibility of taking over the Tralee Compactor Station. They explained that when they bought the company, they assumed the contract Rural Garbage already had with the Town of Mullens. Even though every resident of Mullens is to be billed for garbage pickup with their sewer bill, only a small portion of the people are paying that fee. They are picking up garbage for these people even though they are no paying. The company is struggling to pay their own bills right now. They feel they are completing with Tralee for business. If they could take over the station, they might be able to get into the black. The Commission explains that they cannot legally turn the one station over to them. They feel that Rural Garbage needs to go back and renegotiate their contact with Mullens.

BILLS AND TRANSFERS APPROVED

Bills in the amount of $411,960.36 were presented to the Commission for review and approval. Motion was made by Dr. Muscari to approve the minutes from January 6 and transfers of $20,000 to the Landfill and $2000 to the Airport. This motion was duly seconded by Mr. Mullins and passed.

DAVID STOVER, CIRCUIT CLERK-Grant

Mr. Stover stated that he had recently went to Mercer County to see the new filing system installed in the Circuit Clerk's office there. It was paid for with a grant and matching funds from their Commission. He wanted to know if he applied for a grant of $60 000 or $70,000, and he received it, if the Commission would pay the matching amount. They told him to apply for the grant and see what happens.

VIRGIL SHREWSBURY-Eastern Wyoming PSD board member

Motion was made by Dr. Muscari to approve the appointment of Virgil Shrewsbury to another term as a board member for Eastern Wyoming PSD. Said motion was duly seconded by Silas Mullins and there were no objections.

CITY OF MULLENS-Request for money

The City of Mullens asked the Commission for money to buy tires, uniforms and couplings for storm drains, a total of $3219.40. Motion was mad by Dr. Muscari and seconded by Mr. Mullins to pay bills in this amount.

PROSECUTING ATTORNEY'S OFFICE-Vacation carry over

A letter was received from Todd Houck giving permission for his employees to carry over more than 15 days vacation. The Commission said that this would be denied as the county policy states that a maximum of 15 vacation days can be carried over. Harold Hayden said he would write a letter to Mr. Houck stated that only 15 days can be carried over by these two employees.

CURTIS HOUCHINS-Medical insurance approved

When Mr. Houchins was hired as Humane Officer, the minutes stated it would be without medical insurance. Motion was made by Dr. Muscari and seconded by Mr. Mullins to approve medical insurance for Mr. Houchins when it was determined that he did not have coverage under any other plan.

Bowley as such Administratrix, in the penal sum of three thousand dollars ($3,000.00) with Gary Cramer as surety. All which is hereby confirmed and approved by the Court.

ADMINISTRATRIX APPOINTMENT-Estate of Tonya Crews

This day the Clerk brought to the attention of the Court the fact that he had on the 27th day of December 2004 appointed Saundra M. Green, as Administratrix of the personal estate of Tonya Crews, deceased; and had approved a bond executed by the said Saundra M. Green as such Administratrix, in the penal sum of ten thousand dollars ($10,000.00) with RLI Insurance as surety. All which is hereby confirmed and approved by the Court.

ADMINISTRATRIX APPOINTMENT-Estate of Arden W. Blanchard

This day the Clerk brought to the attention of the Court the fact that he had on the 22nd day of December 2004 appointed Bonnie Blanchard, as Administratrix of the personal estate of Arden W. Blanchard, deceased; and had approved a bond executed by the said Bonnie Blanchard as such Administratrix, in the penal sum of three thousand dollars ($3,000.00) with Diana M. Cooke as surety. All which is hereby confirmed and approved by the Court.

ADMINISTRATRIX APPOINTMENT-Estate of Polly Cochran

This day the Clerk brought to the attention of the Court the fact that he had on the 21st day of December 2004 appointed Debra L. Schollar, as Administratrix of the personal estate of Polly Cochran, deceased; and had approved a bond executed by the said Debra L. Schollar as such Administratrix, in the penal sum of three thousand dollars ($3,000.00) with Wilburn Bolt as surety. All which is hereby confirmed and approved by the Court.

DALLAS CECIL-Oath of Office, Eastern Wyoming PSD

This day the Court approved the Oath of Office for Dallas Cecil as a board member of the Eastern Wyoming PSD, with his term expiring January 1, 2011.

G. TODD HOUCK-Oath of Office, Prosecuting Attorney

This day the Court approved the oath of office for G. Todd Houck, Prosecuting Attorney for Wyoming County.

DAVID ALLEN STOVER-Oath of Office, Circuit Clerk

This day the Court approved the oath of office for David Allen Stover as the new Circuit Clerk for Wyoming County.

SAMUEL A. MUSCARI, SR.-Oath of Office, County Commissioner

This day the Court approved the oath of office for Samuel A. Muscari, Sr. a County Commissioner for Wyoming County.

JOHN L. DANIEL--Oath of Office, Magistrate

This day the Court approved the oath of office for John L. Daniels, a magistrate in Wyoming County.

HAROLD H. CARTE, JR--Oath of Office, Magistrate

This day the Court approved the oath of office for Harold H. Carte, Jr., a magistrate in Wyoming County.

WILBURN W. BOLT--Oath of Office, Magistrate

Descent and Distribution of the State of West Virginia; that there is no requirement of any further administration upon said decedent's estate; and that no reference to a fiduciary commissioner is necessary or required pursuant to Chapter 44, Article 2, Section 2 (b) of the West Virginia Code as amended.

ESTATE OF REO DONALD BOWES-Unadministered Estate

I, Arlene B. Bowes, being first duly sworn according to law, depose and say that I am duly appointed and qualified personal representative or the sole beneficiary of the Estate of Reo Donald Bowes, deceased; that Arlene B. Bowes is the sole beneficiary of said decedent's estate; that the said beneficiary is competent at law and not under any legal disability; that said decedent's estate will be distributed to said sole beneficiary in accordance with the terms and provisions of said decedent's will or under the laws of Descent and Distribution of the State of West Virginia; that there is no requirement of any further administration upon said decedent's estate; and that no reference to a fiduciary commissioner is necessary or required pursuant to Chapter 44, Article 2, Section 2 (b) of the West Virginia Code as amended.

ASSESSOR'S OFFICE-Linda Hatfield's leave

A letter from Michael W. Cook, Assessor, states that he approves the leave of absence requested by Linda Hatfield, extended through Sunday, January 4, 2009.

BILLS APPROVED

Bills in the amount of $286,513.56 were presented to the Commission for review and approval. A motion was made by Dr. Muscari to approve all bills. The motion was seconded by Mr. Mullins and Mr. Hayden voted in the affirmative.

MINUTES APPROVED

A motion was made by Silas Mullins to approve the minutes of November 19, 2008. There were no objections by Dr. Muscari and Mr. Hayden approved the motion.

DEVON DUNCAN-Emergency Voting

Ms. Duncan asked the Commission to consider putting into effect a provision for emergency voting for the next election. She stated that her mother had fallen the day before the election in November and was confined to the hospital on election day. She called and asked that a ballot be delivered to her mother and found out that Wyoming County did not have a plan in effect. Mike Goode explained that the WV Code states that the Commission can approve a plan, allowing one Democrat and one Republican to deliver ballots to a facility not more than 35 miles from the Courthouse. This would include Welch Emergency Hospital, Raleigh General Hospital and the Veterans' Hospital. Appalachian Regional Hospital might be a little more than 35 miles from the Courthouse. The Commission agreed to take this under consideration before the next election. The Commission would have to act on this 56 days prior to the election.

FIBERNET-Proposal

Andy Alkire met with the Commission to present a proposal per his meeting with them in November. The anticipated savings would be $5343.00 per year. After discussing the matter further the Commission decided to table this for now.

EASTERN WYOMING PSD—Mart Lane reappointed

A motion was made by Silas Mullins to reappoint Mart Lane to the Eastern Wyoming PSD board. There were no objections from Dr. Muscari and the motion was approved with Mr. Hayden voting for it.

OATH OF OFFICE

State of West Virginia,
County of Wyoming, to-wit:

I, Virgil Shrewsbury, do solemnly swear that I will support the Constitution of the United States, and the Constitution of this State, and I further swear that I will faithfully and honestly discharge my duties as board member for the Eastern Wyoming Public Service District with term expiring December 31, 2012.

until my successor is duly elected or appointed, and qualified according to law, to the best of my skill and judgment, so help me God.

HH

Virgil Shrewsbury Affiant.

Taken, subscribed and sworn to before me this 29th day of JANUARY, 2007

Kimberly Renee Woodrum, N. P.

My Commission Expires 5/31/2010 day of May, 2010

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KIMBERLY RENEE WOODRUM
316 NORAN AVENUE
MULLENS, WV 25882
My commission expires May 31, 2010

OATH OF OFFICE

State of West Virginia,
County of Wyoming, to-wit:

I, Dallas Cecil, do solemnly swear that I will support the Constitution of the United States, and the Constitution of this State, and I further swear that I will faithfully and honestly discharge my duties as A board member for the Eastern Wyoming PSD with histerm expiring January 1, 2011

until my successor is duly elected or appointed, and qualified according to law, to the best of my skill and judgment, so help me God.

X Dallas J. Cecil, Affiant.

Taken, subscribed and sworn to before me this 17th day of December, 19 2004

_____, N. P.

My Commission Expires 7th day of September, 19 2012

003 PAGE 329

OFFICE OF THE CLERK OF THE COUNTY COMMISSION
WYOMING COUNTY, W. VA. Dec 17 2004 5S-
1:14 P.M.

The foregoing writing, together with the certificate of acknowledgment thereof thereto annexed, was this day admitted to record.

Clerk

By _____ Deputy

OATH OF OFFICE

State of West Virginia,
County of Wyoming, to-wit:

I, Mart Lane, do solemnly swear that I will support the Constitution of the United States, and the Constitution of this State, and I further swear that I will faithfully and honestly discharge my duties as a Board Member of the Eastern Wyoming Public Service District. Term expires: 01/01/2015

until my successor is duly elected or appointed, and qualified according to law, to the best of my skill and judgment, so help me God.

Mart Lane, Affiant.

Taken, subscribed and sworn to before me this 28th day of October, ~~19~~ 2009

[signature], N. P.

My Commission Expires 11th day of January, ~~19~~ 2010

RULES OF PROCEDURE

EASTERN WYOMING PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: EASTERN WYOMING PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District (the "District") will be located at 316 Moran Avenue, Mullens, West Virginia 25882.

Section 3. The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Eastern Wyoming Public Service District West Virginia, and in the center "seal" as follows:

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

ARTICLE II

PURPOSE

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

ARTICLE III

MEMBERSHIP

Section 1. The members of the Board of the District shall be those persons appointed by The County Commission of Wyoming County, West Virginia, or otherwise appointed pursuant to the Act, who shall serve for such terms as may be specified in the order of the County Commission or otherwise.

Section 2. Should any member of the Board resign or otherwise become legally disqualified to serve as a member of the Board, the Secretary of the Board 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 Secretary shall notify the County Commission or other entity provided under the Act of the pending termination and request the County Commission or other entity provided under the Act to enter an order of appointment or re-appointment to maintain a fully qualified membership of the 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.

ARTICLE IV

MEETINGS OF THE BOARD

Section 1. The members of the Board of the District shall hold regular monthly meetings on the first Tuesday of each month at such place and hour as the members shall determine from time to time. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Board may be called at any time by the Chairperson or by a quorum of the Board.

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

Section 3. Unless otherwise agreed, notice to members of regular meetings shall not be required. Unless otherwise waived, notice of each special meeting of the Board shall be given to all members by the Secretary by fax, telephone, mail or other satisfactory means at least 3 days before the date fixed for such special meeting. The notice of any special meeting shall state briefly the purposes of such meeting and the nature of the business to be transacted at such meeting, and no business other than that stated in the notice or incidental thereto shall be transacted at any such special meeting.

Section 4. The Board may hold a meeting without providing the notice to the public required by Section 10 of this Article 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.

Section 5. 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 West Virginia Code of 1931, as amended. During the open portion of the meeting, prior to convening an executive session, the Chairperson shall identify the authorization under Chapter 6, Article 9A, Section 4 of the West Virginia Code of 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 West Virginia Code of 1931, as amended.

Section 6. 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 West Virginia Code of 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.

Section 7. 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 section 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.

Section 8. 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 9. All meetings of any committee of the Board shall be subject to the Rules of Procedure set forth in Sections 1-8 above.

Section 10. Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code of 1931, as amended (1999 Revision), notice of the date, time, place and agenda of all regularly scheduled meetings of such Board, and the date, time, place and purpose of all special meetings of such Board, shall be made available, in advance, to the public and news media (except in the event of an emergency requiring immediate action) as follows:

A. Regular Meetings. Immediately after adoption of these Rules of Procedure and in January 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 front door or bulletin board of the Wyoming County Courthouse and at the front door or bulletin board of the place fixed for regular meetings of the Board 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 be posted at the same locations by the Secretary of the Board not less than 48 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same locations as soon as feasible after such cancellation or postponement has been determined.

B. Special Meetings. The Board shall instruct the Secretary to, and the Secretary shall post at the front door or bulletin board of the Wyoming County Courthouse and at the front door or bulletin board of the place fixed for the regular meetings of the Board, not less than 48 hours before a specially scheduled meeting is to be held, a notice stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

ARTICLE V

OFFICERS

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

Section 2. The officers of the Board shall be elected each year by the members at the first meeting held in such year. The officers so elected shall serve until the next annual election by the membership and until their successors are duly elected and qualified. Any vacancy occurring among the officers shall be filled by the members of the Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the following first yearly meeting of the Board when their successors shall be elected as hereinabove provided.

ARTICLE VI

DUTIES OF OFFICERS

Section 1. When present, the Chairperson shall preside as Chairperson at all meetings of the Board. The Chairperson shall, together with the secretary, sign the minutes of all meetings at which he or she shall preside. The Chairperson shall attend generally to the executive business of the Board and exercise such powers as may be conferred by the Board, by these Rules of Procedure, or as prescribed by law. The Chairperson shall execute, and if necessary, acknowledge for record, any deeds, deeds of trust, contracts, notes, bonds, agreements or other papers necessary, requisite, proper or convenient to be executed by or on behalf of the Board when and if directed by the members of the Board.

Section 2. The Secretary shall keep a record of all proceedings of the Board which shall be available for inspection as other public records. The Secretary shall, together with the Chairperson, sign the minutes of the meetings at which he or she is present. The Secretary shall have charge of the minute book, be the custodian of the Common Seal of the District and all deeds and other writings and papers of the Board. The Secretary shall also perform such other duties as he or she may have under law by virtue of the office or as may be conferred from time to time by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 3. The Treasurer shall be the lawful custodian of all funds of the District and shall disburse funds of the District on orders authorized or approved by the Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him and shall prepare and submit such reports and statements of the financial condition of the Board as the members may from time to time prescribe. He shall perform such other duties as may be required of him by law or as may be conferred upon him by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 4. If the Chairperson, Secretary or Treasurer is absent from any meeting, the remaining members of the Board shall select a temporary chairperson, secretary or treasurer, as necessary, who shall have all of the powers of the absent officer during such period of absence.

ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

These Rules of Procedure may be altered, changed, amended, repealed or added to at any regular or special meeting of the Board by a majority vote of the entire Board, or at any regular or special meeting of the members when a quorum is present in person and a majority of those present vote for the amendment; but no such change, alteration, amendment, repeal or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.

These Rules of Procedure shall replace any and all previous rules of procedure, bylaws or similar rules heretofore adopted by the District.

Adopted this 3rd day of April, 2001.

Morgan K Davis
, Chair and Member

Charles W. Thompson
, Member

Dallas J. Cecil
, Member

EASTERN WYOMING
PUBLIC SERVICE DISTRICT

P.O. Box 506
Logan, West Virginia 25601

Phone: (304) 946-2641
Fax: (304) 946-2645

MINUTES

January 13, 2009

Respectfully submitted,

Mart Lane, Chairman

Dallas J. Cecil, Secretary

Virgil A. Shrewsbury Jr., Treasurer

The Eastern Wyoming Public Service District held its regular monthly meeting on Tuesday, January 13, 2009 at 6:30 p.m. in the Stephenson Water Treatment Plant Office, Stephenson, West Virginia. Mr. Mart Lane, Chairman, called the meeting to order. See attached list of those in attendance.

APPROVAL OF MINUTES – Minutes of the December 9, 2008 Regular Board Meeting were previously circulated by Mr. Rick Roberts. A motion was made by Mr. Cecil to dispense with the reading of the minutes and approve the minutes as presented, seconded by Mr. Shrewsbury. Motion passed 3-0.

ELECTION OF OFFICERS - Being the first District Board Meeting of the new year, the election of the officers was discussed. A motion was made by Mr. Cecil that the District Board Officers remain the same as last year, seconded by Mr. Shrewsbury. Motion passed 3-0. The District Officers for 2009 are:

Mr. Mart Lane, Chair
Mr. Virgil Shrewsbury Jr., Treasurer
Mr. Dallas Cecil, Secretary

CUSTOMER / PUBLIC PRESENTATIONS – Ethel Day stated that she was told that someone had said that she had made a statement that she did not want the people of Bud Mountain to have water. Ms. Day stated that was a lie. Ms. Day stated that she has never said that the people do not need the water because they do.

Reece Neely inquired as to if anything had been decided on the replacement or repair of the fire hydrants in the City of Mullens. Mr. Roberts stated that the fire hydrants are 1950's vintage and they don't make them or make replacement parts for them now. Mr. Roberts stated that they can not be repaired only replaced. Mr. Roberts stated that a fire hydrant needs a six inch line and the waterlines would have to be upgraded in Mullens before the District could put in new hydrants. Mr. Roberts stated that the Itmann/Bud Mountain Water Project includes several hydrants on Mullens hill and along Guyandotte Avenue.

ANNOUNCEMENTS – Mr. Roberts stated that the next Board Meeting is scheduled for Tuesday, February 10, 2009, at 6:30 p.m. at the Stephenson Water Treatment Plant.

SYSTEM OPERATIONS: Mr. Roberts stated that the financial report is in the Board's packet for their review.

Mr. Roberts reported that the District has been repairing several leaks. Mr. Roberts stated that the District is having several problems on Poplar Street and Green Street. Mr. Roberts reported that WV Rural Water has been looking for leaks but there wasn't enough water in the line on Poplar Street to listen for the leaks but they will try tomorrow after the jumper has been put in.

Mr. Roberts presented the interim rates and the tariff with the new rates to the Board for approval and discussion. A motion was made by Mr. Lane to approve and sign the interim and permanent tariffs for the Eastern Wyoming PSD, seconded by Mr. Shrewsbury. Motion passed 3-0.

ITMANN/BUD MOUNTAIN WATER PROJECT: Ethel Day asked Mr. Shrewsbury and Mr. Cecil when they voted at the October 4, 2007 Special Meeting to put the water tank on the Byars property, did you know that the property appraised the tank site belonged to Mr. Lane and not to Pocahontas Land Company. Mr. Shrewsbury wanted to know what property it was and where it was located. Mr. Shrewsbury stated that it was his understanding that it belonged to the Byars and Lane family. Mr. Cecil stated that was his understanding also.

Mr. Roberts presented the agreement that Bob Hazelwood, Pentree, Inc., had obtained from Northfolk Southern for the railroad permit to the Board for approval and signature. Mr. Roberts stated that in the agreement Northfolk Southern requested $31,870 of that $1,000 is a one-time risk financing fee and $30,870 is a one-time occupancy fee. Mr. Roberts stated that the District has obtained a loan from the Wyoming County Commission in the amount of $31,870. A motion was made by Mr. Lane to accept the check from the Wyoming County Commission to pay the Northfolk Southern Railroad for the right-of-way through the railroad and the booster pump station, seconded by Mr. Shrewsbury. Motion passed 3-0.

Mr. Roberts presented the Final Order from the Public Service Commission approving the project to the Board for review and discussion.

Mr. Roberts stated the Mr. Hazelwood is working on a plat for the booster station on the Colbird property.

After a discussion was held on the easements and right-of-ways, a motion was made by Mr. Lane to allow Mr. Cole and Mr. Roberts to pursue the easements either by offering the land owner a reasonable amount for the easement or to take them to court, seconded by Mr. Shrewsbury. Motion passed 3-0.

Mr. Roberts presented an Amendment to the Administrative Services Agreement between Eastern Wyoming PSD and Region I Planning and Development Council which will add $50,000 for Administrative Services to the Board for approval and signature. A motion was made by Mr. Lane to approve the Amendment, seconded by Mr. Cecil. Motion passed 3-0.

Mr. Roberts stated that he has a conference call scheduled for Friday with the accountant from WDA so that the District can get his certification letter on the parity consent. Mr. Roberts stated that he should get the parity consent in approximately a week to 10 days. Mr. Roberts stated that the right-of-way acquisition issue has to be dealt with before the District can get authorization to bid. Mr. Roberts stated that he feels that within 10 days to two weeks the District should have everything that is required to go to bid with the exception of the property acquisitions.

OTHER: In regards to the Alpoca Acquisition, Mr. Roberts reported that Public Service Commission hearing was held last Thursday. Mr. Roberts stated that the Judge stated that she would have the Recommended Decision prepared by February 4, 2009 and the Decision would be final twenty days later.

EXECUTIVE SESSION: None.

ADJOURNMENT: Being no other business, a motion to adjourn was made by Mr. Lane, seconded by Mr. Shrewsbury, the meeting was adjourned.

EASTERN WYOMING PUBLIC SERVICE DISTRICT
January 13, 2009 Board Meeting
Attendance List

Name	Representing
Rick Roberts	EWPSD / LCPSD
Bob Hazelwood	Pentree, Inc.
AMON STANLEY	Bud MT
TED STANLEY	" "
Ethel Day	Myself.
DALLAS J. Cecil	Eastern Wyoming P.S.D.
Barbara Lane	Bud Mt.
Mart Lane	EWPSD
[illegible]	Region I PDC
Reece Neely	City of Mullens
Jon McKinney	City of Mullens
Virgil Shrewsbury	

IC-1
(08/09)

LOAN AGREEMENT

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

EASTERN WYOMING PUBLIC SERVICE DISTRICT
(2004W-833)

(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

1.11 "System" means the project owned by the Governmental Agency, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

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

ARTICLE II

The Project and the System

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

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

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency, subject to any mortgage lien or

other security interest as is provided for in the Local Statute unless a sale or transfer of all or a portion of said property or any interest therein is approved by the Authority and Council.

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

2.5 The Governmental Agency shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Governmental Agency shall permit the Authority and the Council, acting by and through their directors or their duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority and the Council such documents and information as they may reasonably require in connection with the construction, acquisition and installation of the Project, the operation and maintenance of the System and the administration of the Loan or of any State and federal grants or other sources of financing for the Project.

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

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

2.8 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Council and the Authority and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent

(100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Governmental Agency on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds is outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

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

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

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

2.12 The Governmental Agency, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward a copy by the 10th of each month to the Authority and Council.

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

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

(g) The Governmental Agency shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), with all requisite appeal periods having expired without successful appeal, and the Authority and the Council shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority and the Council, to such effect;

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

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

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

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

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

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

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

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

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

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

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

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

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

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

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

(xi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and

the Council, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Governmental Agency's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

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

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

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

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

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

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

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

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

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

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

(xxiv) That the Governmental Agency shall list the funding provided by the Authority and the Council in any press release, publication, program bulletin,

sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project; and

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

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

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

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

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

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

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

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

ARTICLE V

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

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

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

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

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

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

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

7.10 This Loan Agreement shall terminate upon the earlier of:

(i) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by the Council if the Governmental Agency has failed to deliver the Local Bonds to the Authority;

(ii) termination by the Authority and the Council pursuant to Section 6.1 hereof; or

(iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority, acting on behalf of the Council.

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

EASTERN WYOMING PUBLIC SERVICE DISTRICT

(SEAL)

By: _____
Its: Chairman
Date: October 16, 2009

Attest:

_____
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: October 16, 2009

Attest:

_____
Its: Secretary-Treasurer

{C1612723.1}

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____

(Issuer)

_____

(Name of Bonds)

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

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____ County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meanings set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated _____.

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by [DEP/BPH/PSC] and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least ___years if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and my firm[1] has ascertained that all

[1]If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____,

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

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

[SEAL]

_____

By: _____
West Virginia License No. _____

Esq.] and delete "my firm has ascertained that".

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

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

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

Name of Governmental Agency _____
Name of Bond Issue(s) _____
Type of Project _____ **Water** _____ **Wastewater**
Fiscal Year _____ **Report Month** _____

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

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

Item 1 You will need a copy of the current fiscal year budget adopted by the Governmental Agency to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of $1,200 are anticipated to be received for the year, each month the base would be increased by $100 ($1,200/12). This is the incremental amount for the Budget Year-to-Date column.

Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of $900 are anticipated to be incurred for the year, each month the base would be increased by $75 ($900/12). This is the incremental amount for the Budget Year-to-Date column.

Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Governmental Agency according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.

Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are $1,200, then $30 (2.5% of $1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Governmental Agency.

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

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:	
Interest	$
Principal	$
Total:	$
Reserve Account:	$

Witness my signature this ___ day of_____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $1,000,000
Purchase Price of Local Bonds $1,000,000

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

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

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

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

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

(i) Eastern Wyoming Public Service District Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, in the original principal amount of $360,000;

(ii) Eastern Wyoming Public Service District Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program), dated August 24, 2004, in the original principal amount of $570,000;

(iii) Eastern Wyoming Public Service District Water Revenue Bonds, 2006 Series A (West Virginia DWTRF Program), dated January 12, 2006, in the original principal amount of $2,570,000.

Number of New Customers to Be Served: 73
Location: South Mullens, Itmann and Bud Mountain area

SCHEDULE Y
DEBT SERVICE SCHEDULE

	0% Interest Rate			
	40 Years from Closing Date			
		Dated Date	10/16/09	
		Delivery Date	10/16/09	
	Period Ending	**Principal**	**Interest**	**Debt Service**
	10/16/09			
	6/1/11	6,494		6,494
	9/1/11	6,494		6,494
	12/1/11	6,494		6,494
	3/1/12	6,494		6,494
	6/1/12	6,494		6,494
	9/1/12	6,494		6,494
	12/1/12	6,494		6,494
	3/1/13	6,494		6,494
	6/1/13	6,494		6,494
	9/1/13	6,494		6,494
	12/1/13	6,494		6,494
	3/1/14	6,494		6,494
	6/1/14	6,494		6,494
	9/1/14	6,494		6,494
	12/1/14	6,494		6,494
	3/1/15	6,494		6,494
	6/1/15	6,494		6,494
	9/1/15	6,494		6,494
	12/1/15	6,494		6,494
	3/1/16	6,494		6,494
	6/1/16	6,494		6,494
	9/1/16	6,494		6,494
	12/1/16	6,494		6,494
	3/1/17	6,494		6,494
	6/1/17	6,494		6,494
	9/1/17	6,494		6,494
	12/1/17	6,494		6,494
	3/1/18	6,494		6,494
	6/1/18	6,494		6,494
	9/1/18	6,494		6,494
	12/1/18	6,494		6,494
	3/1/19	6,494		6,494
	6/1/19	6,494		6,494
	9/1/19	6,494		6,494
	12/1/19	6,494		6,494
	3/1/20	6,494		6,494
	6/1/20	6,494		6,494
	9/1/20	6,494		6,494
	12/1/20	6,494		6,494
	3/1/21	6,494		6,494
	6/1/21	6,494		6,494
	9/1/21	6,494		6,494
	12/1/21	6,494		6,494
	3/1/22	6,494		6,494

0% Interest Rate			
40 Years from Closing Date			
Period Ending	Principal	Interest	Debt Service
6/1/22	6,494		6,494
9/1/22	6,494		6,494
12/1/22	6,494		6,494
3/1/23	6,494		6,494
6/1/23	6,494		6,494
9/1/23	6,494		6,494
12/1/23	6,494		6,494
3/1/24	6,494		6,494
6/1/24	6,494		6,494
9/1/24	6,494		6,494
12/1/24	6,494		6,494
3/1/25	6,494		6,494
6/1/25	6,494		6,494
9/1/25	6,494		6,494
12/1/25	6,494		6,494
3/1/26	6,494		6,494
6/1/26	6,494		6,494
9/1/26	6,494		6,494
12/1/26	6,494		6,494
3/1/27	6,494		6,494
6/1/27	6,494		6,494
9/1/27	6,494		6,494
12/1/27	6,494		6,494
3/1/28	6,494		6,494
6/1/28	6,494		6,494
9/1/28	6,494		6,494
12/1/28	6,494		6,494
3/1/29	6,494		6,494
6/1/29	6,494		6,494
9/1/29	6,494		6,494
12/1/29	6,494		6,494
3/1/30	6,494		6,494
6/1/30	6,494		6,494
9/1/30	6,493		6,493
12/1/30	6,493		6,493
3/1/31	6,493		6,493
6/1/31	6,493		6,493
9/1/31	6,493		6,493
12/1/31	6,493		6,493
3/1/32	6,493		6,493
6/1/32	6,493		6,493
9/1/32	6,493		6,493
12/1/32	6,493		6,493
3/1/33	6,493		6,493
6/1/33	6,493		6,493
9/1/33	6,493		6,493
12/1/33	6,493		6,493
3/1/34	6,493		6,493
6/1/34	6,493		6,493

0% Interest Rate			
40 Years from Closing Date			
Period Ending	Principal	Interest	Debt Service
9/1/34	6,493		6,493
12/1/34	6,493		6,493
3/1/35	6,493		6,493
6/1/35	6,493		6,493
9/1/35	6,493		6,493
12/1/35	6,493		6,493
3/1/36	6,493		6,493
6/1/36	6,493		6,493
9/1/36	6,493		6,493
12/1/36	6,493		6,493
3/1/37	6,493		6,493
6/1/37	6,493		6,493
9/1/37	6,493		6,493
12/1/37	6,493		6,493
3/1/38	6,493		6,493
6/1/38	6,493		6,493
9/1/38	6,493		6,493
12/1/38	6,493		6,493
3/1/39	6,493		6,493
6/1/39	6,493		6,493
9/1/39	6,493		6,493
12/1/39	6,493		6,493
3/1/40	6,493		6,493
6/1/40	6,493		6,493
9/1/40	6,493		6,493
12/1/40	6,493		6,493
3/1/41	6,493		6,493
6/1/41	6,493		6,493
9/1/41	6,493		6,493
12/1/41	6,493		6,493
3/1/42	6,493		6,493
6/1/42	6,493		6,493
9/1/42	6,493		6,493
12/1/42	6,493		6,493
3/1/43	6,493		6,493
6/1/43	6,493		6,493
9/1/43	6,493		6,493
12/1/43	6,493		6,493
3/1/44	6,493		6,493
6/1/44	6,493		6,493
9/1/44	6,493		6,493
12/1/44	6,493		6,493
3/1/45	6,493		6,493
6/1/45	6,493		6,493
9/1/45	6,493		6,493
12/1/45	6,493		6,493
3/1/46	6,493		6,493
6/1/46	6,493		6,493
9/1/46	6,493		6,493

0% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
12/1/46	6,493		6,493
3/1/47	6,493		6,493
6/1/47	6,493		6,493
9/1/47	6,493		6,493
12/1/47	6,493		6,493
3/1/48	6,493		6,493
6/1/48	6,493		6,493
9/1/48	6,493		6,493
12/1/48	6,493		6,493
3/1/49	6,493		6,493
6/1/49	6,493		6,493
9/1/49	6,494		6,494
	1,000,000		**1,000,000**

SCHEDULE Z

None.

BOND RESOLUTION

Authorizing

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, 2009 SERIES A
(WEST VIRGINIA INFRASTRUCTURE FUND)

Adopted: October 13, 2009

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Exhibit A – Form of Bonds

EASTERN WYOMING PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION, CONSTRUCTION AND IMPROVEMENTS OF WATER TREATMENT AND DISTRIBUTION FACILITIES OF EASTERN WYOMING PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COSTS, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, 2009 SERIES A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF EASTERN WYOMING PUBLIC SERVICE DISTRICT:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

Section 1.01 Definitions. The following terms shall have the following meanings in this Resolution unless the context expressly requires otherwise.

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

"AML Grant" means the West Virginia Department of Environmental Protection – Abandoned Mine Lands Grant in the amount of $9,223,344.

"AML Grant Agreement" means a written commitment for the payment of the West Virginia Department of Environmental Protection – Abandoned Mine Lands

Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

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

"Authorized Officer" means the Chairman of the Governing Body of the Issuer or any other officer or person of the Issuer specifically designated by resolution of the Governing Body of the Issuer.

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

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

"Bond Register" means the books of the Issuer as hereinafter defined, maintained by the Bond Registrar as hereinafter defined for the registration and transfer of the Bonds.

"Bond Registrar" or "Registrar" means United Bank, Inc., Charleston, West Virginia, and its successors and assigns.

"Bonds" means, collectively, the 2009 Series A Bonds, the Prior Bonds and any additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution or another resolution of the Issuer.

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

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

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

"Code" means the Internal Revenue Code of 1986, as amended, including the rules and regulations promulgated pursuant thereto or any predecessors or successors thereto.

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

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

"Costs" or "Costs of the Project" or any similar phrase means those costs described in Section 1.03 D hereof to be part of the cost of acquisition and construction of the Project.

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

"Council Act" means Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended, and in effect on the date of the adoption of this Resolution.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds, as hereinafter defined, during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Depository Bank" means First Peoples Bank, Mullens, West Virginia, and its successors and assigns.

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

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

"Governmental 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 including (i) such obligations which have been stripped from their

unmatured interest coupons, interest coupons stripped from such obligations and receipts or certificates evidencing payments from such obligations or interest coupons stripped from such obligations, (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes.

"Grant Receipts" means all moneys received by the Issuer on account of any Grant to pay Costs of the Project.

"Gross Proceeds" means the sum of the following amounts:

(i) Original proceeds, namely, net amounts received by or for the Issuer as a result of the sale of the Bonds, excluding original proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Bonds;

(ii) Investment proceeds, namely, amounts received at any time by or for the Issuer, such as interest and dividends, resulting from the investment of any original proceeds (as reference in clause (i) above) or investment proceeds (as referenced in this clause (ii)) in Nonpurpose Investments, increased by profits and decreased (if necessary, below zero) by any losses on such investments, excluding investment proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Bonds;

(iii) Transferred proceeds, namely, original proceeds of any prior obligations, and interest earnings and profits less losses resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any prior obligations and which are deemed to become proceeds of the Bonds ratably as original proceeds of the Bonds, and interest earnings and profits resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any such prior obligations, all on the date of such ratable discharge;

(iv) Sinking fund proceeds, namely, amounts, other than original proceeds, investment proceeds or transferred proceeds as referenced in clauses (i) through (iii) above, of the Bonds, which are held in any fund to the extent that the Issuer reasonably expects to use such other fund to pay Debt Service;

(v) Amounts in the Bonds and in any other fund established as a reasonably required reserve or replacement fund;

(vi) Investment Property pledged by the Issuer as security for payment of Debt Service on the Bonds;

(viii) Amounts, other than as specified in this definition, used to pay Debt Service on the Bonds; and

(viii) Amounts received as a result of investing amounts described in this definition.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, or any Tap Fees, as hereinafter defined).

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract or investment-type property, excluding, however, obligations the interest on which is excluded from gross income under Section 103 of the Code for federal income tax purposes.

"Issuer" means Eastern Wyoming Public Service District, a public service district and political subdivision of the State of West Virginia, in Wyoming County, West Virginia, and, unless the context clearly indicates otherwise, includes the Board and any successor thereto.

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

"LCPSD" means the Logan County Public Service District, or any successor thereto, which operates and maintains the System for the Issuer pursuant to an agreement dated August 30, 2001, by and between the Issuer and LCPSD.

"Managing Engineer" means the managing engineer of the Issuer or any successor thereto.

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

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

"Nonpurpose Investment" means any Investment Property which is acquired with the Gross Proceeds of the Bonds and is not acquired in order to carry out the governmental purpose of the Bonds.

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

"Operation and Maintenance Agreement" means that certain Agreement dated August 30, 2001 by and between the LCPSD and the Issuer, pursuant to which the LCPSD operates and maintains the Issuer's System.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being delivered except (a) any Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Resolution and set aside for such payment (whether upon or prior to maturity); and (b) any Bond deemed to have been paid as provided in Article X hereof.

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

"Paying Agent" means the West Virginia Municipal Bond Commission and its successors and assigns.

"Prior Bonds" means, collectively, the 2001 Series A Bonds, the 2004 Series A Bonds and the 2006 Series A Bonds.

"Prior Resolution" means, collectively, the resolutions of the Issuer authorizing the Prior Bonds adopted on October 10, 2001, August 23, 2004 and January 10, 2006.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit by a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements" if any.

"Project" means the Project described in Section 1.03B hereof.

"PSC" means the Public Service Commission of West Virginia or any other agency of the State of West Virginia that succeeds to the functions of the Public Service Commission of West Virginia.

"PSC Order" means the Recommended Decision entered December 8, 2008 in Case No. 08-1090-PWD-CN, which became a Final Order of the Public Service Commission of West Virginia (the "PSC") on December 28, 2008, with all requisite appeal periods having expired without successful appeal, granting to the Issuer a certificate of convenience and necessity and approving funding for the Project and the rates for the System. This order is in full force and effect.

"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 Unites States of America;

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of the 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 practical coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the

principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor, must have (or its agent must have) possession of such collateral, and such collateral must be free of all claims by third parties;

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

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

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by the Prior Resolution and continued by Section 5.01(2) hereof.

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

"Resolution" or "Bond Legislation" means this bond resolution, as from time to time amended or supplemented.

"Revenue Fund" means the Revenue Fund established by the Prior Resolution and continued by Section 5.01(1) hereof.

"Secretary" means the Secretary of the Issuer.

"Sinking Funds" shall mean, collectively, the respective sinking funds established for the 2009 Series A Bonds and the Prior Bonds.

"SCBG" means the Small Cities Block Grant in the amount of $1,500,000.

"SCBG Grant Agreement" means a written commitment for the payment of the Small Cities Block Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"State" means the State of West Virginia.

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

"Surplus Revenues" means the Net Revenues not required by this Resolution to be set aside and held for the payment of or security for the 2009 Series A Bonds, the Prior Bonds or any other obligations of the Issuer, including but not limited to the Renewal and Replacement Fund, the Reserve Accounts and Sinking Funds.

"System" means the complete existing waterworks system of the Issuer, including the Project, and any improvements and extensions thereto hereafter constructed or acquired from any sources whatsoever.

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

"West Virginia Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Chapter 13, Article 15A, Section 9 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"West Virginia Legislative Digest Grant" means the West Virginia Legislative Digest Grant in the amount of $100,000.

"West Virginia Legislative Digest Grant Agreement" means a written commitment for the payment of the West Virginia Legislative Digest Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is be paid to the Issuer.

"WVIJDC Grant" means the West Virginia Infrastructure and Jobs Development Council Grant in the amount of $537,345.

"WVIJDC Grant Agreement" means a written commitment by and between the Issuer and the West Virginia Water Development Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council for the payment of the West Virginia Infrastructure and Jobs Development Council Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"Wyoming County Commission Grant" means the Wyoming County Commission Grant in the amount of $15,000.

"Wyoming County Commission Grant Agreement" means a written commitment for the payment of the Wyoming County Commission Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"2001 Series A Bonds" means the Eastern Wyoming Public Service District Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, issued in the original aggregate principal amount of $360,000.

"2004 Series A Bonds" means the Eastern Wyoming Public Service District Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program), dated August 24, 2004, issued in the original aggregate principal amount of $570,000.

"2006 Series A Bonds" means the Eastern Wyoming Public Service District Water Revenue Bonds, 2006 Series A (West Virginia DWTRF Program), dated January 12, 2006, issued in the original aggregate principal amount of $2,570,000.

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

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

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

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

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

Additional terms and phrases are defined in this Resolution as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

Words importing singular number include the plural number in each case and vice versa; words importing the masculine gender include every other gender; and words importing persons include firms, partnerships, associations and corporations.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Resolution; and the term "hereafter" means after the date of adoption of this Resolution.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Resolution so numbered.

Section 1.02. Authority for this Resolution. This Resolution, together with any resolution supplemental hereto or amendatory hereof, is adopted pursuant to the provisions of the Act and other applicable provisions of the law.

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

A. The Issuer is a public service district and a public corporation and political subdivision of the State, located in and near Mullens, Wyoming County, West Virginia, created pursuant to the Act by an order issued by The County Commission of Wyoming County, West Virginia.

B. The Issuer presently owns and operates a public waterworks system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that the Issuer acquire, construct, improve and extend the existing public waterworks facilities of the Issuer including, but not limited to, the construction of a water distribution system to serve the South Mullens, Itmann and Bud Mountain areas of Wyoming County (the "Project"), which constitute properties for the treatment and distribution of potable water (the existing public water system of the Issuer, the Project and any further additions, betterments and improvements thereto or extensions thereof are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineer, which plans and specifications have heretofore been filed with the Issuer and to pay the cost of issuance hereof and related costs.

C. The estimated maximum cost of the construction and acquisition of the Project is approximately $12,375,689, of which approximately $1,000,000 will be permanently financed by the 2009 Series A Bonds herein authorized. The remaining cost will be funded with a $9,223,344 AML Grant, a $1,500,000 SCBG, a $537,345 WVIJDC Grant, a $100,000 West Virginia Legislative Digest Grant and a $15,000 Wyoming County Commission Grant.

D. It is necessary for the Issuer to issue its Water Revenue Bonds, 2009 A (West Virginia Infrastructure Fund), 2009 Series A in the aggregate principal amount of $1,000,000 to permanently finance a portion of the costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; engineering and

legal expenses; interest, if any, upon the 2009 Series A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts; expenses for estimates of costs and revenues and for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expenses, commitment fees, fees and expenses of the Authority, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the 2009 Series A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of the Project in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the 2009 Series A Bonds or the repayment of indebtedness, incurred by the Issuer for such purposes shall be deemed part of the Costs of the Project.

E. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the Operating Expenses of the System, the principal of and interest on the Prior Bonds and, the 2009 Series A Bonds and to make payments into all fund and accounts and other payments provided for herein and in the Prior Resolution.

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

G. There are outstanding obligations of the Issuer which will rank on parity with the 2009 Series A Bonds as to liens, pledge, and source of and security for payment, which obligations are designated and have the lien positions with respect to the 2009 Series A Bonds as follows:

Designation	Lien Position
Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, in the original principal amount of $360,000	First Lien
Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program), dated August 24, 2004, in the original principal amount of $570,000	First Lien
Water Revenue Bonds, 2006 Series A (West Virginia DWTRF Program), dated January 12, 2006, in the original principal	First Lien

amount of $2,570,000 (collectively, the "Prior Bonds")

The 2009 Series A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has met the parity and coverage requirements for issuance of bonds on a parity with the Prior Bonds and the resolutions authorizing the Prior Bonds and has substantially complied with all other parity requirements, except to the extent that noncompliance with any such other parity requirements is not of a material nature. Prior to the issuance of the 2009 Series A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the parity and coverage tests of the Prior Bonds have been met and (ii) the written consent of the Registered Owners of the Prior Bonds to the issuance of the 2009 Series A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Resolutions.

H. It is in the best interests of the Issuer that the 2009 Series A Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to the authorization of the Project, operation of the System, and the issuance of the 2009 Series A Bonds, or will have so complied prior to the issuance of the 2009 Series A Bonds, including, among other things, the obtaining of the PSC Order.

J. The Project has been reviewed and determined to be technically and financially feasible by the Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended. That, unless it qualifies for an exception, the Issuer shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act.

K. The Issuer shall not permit at any time or times any of the proceeds of the 2009 Series A Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the 2009 Series A Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 1.04. Bond Legislation Constitutes Contract. In consideration of the acceptance of the 2009 Series A Bonds by those who shall be Registered Owners of the same from time to time, this Bond Legislation shall be deemed

to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owners of the 2009 Series A Bonds.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT; APPROVAL OF OPERATION AND MAINTENANCE OF THE SYSTEM

Section 2.01. Authorization of the Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project at an estimated cost of $12,375,689 in accordance with the plans and specifications which have been prepared by the Consulting Engineers and heretofore filed in the office of the Governing Body. The proceeds of the 2009 Series A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project in an amount and otherwise compatible with the financing plan submitted to the Authority and the Council.

Section 2.02. Approval of Operation and Maintenance of the System. The Issuer hereby approves the operation and maintenance of the System by LCPSD, for and on behalf of the Issuer, along with any other assets of the Issuer that the Issuer may desire for LCPSD to operate and maintain, pursuant to the Operation and Maintenance Agreement.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying the Costs of the Project and paying certain costs of issuance and related costs, there shall be and hereby are authorized to be issued negotiable 2009 Series A Bonds of the Issuer. The 2009 Series A Bonds shall be issued as a single bond, numbered AR-1, to be designated the "Eastern Wyoming Public Service District Water Revenue Bonds, 2009 Series A (West Virginia Infrastructure Fund)," in the aggregate principal amount of $1,000,000, and shall have such terms as are set forth hereinafter in this Resolution or any Supplemental Resolution thereto. The proceeds of the 2009 Series A Bonds shall be deposited in the 2009 Series A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Term of Bonds. The 2009 Series A Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2049, and shall bear no interest. The principal of the 2009 Series A Bonds shall be payable quarterly, on March 1,

June 1, September 1 and December 1 of each year, commencing June 1, 2011, and maturing September 1, 2049, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the 2009 Series A Bonds. In the event of an inconsistency between the terms hereof and the Loan Agreement, the terms of the Loan Agreement shall apply. The 2009 Series A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the 2009 Series A Bonds. The 2009 Series A Bonds shall be payable as to principal at the office of the Paying Agent in any coin or currency which, on the dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America. Interest on the 2009 Series A Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by this Resolution or any Supplemental Resolution thereto, the 2009 Series A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule and a record of advances attached, representing the aggregate principal amount of the 2009 Series A Bonds. The 2009 Series A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered bond in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.04. Authentication and Registration. The Issuer hereby appoints and designates United Bank, Inc., Charleston, West Virginia, to serve as the Bond Registrar for the 2009 Series A Bonds. No 2009 Series A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution

unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Resolution. The Certificate of Authentication and Registration shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the 2009 Series A Bonds issued hereunder.

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

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

The 2009 Series A Bonds shall be transferrable only upon the books of the Bond Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto, together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney.

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

A Bonds to be redeemed, and ending on such interest payment date, if any, or redemption date.

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

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

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service on the 2009 Series A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, on parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of, and interest, if any, on and other payments for the 2009 Series A Bonds and the Prior Bonds and to make the payments into the Sinking Funds, the Reserve Accounts and the Renewal and Replacement Fund hereinafter established, and established in the Prior Resolution, are hereby irrevocably pledged to the payment of the principal of and interest, if any, on the Prior Bonds and the 2009 Series A Bonds as the same become due.

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

A. If other than the Authority, a list of the names in which the 2009 Series A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the 2009 Series A Bonds to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the 2009 Series A Bonds.

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

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

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

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by the Prior Resolution);

(2) Renewal and Replacement Fund (established by the Prior Resolution); and

(3) 2009 Series A Bonds Construction Trust Fund.

The Issuer hereby appoints and designates First Peoples Bank, located in Mullens, West Virginia, as the Depository Bank under the Resolution.

Section 5.02. Establishment of Funds and Accounts with Commission. The Issuer hereby appoints and designates the Commission as the Paying Agent for the 2009 Series A Bonds. The following funds or accounts are hereby created with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) 2009 Series A Bonds Sinking Fund; and

(2) 2009 Series A Bonds Reserve Account.

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

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the amounts required to pay principal of the Prior Bonds, as required by the Prior Resolution, and (ii) commencing 3 months prior to the first date of

payment of principal of the 2009 Series A Bonds, for deposit in the 2009 Series A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the 2009 Series A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the 2009 Series A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Reserve Accounts for the Prior Bonds, the amounts required by the Prior Resolution, and (ii) commencing 3 months prior to the first date of payment of principal of the 2009 Series A Bonds, if not fully funded upon issuance of the 2009 Series A Bonds, for deposit in the 2009 Series A Bonds Reserve Account, an amount equal to 1/120th of the 2009 Series A Bonds Reserve Requirement, until the amount in the 2009 Series A Bonds Reserve Account equals the Series 2009 A Bonds Reserve Requirement; provided that no further payments shall be made into the 2009 Series A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the 2009 Series A Bonds Reserve Requirement.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund (as previously set forth in the Prior Resolution and not in addition thereto) the amounts required by the Prior Resolution and a sum equal to 2½ % of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the 2009 Series A Bonds Sinking Fund shall be used only for the purpose of paying principal of, and interest, if any, on the 2009

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

All investment earnings on moneys in the 2009 Series A Bonds Reserve Account shall be transferred, not less than once each year, to the 2009 Series A Bonds Construction Trust Fund prior to completion of the Project and thereafter to the 2009 Series A Bonds Sinking Fund.

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

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

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

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

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

Interest, principal or reserve account payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect

to the 2009 Series A Bonds and the Prior Bonds in accordance with the respective principal amounts then outstanding.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest, if any, and reserve account payments with respect to the 2009 Series A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

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

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, that all deposits, including on account of deficiencies, shall be made in the order of priority set forth in Paragraph (A), above, and no payment of lower priority shall be made if there exists a deficiency in a fund or account of higher priority. No such deficiency shall exist solely because the required payments into the 2009 Series A

Bonds Reserve Account have not, as of such date, funded such account to the requirement therefor.

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

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the 2009 Series A Bonds Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and used for any lawful purpose of the System.

ARTICLE VI

APPLICATION OF BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. Moneys received from time to time from the sale of the 2009 Series A Bonds shall be deposited with the Depository Bank in the 2009 Series A Bonds Construction Trust Fund and applied solely to payment of Costs of the Project and until so expended are hereby pledged as additional security for the 2009 Series A Bonds.

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

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

(a) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

(b) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(c) Each of such costs has been otherwise properly incurred; and

(d) Payment for each of the items proposed is then due and owing.

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

Section 6.03. Excess Bond Proceeds. Upon completion of the Project, as certified by the Consulting Engineers, and after all costs have been paid, any remaining proceeds of the 2009 Series A Bonds shall be applied as directed by the Council.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

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

Section 7.02. Bonds not to be Indebtedness of the Issuer. The 2009 Series A Bonds shall not, in any event, 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 Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the 2009 Series A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the 2009 Series A Bonds.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position. The payment of the debt service of the 2009 Series A Bonds shall be secured by a first lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Prior Bonds and the 2009 Series A Bonds herein authorized and to make the payments into all funds and accounts, and all other payments provided for in this Resolution and the Prior Resolution are hereby irrevocably pledged to such payments as the same become due, and for the other purposes provided in this Resolution.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges are and

shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Recommended Decision entered December 8, 2008 in Case No. 08-1090-PWD-CN, which became a Final Order of the PSC on December 28, 2008, with all requisite appeal periods having expired without successful appeal. Such Final Order is in full force and effect, and such rates and charges are hereby adopted.

So long as the 2009 Series A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the requirements of the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the 2009 Series A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

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

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of

such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, in writing, determine upon consultation with the Managing Engineer that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall be remitted by the Issuer to the Commission for deposit in the Sinking Funds and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than par, then to the Renewal and Replacement Fund. The payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Resolution. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holder of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

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

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

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolution shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the 2009 Series A Bonds pursuant to this Resolution, except under the conditions and in the manner herein provided and, as provided in the Prior Resolution, so long as the Prior Bonds are outstanding.

All Parity Bonds issued hereunder shall be on a parity in all respects with the 2009 Series A Bonds. The prior written consent of the Authority and the Council must be received prior to the issuance of any Parity Bonds.

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

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

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the three succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any improvements to be financed by the Parity Bonds and any increase in rates adopted by the Issuer and approved by the PSC, the period for appeal of which has expired

prior to the date of delivery of such Parity Bonds including the revenues from new customers to be served, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove discussed may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer and approved by the PSC, the period for appeal of which has expired prior to the issuance of such Parity Bonds.

All covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holder of the 2009 Series A Bonds and the Holders of any Parity Bonds issued from time to time within the limitations of and in compliance with this section. Any Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their respective liens on the revenues of the System and their respective source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of another series on a parity therewith. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Parity Bonds, in addition to the payments required for 2009 Series A Bonds theretofore issued pursuant to this Resolution.

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

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

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project sites and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the Council, or their duly authorized agents and representatives, to inspect all books,

documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the Council such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any state and federal grants or other sources of financing for the Project.

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

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of 2009 Series A Bonds issued pursuant to this Resolution shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the PSC. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and initiate the manner by which subsidiary records of the accounting system, which may be installed remotely from the direct supervision of the Governing Body, shall be reported to such agent of the Issuer as the Governing Body shall direct.

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

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues, and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Resolution and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations outstanding.

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

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

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

Section 7.09. Rates. Approvals of equitable rates or charges for the use of and service rendered by the System have been obtained all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the 2009 Series A Bonds and all other obligations

secured by a lien on or payable from such revenues on a parity with the 2009 Series A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the 2009 Series A Bonds Reserve Requirement are on deposit in the 2009 Series A Bonds Reserve Account and all reserve accounts for obligations on a parity with the 2009 Series A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of, and interest, if any, on the 2009 Series A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the 2009 Series A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services of the System set forth in Section 7.04, so long as the 2009 Series A Bonds are outstanding.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of the adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Managing Engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of the Managing Engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the Council and to any Holder of any 2009 Series A Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the Council and to any Holder of any 2009 Series A Bonds or anyone acting for and in behalf of such Holder of any 2009 Series A Bonds.

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

Section 7.11. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.12. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the PSC and other laws of the State.

Whenever any rates, fees, rentals or other charges for the services or facilities of the System remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities provided is delinquent and the user is liable at law until such time as all such rates, fees and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the PSC, rates, rentals and other charges, if not paid when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that it will, to the full extent permitted by law and the rules promulgated by the PSC, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.13. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.14. Connections to System. The Issuer will, to the extent authorized by the laws of the State and the rules and regulations of the PSC, require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the 2009 Series A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and

properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and be used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Section 38-2-39.

(A) The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful

performance of such contract. The Issuer shall verify such bonds prior to commencement of construction of the Project.

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

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

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

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

Section 7.16. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall employ qualified operating personnel properly certified by the State during the entire term of the Loan Agreement.

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

The Issuer has obtained all permits and approvals required by State and federal laws for the acquisition and construction of the Project and all orders and approvals from the PSC and the Council necessary for the acquisition and construction of the Project, the operation of the System and all approvals for issuance of the 2009 Series A Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Statutory Mortgage Lien. For the further protection of the Holder of the 2009 Series A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the 2009 Series A Bonds, shall be for the benefit of all Registered Owners of 2009 Series A Bonds and shall be on a parity with the statutory mortgage lien of the Prior Bonds.

Section 7.19. Compliance with Loan Agreement and Law. The Issuer agrees to perform, satisfy and comply with all terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the Council with copies of all documents submitted to the Authority. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the Council or other state, federal or local bodies in regard to the construction and acquisition of the Project and the operation, maintenance and use of the System.

Section 7.20. PSC Order. The Issuer shall comply with the conditions of the PSC Order and any supplement or amendment thereto.

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

Section 7.22. Public Releases. The Issuer shall list the funding provided by the Council and the Authority in any press release, publication, program bulletin, sign

or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

Section 7.23. Contracts. A. The Issuer shall, simultaneously with the delivery of the 2009 Series A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project and the Chairman is hereby authorized and directed to execute and deliver all such contracts.

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

Section 7.24. Additional New Customers. The Issuer shall serve the additional new customers at the location(s) as set forth in Schedule X to the Loan Agreement. The Issuer shall not reduce the amount of additional customers served by the Project without the prior written consent of the Board of the WDA. Following completion of the Project, the Issuer shall certify to the Authority the number of customers added to the System.

Section 7.25. Annual Maintenance Audit. The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the PSC.

ARTICLE VIII

INVESTMENT OF FUNDS

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

Except as specifically provided herein, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once a year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the 2009 Series A Bonds are Outstanding.

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

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

ARTICLE IX

DEFAULT AND REMEDIES

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

(A) If default occurs in the due and punctual payment of the principal of or interest, if any, on the 2009 Series A Bonds; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the 2009 Series A Bonds set forth in this Resolution or by any Supplemental Resolution thereto, or in the 2009 Series A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Bond Registrar, any Paying Agent or a Holder of a Bond; or

(C) If a default occurs with respect to the Prior Bonds or the Prior Resolution; or

(D) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act, the Loan Agreement, and this Resolution relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the 2009 Series A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of any express trust for the Registered Owners of the 2009 Series A Bonds, and (v) by action at law or bill in equity enjoin any acts in violation of the Resolution with respect to the 2009 Series A Bonds, or the rights of such Registered Owners; provided however, that all rights and remedies of the Registered Owners shall be on a parity with those of the Registered Owners of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under this Resolution and the Act, including, the completion of the Project, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with

respect to the 2009 Series A Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project, or both, on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the 2009 Series A Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Resolution and the Act.

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

Whenever all that is due upon the 2009 Series A Bonds and interest thereon, if any, and under any covenants of this Resolution for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Resolution shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any 2009 Series A Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the 2009 Series A Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such 2009 Series A Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Resolution, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the 2009 Series A Bonds, the principal of, and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then the pledge of Net Revenues and other moneys and securities pledged under this Resolution and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the 2009 Series A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Resolution. Prior to the issuance of the 2009 Series A Bonds, this Resolution may be amended or supplemented in any way by a Supplemental Resolution. Following the issuance of the 2009 Series A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the 2009 Series A Bonds shall be made without the consent in writing of the Registered Owners of the 2009 Series A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the 2009 Series A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of 2009 Series A Bonds required for consent to the above-permitted amendments or modifications.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution, or any Supplemental Resolution thereto, should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, or the 2009 Series A Bonds.

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

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

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

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

Adopted this 13th day of October, 2009.

EASTERN WYOMING PUBLIC SERVICE DISTRICT

By: _____
Chairman

By: _____
Member

By: _____
Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of EASTERN WYOMING PUBLIC SERVICE DISTRICT on the 13th day of October, 2009.

Dated: October 16, 2009.

[SEAL]

Dallas Cecil

Secretary

Exhibit A

(FORM OF 2009 SERIES A BOND)

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

No. AR-1 $1,000,000

KNOW ALL MEN BY THESE PRESENTS: That on this 16th day of October, 2009, EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the principal sum of ONE MILLION DOLLARS ($1,000,000) or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2011, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated October 16, 2009.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks facilities of the Issuer including, but not limited to, the construction of a water distribution system to serve the South Mullens, Itmann and Bud Mountain areas of Wyoming County (the

"Project"), and (ii) to pay certain costs of issuance of the 2009 Series A Bonds and related costs. The existing public waterworks system of the Issuer, the Project and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on October 13, 2009 (the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 16, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $360,000, (2) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000, AND (3) WATER REVENUE BONDS, 2006 SERIES A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 12, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,570,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Resolution) to be derived from the operation of the System on a parity with the lien of the Prior Bonds, and from moneys in the reserve account created under the Bond Resolution for this Bond (the "Reserve Account") and unexpended proceeds of this Bond (the "Bond Proceeds"). Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act, and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Reserve Account and unexpended Bond Proceeds. Pursuant to the Bond Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on this Bond, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond and the Prior Bonds, provided however, that so long as the Reserve Account is funded at an amount at least equal to the maximum amount of principal and interest which will come due on this Bond in the then current or any

succeeding year, and the reserve accounts for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, are funded at an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owners of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar (as defined in the Resolution), by the Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

Under the Act, this Bond is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

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

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

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

[Remainder of Page Intentionally Left Blank]

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

[SEAL]

EASTERN WYOMING PUBLIC SERVICE DISTRICT

_____

Chairman

Attest:

_____

Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the 2009 Series A Bonds described in and issued under the provisions of the within mentioned Resolution and has been duly registered in the name of the registered owner set forth above.

Date: October 16, 2009.

UNITED BANK, INC.,
as Registrar

_____
Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $

(Form of)

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____, the within-mentioned Bond and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Bond on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

Dated: _____

_____

IN THE PRESENCE OF:

_____

1779723 (9717.10)

AFFIDAVIT OF PUBLICATION:

State of West Virginia
County of Wyoming, to wit:

I, Terri Persinger, being first duly sworn upon my oath, do depose and say that I am the Asst. Legal Editor of the Mullens Advocate, Inc., a corporation publisher of the newspaper entitled Mullens Advocate, Inc. a Republican newspaper; that I have duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly pubished weekly, for at least fifty weeks during the calendar year, in the Municipality of mullens, Wyoming County , West Virginia; that such newspaper is a newspaper of "general circulation", as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforesaid municipality and Wyoming County, West Virginia; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, advertisements, and other notices; that the annexed notice of 9"

was duly published in said newspaper once a week for 1 successive weeks, (Class I), commencing with the issue of the 30 day of September 20 09, and ending with the issue of the 30 day of September 20 09 (and was posted at the (if required) Mullens Advocate on the 30 day of September, 20 09): that said annexed notice was published on the following dates: 9/30/09

and that the cost of publishing said annexed notice as aforesaid was $ 56.88.

Legal Notice
NOTICE OF PUBLIC HEARING ON
EASTERN WYOMING PUBLIC SERVICE DISTRICT
BOND RESOLUTION

The Public Service Board (the "Board") of Eastern Wyoming Public Service District (the "Issuer") will meet in regular session on Tuesday, October 13, 2009, at 6:30 p.m., prevailing time, at the Stephenson Water Treatment Plant, Rt. #6 Sawmill Road, Stephenson, West Virginia, to hold a public hearing on the following Bond Resolution:

RESOLUTION AUTHORIZING THE ACQUISITION, CONSTRUCTION AND IMPROVEMENTS OF WATER TREATMENT AND DISTRIBUTION FACILITIES OF EASTERN WYOMING PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COSTS, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, 2009 SERIES A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The Bonds will be issued to finance the costs of acquisition, construction, improvement, additions, betterments and extensions to the existing public waterworks facilities of the Issuer, including, but not limited to, the construction of a water distribution system to serve South Mullens, Itmann and Bud Mountain areas of Wyoming County (the "Project") and the costs of issuance of the Bonds, and related costs of the Project.

The Board of the Issuer expects to adopt the Bond Resolution following the public hearing. A copy of the Bond Resolution is on file at the District's office.

All interested individuals may appear before the District and be heard.

Dated: September 30, 200
Dallas Cec
Secretar
1wk 9/3

Terri Persinger
Terri Persinger, Asst. Legal Editor
Mullens Advocate, Inc.

Taken subscribed and sworn to before me in my said county this 30 day of September 09.

My commission expires June 21 2014.

Irene Wooten
Notary Public, State of West Virginia

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
IRENE WOOTEN
1102 STEWART ST.
WELCH, WV 24801
My commission expires June 21, 2014

CONNER PRINTING, INC. 1-800-442-5051

$1,000,000
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, 2009 SERIES A
(WEST VIRGINIA INFRASTRUCTURE FUND)

EXCERPT OF MINUTES

I, Dallas J. Cecil, Secretary of the Eastern Wyoming Public Service District (the "Issuer"), hereby certify that the following is a true and correct excerpt of the minutes of the meeting of the Board of the Issuer held on October 13, 2009.

The Board met at a regular meeting, pursuant to notice duly given, published and posted, on Tuesday, October 13, 2009, at 6:30 p.m., prevailing time, at the Stephenson Water Treatment Plant, Rt. 16-Sawmill Road, Stephenson, West Virginia.

Present: Mart Lane, Chairman; Virgil Shrewsbury, Jr., Member; and Dallas J. Cecil, Member.

Also Present: See the Attendance List attached hereto and incorporated herein as Exhibit A.

The Chairman called the meeting to order and acknowledged that a quorum was present.

Mart Lane presented and read the title of a proposed Bond Resolution as follows:

RESOLUTION AUTHORIZING THE ACQUISITION, CONSTRUCTION AND IMPROVEMENTS OF WATER TREATMENT AND DISTRIBUTION FACILITIES OF EASTERN WYOMING PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COSTS, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, 2009 SERIES A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The Chairman then opened the floor for the Public Hearing and asked for any significant objections and suggestions on the bond financing. Hearing no significant objections or suggestions, the Public Hearing was closed. Thereupon, on motion of Mart Lane, seconded by Virgil Shrewsbury, Jr., the Bond Resolution was declared to be in full force and effect on and from the date thereof.

The Chairman then presented the First Draw Resolution. After review and discussion, upon motion of Mart Lane, seconded by Dallas J. Cecil, the First Draw Resolution was declared to be in full force and effect on and from the date thereof.

The Chairman then presented the Resolution Approving Electronic Payments to the West Virginia Municipal Bond Commission. After review and discussion, upon motion of Mart Lane, seconded by Dallas J. Cecil, the Resolution Approving Electronic Payments to the West Virginia Municipal Bond Commission was declared to be in full force and effect on and from the date thereof.

[Remainder of Page Intentionally Left Blank]

I hereby certify that the foregoing actions of said Issuer remain in full force and effect and have not been amended or repealed.

WITNESS my signature on this 16th day of October, 2006.

[SEAL]

Dallas J. Cecil

Dallas J. Cecil, Secretary

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9717.10

EXHIBIT A

EASTERN WYOMING PUBLIC SERVICE DISTRICT
October 13, 2009 Board Meeting
Attendance List

Name	Representing
William Baisden	EWPSD
Mark Lane	EWPSD
Barbara Lane	
Dallas J. Cecil	Eastern Wyoming P.S.D.
Ethel Day	Myself
Bob Haywood	Pentrex, Inc.
[illegible]	Region I PDC
Ted Stanly	Bur MT
Amon Stanly	" "
Elizabeth A. Gilbert	Spilman Thomas & Battle PLLC
Karrie M. Mattox	Spilman Thomas & Battle PLLC
Mike Davis	Myself
[illegible]	EWPSD

081090alj120808.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

12/28/2008

Entered: December 8, 2008

CASE NO. 08-1090-PWD-CN

EASTERN WYOMING PUBLIC SERVICE DISTRICT,
a public utility, Wyoming County.
Application for a certificate of convenience and necessity to construct a water distribution system to serve South Mullens, Itmann and Bud Mountain areas of Wyoming County.

RECOMMENDED DECISION

On June 27, 2008, the Eastern Wyoming Public Service District (Utility) filed an application for a certificate of convenience and necessity to construct a water distribution system in Wyoming County. At that time the Utility indicated that the project was going to be 100% grant funded and have no impact on its rates. The Utility requested a waiver of the Rule 42 filing requirements. The Utility further requested expedited treatment of its application. The project cost was estimated at $10,950,480.

On June 27, 2008, the Commission ordered the Utility to publish notice of its filing.

On July 9, 2008, the Commission referred the matter. The Commission required a decision on or before January 23, 2009, if public protest was received. The Commission received protests.

On July 25, 2008, the Utility amended its certificate application by increasing the project size and funding by approximately $1,537,345.[1] The Utility indicated that $1,000,000 of the new funding would be a loan from the West Virginia Infrastructure Jobs and Development Council (WVIJDC). The Utility attached to its filing a suggested amended Notice of Filing.

On July 31, 2008, Staff expressed concern that a revised Notice of Filing might have to be published since the Utility was now borrowing money. Staff further indicated that the Utility should supply documentation supporting its request to waive the Rule 42 filing Exhibits.

On September 12, 2008, the Utility filed Rule 42 information.

On September 22, 2008, a petition was filed with 321 signatures which seemed to oppose the project.

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[1]The revision of the project was necessary because additional lines were going to be replaced in Mullens and additional project funding was received for that work. (Tr. 30, 31).

By Procedural Order issued September 24, 2008, the Utility was ordered to publish an amended notice of filing which outlined the new project funding proposal and the impact the new funding would have on rates. The Procedural Order also set the matter for hearing on November 13, 2008, and required the Utility to publish notice of the hearing.

The hearing was held as scheduled. James D. Kauffelt, Esquire, appeared on behalf of the Utility. Chris Howard, Esquire, appeared on behalf of Staff.

PUBLIC COMMENT

Patty Byers opposes the location of the tank on Bud Mountain. (Tr. 58). She is one of the heirs of the estate that owns the property on which the Utility has decided to locate the tank and is opposed to that location. (Tr. 59). Other heirs support the location of the tank site. (Tr. 64). Ms. Byers believes other locations are possible. (Tr. 59, 60). While acknowledging that she had no reason to believe that the tank site was not the best site to place the tank for the Utility from an engineering or financial basis, Ms. Byers simply does not want the tank on her property. (Tr. 61).

Corlis Colbirt is on a fixed income and does not want rates to increase. (Tr. 69, 70).

Yvonne Weaver lives on Bud Mountain and hauls her water because her water source has e coli in it. (Tr. 70, 71). Ms. Weaver is attempting to care for an 83-year-old aunt with a feeding tube without potable running water in the house. (Tr. 70, 71).

John Refax is concerned that some of the Utility's customers are metered and some of them are not. (Tr. 72). He opposes the project if it will result in an increase in his rates. (Tr. 72).[2]

Given all of the grant money in the project, Travis Myles believes that the customers should receive a rate decrease. (Tr. 74, 75).

Lyndsey Lester complained about the quality of water that the Utility provided for her in the Alpaca community. (Tr. 75). Ms. Lester believes the water is only fit for flushing the commode and washing. (Tr. 75, 76).

Randall Haul believes there might be a potential conflict of interest for Mr. Lang to be on the Utility's board and for the water tank to end up on property in which he has a legal interest. (Tr. 76).

EVIDENCE

Charles Richard Roberts, Jr., is the managing engineer of both the Logan County Public Service District(LCPSD) and the Utility. (Tr. 8). There has been an operation, maintenance and management agreement between

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[2]Part of the project will include metering all of the Utility's customers. (Tr. 73).

LCPSD and the Utility in existence since 2001. (Tr. 9). In 2001, several failing utilities in the area were placed in receivership with LCPSD being the receiver. (Tr. 9). After a significant flood hit Mullens in July 2001, efforts for a water project accelerated and the LCPSD entered into an operation agreement with the Utility. (Tr. 9, 10).

The eight utility systems north of Mullens that were in receivership were in very poor condition. (Tr. 10). All but two of the systems were actually inoperable in 2000. (Tr. 10). LCPSD was able to resume operation of the systems, but the service provided was substandard and it was impossible to bring the systems up to the quality required by the Commission's rules. (Tr. 10). The flood of 2001 rendered the City of Mullens' treatment plant inoperable. (Tr. 10).

The Utility had already completed an earlier project which included the replacement of some 18,000 feet of line in Mullens and a new water treatment plant located at Stevenson. (Tr. 11). The previously-approved project also replaced lines in the eight systems north of Mullens. (Tr. 11). The plant went online in January of 2007. (Tr. 11).

The current project application was filed on June 27, 2008, and relates to the Itmann and Bud Mountain areas. (Tr. 11). The Itmann system is 80 years old and suffers from significant pressure problems, lines located under homes and inadequately sized lines. (Tr. 11). The Bud Mountain area has no public water system and the well water has significant iron and manganese in it. (Tr. 11). Sixty-seven of the seventy-two homes studied on Bud Mountain were hauling water. (Tr. 11). Many of the wells were "sunk" by the mining activity. (Tr. 11). Some of the project is in the Mullens area, which is necessary to reach Itmann and Bud Mountain. (Tr. 12). In some areas, the Utility's line loss is in excess of 50%. (Tr. 25). Since some of the old lines in Mullens will not be replaced, the Utility will continue to have some leakage. (Tr. 25).

The project is now estimated to cost $12,487,825, with all of that amount being grant-funded except for a $1,000,000 zero percent WVIJDC loan. (Tr. 13, 14). The proposed project includes 110,630 feet of 12-inch or smaller diameter main, two booster stations and one 90,000-gallon storage tank. (Tr. 14). The funding has all been committed. (Tr. 14, 15, 16, 17, 18; Utility Ex. 2, 3, 4, 5, 6).

All of the necessary permits for the construction have been obtained except for one permit from the Norfolk Southern Railroad, which was anticipated to be obtained in two weeks from the hearing date. (Tr. 20, Utility Ex. 7). The Utility has obtained half of the necessary rights-of-way required for the project. (Tr. 21).

The Utility selected the tank site because it was the best elevation and location. (Tr. 21). It evaluated several tank sites and eventually narrowed it to four potential tank sites, from which it chose the best location. (Tr. 21, 22). The elevation for the tank site was critical because lower elevations required taller tanks which significantly increased construction costs. (Tr. 23). The Utility also evaluated appraised value of locations, the cost of access roads and water lines to the various sites. (Tr. 23, Utility Ex. 8). Since the tank site selection incurred resistance, the Utility re-did the selection process

and still concluded that the previously-selected tank site was the superior location. (Tr. 24, 25). The selected tank site is along the route of the line and results in the least expensive construction cost by several thousand dollars. (Tr. 28).

The Utility has a pending rate application before the Commission, which has approved emergency rates. (Tr. 26). The rates proposed for the Utility after the project is installed are actually lower than the rates that were being charged by the Utility under the emergency interim rates. (Tr. 27).

Mart Lang is the chairman of the Utility board and resides on Bud Mountain. (Tr. 34). Mining in the Bud Mountain area dropped the water table to the point where it is impossible to get adequate water from wells. (Tr. 34, 35). Mr. Lang had to haul water, which involved making a 19-mile trip to get 300 gallons of non-potable water. (Tr. 36). About 80 percent of the community's cisterns have e coli present. (Tr. 36).

The system in Itmann is so leaky that it is almost impossible to keep the system from leaking. (Tr. 37). It experiences low-pressure problems. (Tr. 37). Buildings are built over top of many of the old lines. (Tr. 37).

Mr. Lang is one of the heirs to the tank site location. (Tr. 34). Mr. Lang left the room whenever the tank site location was discussed by the Utility's board. (Tr. 38). He is confident that the tank site location is the best for the project from an engineering point of view. (Tr. 38).

Yvonne Weaver uses a pickup truck to haul water to her residence on Bud Mountain in a 210-gallon mushroom tank. (Tr. 39). She has to haul water twice a week, and it usually takes five to six trips to get her cisterns full. (Tr. 39). Ms. Weaver takes care of a two-and-a-half-year-old grandson and has to buy drinking water. (Tr. 39, 40).

Bart Gentry lives on Bud Mountain and pays someone to haul water. (Tr. 41). The water that is brought to his cistern is obtained from a creek and is not potable. (Tr. 41). Mr. Gentry buys drinking water. (Tr. 41).

Pete Lopez is a Utilities Analyst II for Staff. (Tr. 44). The addition of the infrastructure loan to the project financing resulted in a necessary 3.8 percent increase in rates. (Tr. 46).

James Spurlock is a Technical Analyst II for Staff. (Tr. 54). Mr. Spurlock believes the project is convenient and necessary. (Tr. 55). Mr. Spurlock believes the Utility selected the best alternative for the tank site. (Tr. 56).

The Utility's construction will serve approximately 454 customers; 377 of those customers are served by other failing water systems, and 77 customers have no existing water service. (Staff Ex. 1). The potable water for the new project lines and customers will be provided by the Utility's new water treatment plant which was completed in 2007 and currently operates eight hours a day. (Staff Ex. 1).

The proposed funding for the project is comprised of a Legislative Digest Grant of $100,000; a Wyoming County Commission grant of $15,000; a Small Cities Block Grant of $1,500,000; an Abandoned Mine Lands Grant of $9,335,480; a WVIJDC loan of $1,000,000 at zero percent interest for 40 years; and a WVIJDC grant in the amount of $537,345. (Staff Ex. 1).

The project will replace the water facilities in South Mullens. (Staff Ex. 1). The Bud Mountain area will provide new service to 54 customers. (Staff Ex. 1). The South Mullens and Itmann area lines were constructed in the 1940s and are in poor condition. (Staff Ex. 1). Some of the fire hydrants are inoperable. (Staff Ex. 1). The system experiences frequent water outages. (Staff Ex. 1).

The project costs equate to a cost per customer of $21,494. (Staff Ex. 1). The engineering costs for the project are 8.1 percent of the construction cost or $884,000. (Staff Ex. 1). The project will result in an increase in operation and maintenance expenses of $800 annually. (Staff Ex. 1). The plans and specifications are in substantial compliance with the Commission's rules and regulations. (Staff Ex. 1). The Staff-recommended rates, to take effect after the project is substantially complete, will result in a cash flow surplus of $485 and debt service coverage of 151.75 percent. (Staff Ex. 1). Staff recommended approval of the proposed financing, believing it to be reasonable. (Staff Ex. 1).

DISCUSSION

Public convenience and necessity require that the conditions on Bud Mountain, Itmann and South Mullens area be addressed with the project. There are significant public health concerns for the Bud Mountain customers who suffer from inadequate water sources and who have no access to public water. The residents have suffered far too long. The old systems in South Mullens and Itmann will not survive much longer and definitely require replacement. The proposed financing is extremely favorable to the customers, and the project will have very minimal impact on rates.

The location of the tank site and the other technical aspects of the project are appropriate and conform to Commission rules. The Utility should be commended for its efforts to provide service to the residents of the area.

FINDINGS OF FACT

1. On June 27, 2008, the Utility filed an application for a certificate of convenience and necessity to construct improvements and extensions to its water system. (See filing).

2. The existing system in Itmann and South Mullens is very old, suffers from significant pressure problems, has inadequately sized mains, suffers from excessive leakage, experiences frequent outages, has mains underneath buildings, has numerous inoperable fire hydrants and valves and is simply beyond its useful life. (See Utility Application filed June 27, 2008; Staff Ex. 1; Tr. 11, 25, 37).

3. The residents on Bud Mountain have no public water service. Mining activity has lowered the water table to a point where many of the existing wells are dry. The well water has significant iron and manganese in it. Many of the wells and cisterns are contaminated with e coli. Sixty-seven of the seventy-two homes surveyed hauled water with much or all of the water hauled not being potable. (See Utility Application filed June 27, 2008; Staff Ex. 1; Tr. 11, 34, 35, 36, 39, 41, 70, 71).

4. The tank site selected by the Utility is the best site from an engineering and financial viewpoint and will save the Utility several thousand dollars over the next best location. The Utility used a fair and impartial selection process for the location of the tank and appropriately sited the tank. (Tr. 21, 22, 23, 24, 25, 28, 38, 56; Utility Ex. 8; Staff Ex. 1).

5. The Utility's construction will serve approximately 454 customers; 377 of those customers are served by other failing water systems; and 77 customers have no existing water service. (Staff Ex. 1).

6. The potable water for the new project lines and customers will be provided by the Utility's new water treatment plant which was completed in 2007 and currently operates eight hours a day. (Staff Ex. 1).

7. The proposed funding is comprised of a Legislative Digest Grant of $100,000; a Wyoming County Commission granted $15,000; a Small Cities Block Grant of $1,500,000; an Abandoned Mine Lands Grant of $9,335,480; a WVIJDC loan of $1,000,000 at zero percent interest over 40 years; and a WVIJDC grant in the amount of $537,345. Staff recommended approval of the proposed financing, believing it to be reasonable. (Staff Ex. 1).

8 The project costs equate to a cost per customer of $21,494. The engineering costs for the project are 8.1 percent of the construction cost or $884,000. (Staff Ex. 1).

9. The project will result in an increase in operation and maintenance expenses of $800 annually. (Staff Ex. 1).

10. The plans and specifications are in substantial conformance with the Commission's rules and regulations. (Staff Ex. 1).

11. The Staff-recommended rates, to become effective upon substantial completion of the project, will result in a cash flow surplus of $485 in debt service coverage of 151.75 percent. (Staff Ex. 1).

CONCLUSIONS OF LAW

1. Public convenience and necessity require the proposed project.

2. The proposed financing is reasonable and should be approved.

3. The application for a certificate of convenience and necessity should be granted.

4. The Staff-recommended rates are reasonable, just, based primarily upon the cost of providing service and should be adopted for use by the Utility upon substantial completion of the project.

ORDER

IT IS, THEREFORE, ORDERED that the Eastern Wyoming Public Service District be, and hereby is, granted a certificate of convenience and necessity to construct and operate the improvements to its water facilities as described in its application filed on June 27, 2008, and revised on July 25, 2008. The cost of the approved project shall not exceed $12,487,825. Approval is contingent upon the Utility obtaining all necessary state and federal permits before construction.

IT IS FURTHER ORDERED that the proposed financing, consisting of a West Virginia Legislative Digest Grant in the amount of $100,000; a Wyoming County Commission grant of $15,000; a Small Cities Block Grant of $1,500,000; an Abandoned Mine Lands Grant of $9,335,480; a West Virginia Infrastructure Jobs and Development Council Loan of $1,000,000 at zero percent interest for 40 years; and a West Virginia Infrastructure Jobs Development Council Grant in the amount of $537,345 be, and hereby is, approved.

IT IS FURTHER ORDERED that, if the plans, financing or scope of the project change, the Utility must seek Commission approval of those changes. If any changes in project cost result in a modification of rates, the Utility must seek Commission approval of such changes. If project-related rates remain unchanged, but the project costs change, the Utility must file an affidavit executed by a certified public accountant verifying that the modifications to the project will not impact the approved rates and charges.

IT IS FURTHER ORDERED that the Utility provide the Commission a copy of the engineer's certified bid tabulation for all contracts awarded on this project as soon as they are available.

IT IS FURTHER ORDERED that the Utility submit to the Commission a copy of the certificate of substantial completion issued for each construction contract associated with the project as soon as they are available.

IT IS FURTHER ORDERED that the Utility comply with all rules and regulations of the Division of Highways regarding the use of Division of Highways' rights-of-way, if any are used.

IT IS FURTHER ORDERED that the rates attached as Appendix A, be, and hereby are, approved for use by the Eastern Wyoming Public Service District for all service rendered on and after the date of substantial completion of the project.

IT IS FURTHER ORDERED that the matter be removed from the open docket.

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:cdk
081090aa.wpd

EASTERN WYOMING PUBLIC SERVICE DISTRICT
CASE NO. 08-1090-PWD-CN

APPROVED RATES

Water Schedule No. 1

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for general domestic, commercial, governmental and industrial service.

RATES

First	2,000 gallons used per month	$11.33 per 1,000 gallons
Next	58,000 gallons used per month	$10.84 per 1,000 gallons
Next	240,000 gallons used per month	$ 7.96 per 1,000 gallons
All over	300,000 gallons used per month	$ 4.09 per 1,000 gallons

MINIMUM CHARGE

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

5/8-inch meter	$ 22.66 per month
3/4-inch meter	$ 33.99 per month
1-inch meter	$ 56.65 per month
1-1/4-inch meter	$ 82.71 per month
1-1/2-inch meter	$ 113.30 per month
2-inch meter	$ 181.28 per month
3-inch meter	$ 362.56 per month
4-inch meter	$ 566.50 per month
6-inch meter	$1,133.00 per month
8-inch meter	$1,812.80 per month

FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent to 4,500 gallons of water usage, $49.76 per month.

DELAYED PAYMENT PENALTY

The above scheduled is net. On all current accounts not paid in full when due, ten percent will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

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

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

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

RECONNECTION CHARGE - $20.00

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

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 the bank due to insufficient funds.

LEAK ADJUSTMENT

$1.10 per 1,000 gallons is to be used when a bill reflects unusual water 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 customer's historical average usage.

SECURITY DEPOSIT

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

MUNICIPAL EXCISE TAX SURCHARGE

The Municipalities listed below, having imposed public utility tax computed on the basis of two percent of the revenues from the water sales by Eastern Wyoming Public Service District water utility within the corporate limits of such municipalities, shall be billed as a "surcharge" to the customers receiving service within the said corporate limits.

The water utility is required to collect the utility tax pursuant to West Virginia Code §8-13-5a.

Customers receiving water service within the corporate limits of the specified municipality shall pay a surcharge based on the following rates:

City of Mullens 2%

SURCHARGE

$2.57 per bill per month for a period not to exceed 10 years or until the amount is paid in full from the effective date of this tariff will be charged in order to eliminate the arrearage to the Logan County Public Service District.

Water Schedule No. 2

PRIVATE FIRE PROTECTION SERVICE

Where connections, hydrants, sprinklers, etc., on private property are maintained by consumer:

2-inch service line w/hydrants, sprinkler, and/or hose connections	$ 58.69
3-inch service line w/hydrants, sprinkler, and/or hose connections	$ 132.68
4-inch service line w/hydrants, sprinkler, and/or hose connections	$ 232.40
6-inch service line w/hydrants, sprinkler, and/or hose connections	$ 588.92
8-inch service line w/hydrants, sprinkler, and/or hose connections	$ 965.74
10-inch service line w/hydrants, sprinkler, and/or hose connections	$1,712.98
12-inch service line w/hydrants, sprinkler, and/or hose connections	$2,400.25

LEAK ADJUSTMENT

$1.10 per 1,000 gallons is to be used when a bill reflects unusual water 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 customer's historical average usage.

West Virginia Infrastructure & Jobs Development Council

Public Members:
Russell L. Isaacs, Chairman
Cottageville
Henry Harmon, Vice Chairman
Hurricane
Dwight Calhoun
Petersburg
C.R. "Rennie" Hill, III
Beckley

300 Summers Street, Suite 980
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Katy Mallory, PE
Executive Secretary

KMallory@verizon.com

August 28, 2002

Michael Goode, County Clerk
Wyoming County Commission
Drawer 309
Pineville, West Virginia 24874

RE: Bud Mountain Water Project

Dear Mr. Goode:

I received the revised application request for the $100,000 state grant that is awarded to the Bud Mountain Water project. The District is requesting to use the grant to fund engineering costs related to the project. Prior to disbursement of these engineering fees, I will need the following documentation:

1. Approved engineering agreement for the proposed work;
2. Public Service Commission approval of the agreement between the engineer and Eastern Wyoming PSD;
3. Draw resolution and invoices for costs incurred.
4. Commitment letter(s) for the other funds.

If you need additional information please contact me.

Sincerely,

Katy Mallory

cc: Rick Roberts

WEST VIRGINIA
Infrastructure & Jobs Development Council

Gov. Joe Manchin, III
Chairman

Kenneth Lowe, Jr.
Public Member

Dwight Calhoun
Public Member

David "Bones" McComas
Public Member

Ron Justice
Public Member

Jefferson E. Brady, P.E.
Executive Director

Paula Koontz
Administrative Secretary

November 7, 2008

Rick Roberts, P.E.,
Managing Engineer
Eastern Wyoming PSD
P.O. Box 506
Logan, WV 25601

Re: 2004W-833 Binding Commitment
(Action Required by December 31, 2008)

Dear Mr. Roberts:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") provides this binding offer of an Infrastructure Fund loan of approximately $1,000,000 (the "Loan") and an Infrastructure Fund grant of approximately$537,345 (the "Grant") to the Eastern Wyoming Public Service District (the "District") for above referenced water project (the "Project"). The Loan and Grant will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Loan and Grant amount will be established after the District has received acceptable bids for the Project. The Infrastructure Council will set aside a portion of the Infrastructure Fund to make the Loan and Grant upon the District's compliance with the program requirements.

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

A. Prepare and submit the preliminary title opinion no later than November 31, 2008;
B. Advertise for bids no later than December 1, 2008.

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

The Infrastructure Council reserves the right to withdraw this Loan and Grant commitment if any of the above schedule dates are not met. The Infrastructure Council may, when justifiable circumstances occur, offer to modify the schedule. Any decision to modify the schedule is at the sole discretion of the Infrastructure Council.

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

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

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

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

Sincerely,

Kenneth Lowe, Jr.

Attachments
cc: Pentree Inc.
Angela Chestnut, WVDEP – AML
Debbie Legg, WVDO

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

Eastern Wyoming Public Service District

By: Rick Roberts

Its: Managing Engineer

Date: 11/12/08

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Eastern Wyoming PSD
Water Project 2002W-833
November 7, 2008

SCHEDULE A

A. Approximate Amount: $ 1,000,000 Loan

B. Loan: $ 1,000,000

1. Maturity Date: 40 years from date of closing.

2. Interest Rate: 0%

3. Loan Advancement Date(s) Monthly, upon receipt of proper requisition

4. Debt Service Commencement: The first quarter following completion of construction, which date must be I dentified prior to closing.

5. Special Conditions: None

C. Grant: $ 537,345

1. Grant Advancement Date(s): Monthly, upon receipt of proper requisition and after complete advancement of all Loan funding.

2. Special Conditions: None

NOTICE: The terms set forth above are subject to change following the receipt of construction bids.

D. Other Funding Sources:

1. AML	$ 4,217,655
2. SCBG	$ 1,500,000
3. Wyoming CO. Comm.	$ 15,000
4. Budget Digest	$ 100,000

E. Total Project Cost: $ 7,370,000

State of West Virginia
Joe Manchin III
Governor

Office of the Governor
State Capitol
1900 Kanawha Boulevard, East
Charleston, WV 25305

Telephone: (304) 558-2000
Toll Free: 1-888-438-2731
FAX: (304) 342-7025
www.wvgov.org

January 14, 2009

The Honorable Jon McKinney
Mayor
City of Mullens
316 Moran Avenue
Mullens, West Virginia 25882

Dear Mayor McKinney:

On February 1, 2008, the City of Mullens received a commitment of $1,500,000 in Small Cities Block Grant funds to enable you to provide a safe and potable water supply for the residents of the Itmann/Bud Mountain areas of the City of Mullens and Wyoming County.

In order to effectively use limited available dollars, only $200,000 was made available from the FY2007 allocation. Based upon the City of Mullens' ability to proceed with this worthwhile project, I am committing $700,000 from the FY2008 Small Cities allocation. The remaining $600,000 necessary to complete the project will be evaluated and committed in a future year allocation. Your existing Small Cities Block Grant contract will be amended to include the additional funds.

I encourage you to expedite this project and reach its completion as quickly as possible with this funding strategy in mind. The West Virginia Development Office reserves the right to withdraw these funds if your project does not proceed on schedule. These funds would be replaced with a letter of intent for consideration from future allocations. Please be advised that a letter of intent for funding consideration from future allocations is contingent upon the availability of federal funds.

I am pleased to assist with these improvements for the citizens of the City of Mullens.

With warmest regards,

Joe Manchin III
Governor

JM:mbm

WEST VIRGINIA DEVELOPMENT OFFICE

1900 Kanawha Boulevard, East • Charleston, WV 25305-0311
(304) 558-2234 • (800) 982-3386
www.wvopenforbusiness.com

RECEIVED
MAY 05 2008
REGION I PDC

April 30, 2008

The Honorable Jon McKinney
Mayor
City of Mullens
316 Moran Avenue
Mullens, West Virginia 25882

Dear Mayor McKinney:

RE: Fiscal Year 2007 Small Cities Block Grant
City of Mullens— Itmann/Bud Mountain Water Extension
Grant Number: 07SCBG0006X

Enclosed is your copy of the executed grant award and state/local contract for the above-referenced project. You should retain this contract and grant award with your project files.

Sincerely,

Michael P. Browning
Community Development Representative

MPB:sm

enclosure

cc: Region I PDC

WEST VIRGINIA DEVELOPMENT OFFICE
GRANT AWARD

Grant Number: 08-596	
CFDA Number: 14.228	**State Acct. No.:** 8746-2008-0307-096-128
Fiscal Year: 2008	**Program Name:** SCBG

Grantee Name & Address:

CITY OF MULLENS
316 MORAN AVENUE
MULLENS, WEST VIRGINIA 25882

F.E.I.N. 556-000-220

Grant Period:
From: 2/1/2008
To: 2/1/2011

Project Name: WATER SERVICE

Grant ID: B-07-DC-54-0001

Project Number: 07SCBG0006X

Project Description

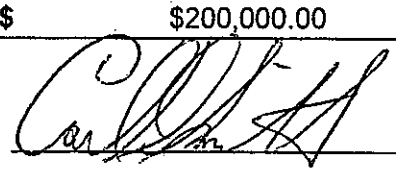
Shall do, perform and carry out, in a satisfactory and proper manner all duties, tasks, and functions necessary to assist the City of Mullens to extend public water service to the Itmann/Bud Mountain areas of Wyoming County.

Change Orders

Number:	**Date:**	**Purpose:**

TERMS AND CONDITIONS ARE ON FILE IN THE WEST VIRGINIA DEVELOPMENT OFFICE AND AVAILABLE FOR INSPECTION. A COPY OF THE ORIGINAL AGREEMENT IS ATTACHED TO TRANSMITTAL_____, PROCESSED ON OR ABOUT_____.
PAYMENT NUMBER_____
CONTACT PERSON IS MIKE BROWNING

TOTAL AMOUNT OF THIS GRANT $ $200,000.00

Authorized Signature: 

Title: Executive Director

Date: 4/23/2008

State of West Virginia
Joe Manchin III
Governor

Office of the Governor
State Capitol
1900 Kanawha Boulevard, East
Charleston, WV 25305

Telephone: (304) 558-2000
Toll Free: 1-888-438-2731
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www.wvgov.org

February 1, 2008

The Honorable Jon McKinney
Mayor
City of Mullens
316 Moran Avenue
Mullens, West Virginia 25882

Dear Mayor McKinney:

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

Your request has been approved in the amount of $1,500,000. These funds will enable you to upgrade and replace eight private water systems and one public water system to serve over 205 customers with a safe, potable water system.

In order to effectively use the limited dollars available, I hereby commit $200,000 from our fiscal year 2007 allocation that will immediately be available to you. The remaining $1,300,000 necessary to complete the project will be evaluated and committed in a future year allocation based on your ability to proceed forward with this project. I encourage you to expedite this project and reach its completion as quickly as possible with this funding strategy in mind. The West Virginia Development Office reserves the right to withdraw these funds if your project does not proceed on schedule.

Please contact Michael Browning of the West Virginia Development Office, at (304) 558-2234, to complete the necessary contract in order to proceed with your project.

I am pleased to assist with these improvements for the citizens of the City of Mullens.

With warmest regards,

Joe Manchin III
Governor

JM:mbb

SMALL CITIES BLOCK GRANT CONTRACT
between the
WEST VIRGINIA DEVELOPMENT OFFICE
and the
City of Mullens

THIS AGREEMENT, entered into this first day of February, 2008, by the West Virginia Department of Finance and Administration on behalf of the West Virginia Development Office, hereinafter called the "State," and the City of Mullens and its authorized officers, agents, and representatives, hereinafter called the "Grantee."

WITNESS THAT:

WHEREAS, the State has elected to administer the nonentitlement portion of the Community Development Block Grant Program as authorized by Title I of the Housing and Community Development Act of 1974 (Public Law 93-383), as amended, subject to the applicable regulations of the Department of Housing and Urban Development, including but not limited to 24 CFR Part 570, Sub-Part I, as amended or revised, and subject to the scope of the State of West Virginia's Grants Management Handbook and other Program Guidelines, receipt of which is hereby acknowledged by the Grantee.

WHEREAS, the Grantee has identified its housing and community development needs, including those of low- and moderate-income persons and the activities to be undertaken to meet such needs.

WHEREAS, the Grantee has prepared a written citizen's participation plan which provides opportunities for citizen participation, hearings, and access to information with respect to the proposed project statement in such a manner as to afford affected citizens an opportunity for examination and comment regarding the proposed project and on the community development performance of the Grantee, a Community Development Plan, and an Anti-displacement and Relocation Assistance Plan.

WHEREAS, for audit purposes, the Catalog of Federal Domestic Assistance number is 14.228, Community Development Block Grant/State's Program, funded by the Department of Housing and Urban Development.

WHEREAS, the Grantee has requested assistance from the State and has offered assurances that maximum feasible priority has been given to activities which will benefit low- and moderate-income families, or aid in the prevention or elimination of slums or blight, or to meet other community needs having a particular urgency because an existing condition poses a serious and immediate threat to the health and welfare of the community where other financial resources are not available to meet such needs.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. **Assistance to Grantee**. The State shall obligate to the Grantee, from funds allocated to the State by Grant Agreement B-07-DC-54-0001, $200,000 to perform such tasks hereafter described in the Scope of Services. The remaining $ 1,300,000 necessary to complete the project will be evaluated and committed in a future year allocation, based on the project's ability to proceed forward.

2. **Scope of Services**. The Grantee, or its designated agent, in accordance with the Small Cities Block Grant Handbook other Program Guidelines to be used in administration of the Small Cities Block Grant, and in accordance with the approved application of the Grantee which is attached hereto and made a part hereof as Attachment A, shall do, perform, and carry out, in a satisfactory and proper manner all duties, tasks, and functions necessary to assist the City of Mullens to extend public water service to the Itmann/Bud Mountain area in Wyoming County.

3. **Changes**. The State and the Grantee, from time to time, may require changes in the Scope of the Services of the work to be performed hereunder. Such changes, including any increase or decrease in the amount of the Grantee's compensation and work to be performed which are mutually agreed upon by and between the State and the Grantee, shall be incorporated in written amendments to this Contract. Major changes in the Scope of Services which substantially deviate from that originally approved shall require the same

citizen participation process as performed for the initial submission of the grant proposal. The State reserves the right to make final determination on questions regarding changes in the Scope of Services.

4. **Time of Performance**. The Grantee will commence its duties under this Contract on February 1, 2008, and such duties shall be undertaken and completed in such sequences as to assure their expeditious completion in light of the purpose of the Contract; but, in any event, all of the services required hereunder shall be completed by February 1, 2011. Completion date of this Contract may only be extended by mutual written agreement of both parties.

5. **Performance Measures**. Performance measures establish that the Grantee should have all other funding in place and design and engineering completed within twelve months. Furthermore, construction should be started within eighteen months after the execution of this Agreement by both parties. These performance measures establish goals against which performance under this contract can be measured and evaluated during regular scheduled monitoring visits by the State. Failure to meet these performance measures can result in termination of this contract (see Provision 10 of this agreement).

6. **Administrative Requirements and Procedures**.

(A) *Personnel.* The Grantee represents that it has or will secure personnel with the necessary qualifications and experience required to perform the services under this Contract. Such personnel shall not be employees of, or have any contractual relationship with the State, consistent with the procedures identified in the Small Cities Block Grant Handbook.

(B) *Applicable Law.* The Grantee, its agents, and subrecipients shall comply with all the restrictions, conditions, policies, guidelines, and requirements of Title I of the Housing and Community Development Act of 1974 (Public Law 93-383), as amended; with all applicable State and Federal Laws and regulations including 24 CFR Part 570; 24 CFR Part 85; OMB Circulars A-87, A-110, A-122, and A-133, as applicable, in administering and distributing funds provided under this Agreement including, but not limited to, the following:

(1) P.L. 88-352: Refers to Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et. seq.) which provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Implementing regulations are found in 24 CFR Part I.

(2) P.L. 90-284: Refers to Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601-20 et. seq.) popularly known as the Fair Housing Act which provides for fair housing throughout the United States and prohibits any person from discriminating in the sale or rental of housing, the financing of housing, or the provision of brokerage services, including otherManchin making unavailable or denying a dwelling to any person, because of race, color, religion, sex, national origin, handicap, or familial status. The Grantee further certifies that it will take actions necessary to affirmatively further fair housing.

(3) Executive Order 11063, as amended by Executive Order 12259, requires that taking of all actions necessary and appropriate to prevent discrimination because of race, color, religion (creed), sex, or national origin, in the sale, leasing, rental, or other disposition of residential property and related facilities (including land to be developed for residential use), or in the use of occupancy thereof. Implementing regulations are contained in 24 CFR 107.

(4) Section 109 of P.L. 93-383 requires that no person in the United States shall, on the grounds of race, color, national origin or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with community development funds.

Section 109 of the Act further provides any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et. seq.) or with respect to an otherwise qualified handicapped person as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) shall also apply.

(5) Section 110 of P.L. 93-383 requires compliance with the Davis-Bacon Act, as amended (40 U.S.C. 276a - 276a-5). By reason of the foregoing requirement,

the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et. seq.) also applies. In addition , the West Virginia Act on Construction of Public Improvements, Article 5A, Chapter 21 of the West Virginia Code applies.

(6) Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701U) requiring that to the greatest extent feasible opportunities for employment and training be given to lower income persons residing within the unit of local government or metropolitan area or nonmetropolitan county in which the project is located, and that Contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the same area.

(7) Executive Order 11246, as amended by Executive Order 12086 shall apply and provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of Federal or Federally assisted construction contracts.

(8) Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831b) prohibits the use, and requires the elimination and/or abatement of the hazards of lead-based paints in residential structures constructed or rehabilitated with Federal assistance to include notification of the hazards of lead-based paint. The Lead Safe Housing Regulation (24 CFR Part 35) established the requirements for notification, evaluation, and reduction of lead-based paint hazards in federally-owned residential property and housing that receives federal assistance.

(9) The Grantee agrees to assume all of the responsibilities for environmental review, decision making, and action as specified and required in regulations issued by the Secretary of Housing and Urban Development pursuant to Section 104(g) of the Act and published in 24 CFR Part 58. In addition to assuming responsibility for National Environmental Policy Act (P.L. 91-190), the Grantee must take into account, where applicable, the criteria, standards, policies, and regulations of the following: (a) Historic Preservation Act of 1966; (b) Executive Order 11593; (c) The Reservoir Salvage Act of 1960; (d) Flood Disaster Protection Act of 1973; (e) Executive Order 11988, Floodplain

Management; (f) Executive Order 11990, Protection of Wetlands, (g) Coastal Zone Management Act of 1972; (h) the Safe Drinking Water Act of 1974; (i) the Endangered Species Act of 1973; (j) the Wild and Scenic Rivers Act of 1968; (k) the Clean Air Act ; (l) Environmental Criteria and Standards (44 FR 40860-40866, July 12, 1979); (m) 24 CFR Part 51, Subpart B, Noise Abatement and Control; (n) Subpart C - Siting of HUD Projects Near Hazardous Operations Handling Conventional Fuels or Chemicals of an Explosive or Flammable Nature; (o) and Subpart D - Siting of HUD Projects in Runway Clear Zones and Accident Potential Zones at Military Airfields. Before committing any funds (other than for exempt activities), the Grantee must certify to the State that it has complied with all requirements and obligations that are set forth by 24 CFR Part 58. In addition, the Grantee must submit all requested Evidentiary Material to the State for approval prior to the obligation of any funds (other than for exempt activities).

(10) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4601) and HUD implementing regulations at 24 CFR Part 42 apply to the acquisition of real property for an activity assisted under this part and to the displacement of any family, individual, business, nonprofit organization or farm that results from such acquisition. The West Virginia Code, Chapter 54-3 also applies.

The Grantee must certify compliance with URA. Under Section 104(d) of the Act, each Grantee must adopt, make public and certify that it is following a residential anti-displacement and relocation assistance plan providing one-for-one replacement units and relocation assistance. The plan must also indicate the steps that will be taken to minimize the displacement of persons from their homes as a result of any activities assisted under this part all in accordance with 24 CFR Part 570.488(b).

(11) The State and the Grantee will comply with the provisions of the Department of Treasury Circular 1075 and/or the State's Small Cities Block Grant Handbook, as revised, in the process of requesting and administering funds from the State's Letter of Credit.

(12) Funds provided under this agreement shall not be expended for acquisition or construction purposes in an area that has been identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards unless the community in which the area is situated is participating in the National Flood Insurance Program; and flood insurance is obtained in accordance with Section 102(a) of the Flood Disaster Protection Act of 1973.

(C) *Accounting.* The Grantee will establish a separate account for the proper recording of project costs in accordance with generally accepted accounting principles and procedures so as to reflect all receipts and allowable expenditures, including program income in connection with the said project and the purpose thereof. PI generated prior to project closeout must be expended as received for project related activities in accordance with 24 CFR 570. If the Grantee received less that $25,000 per state fiscal year in program income after closeout, the dollars received are not subject to provision of 24 CFR 570 and may be used at the Grantees discretion. If program income exceeds $25,000 in any given state fiscal year after closeout, all program income earned must be expended in accordance with 24 CFR 570.489.

(D) *Audit.* Pursuant to provisions of Chapter 6, Article 9, Section 7 of the West Virginia Code, the Community Development Division has adopted the policy of accepting annual financial audits contracted or performed by the State Auditor's Office. The Grantee will include these funds to be audited with its yearly organization-wide audit. Audits shall be conducted in accordance with the provisions of the Office of Management and Budget (OMB) Circular A-133, and with standards established by the Comptroller General as specified in Standards for Audit of Governmental Organizations, Programs, Activities, and Functions. Units of local government will make audit reports available for public inspection within thirty (30) days after the completion of the audit.

(E) *Record Retention.* Financial records, supporting documents, statistical records, and all other records pertinent to the grant shall be retained for a period of three years, with the following qualifications:

(1) If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigations, claims, or audit findings involving the records have been resolved.

(2) Records for nonexpendable property acquired with Federal funds shall be retained for three years after its final disposition.

(3) Records for displacement shall be retained in accordance with the Small Cities Block Grant Handbook.

(4) The retention period starts from the date of the issuance of the final audit report.

(F) *Access to Records.* The Grantee shall, at any time during normal business hours and as often as the State or its designated representatives deem necessary, make available for examination all records, books, accounts, reports, files, and other papers, things or property of the Grantee with respect to the matters covered by this Contract. All negotiated contracts awarded by the Grantee shall include a provision that the Comptroller General or any duly authorized representative of the State or HUD shall have access to any books, documents, papers, and records of the contractor which are directly pertinent to a specific grant program for the purpose of making audit, examination, excerpts, and transcriptions.

(G) *Repayment.* The Grantee shall refund to the State or Federal government any expenditures determined to be made for an ineligible purpose for which Federal funds were received.

(H) *Competitive Procurement Procedures.* All procurement transactions, including professional services, regardless of whether negotiated or advertised and without regard to dollar value, shall be conducted in a manner that provides maximum open and free competition consistent with procedures identified in the Small Cities Block Handbook, 24 CFR Part 85, and with applicable local or State law.

The Grantee shall procure architect/engineer services in accordance with Chapter 5G of the West Virginia State Code and be in compliance with 24 CFR Part 85.

The Grantee shall procure construction contracts in accordance with Chapter 5-22-1 of the West Virginia State Code and be in compliance with federal regulations 24 CFR Part 85.

The Grantee shall solicit sealed bids for all construction-related contracts or supplies related to their project which has an estimated value of over $25,000. All transactions under $25,000 whether construction-related contracts, supplies, or professional services should be procured in a manner that provides maximum open and free competition and files are to be maintained to document such activities. Any attempts by the Grantee to segregate the project into sections in order to circumvent competitive procurement may be cause for termination of this Agreement under the provisions of Paragraph 9. These bids shall be obtained by public notice as a Class II legal advertisement in compliance with the provisions of Article Three, Chapter Fifty-Nine of the Code of West Virginia. This notice shall be published by the Grantee in the newspaper with the largest circulation serving the general area within a period of fourteen consecutive days with at least an interval of six full days within such period between the date of the first publication and the date of the second publication preceding the final date of submitting bids. The Grantee shall also, where feasible, solicit sealed bids by listing the project in the F. W. Dodge Reports, sending requests by mail to prospective suppliers or contractors, sending notification to the State's Small Business Development Center Division, and by posting notice on a bulletin board in a public place. The Grantee shall have available upon request for review by the State or its designated representative, bid documents and other evidence of compliance with these procedures. The resolution of bid and contract disputes is the responsibility of the Grantee.

Grantees have the ability to procure professional and construction services, therefore, the design-build method (5-22A-1). Public agencies can only utilize design-build on building project. Highways, water, sewer, and all other public works projects are specifically prohibited from using the design-build method.

(l) *Bonding and Insurance.* As otherwise required by law, a grant that requires the contracting or subcontracting for construction or facility improvements under

$100,000 shall provide for the Grantee to follow local or State requirements relating to bid guarantees, performance bonds, and payment bonds provided that the Grantee's and State's interest is adequately protected and that such contracts can be executed in a timely manner; otherwise, bonding requirements shall be the same as for contracts exceeding $100,000. If the contracts or subcontracts exceeds $100,000, the minimum bonding and insurance requirements shall be as follows:

(1) A bid guarantee from each bidder equivalent to five percent of the bid price. This bid guarantee shall consist of a firm commitment such as bid bond, certified check, or other negotiable instrument accompanying a bid that the bidder will, upon acceptance of the bid, execute the contractual documents as may be required within the time specified.

(2) A performance bond on the part of the contractor for 100 percent of the contract price. This performance bond shall be executed by the successful contractor in connection with a contract to secure fulfillment of the contractor's obligations under such contract.

(3) A payment bond on the part of the contractor for 100 percent of the contract price. This payment bond shall be executed in connection with a contract to assure payment is required by law of all persons supplying labor or materials in the execution of the work provided for in the Contract.

(J) *Facilities Operation*. The Grantee shall operate and maintain all facilities to which the general public has right of access constructed under the auspices of this Contract in accordance with minimum standards as may be required or prescribed by the applicable Federal, State and local statute, law, ordinance, or regulation as to actual construction procedures. The Grantee shall be responsible for maintenance and operation of such facilities upon completion. The Grantee may not change the use or planned use of any such facility (including the beneficiaries of such use) from that purpose initially approved unless the Grantee provides affected citizens with reasonable notice thereof and opportunity to comment on any proposed change all in accordance with 24 CFR Part 570.489(j).

(K) *Conflict of Interest.* No officer, agent, consultant, employee, elected or appointed official of the State, the Grantee, or any public agency or subrecipient receiving Community Development Block Grant funds who exercises or has exercised any function or responsibilities with respect to activities assisted with Community Development Block Grant funds or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from such activity or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one (1) year thereafter. The conflict of interest provision of 24 CFR 85.36; 24 CFR 570.489 (g) and (h); and OMB Circular A-110 also apply as appropriate.

7. **Recovery of Capital Costs.** The Grantee will not attempt to recover any capital costs of public improvements assisted in whole or in part with funds from this program by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements unless: (a) funds received are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from other revenue sources; or (b) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the Grantee certifies to the State of West Virginia that it lacks sufficient funds received under the program to comply with the requirements of clause (a).

8. **Method of Payment.** In order to receive any and all payments under the terms of this Agreement, the Grantee shall submit the following: (a) a Letter of Transmittal containing a progress report, and (b) a Request for Payment Financial Report. Upon receipt of said documents, the State shall review the same for reasonableness, appropriateness and eligibility and, if approved, will cause a warrant to be made on that sum to the Grantee for

authorized expenditures from the State's Letter of Credit with the Department of Housing and Urban Development.

9. **Cost Underuns**. The State reserves the right to recapture all SCBG funds remaining due to cost underuns. The amount to be recovered will be prorated and proportional to the percent of actual total project expenditures.

10. **Termination of Contract for Cause**. If, through any cause, the Grantee shall fail to fulfill in a necessary and proper manner its obligations under this Contract or if the Grantee shall violate any of the covenants, agreements, or stipulations of this Contract, the State shall thereupon have the right to terminate this Contract by giving written notice to the Grantee to such termination and specifying the effective date thereof, at least fifteen days before the effective date of such termination. The Grantee shall be entitled to receive just and equitable compensation for any satisfactory work completed on the described project.

Notwithstanding the above, the Grantee shall not be relieved of liability to the State for damages sustained by the State by virtue of any breach of the Contract by the Grantee, and the State may withhold any payments to the Grantee for the purpose of off-setting those damages until such time as the exact amount of damages due the State from the Grantee is determined.

11. **Termination for Convenience of the State**. The State may terminate this Contract at any time by giving written notice to the Grantee of such termination and specifying the effective date of termination. If the Contract is terminated by the State as provided herein, the Grantee will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of the Grantee covered by this Contract, less payments of compensation previously made.

12. **Termination by the Grantee**. The Grantee may unilaterally rescind this Agreement at any time prior to the commencement of the project. After project commencement, this Agreement may be rescinded, modified, or amended only by mutual agreement. A project shall be deemed commenced when the State makes any expenditure or incurs any obligation with respect to the project.

13. **Reporting**. A Final Performance Report shall be submitted to the State with the final request for payment for project costs, excluding audit. Said Performance Report shall be made on the forms provided by the State and meet the requirements of said report as set forth in the appropriate Small Cities Block Grant Handbook of the State of West Virginia. Other reports may be requested by the State during the grant period as the State deems necessary and directs.

14. **Final Closeout**. Final Closeout shall be completed when the State: (a) is in receipt of a Final Performance Report; (b) has determined that all monitoring findings have been formally addressed and are resolved; and (c) has received a completed, final project audit and has determined that any findings have been resolved.

15. **Resolution of Disputes.** Resolution of disputes between the State and the Grantee concerning administrative and programmatic matters during the terms of this Agreement shall be initiated through consultation and discussion at the State's Administrative Offices with final decision on questions of policy or fact being determined by the Director of the Community Development Division of the West Virginia Development Office or his/her designated representative. Nothing in this Agreement shall be construed as making the final decision on a question of law, or to limit in any manner any remedies or recourses available under applicable laws. Citizen's complaints or disputes regarding Grantee performance or actions relative to the approved project are the responsibility of the Grantee.

16. **Notice**. The parties hereto agree that notice shall be served when mailed certified U.S. Mail to the following addresses:

West Virginia Development Office
Community Development Division
Capitol Complex
Building 6, Room 553
Charleston, West Virginia 25305-0311

GRANTEE City of Mullens
316 Moran Avenue
Mullens, WV 25882

[WITNESSETH] that the parties hereto have entered their signatures hereafter with each representing to the other that the execution of this Agreement is done with full authority and that attached hereto and made a part hereof as Attachment B, is a certified copy of the resolution, motion, or similar action of the governing body of the Grantee directing and authorizing its official representative to act in connection with this Agreement.

STATE OF WEST VIRGINIA
WEST VIRGINIA DEVELOPMENT OFFICE

/s/ Stephen E. Spence, Executive Director

City of Mullens

By: Jon McKinney, Mayor

FEDERAL EMPLOYER IDENTIFICATION NUMBER

55-600-0220
F.E.I.N.

[Reserved]

IC-2
(7/09)

GRANT AGREEMENT
(2004W-833)

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council") and the EASTERN WYOMING PUBLIC SERVICE DISTRICT (the "Governmental Agency").

RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed $537,345 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

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

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

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

TERMS

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

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

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

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

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

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

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

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

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

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

EASTERN WYOMING PUBLIC SERVICE DISTRICT

By: _____

Its: Chair

Date: October 16, 2009

(SEAL)

Attest:

_____

Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____

Its: Executive Director

Date: October 16, 2009

(SEAL)

Attest:

_____

Its: Secretary-Treasurer

[To Be Placed on Letterhead]

Exhibit A

Wiring Instructions

_____, 20__

Eastern Wyoming Public Service District
316 Moran Avenue
Mullens, West Virginia 25882

Payor:	West Virginia Water Development Authority
Source:	Grant Proceeds
Amount:	$_____
Date:	_____, 20__
Form:	Electronic Funds Transfer
Payee:	Eastern Wyoming Public Service District
Bank:	_____
Bank Street Address:	_____
Bank Contact:	_____
Telephone:	_____
Routing No.:	_____
Account No.:	_____
Account Name:	_____

Exhibit B

Project Description

The Project consists of the acquisition, construction, improvement and extension of the existing public waterworks facilities of the Governmental Agency including, but not limited to, the construction of a water distribution system to serve the South Mullens, Itmann and Bud Mountain areas of Wyoming County.

west virginia department of environmental protection

Office of Abandoned Mine Lands
601 57th Street SE
Charleston, WV 25304
Telephone: (304)926-0485 / Fax (304)926-0458

Joe Manchin III, Governor
Randy C. Huffman, Cabinet Secretary
www.wvdep.org

September 26, 2008

Mr. Rick Roberts
Eastern Wyoming Public Service District
PO Box 506
Logan, West Virginia 25601

Re: Micajah Ridge Waterline Extension
AML ID# 246

Dear Mr. Roberts:

After discussion with the Public Service Commission regarding this project, it was found that further funding documentation was needed from AML. This letter is to clarify AML's position on contingencies and change orders. AML does not fund contingencies; however, AML does allow for funds to be used for approved change orders.

For this project, Contracts 6A, 6B, 6C, 7, & 8 (Total Construction Cost Estimate = $8,660,000) are all eligible for AML funding at 98% of the bid cost (Estimate = $8,486,800), as well as 98% of approved change orders. Contract 6D (Total Construction Cost Estimate = $1,300,000) is ineligible for AML funds. It is our understanding that you will need to show the 10% contingency coverage for your portion (2%) of Contracts 6A, 6B, 6C, 7, & 8 (Estimate = $17,320), as well as 10% contingency coverage for all of Contract 6D (Estimate = $130,000). These calculations bring your required contingency amount to $147,320.

In addition, AML funds will be available for approved change orders for the AML-funded portion of Contracts 6A, 6B, 6C, 7, & 8. The potential cap for funding of these change orders would be based on 10% of the AML funded 98%, currently estimated at $848,680.

Sincerely,

Eric J. Coberly, P.E.
Chief

EJC/akc

West Virginia Infrastructure & Jobs Development Council

Public Members:
Russell L. Isaacs, Chairman
Cottageville
Henry Harmon
Hurricane
Dwight Calhoun
Petersburg
William P. Stafford, II, Esq.
Princeton

300 Summers Street, Suite 980
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Katy Mallory, PE
Executive Secretary
KMallory@ezwv.com

March 18, 2002

H. R. Davis, President
Wyoming County Commission
P.O. Drawer 309
Pineville, West Virginia 24874

RE: Bud Mountain Water Project

Dear Commissioner Davis:

The WV legislature appropriated funds under H.B. 4672 which will provide the funds necessary for The Bud Mountain Water project in an amount of $100,000. The WV Infrastructure Council will administer these funds on behalf of the WVEDA. I have enclosed a short application form for your use.

If you have any questions concerning this matter, please contact me at (304) 558-4607.

Sincerely,

Katy Mallory

/km
Enclosure
cc: Region I Planning and Development Council

Wyoming County Commission

Drawer 309
Pineville, West Virginia 24874
Telephone 304/732-8000
FAX 304/732-9659

D. Michael Goode, Clerk

Members of County Commission

Ed Harless *H. R. Davis* *Harold Hayden*

May 15, 2002

Katy Mallory, P.E., Executive Secretary
WV Infrastructure and Jobs Development Council
300 Summers Street, Suite 980
Charleston, WV 25301

RE: BUD MOUNTAIN APPLICATION
LEGISLATIVE APPROPRIATION

Dear Ms. Mallory:

We are submitting the application forms enclosed herewith to obtain the $100,000 as appropriated by the Legislature to the Bud Mountain self help water project. This funding along with $35,000 from the community and $15,000 from the Wyoming County Commission will be used to begin the project.

Our first step, once the funding is received, will be the selection of a professional engineer to assist the community in preparing plans as necessary to obtain permits and construction of the project as a "self help" undertaking.

If you have any questions or require any additional information concerning the project please do not hesitate to contact me.

Sincerely,

D. Michael Goode
County Clerk

Enclosures
pc: Mart Lane
Region I

WEST VIRGINIA
Infrastructure & Jobs Development Council

Gov. Joe Manchin, III
Chairman

Kenneth Lowe, Jr.
Public Member

Dwight Calhoun
Public Member

David "Bones" McComas
Public Member

Ron Justice
Public Member

Jefferson E. Brady, P.E.
Executive Director

Paula Koontz
Administrative Secretary

November 7, 2008

Rick Roberts, P.E.,
Managing Engineer
Eastern Wyoming PSD
P.O. Box 506
Logan, WV 25601

Re: 2004W-833 Binding Commitment
(Action Required by December 31, 2008)

Dear Mr. Roberts:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") provides this binding offer of an Infrastructure Fund loan of approximately $1,000,000 (the "Loan") and an Infrastructure Fund grant of approximately$537,345 (the "Grant") to the Eastern Wyoming Public Service District (the "District") for above referenced water project (the "Project"). The Loan and Grant will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Loan and Grant amount will be established after the District has received acceptable bids for the Project. The Infrastructure Council will set aside a portion of the Infrastructure Fund to make the Loan and Grant upon the District's compliance with the program requirements.

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

A. Prepare and submit the preliminary title opinion no later than November 31, 2008;
B. Advertise for bids no later than December 1, 2008.

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

The Infrastructure Council reserves the right to withdraw this Loan and Grant commitment if any of the above schedule dates are not met. The Infrastructure Council may, when justifiable circumstances occur, offer to modify the schedule. Any decision to modify the schedule is at the sole discretion of the Infrastructure Council.

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

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

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

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

Sincerely,

Kenneth Lowe, Jr.

Attachments
cc: Pentree Inc.
Angela Chestnut, WVDEP – AML
Debbie Legg, WVDO

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

Eastern Wyoming Public Service District

By: Rick Roberts

Its: Managing Engineer

Date: 11/12/08

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Eastern Wyoming PSD
Water Project 2002W-833
November 7, 2008

SCHEDULE A

A. Approximate Amount: $ 1,000,000 Loan

B. Loan: $ 1,000,000

1. Maturity Date: 40 years from date of closing.

2. Interest Rate: 0%

3. Loan Advancement Date(s) Monthly, upon receipt of proper requisition

4. Debt Service Commencement: The first quarter following completion of construction, which date must be I dentified prior to closing.

5. Special Conditions: None

C. Grant: $ 537,345

1. Grant Advancement Date(s): Monthly, upon receipt of proper requisition and after complete advancement of all Loan funding.

2. Special Conditions: None

NOTICE: The terms set forth above are subject to change following the receipt of construction bids.

D. Other Funding Sources:

1. AML	$ 4,217,655
2. SCBG	$ 1,500,000
3. Wyoming CO. Comm.	$ 15,000
4. Budget Digest	$ 100,000

E. Total Project Cost: $ 7,370,000

Specimen

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

No. AR-1 $1,000,000

KNOW ALL MEN BY THESE PRESENTS: That on this 16th day of October, 2009, EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the principal sum of ONE MILLION DOLLARS ($1,000,000) or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2011, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated October 16, 2009.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks facilities of the Issuer including, but not limited to, the construction of a water distribution system to serve the South Mullens, Itmann and Bud Mountain areas of Wyoming County (the "Project"), and (ii) to pay certain costs of issuance of the 2009 Series A Bonds and related costs. The existing public waterworks system of the Issuer, the Project and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on October 13, 2009 (the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such

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

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 16, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $360,000, (2) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $570,000, AND (3) WATER REVENUE BONDS, 2006 SERIES A (WEST VIRGINIA DWTRF PROGRAM), DATED JANUARY 12, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,570,000 (COLLECTIVELY, THE "PRIOR BONDS").

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

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar (as defined in the Resolution), by the Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

Under the Act, this Bond is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

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

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

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

[Remainder of Page Intentionally Left Blank]

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

[SEAL]

EASTERN WYOMING PUBLIC SERVICE DISTRICT

Specimen

Chairman

Attest:

Specimen

Secretary

1807257
(9717.10)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the 2009 Series A Bonds described in and issued under the provisions of the within mentioned Resolution and has been duly registered in the name of the registered owner set forth above.

Date: October 16, 2009.

UNITED BANK, INC.,
as Registrar

Specimen

Authorized Officer

1807257
(9717.10)

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$21,057.31	October 16, 2009	(19)		
(2)	$		(20)		
(3)	$		(21)		
(4)	$		(22)		
(5)	$		(23)		
(6)	$		(24)		
(7)	$		(25)		
(8)	$		(26)		
(9)	$		(27)		
(10)	$		(28)		
(11)	$		(29)		
(12)	$		(30)		
(13)	$		(31)		
(14)	$		(32)		
(15)	$		(33)		
(16)	$		(34)		
(17)	$		(35)		
(18)	$		(36)		

TOTAL $

EXHIBIT B

DEBT SERVICE SCHEDULE

DEBT SERVICE SCHEDULE

0% Interest Rate

40 Years from Closing Date

Dated Date	10/16/09
Delivery Date	10/16/09

Period Ending	Principal	Interest	Debt Service
10/16/09			
6/1/11	6,494		6,494
9/1/11	6,494		6,494
12/1/11	6,494		6,494
3/1/12	6,494		6,494
6/1/12	6,494		6,494
9/1/12	6,494		6,494
12/1/12	6,494		6,494
3/1/13	6,494		6,494
6/1/13	6,494		6,494
9/1/13	6,494		6,494
12/1/13	6,494		6,494
3/1/14	6,494		6,494
6/1/14	6,494		6,494
9/1/14	6,494		6,494
12/1/14	6,494		6,494
3/1/15	6,494		6,494
6/1/15	6,494		6,494
9/1/15	6,494		6,494
12/1/15	6,494		6,494
3/1/16	6,494		6,494
6/1/16	6,494		6,494
9/1/16	6,494		6,494
12/1/16	6,494		6,494
3/1/17	6,494		6,494
6/1/17	6,494		6,494
9/1/17	6,494		6,494
12/1/17	6,494		6,494
3/1/18	6,494		6,494
6/1/18	6,494		6,494
9/1/18	6,494		6,494
12/1/18	6,494		6,494
3/1/19	6,494		6,494
6/1/19	6,494		6,494
9/1/19	6,494		6,494
12/1/19	6,494		6,494
3/1/20	6,494		6,494
6/1/20	6,494		6,494
9/1/20	6,494		6,494
12/1/20	6,494		6,494
3/1/21	6,494		6,494
6/1/21	6,494		6,494
9/1/21	6,494		6,494
12/1/21	6,494		6,494
3/1/22	6,494		6,494

0% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
6/1/22	6,494		6,494
9/1/22	6,494		6,494
12/1/22	6,494		6,494
3/1/23	6,494		6,494
6/1/23	6,494		6,494
9/1/23	6,494		6,494
12/1/23	6,494		6,494
3/1/24	6,494		6,494
6/1/24	6,494		6,494
9/1/24	6,494		6,494
12/1/24	6,494		6,494
3/1/25	6,494		6,494
6/1/25	6,494		6,494
9/1/25	6,494		6,494
12/1/25	6,494		6,494
3/1/26	6,494		6,494
6/1/26	6,494		6,494
9/1/26	6,494		6,494
12/1/26	6,494		6,494
3/1/27	6,494		6,494
6/1/27	6,494		6,494
9/1/27	6,494		6,494
12/1/27	6,494		6,494
3/1/28	6,494		6,494
6/1/28	6,494		6,494
9/1/28	6,494		6,494
12/1/28	6,494		6,494
3/1/29	6,494		6,494
6/1/29	6,494		6,494
9/1/29	6,494		6,494
12/1/29	6,494		6,494
3/1/30	6,494		6,494
6/1/30	6,494		6,494
9/1/30	6,493		6,493
12/1/30	6,493		6,493
3/1/31	6,493		6,493
6/1/31	6,493		6,493
9/1/31	6,493		6,493
12/1/31	6,493		6,493
3/1/32	6,493		6,493
6/1/32	6,493		6,493
9/1/32	6,493		6,493
12/1/32	6,493		6,493
3/1/33	6,493		6,493
6/1/33	6,493		6,493
9/1/33	6,493		6,493
12/1/33	6,493		6,493
3/1/34	6,493		6,493
6/1/34	6,493		6,493

0% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
9/1/34	6,493		6,493
12/1/34	6,493		6,493
3/1/35	6,493		6,493
6/1/35	6,493		6,493
9/1/35	6,493		6,493
12/1/35	6,493		6,493
3/1/36	6,493		6,493
6/1/36	6,493		6,493
9/1/36	6,493		6,493
12/1/36	6,493		6,493
3/1/37	6,493		6,493
6/1/37	6,493		6,493
9/1/37	6,493		6,493
12/1/37	6,493		6,493
3/1/38	6,493		6,493
6/1/38	6,493		6,493
9/1/38	6,493		6,493
12/1/38	6,493		6,493
3/1/39	6,493		6,493
6/1/39	6,493		6,493
9/1/39	6,493		6,493
12/1/39	6,493		6,493
3/1/40	6,493		6,493
6/1/40	6,493		6,493
9/1/40	6,493		6,493
12/1/40	6,493		6,493
3/1/41	6,493		6,493
6/1/41	6,493		6,493
9/1/41	6,493		6,493
12/1/41	6,493		6,493
3/1/42	6,493		6,493
6/1/42	6,493		6,493
9/1/42	6,493		6,493
12/1/42	6,493		6,493
3/1/43	6,493		6,493
6/1/43	6,493		6,493
9/1/43	6,493		6,493
12/1/43	6,493		6,493
3/1/44	6,493		6,493
6/1/44	6,493		6,493
9/1/44	6,493		6,493
12/1/44	6,493		6,493
3/1/45	6,493		6,493
6/1/45	6,493		6,493
9/1/45	6,493		6,493
12/1/45	6,493		6,493
3/1/46	6,493		6,493
6/1/46	6,493		6,493
9/1/46	6,493		6,493

0% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
12/1/46	6,493		6,493
3/1/47	6,493		6,493
6/1/47	6,493		6,493
9/1/47	6,493		6,493
12/1/47	6,493		6,493
3/1/48	6,493		6,493
6/1/48	6,493		6,493
9/1/48	6,493		6,493
12/1/48	6,493		6,493
3/1/49	6,493		6,493
6/1/49	6,493		6,493
9/1/49	6,494		6,494
	1,000,000		1,000,000

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____, the within-mentioned Bond and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Bond on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

Dated: _____

_____

IN THE PRESENCE OF:

_____

1779723 (9717.10)

EASTERN WYOMING PUBLIC SERVICE DISTRICT

WATER REVENUE BONDS, SERIES 2001 A

(WEST VIRGINIA DWTRF PROGRAM)

BOND RESOLUTION

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EASTERN WYOMING PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION, CONSTRUCTION AND IMPROVEMENTS OF WATER TREATMENT AND DISTRIBUTION FACILITIES BY EASTERN WYOMING PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COSTS, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $360,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ADOPTED BY THE PUBLIC SERVICE BOARD OF EASTERN WYOMING PUBLIC SERVICE DISTRICT:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

Section 1.01 Definitions. The following terms shall have the following meanings in this Resolution unless the context expressly requires otherwise.

"Act" or "Bond Act" means, collectively, Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended and in effect on the date of adoption of this Resolution.

"Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement for the Series 2001 A Bonds.

"Agreement of Sale" means the Agreement of Sale entered into prior to issuance of the Bonds, by and between MWW and the Issuer, as the same may be amended, pursuant to which MWW has sold to the Issuer certain water facility assets that constitute a portion of the Project.

"Application" means the application, with attachments and exhibits, filed by the Issuer with the BPH for a DWTRF loan.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Bonds acting in its administrative capacity and upon authorization from the BPH under the Act.

"Authorized Officer" means the Chairman of the Governing Body of the Issuer or any other officer or person of the Issuer specifically designated by resolution of the Governing Body of the Issuer.

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

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

"Bond Register" means the books of the Issuer as hereinafter defined, maintained by the Bond Registrar as hereinafter defined for the registration and transfer of the Bonds.

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

"Bonds" means collectively the Series 2001 A Bonds originally authorized hereby, and any pari passu additional bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution or another resolution of the Issuer.

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

"BPH" means the West Virginia Bureau for Public Health, a division of the West Virginia Department of Health and Human Resources, or any successor thereto.

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

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

"Code" means the Internal Revenue Code of 1986, as amended, including the rules and regulations promulgated pursuant thereto or any predecessors or successors thereto.

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

"Construction Trust Fund" means the Series 2001 A Construction Trust Fund established by Section 5.01(3).

"Consulting Engineer" or "Consulting Engineers" means the Managing Engineer of the Logan County Public Service District, which entity, pursuant to that certain Agreement dated August 30, 2001 by and between the Logan County Public Service District and the Issuer, operates and maintains the Issuer's System.

"Costs" or "Costs of the Project" or any similar phrase means those costs described in Section 1.03 E hereof to be part of the cost of acquisition and construction of the Project.

"Council" means the West Virginia Infrastructure and Jobs Development Council or any successor thereto.

"Debt Service" means the scheduled amount of interest, if any, and amortization of principal payable on the Bonds, as hereinafter defined, during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

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

"DWTRF" means the West Virginia Drinking Water Treatment Revolving Fund.

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

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

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, or any Tap Fees, as hereinafter defined).

"Independent Certified Public Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System, or for

any other purpose except keeping the accounts of such System in the normal operation of its business and affairs.

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract or investment-type property, excluding, however, obligations the interest on which is excluded from gross income under Section 103 of the Code for federal income tax purposes.

"Issuer" means Eastern Wyoming Public Service District, a public service district and political subdivision of the State of West Virginia, in Wyoming County, West Virginia, and, unless the context clearly indicates otherwise, includes the Board and any successor thereto.

"Loan Agreement" means the Loan Agreement heretofore entered into, or to be entered into, between the Issuer and the Authority, on behalf of the BPH providing for the purchase of the Series 2001 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"LCPSD" means the Logan County Public Service District, or any successor thereto.

"MWW" means Mullens Water Works, a West Virginia corporation, which has sold to the Issuer, pursuant to the Agreement of Sale, certain water facility assets that constitute a portion of the Project.

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

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

"Note" or "Notes" means the Issuer's Water System Notes, Series 2001 A (West Virginia Water Development Authority).

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System, as hereinafter described and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs of Projects, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent, other than those capitalized as part of the Costs of Projects, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the

Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Operation and Maintenance Agreement" means that certain Agreement dated August 30, 2001 by and between the Logan County Public Service District and the Issuer, pursuant to which the Logan County Public Service District operates and maintains the Issuer's System.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being delivered except (a) any Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Resolution and set aside for such payment (whether upon or prior to maturity); and (b) any Bond deemed to have been paid as provided in Article VI hereof.

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

"Paying Agent" means the Commission or other entity to be designated as such in the Supplemental Resolution and its successors and assigns.

"Project" means the Project described in Section 1.03B hereof.

"PSC" means the Public Service Commission of West Virginia or any other agency of the State of West Virginia that succeeds to the functions of the Public Service Commission of West Virginia.

"PSC Order" means, collectively, the Commission Order of the Public Service Commission of West Virginia (the "PSC") entered on August 3, 2001, Case No. 01-1039-W-PWD-PC, which, among other things, approves the acquisition of certain assets of Mullens Water Works, Inc. ("MWW"), approves the charging of the existing rates of MWW, and approves the issuance of Bonds to evidence the Drinking Water Treatment Revolving Fund ("DWTRF") loan of $500,000, and the Further Commission Order of the PSC entered on August 14, 2001, Case No. 01-1039-W-PWD-PC, which approved the sale of the Issuer's Water System Notes, Series 2001 A (West Virginia Water Development Authority) as interim financing pending the issuance of Bonds to evidence the DWTRF loan.

"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 Unites States of America;

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

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

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

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

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

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund referenced in Section 5.01(2).

"Resolution" means this resolution, as from time to time amended or supplemented.

"Revenue Fund" means the Revenue Fund created by Section 5.01(1).

"Secretary" means the Secretary of the Issuer.

"Series 2001 A Bonds" means the not more than $360,000 in aggregate principal amount of Eastern Wyoming Public Service District Water Revenue Bonds Series 2001 A (West Virginia DWTRF Program), of the Issuer originally authorized hereby.

"Series 2001 A Bonds Reserve Account" or "Reserve Account" means the Series 2001 A Bonds Reserve Account established in the Series 2001 A Bonds Sinking Fund pursuant to Section 5.02.

"Series 2001 A Bonds Reserve Requirement" means as of any date of calculation the maximum amount of principal and interest which will become due on the Series 2001 A Bonds in the then current or any succeeding year.

"Series 2001 A Bonds Sinking Fund" or "Sinking Fund" means the Series 2001 A Bonds Sinking Fund established by Section 5.02.

"State" means the State of West Virginia.

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

"Surplus Revenues" means the Net Revenues not required by this Resolution to be set aside and held for the payment of or security for the Bonds, or any other obligations of the Issuer, including but not limited to the Renewal and Replacement Fund, the Reserve Account and the Sinking Fund, the proceeds of which Bonds or other obligations are to be used to pay Costs of the Project.

"System" means the complete waterworks system of the Issuer, including the Project, and any improvements and extensions thereto hereafter constructed or acquired from any sources whatsoever.

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

"West Virginia DWTRF Program" means the West Virginia Drinking Water Treatment Revolving Fund program established by the State, administered by the BPH and funded by capitalization grants awarded to the State pursuant to the federal Safe Drinking Water Act, as amended, for the purpose of establishing and maintaining a permanent perpetual fund for the acquisition, construction and improvement of drinking water projects.

Additional terms and phrases are defined in this Resolution as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

Words importing singular number include the plural number in each case and vice versa; words importing the masculine gender include every other gender; and words importing persons include firms, partnerships, associations and corporations.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Resolution; and the term "hereafter" means after the date of adoption of this Resolution.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Resolution so numbered.

Section 1.02. Authority for this Resolution. This Resolution, together with any resolution supplemental hereto or amendatory hereof (the "Bond Legislation"), is adopted pursuant to the provisions of the Act and other applicable provisions of the law.

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

A. The Issuer is a public service district and a public corporation and political subdivision of the State, located in and near Mullens, Wyoming County, West Virginia, created pursuant to the Act by an order issued by The County Commission of Wyoming County, West Virginia.

B. It is deemed necessary and desirable for the health, welfare and safety of the inhabitants of the Issuer that the Issuer acquire, construct and improve a water development project, at the location and more particularly described in the Application and related documents, in accordance with plans, specifications and designs prepared for the Issuer (the "Project").

C. In order for the Issuer to permanently finance the cost of constructing, acquiring and improving the Project and to finance the costs of issuance of revenue bonds and related costs in connection with such financing for the Project, it is necessary for the Issuer to borrow from the Authority, which administers the West Virginia Drinking Water Treatment Revolving Fund pursuant to the Act, not more than $360,000 by issuing revenue bonds of the Issuer (the "Bonds" as defined hereinabove), in accordance with the Loan Agreement.

D. The Issuer, on August 23, 2001, issued its Water System Notes, Series 2001 A (West Virginia Water Development Authority) in the amount of $360,000 (the "Note") to (i) temporarily finance the acquisition, construction and improvement of the Project, and (ii) pay the costs of issuance and other related costs. The proceeds of the Bonds will repay in full the principal of and interest accrued on the Note and permanently finance the Project and other acquisitions, construction and improvements to serve the inhabitants of the Issuer.

E. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program) in the aggregate principal amount of not more than $360,000 to permanently finance the cost of acquisition, construction and improvement of the Project. Said costs shall be deemed to include the repayment of the principal of and interest accrued on the Notes, cost of all property rights, easements and franchises deemed necessary or convenient therefor; engineering and legal expenses; expenses for estimates of costs and revenues and for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense, commitment fees, fees of the Authority, including the Administrative Fee (as defined above) for the Series 2001 A Bonds, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and such other expenses as may be necessary or incidental to the financing herein authorized and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or the repayment of indebtedness, incurred by the Issuer for such purposes shall be deemed Costs of the Project.

F. The Issuer has no outstanding bonds or obligations which are secured by revenues or assets of the System.

G. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of the System, the principal of the Series 2001 A Bonds and all sinking funds, reserve accounts and other payments provided for herein.

H. The period of usefulness of the System after completion of the Project is not less than 30 years.

I. It is in the best interests of the Issuer that the Series 2001 A Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement.

J. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to the authorization of the Project, operation of the System, and the issuance of the Bonds, or will have so complied prior to the issuance of the Bonds, including the obtaining of approval of the Project and the issuance of the Bonds from the PSC by a Commission Order entered on August 3, 2001, Case No. 01-1039-W-PWD-PC, which, among other things, approves the acquisition of certain assets of MWW, approves the charging of the existing rates of MWW, and approves the issuance of bonds to evidence the DWTRF loan of $500,000, and the Further Commission Order of the PSC entered on August 14, 2001, Case No. 01-1039-W-PWD-PC, which approved the sale of the Notes as interim financing pending the issuance of bonds to evidence the DWTRF loan. The time for appeal of the Commission Order and the Further Order have expired prior to the date hereof.

K. Pursuant to the Act, the Project has been approved by the Council, and the Authority, on behalf of DWTRF, has agreed to make the Loan to the Issuer.

L. The Issuer has determined that the acquisition and construction of the Project are the immediate result of, and necessary due to, flooding that created a disaster affecting public health and public safety, and hereby designates the Project as an emergency.

Section 1.04. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2001 A Bonds by those who shall be Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owners of the Bonds.

ARTICLE II

AUTHORIZATION OF ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF THE PROJECT; AUTHORIZATION OF OPERATION AND MAINTENANCE OF THE PROJECT

Section 2.01. Authorization of the Acquisition, Construction and Improvement of the Project. There is hereby authorized and ordered the acquisition, construction and improvement of the Project, at an estimated cost of not to exceed $360,000. The proceeds of the Series 2001 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Series 2001 A Bonds are issued to refund the Notes which were issued (i) to temporarily pay the costs of the acquisition, construction and improvement by the Issuer of the Project, and (ii) to pay the costs of issuance hereof and related costs. The Project has heretofore been or will be acquired in an amount and otherwise compatible with the plan of financing described in the application to the Authority and the BPH.

Section 2.02. Approval of Operation and Maintenance of the System. The Issuer hereby approves the operation and maintenance of the System by LCPSD, for and on behalf of the Issuer, along with any other assets of the Issuer that the Issuer may desire for LCPSD to operate and maintain, pursuant to the Operation and Maintenance Agreement.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying the Notes in full, paying the costs of the Project and paying the costs of issuance of the Bonds and related costs, or any of such purposes as shall be specified in the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable bonds of the Issuer. Said Bonds shall be issued in one or more series, to be designated the "Eastern Wyoming Public Service District Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), in the aggregate principal amount of not more than $360,000, and shall have such terms as are set forth hereinafter or in the Supplemental Resolution. The proceeds of the Bonds shall be deposited in the Construction Trust Fund established by Section 5.01 hereof.

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

Unless otherwise provided by this Resolution or the Supplemental Resolution, the Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of the series, and shall mature in principal installments, all as provided in this Resolution. The Bonds shall be exchangeable at the option and expense of the Holder for other fully registered Bonds in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. The Bonds shall be dated and shall bear interest, if any, as specified in the Supplemental Resolution.

Section 3.03. Additional Terms of Bonds. In addition to the terms set forth in Sections 3.01 and 3.02 hereof and in anticipation of the sale of the Bonds to the Authority, the Issuer covenants that the Bonds shall comply in all respects with the provisions of the Loan Agreement and of any resolution of the Authority authorizing the issuance of Bonds.

Section 3.04. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto and attested by the Secretary of the Issuer. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed shall have been actually sold or delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office of the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.05. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.11 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Resolution. The Certificate of Authentication and Registration shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.06. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Bonds shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner, in accepting any of said Bonds, shall be conclusively deemed to have agreed that said Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Bonds remain Outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

The Bonds shall be transferrable only upon the books of the Bond Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto, together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney.

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

Section 3.07. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver a new Bond of the same series and of like tenor of the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost and upon the Holder's furnishing the Issuer proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.08. Bonds Not to be Indebtedness of the Issuer. The Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts, if any, in the Reserve Account. No Holder or Holders of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Bonds or the interest, if any, thereon.

Section 3.09. Bonds Secured by Pledge of Net Revenues. The payment of the debt service on all the Series 2001 A Bonds shall be secured forthwith by a

first lien on the Net Revenues derived from the System. Such Net Revenues in an amount sufficient to pay the principal of, and interest, if any, on and other payments for the Series 2001 A Bonds and to make the payments into the Sinking Fund, the Reserve Account therein and the Renewal and Replacement Fund hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest, if any, on the Series 2001 A Bonds as the same become due.

Section 3.10. Delivery of Bonds. The Issuer shall execute and deliver the Series 2001 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2001 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2001 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2001 A Bonds to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2001 A Bonds.

Section 3.11. Form of Bonds. The text of the Series 2001 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2001 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1

$360,000

KNOW ALL MEN BY THESE PRESENTS: That EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns, the principal sum of THREE HUNDRED SIXTY THOUSAND DOLLARS ($360,000.00) or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2002, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2002, as set forth on said EXHIBIT B.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated October 16, 2001.

This Bond is issued to refund the Issuer's Water System Notes, Series 2001 A (West Virginia Water Development Authority) which were issued (i) to temporarily pay the costs of the acquisition, construction and improvement by the Issuer of a water development project (the "Project"), and (ii) to pay the costs of issuance hereof and related costs. The Project and any further improvements or extensions thereto are herein called

the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on October 10, 2001, and a Supplemental Resolution duly adopted by the Issuer on October 10, 2001 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2001 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act, and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2001 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds; provided however, that so long as there exists in the Series 2001 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

Under the Act, this Bond is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

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

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

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

IN WITNESS WHEREOF, EASTERN WYOMING PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated October 16, 2001.

[SEAL]

EASTERN WYOMING PUBLIC SERVICE DISTRICT

_____

Chairman

Attest:

_____

Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the Bonds described in and issued under the provisions of the within mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above.

Date: October 16, 2001.

UNITED NATIONAL BANK,
as Registrar

_____
Authorized officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

(Form of)

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____, the within-mentioned Bond and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Bond on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

Dated: _____

_____

IN THE PRESENCE OF:

_____

Section 3.12. Sale of Bonds; Ratification and Execution of Loan Agreement. The Series 2001 A Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved. The Loan Agreement, including all schedules and exhibits attached hereto, is hereby approved and incorporated into this Bond Legislation.

Section 3.13. "Amended Schedule Filing". Upon completion of acquisition and construction of the Project, the Issuer will file with the Authority and the BPH a schedule, the form of which will be provided by the BPH, setting forth the actual Costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank:

(1) Revenue Fund;

(2) Renewal and Replacement Fund; and

(3) Series 2001 A Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The special funds or accounts hereby established with the Commission are the Series 2001 A Bonds Sinking Fund, and, within the Series 2001 A Bonds Sinking Fund, the Series 2001 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

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

(2) The Issuer shall next, on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 2001 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 2001 A Bonds Sinking Fund, a sum equal to $1/3^{rd}$ of the amount of principal which will mature and become due on said Series 2001 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2001 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 2001 A Bonds, if not fully funded upon issuance of the Series 2001 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 2001 A Reserve Account, an amount equal to 1/120 of the Series 2001 A Bonds Reserve Requirement; provided, that no further payments shall be made

into the Series 2001 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2001 A Bonds Reserve Requirement.

(4) From the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, commencing with the month succeeding the first full calendar month after commencement of operation of the Project, transfer to the Renewal and Replacement Fund a sum equal to 2 1/2 % of the Gross Revenues each month, exclusive of any payments for account of the Series 2001 A Bonds Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 2001 A Bonds Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required, shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 2001 A Bonds Sinking Fund shall be used only for the purposes of paying principal of the Bonds as the same shall become due. Moneys in the Series 2001 A Bonds Reserve Account shall be used only for the purpose of paying principal of the Bonds, as the same shall come due, when other moneys in the Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2001 A Bonds Reserve Account shall be transferred, not less than once each year, to the Construction Trust Fund prior to completion of the Project and thereafter to the Sinking Fund.

Any withdrawals from the Series 2001 A Bonds Reserve Account which result in a reduction in the balance of the Series 2001 A Bonds Reserve Account to fall below the Series 2001 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Series 2001 A Bonds Sinking Fund, including deficiencies for prior payments, have been made in full.

As and when additional Bonds ranking on a parity with the Series 2001 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay any interest on such Parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Commission is hereby designated as the fiscal agent for the administration of the Sinking Fund and the Reserve Account created hereunder,

and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

Moneys in the Reserve Accounts shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Sinking Fund, including the Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Bonds and any Parity Bonds that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 2001 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement.

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

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

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

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, that all deposits, including on account of deficiencies, shall be made in the order of priority set forth in Paragraph (A), above, and no payment of lower priority shall be made if there exists a deficiency in a fund or account of higher priority. No such deficiency shall exist solely because the required payments into the Reserve Accounts have not, as of such date, funded such account to the requirement therefor.

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

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and used for any lawful purpose of the System.

ARTICLE VI

APPLICATION OF BONDS PROCEEDS

Section 6.01. Application of Bonds Proceeds; Pledge of Unexpended Bonds Proceeds. Moneys received from time to time from the sale of the Series 2001 A Bonds shall be deposited with the Depository Bank in the Series 2001 A Construction Trust Fund and applied solely to payment of costs of the Project, including paying the Notes in full in the manner set forth in Section 6.02 and until so expended are hereby pledged as additional security for the Series 2001 A Bonds.

The Depository Bank shall act as a trustee and fiduciary for the Bondholders with respect to the Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Construction Trust Fund set forth in this Resolution.

Section 6.02. Disbursements From the Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the BPH a report listing the specific purposes for which the proceeds of the Series 2001 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule.

Except as provided in Section 6.01 hereof, disbursements from the Series 2001 A Construction Trust Fund shall be made only after submission to the BPH of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement, in compliance with the construction schedule, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

(A) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

(B) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(C) Each of such costs has been otherwise properly incurred; and

(D) Payment for each of the items proposed is then due and owing.

Pending such application, moneys in the Series 2001 A Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

Section 6.03. Excess Bond Proceeds. Upon completion of the Project, any Series 2001 A Bonds proceeds not required for the Project Costs shall be applied as directed by the BPH.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

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

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Bonds shall not be nor 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 shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay said Bonds.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position. The payment of the debt service of the Series 2001 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System. The Net Revenues derived from the System, in an amount sufficient to pay the principal of the Bonds herein authorized and to make the payments into the Sinking Fund, including the Reserve Account therein, and all other payments provided for in this Resolution are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of the Bonds as the same become due, and for the other purposes provided in this Resolution.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges are and shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Order of the Public Service Commission of West Virginia entered August 3, 2001 (Case No. 01-1039-W-PWD-PC), and such rates are hereby adopted.

So long as the Series 2001 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2001 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges

and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. Except as otherwise required by law and with the consent of the Authority and the BPH, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Commission for deposit in the Series 2001 A Bonds Sinking Fund, and the Issuer shall direct the Commission to apply such proceeds to the payment of principal of the Series 2001 A Bonds. Any balance remaining after the payment of the Series 2001 A Bonds shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

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

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the liens of the Bonds, upon any of the income and revenues of the System pledged for payment of the Bonds in this Resolution, or upon the System or any part hereof.

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

Section 7.07. Parity Bonds. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Resolution, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2001 A Bonds. The prior written consent of the Authority and BPH must be received prior to the issuance of any Parity Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the design, construction or acquisition of extensions or improvements to the System or refunding one or more series of Bonds issued pursuant hereto or both such purposes.

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

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the three succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any improvements to be financed by the Parity Bonds and any increase in rates adopted by the Issuer and approved by the PSC, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds including the revenues from new customers to be served, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate made and signed by the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer and approved by the PSC, the period for appeal of which has expired prior to the issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate construction or acquisition of such extensions or improvements, if any, to the System that are to be financed by such Parity Bonds.

All covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 2001 A Bonds and the Holders of any Parity Bonds issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their respective liens on the revenues of the System and their respective source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of another series on a parity therewith. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Outstanding Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2001 A Bonds.

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

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

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

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed by the Uniform System of Accounts promulgated by the PSC. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and initiate the manner by which subsidiary records of the accounting system, which may be installed remote from the direct supervision of the Governing Body, shall be reported to such agent of the Issuer as the Governing Body shall direct.

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

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues, and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Resolution with respect to said Bonds and the status of all said funds and accounts.

(C) The amount of any Bonds, Notes or other obligations outstanding.

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

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

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

The Issuer shall provide the BPH with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in the Loan Agreement for the Series 2001 A Bonds or as promulgated from time to time.

Section 7.09. Rates. Approvals of equitable rates or charges for the use of and service rendered by the System have been obtained all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for

contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System, and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirement are on deposit in the Reserve Account and all reserve accounts for obligations on a parity with the Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds.

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

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

Section 7.11. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.12. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other

charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the PSC and other laws of the State.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 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 such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the PSC, rates, rentals and other charges, if not paid when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that it will, to the full extent permitted by law and the rules and regulations promulgated by the PSC, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such Services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.13. No Free Services. Except as required by law, the Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue and the issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.14. Connections to System. The Issuer will, to the extent authorized by the laws of the State and the rules and regulations of the PSC, require prospective users of the System to connect thereto.

Section 7.15. Insurance. The Issuer hereby covenants and agrees that so long as the Series 2001 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the

repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR.

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

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

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

Section 7.16. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineer in the form similar to that attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the BPH is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

The Issuer agrees that qualified operating personnel properly certified by the State will be retained to operate the System during the entire term of the Loan Agreements.

Section 7.17. Completion of Project; Permits and Orders. The Issuer hereby covenants and agrees to complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all applicable laws, rules and regulations issued by the BPH, the Authority or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

The Issuer has obtained all permits and approvals required by State and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Bonds required by State law, with the appeal periods having expired without successful appeal.

Section 7.18. Statutory Mortgage Lien. For the further protection of the Holders of the 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 Bonds and shall be for the benefit of all Registered Owners of Bonds.

Section 7.19. Compliance with Loan Agreement and Law. The Issuer agrees to perform, satisfy and comply with all terms and conditions of the Loan Agreement and the Act. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the BPH or other state, federal or local bodies in regard to the construction and acquisition of the Project and the operation, maintenance and use of the System.

Section 7.20. PSC Order. The Issuer shall comply with the conditions of the PSC Order and any supplement or amendment thereto.

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

Section 7.22. Public Releases. The Issuer shall list the funding provided by the BPH and the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once a year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records relating thereto so long as any of the Bonds are Outstanding.

Section 8.02. Certificate and Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2001 A Bonds as a condition to issuance of the Series 2001 A Bonds.

ARTICLE IX

DEFAULTS AND REMEDIES

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

(A) If default occurs in the due and punctual payment of the principal of or interest on any Bonds; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Bonds set forth in this Resolution, any Supplemental Resolution or in the Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Bond Registrar, any Paying Agent or a Holder of a Bond; or

(C) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act, the Loan Agreement, and this Resolution relating thereto, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of any express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Resolution with respect to the Bonds, or the rights of such Registered Owners.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under this Resolution and the Act, including, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to the Bonds any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project, or both, on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Resolution and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate

and maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2001 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2001 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Resolution. No material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Bonds shall be made without the consent in writing of the Registered Owners of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications.

Section 11.02. Resolution Constitutes Contract. The provisions of the Resolution shall constitute a contract between the Issuer and the Holder of the Bonds, and no change, variation or alteration of any kind of the provisions of the Resolution shall be made in any manner, except as in this Resolution provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution or the Bonds.

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

Section 11.05. Conflicting Provisions Repealed. All resolutions, indentures or orders, or parts thereof, in conflict with the provision of this Resolution are, to the extent of such conflict, hereby repealed.

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

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

Adopted this 10th day of October, 2001.

Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of EASTERN WYOMING PUBLIC SERVICE DISTRICT on the 10th day of October, 2001.

Dated: October 16, 2001.

[SEAL]

Dallas J. Card
Secretary

177577

BOND RESOLUTION

Authorizing

EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, 2004 SERIES A (WEST VIRGINIA DWTRF PROGRAM)

Adopted: August 23, 2004

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EASTERN WYOMING PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND ADDITIONS TO THE EXISTING PUBLIC WATER TREATMENT AND DISTRIBUTION FACILITIES OF THE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF $570,000 IN AGGREGATE PRINCIPAL AMOUNT OF EASTERN WYOMING PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, 2004 SERIES A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF EASTERN WYOMING PUBLIC SERVICE DISTRICT:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

Section 1.01 Definitions. The following terms shall have the following meanings in this Resolution unless the context expressly requires otherwise.

"Act" or "Bond Act" means, collectively, Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended and in effect on the date of adoption of this Resolution.

"Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement for the 2004 Series A Bonds.

"Application" means the application, with attachments and exhibits, filed by the Issuer with the BPH for a DWTRF loan.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the 2004 Series A Bonds acting in its administrative capacity and upon authorization from the BPH under the Act.

"Authorized Officer" means the Chairman of the Governing Body of the Issuer or any other officer or person of the Issuer specifically designated by resolution of the Governing Body of the Issuer.

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

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

"Bond Register" means the books of the Issuer as hereinafter defined, maintained by the Bond Registrar as hereinafter defined for the registration and transfer of the Bonds.

"Bond Registrar" or "Registrar" means United Bank, Inc., Charleston, West Virginia, and its successors and assigns.

"Bonds" means, collectively, the 2004 Series A Bonds, the Prior Bonds and any additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution or another resolution of the Issuer.

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

"BPH" means the West Virginia Bureau for Public Health, a division of the West Virginia Department of Health and Human Resources, or any successor thereto.

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

"Closing Date" means the date upon which there is an exchange of the 2004 Series A Bonds for all or a portion of the proceeds of the 2004 Series A Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, including the rules and regulations promulgated pursuant thereto or any predecessors or successors thereto.

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

"Consulting Engineer" or "Consulting Engineers" means Pentree, Incorporated, Princeton, West Virginia, or any qualified engineer or firm of engineers licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System in accordance with Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended.

"Costs" or "Costs of the Project" or any similar phrase means those costs described in Section 1.03 D hereof to be part of the cost of acquisition and construction of the Project.

"Council" means the West Virginia Infrastructure and Jobs Development Council or any successor thereto.

"Council Act" means Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended, and in effect on the date of the adoption of this Resolution.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds, as hereinafter defined, during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Depository Bank" means The Peoples Bank of Mullens, Mullens, West Virginia, and its successors and assigns.

"DWTRF Loan" means the West Virginia Drinking Water Treatment Revolving Fund Loan in the amount of $570,000.

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

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

"Governmental 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 including (i) such obligations which have been stripped from their

unmatured interest coupons, interest coupons stripped from such obligations and receipts or certificates evidencing payments from such obligations or interest coupons stripped from such obligations, (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes.

"Grant Receipts" means all moneys received by the Issuer on account of any Grant to pay Costs of the Project.

"Gross Proceeds" means the sum of the following amounts:

(i) Original proceeds, namely, net amounts received by or for the Issuer as a result of the sale of the Bonds, excluding original proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Bonds;

(ii) Investment proceeds, namely, amounts received at any time by or for the Issuer, such as interest and dividends, resulting from the investment of any original proceeds (as reference in clause (i) above) or investment proceeds (as referenced in this clause (ii)) in Nonpurpose Investments, increased by an profits and decreased (if necessary, below zero) by any losses on such investments, excluding investment proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Bonds;

(iii) Transferred proceeds, namely, original proceeds of any prior obligations, and interest earnings and profits less losses resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any prior obligations and which are deemed to become proceeds of the Bonds ratably as original proceeds of the Bonds, and interest earnings and profits resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any such prior obligations, all on the date of such ratable discharge;

(iv) Sinking fund proceeds, namely, amounts, other than original proceeds, investment proceeds or transferred proceeds [as referenced in clauses (i) through (iii) above] of the Bonds, which are held in any fund to the extent that the Issuer reasonably expects to use such other fund to pay Debt Service;

(v) Amounts in the Bonds and in any other fund established as a reasonably required reserve or replacement fund;

(vi) Investment Property pledged by the Issuer as security for payment of Debt Service on the Bonds;

(viii) Amounts, other than as specified in this definition, used to pay Debt Service on the Bonds; and

(viii) Amounts received as a result of investing amounts described in this definition.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, or any Tap Fees, as hereinafter defined).

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract or investment-type property, excluding, however, obligations the interest on which is excluded from gross income under Section 103 of the Code for federal income tax purposes.

"Issuer" means Eastern Wyoming Public Service District, a public service district and political subdivision of the State of West Virginia, in Wyoming County, West Virginia, and, unless the context clearly indicates otherwise, includes the Board and any successor thereto.

"Loan Agreement" means the Loan Agreement heretofore entered into, or to be entered into, between the Issuer and the Authority, on behalf of the BPH providing for the purchase of the 2004 Series A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by this Resolution.

"LCPSD" means the Logan County Public Service District, or any successor thereto, which operates and maintains the System for the Issuer pursuant to an agreement dated August 30, 2001, by and between the Issuer and LCPSD.

"Managing Engineer" means the managing engineer of the Issuer or any successor thereto.

"Net Proceeds" means the face amount of the 2004 Series A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the 2004 Series A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the 2004 Series A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the Gross Proceeds of the Bonds and is not acquired in order to carry out the governmental purpose of the Bonds.

"Notes" means the Eastern Wyoming Public Service District Water System Design Notes, 2002 Series A (West Virginia Infrastructure Fund) dated June 4, 2002, issued in the original principal amount of $200,000.

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

"Operation and Maintenance Agreement" means that certain Agreement dated August 30, 2001 by and between the LCPSD and the Issuer, pursuant to which the LCPSD operates and maintains the Issuer's System.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being delivered except (a) any Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Resolution and set aside for such payment

(whether upon or prior to maturity); and (b) any Bond deemed to have been paid as provided in Article VI hereof.

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

"Paying Agent" means the West Virginia Municipal Bond Commission and its successors and assigns.

"Prior Bonds" means the Eastern Wyoming Public Service District Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, issued in the original principal amount of $360,000.

"Prior Resolution" means resolution of the Issuer authorizing the Prior Bonds adopted on October 10, 2001.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit by a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements" if any.

"Project" means the Project described in Section 1.03B hereof.

"PSC" means the Public Service Commission of West Virginia or any other agency of the State of West Virginia that succeeds to the functions of the Public Service Commission of West Virginia.

"PSC Order" means the Recommended Decision entered April 16, 2004, which became a Final Order of the Public Service Commission of West Virginia (the "PSC") on May 6, 2004, with all requisite appeal periods having expired without successful appeal, and a Commission Order entered August 16, 2004, in Case No. 03-0980-PWD-CN, among other things, approving the rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. The time for appeal of the August 16, 2004 Commission Order has not expired prior to the date hereof. However, the Issuer hereby states it will not appeal the August 16, 2004 Commission Order, and the only other party to Case No. 03-0980-PWD-CN, the Commission Staff, has stated that it does not intend to appeal the August 16, 2004 Commission Order. Both orders are in full force and effect.

"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 Unites States of America;

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

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

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

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

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by the Prior Resolution and continued by Section 5.01(2) hereof.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the 2004 Series A Bonds and the Prior Bonds.

"Resolution" means this resolution, as from time to time amended or supplemented.

"Revenue Fund" means the Revenue Fund established by the Prior Resolution and continued by Section 5.01(1) hereof.

"Secretary" means the Secretary of the Issuer.

"Sinking Funds" shall mean, collectively, the respective Sinking Funds established for the 2004 Series A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer, amending or supplementing this Resolution and when preceded by the article "the" refers specifically to the Supplemental Resolution authorizing the sale of the 2004 Series A Bonds to the original purchaser, provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the 2004 Series A Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Resolution to be set aside and held for the payment of or security for the 2004 Series A Bonds, the Prior Bonds or any other obligations of the Issuer, including but not limited to the Renewal and Replacement Fund, the Reserve Accounts and Sinking Funds.

"System" means the complete existing waterworks system of the Issuer, including the Project, and any improvements and extensions thereto hereafter constructed or acquired from any sources whatsoever.

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

"USEDA Grant" means the United States Economic Development Administration Grant in the amount of $1,800,000.

"USEDA Grant Agreement" means a written commitment for the payment of the United States Economic Development Administration Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"West Virginia DWTRF Program" means the West Virginia Drinking Water Treatment Revolving Fund Program established by the State, administered by the BPH and funded by capitalization grants awarded to the State pursuant to the Federal Safe Drinking Water Act, as amended, for the purpose of providing, establishing and maintaining a permanent perpetual fund for the acquisition, construction and improvement of drinking water projects.

"WVIJDC Grant" means the West Virginia Infrastructure and Jobs Development Council Grant in the amount of $592,338.

"WVIJDC Grant Agreement" means a written commitment for the payment of the West Virginia Infrastructure and Jobs Development Council Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"2004 Series A Bonds" means the $570,000 in aggregate principal amount of Eastern Wyoming Public Service District Water Revenue Bonds, 2004 Series A (West Virginia DWTRF Program), of the Issuer originally authorized hereby.

"2004 Series A Bonds Construction Trust Fund" means the 2004 Series A Bonds Construction Trust Fund created by Section 5.01 hereof.

"2004 Series A Bonds Reserve Account" or "Reserve Account" means the Reserve Account established in the 2004 Series A Bonds Sinking Fund pursuant to Section 5.02.

"2004 Series A Bonds Reserve Requirement" or "Reserve Requirement" means as of any date of calculation the maximum amount of principal and interest which will become due on the 2004 Series A Bonds in the then current or any succeeding year.

"2004 Series A Bonds Sinking Fund" or "Sinking Fund" means the 2004 Series A Bonds Sinking Fund established by Section 5.02.

Additional terms and phrases are defined in this Resolution as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

Words importing singular number include the plural number in each case and vice versa; words importing the masculine gender include every other gender; and words importing persons include firms, partnerships, associations and corporations.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Resolution; and the term "hereafter" means after the date of adoption of this Resolution.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Resolution so numbered.

Section 1.02. Authority for this Resolution. This Resolution, together with any resolution supplemental hereto or amendatory hereof (the "Bond Legislation"), is adopted pursuant to the provisions of the Act and other applicable provisions of the law.

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

A. The Issuer is a public service district and a public corporation and political subdivision of the State, located in and near Mullens, Wyoming County, West

Virginia, created pursuant to the Act by an order issued by The County Commission of Wyoming County, West Virginia.

B. The Issuer presently owns and operates a public water system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that the Issuer acquire and construct certain additions, improvements and extensions to the existing public water facilities of the Issuer, consisting of improvements to the Issuer's water system, and replacement of portions of the water distribution system in Wyoming County, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the treatment and distribution of potable water (the existing public water system of the Issuer, the Project and any further additions, betterments and improvements thereto or extensions thereof are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineer, which plans and specifications have heretofore been filed with the Issuer and to pay the cost of issuance hereof and related costs,.

C. The estimated maximum cost of the construction and acquisition of the Project is approximately $2,962,338, of which approximately $570,000 will be permanently financed by the 2004 Series A Bonds herein authorized. The remaining cost will be funded with a $1,800,000 USEDA Grant and a $592,338 WVIJDC Grant. The Issuer has heretofore issued the Notes to temporarily finance a portion of the costs of design of the Project. The Issuer hereby determines that it is in its best interest to pay the entire outstanding principal of and all administrative fees on the Notes with proceeds of the WVIJDC Grant on the Closing Date.

D. It is necessary for the Issuer to issue its Water Revenue Bonds, 2004 Series A (West Virginia DWTRF Program), in the aggregate principal amount of $570,000 to permanently finance in part the cost of acquisition and construction of the Project, and to pay the cost of issuance thereof. Said costs shall be deemed to include the repayment of the principal of and administrative fee on the Notes, the cost of all property rights, easements and franchises deemed necessary or convenient therefor; engineering and legal expenses; expenses for estimates of costs and revenues and for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense, commitment fees, fees of the Authority, initial fees for the services of registrars, and the placing of the Project in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the 2004 Series A Bonds or the repayment of indebtedness, incurred by the Issuer for such purposes shall be deemed part of the Costs of the Project.

E. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the Operating Expenses of the System, the principal of and interest on the Prior Bonds, the 2004 Series A

Bonds and all sinking funds, reserve accounts and other payments provided for herein, and in the Prior Resolution.

F. The period of usefulness of the System after completion of the Project is not less than 30 years.

G. There are outstanding obligations of the Issuer which will rank on parity with the 2004 Series A Bonds as to liens, pledge, and source of and security for payment, which obligations are designated and have the lien positions with respect to the 2004 Series A Bonds as follows:

Designation	Lien Position
Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, in the original principal amount of $360,000 (the "Prior Bonds")	First Lien

The 2004 Series A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has met the parity and coverage requirements for issuance of bonds on a parity with the Prior Bonds and the resolution authorizing the Prior Bonds and has substantially complied with all other parity requirements, except to the extent that noncompliance with any such other parity requirements is not of a material nature. Prior to the issuance of the 2004 Series A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the parity and coverage tests of the Prior Bonds have been met and (ii) the written consent of the Registered Owners of the Prior Bonds to the issuance of the 2004 Series A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. It is in the best interests of the Issuer that the 2004 Series A Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to the authorization of the Project, operation of the System, and the issuance of the 2004 Series A Bonds, or will have so complied prior to the issuance of the 2004 Series A Bonds, including, among other things, the obtaining of the PSC Order.

J. The Project has been approved by the Council, and the Authority, on behalf of BPH, has agreed to make the DWTRF Loan to the Issuer.

K. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner

which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 1.04. Bond Legislation Constitutes Contract. In consideration of the acceptance of the 2004 Series A Bonds by those who shall be Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owners of the 2004 Series A Bonds.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT; AUTHORIZATION OF OPERATION AND MAINTENANCE OF THE PROJECT

Section 2.01. Authorization of the Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project at an estimated cost of $2,962,338 in accordance with the plans and specifications which have been prepared by the Consulting Engineers and heretofore filed in the office of the Governing Body. The proceeds of the 2004 Series A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project in an amount and otherwise compatible with the plan of financing described in the application to the Authority, the BPH and the Council.

Section 2.02. Approval of Operation and Maintenance of the System. The Issuer hereby approves the operation and maintenance of the System by LCPSD, for and on behalf of the Issuer, along with any other assets of the Issuer that the Issuer may desire for LCPSD to operate and maintain, pursuant to the Operation and Maintenance Agreement.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying the Costs of the Project and paying certain costs of issuance and related costs, there shall be and hereby are authorized to be issued negotiable bonds of the Issuer. Said 2004 Series

A Bonds shall be issued as a single bond, to be designated the "Eastern Wyoming Public Service District Water Revenue Bonds, 2004 Series A (West Virginia DWTRF Program),", in the aggregate principal amount of $570,000, and shall have such terms as are set forth hereinafter in this Resolution or any Supplemental Resolution thereto. The proceeds of the 2004 Series A Bonds shall be deposited in the 2004 Series A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Term of Bonds. The 2004 Series A Bonds shall be issued in such principal amounts; shall bear interest at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts and at such times as shall be set forth in Schedule Y to the Loan Agreement; the terms of which are incorporated herein by reference. In the event of an inconsistency between the terms hereof and said Loan Agreement, the terms of the Loan Agreement shall apply; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in this Resolution. The repayment of principal, interest and the Administrative Fee on the 2004 Series A Bonds shall be as set forth in Schedule Y to the Loan Agreement. The 2004 Series A Bonds shall be payable as to principal at the office of the Paying Agent in any coin or currency which, on the dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America. Interest on the 2004 Series A Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by this Resolution or any Supplemental Resolution thereto, the 2004 Series A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule and a record of advances attached, representing the aggregate principal amount of the 2004 Series A Bonds. The 2004 Series A Bonds shall be exchangeable at the option and expense of the Holder for another fully registered bond in aggregate principal amount equal to the amount of said bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said bond; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Section 3.03. Execution of Bonds. The 2004 Series A Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto and attested by the Secretary of the Issuer. In case any one or more of the officers who shall have signed or sealed any of the 2004 Series A Bonds shall cease to be such officer of the Issuer before the 2004 Series A Bonds so signed and sealed shall have been actually sold or delivered, such 2004 Series A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such 2004 Series A Bonds had not ceased to hold such office. Any 2004 Series A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such 2004 Series A Bonds shall hold the proper office of the Issuer, although

at the date of such 2004 Series A Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No 2004 Series A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Resolution. The Certificate of Authentication and Registration shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the 2004 Series A Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the 2004 Series A Bonds shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner, in accepting any of said 2004 Series A Bonds, shall be conclusively deemed to have agreed that said 2004 Series A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner shall further be conclusively deemed to have agreed that said 2004 Series A Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the 2004 Series A Bonds remain Outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the 2004 Series A Bonds.

The 2004 Series A Bonds shall be transferrable only upon the books of the Bond Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto, together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney.

In all cases in which the privilege of exchanging the 2004 Series A Bonds or transferring the 2004 Series A Bonds is exercised, such Bonds shall be delivered in accordance with the provisions of this Resolution. All 2004 Series A Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of 2004 Series A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar

shall not be obligated to make any such exchange or transfer of 2004 Series A Bonds during the period commencing on the 15th day of the month preceding an interest payment date on the 2004 Series A Bonds or, in the case of any proposed redemption of 2004 Series A Bonds, next preceding the date of the selection of 2004 Series A Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver a new Bond of the same series and of like tenor of the 2004 Series A Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated bond, upon surrender and cancellation of such mutilated bond, or in lieu of and substitution for the bond destroyed, stolen or lost and upon the Holder's furnishing the Issuer proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and Bond Registrar may incur. All 2004 Series A Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such bond shall have matured or be about to mature, instead of issuing a substitute bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds Not to be Indebtedness of the Issuer. The 2004 Series A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts in the 2004 Series A Bonds Reserve Account. No Holder of any of the 2004 Series A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the 2004 Series A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service on all the 2004 Series A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, on parity with the lien on the Net Revenues in favor of the holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of, and interest on and other payments for the 2004 Series A Bonds and the Prior Bonds and to make the payments into the Sinking Funds, the Reserve Accounts and the Renewal and Replacement Fund hereinafter established, and established in the Prior Resolution, are hereby irrevocably pledged to the payment of the principal of and interest on the Prior Bonds and the 2004 Series A Bonds as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the 2004 Series A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the 2004 Series A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the 2004 Series A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the 2004 Series A Bonds to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the 2004 Series A Bonds.

Section 3.10. Form of Bonds. The text of the 2004 Series A Bonds shall be in substantially the form attached hereto as Exhibit A, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution or by any Supplemental Resolution thereto adopted prior to the issuance thereof.

Section 3.11. Sale of Bonds; Ratification and Execution of Loan Agreement. The 2004 Series A Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved. The Loan Agreement, including all schedules and exhibits attached hereto, is hereby approved and incorporated into this Bond Legislation.

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

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by Prior Resolution);

(2) Renewal and Replacement Fund (established by Prior Resolution); and

(3) 2004 Series A Bonds Construction Trust Fund.

The Issuer hereby appoints and designates The Peoples Bank of Mullens, located in Mullens, West Virginia, as the Depository Bank under the Resolution.

Section 5.02. Establishment of Funds and Accounts with Commission. The special funds or accounts hereby established with the Commission are the 2004 Series A Bonds Sinking Fund, and the 2004 Series A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund created pursuant to the Prior Resolution. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the principal payment for the Prior Bonds required by the Prior Resolution, and (ii) commencing 3 months prior to the first date of payment of principal of the 2004 Series A Bonds, for deposit in the 2004 Series A Bonds Sinking Fund, a sum equal to 1/3rd of the amount of principal which will mature and become due on the 2004 Series A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the 2004 Series A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide,

one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Reserve Account for the Prior Bonds, the amount required by the Prior Resolution, and (ii) commencing 3 months prior to the first date of payment of principal of the 2004 Series A Bonds, if not fully funded upon issuance of the 2004 Series A Bonds, for deposit in the 2004 Series A Bonds Reserve Account, an amount equal to 1/120 of the 2004 Series A Bonds Reserve Requirement; provided, that no further payments shall be made into the 2004 Series A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the 2004 Series A Bonds Reserve Requirement.

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

Moneys in the 2004 Series A Bonds Sinking Fund shall be used only for the purpose of paying principal of, and interest, if any, on the 2004 Series A Bonds as the same shall become due. Moneys in the 2004 Series A Bonds Reserve Account shall be used only for the purpose of paying principal of, and interest, if any, on the 2004 Series A Bonds, as the same shall come due, when other moneys in the 2004 Series A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the 2004 Series A Bonds Reserve Account shall be transferred, not less than once each year, to the 2004 Series A Bonds Construction Trust Fund prior to completion of the Project and thereafter to the 2004 Series A Bonds Sinking Fund.

Any withdrawals from the 2004 Series A Bonds Reserve Account which result in a reduction in the balance of such account to below the 2004 Series A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the 2004 Series A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay any interest on and principal of such Parity Bonds and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Commission is hereby designated as the fiscal agent for the administration of the 2004 Series A Bonds Sinking Fund and the 2004 Series A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority, the Issuer shall make the necessary arrangements whereby required payments into such accounts are automatically debited from the Revenue Fund and electronically transferred to the Commission on the required date.

Moneys in the 2004 Series A Bonds Reserve Account and 2004 Series A Bonds Sinking Fund shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The 2004 Series A Bonds Sinking Fund and the 2004 Series A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the 2004 Series A Bonds under the conditions and restrictions hereinafter set forth.

Interest, principal or reserve account payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the 2004 Series A Bonds and the Prior Bonds in accordance with the respective principal amounts then outstanding.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve account payments with respect to the 2004 Series A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the

Commission the Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement.

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

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

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

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, that all deposits, including on account of deficiencies, shall be made in the order of priority set forth in Paragraph (A), above, and no payment of lower priority shall be made if there exists a deficiency in a fund or account of higher priority. No such deficiency shall exist solely because the required payments into the 2004 Series A Bonds Reserve Account have not, as of such date, funded such account to the requirement therefor.

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

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the 2004 Series A Bonds Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and used for any lawful purpose of the System.

ARTICLE VI

APPLICATION OF BONDS PROCEEDS

Section 6.01. Application of Bonds Proceeds; Pledge of Unexpended Bonds Proceeds. Moneys received from time to time from the sale of the 2004 Series A Bonds shall be deposited with the Depository Bank in the 2004 Series A Bonds Construction Trust Fund and applied solely to payment of Costs of the Project and until so expended are hereby pledged as additional security for the 2004 Series A Bonds.

Section 6.02. Disbursements From the Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority, the BPH and the Council a report listing the specific purposes for which the proceeds of the 2004 Series A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the 2004 Series A Bonds Construction Trust Fund shall be made only after submission to the BPH of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement, in compliance with the construction schedule, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

(A) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

(B) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Costs of the Project;

(C) Each of such costs has been otherwise properly incurred; and

(D) Payment for each of the items proposed is then due and owing.

Pending such application, moneys in the 2004 Series A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

Section 6.03. Excess Bond Proceeds. Upon completion of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the 2004 Series A Bonds shall be applied as directed by the BPH.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder of the 2004 Series A Bonds. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Holder of the 2004 Series A Bonds, as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said 2004 Series A Bonds is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The 2004 Series A Bonds shall not be nor 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 of any 2004 Series A Bonds shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay said 2004 Series A Bonds.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position. The payment of the debt service of the 2004 Series A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System on parity with the lien on said Net Revenues in favor of the holders of the Prior Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the principal of the Prior Bonds and the 2004 Series A Bonds herein authorized and to make the payments into the all funds and accounts, and all other payments provided for in this Resolution and the Prior Resolution are hereby irrevocably pledgedto such payments as the same become due, and for the other purposes provided in this Resolution.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges are and shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Recommended Decision entered April 16, 2004, which became a Final Order of the Public Service Commission of West Virginia (the "PSC") on May 6, 2004, with all requisite appeal periods having expired without successful appeal, and a Commission Order entered August 16, 2004, in Case No. 03-0980-PWD-CN, among other things, approving the rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. The time for appeal of the August 16, 2004 Commission Order has not expired prior to the date hereof. However, the Issuer hereby states it will not appeal the August 16, 2004 Commission Order, and the only other party to Case No. 03-0980-PWD-CN, the Commission Staff, has stated that it does not intend to appeal the August 16, 2004 Commission Order. Both orders are in full force and effect.

So long as the 2004 Series A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the requirements of the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the 2004 Series A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, except as provided in the Prior Resolution. Additionally, so long as the 2004 Series A Bonds are outstanding and except as otherwise required by law and with the written consent of the Authority and the BPH, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the 2004 Series A Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Commission for deposit in the 2004 Series A Bonds Sinking Fund, and the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and the Administrative Fee on the 2004 Series A Bonds. Any balance remaining after the payment of the 2004 Series A Bonds shall be remitted to the Issuer by the Commission unless

necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. So long as any of the 2004 Series A Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the 2004 Series A Bonds; provided, however, that Parity Bonds may be issued as provided for in Section 7.07 hereof and in the Prior Resolution (as long as the Prior Bonds are Outstanding). All obligations hereafter

issued by the Issuer payable from the revenues of the System, except such Parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the 2004 Series A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein and in the Prior Resolution have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the liens of the 2004 Series A Bonds, upon any of the income and revenues of the System pledged for payment of the 2004 Series A Bonds and the interest thereon in this Resolution, or upon the System or any part hereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolution shall be applicable. Additionally, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the 2004 Series A Bonds pursuant to this Resolution, except under the conditions and in the manner herein provided and in the Prior Resolution so long as the Prior Bonds are outstanding.

All Parity Bonds issued hereunder shall be on a parity in all respects with the 2004 Series A Bonds. The prior written consent of the Authority and BPH must be received prior to the issuance of any Parity Bonds.

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

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

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the three succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any improvements to be financed by the Parity Bonds and any increase in rates adopted by the Issuer and approved by the PSC, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds including the revenues from new customers to be served, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer and approved by the PSC, the period for appeal of which has expired prior to the issuance of such Parity Bonds.

All covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holder of the 2004 Series A Bonds and the Holders of any Parity Bonds issued from time to time within the limitations of and in compliance with this section. Any Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their respective liens on the revenues of the System and their respective source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of another series on a parity therewith. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Parity Bonds, in addition to the payments required for 2004 Series A Bonds theretofore issued pursuant to this Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Outstanding Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions

provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the 2004 Series A Bonds.

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

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

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

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of 2004 Series A Bonds issued pursuant to this Resolution shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed by the Uniform System of Accounts promulgated by the PSC. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and initiate the manner by which subsidiary records of the accounting system, which may be installed remote from the direct supervision of the Governing Body, shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the BPH, and the Authority, or any other original purchaser of the 2004 Series A Bonds, and shall mail in each year to any Holder of 2004 Series A Bonds requesting the same, an annual report containing the following:

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues, and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Resolution and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof, to the extent legally required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder of 2004 Series A Bonds and shall submit said report to the Authority, the BPH and the Council, or any other purchaser of the 2004 Series A Bonds. Such audit report submitted to the Authority, the BPH and the Council shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Resolution and that the Issuer's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements.

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

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

The Issuer shall provide the BPH with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in the Loan Agreement or as promulgated from time to time.

Section 7.09. Rates. Approvals of equitable rates or charges for the use of and service rendered by the System have been obtained all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System, and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the 2004 Series A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the 2004 Series A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the 2004 Series A Bonds Reserve Requirement are on deposit in the 2004 Series A Bonds Reserve Account and all reserve accounts for obligations on a parity with the 2004 Series A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of, and interest on the 2004 Series A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the 2004 Series A Bonds.

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

resolutions authorizing increased expenditures for operation and maintenance to the Authority, the BPH and the Council and to any Holder of any 2004 Series A Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the BPH and the Council and to any Holder of any 2004 Series A Bonds or anyone acting for and in behalf of such Holder of any 2004 Series A Bonds.

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

Section 7.11. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.12. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the PSC and other laws of the State.

Whenever any rates, fees, rentals or other charges for the services or facilities of the System remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities provided, is delinquent and the user is liable at law until such time as all such rates, fees and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the PSC, rates, rentals and other charges, if not paid when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that it will, to the full extent permitted by law and the rules promulgated by the PSC, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.13. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of

the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.14. Connections to System. The Issuer will, to the extent authorized by the laws of the State and the rules and regulations of the PSC, require prospective users of the System to connect thereto.

Section 7.15. Insurance. The Issuer hereby covenants and agrees that so long as the 2004 Series A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims

arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Section 38-2-39.

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

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

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

(7) PERFORMANCE AND PAYMENT OR COMPLETION BONDS, (A) The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction of the Project.

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

Section 7.16. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineer in the form similar to that attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the BPH, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority, the BPH and the Council is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to the Issuer within 60 days of the completion of the Project. The Issuer shall notify the BPH in writing of such receipt.

The Issuer shall require the Consulting Engineers to submit a final Operation and Maintenance Manual, as defined in the DWTRF Regulations, to the Issuer when the Project is 90% completed. The Issuer shall, at all times, provide operation and maintenance of the System in compliance with any and all State and Federal standards. The Issuer shall employ qualified operating personnel, properly certified by the State, before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the BPH in writing of the certified operator employed at the 50% completion stage.

Section 7.17. Completion of Project; Permits and Orders. The Issuer hereby covenants and agrees to complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all applicable laws, rules and regulations issued by the BPH, the Authority or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

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

and the operation of the System and all approvals for issuance of the 2004 Series A Bonds required by State law.

Section 7.18. Statutory Mortgage Lien. For the further protection of the Holder of the 2004 Series A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the 2004 Series A Bonds, shall be for the benefit of all Registered Owners of 2004 Series A Bonds and shall be on a parity with the statutory mortgage lien of the Prior Bonds.

Section 7.19. Compliance with Loan Agreement and Law. The Issuer agrees to perform, satisfy and comply with all terms and conditions of the Loan Agreement and the Act. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the BPH or other state, federal or local bodies in regard to the construction and acquisition of the Project and the operation, maintenance and use of the System.

Section 7.20. PSC Order. The Issuer shall comply with the conditions of the PSC Order and any supplement or amendment thereto.

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

Section 7.22. Public Releases. The Issuer shall list the funding provided by the BPH and the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

Section 7.23. Contracts. A. The Issuer shall, simultaneously with the delivery of the 2004 Series A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the BPH for written approval. The Issuer shall obtain the written approval of the BPH before expending any proceeds of the 2004 Series A Bonds held in "contingency" as set forth in the Schedule B attached to the Certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the BPH before expending any proceeds of the 2004 Series A Bonds made available due to bid or construction or project underruns.

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once a year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records relating thereto so long as any of the 2004 Series A Bonds are Outstanding.

Section 8.02. Certificate and Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the 2004 Series A Bonds as a condition to issuance of the 2004 Series A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the 2004 Series A Bonds as may be necessary in order to maintain the status of the 2004 Series A Bonds as governmental bonds; (ii) that it shall not take, or permit to suffer to be taken, any action with respect to the Issuer's use of the proceeds of the 2004 Series A Bonds which would cause any bonds, the interest on which is exempt

from federal income taxation under Section 103(a) of the Code, issued by the Authority, the Council or the BPH, as the case may be, from which the proceeds of the 2004 Series A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, the Council or the BPH, to ensure compliance with the covenants and agreements set forth in this Section 8.02, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority, information with respect to the Issuer's use of the proceeds of the 2004 Series A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULTS AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the 2004 Series A Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any 2004 Series A Bonds; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the 2004 Series A Bonds set forth in this Resolution or by any Supplemental Resolution thereto, or in the 2004 Series A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Bond Registrar, any Paying Agent or a Holder of a Bond; or

(C) If a default occurs with respect to the Prior Bonds or the Prior Resolution; or

(D) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act, the Loan Agreement, and this Resolution relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the 2004 Series A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of any express trust for the Registered Owners of the 2004 Series A Bonds, and (v) by action at law or bill in equity enjoin any acts in violation of the Resolution with respect to the 2004 Series A Bonds, or the rights of such Registered Owners, provided however, that all rights and remedies of the Registered Owners shall be on a parity with those of the Registered Owners of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under this Resolution and the Act, including, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the

application thereof. If there be any Event of Default with respect to the 2004 Series A Bonds any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project, or both, on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the 2004 Series A Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Resolution and the Act.

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

Whenever all that is due upon the 2004 Series A Bonds and interest thereon and under any covenants of this Resolution for Reserve, Sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Resolution shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any 2004 Series A Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the 2004 Series A Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such 2004 Series A Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Resolution, and the title to and ownership of said System shall remain in the Issuer, and no

court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the 2004 Series A Bonds, the principal of, and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the 2004 Series A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Resolution. Prior to the issuance of the 2004 Series A Bonds, this Resolution may be amended or supplemented in any way by a Supplemental Resolution. Following the issuance of the 2004 Series A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the 2004 Series A Bonds shall be made without the consent in writing of the Registered Owners of the 2004 Series A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the 2004 Series A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of 2004 Series A Bonds required for consent to the above-permitted amendments or modifications.

Section 11.02. Resolution Constitutes Contract. The provisions of the Resolution shall constitute a contract between the Issuer and the Holder of the 2004 Series A Bonds, and no change, variation or alteration of any kind of the provisions of the Resolution shall be made in any manner, except as in this Resolution provided.

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

section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, or the 2004 Series A Bonds.

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

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

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

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

Adopted this 23rd day of August, 2004.

EASTERN WYOMING PUBLIC SERVICE DISTRICT

By: _____
Chairman

By: _____
Member

By: _____
Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of EASTERN WYOMING PUBLIC SERVICE DISTRICT on the 23rd day of August, 2004.

Dated: August 23, 2004.

[SEAL]

Secretary

Exhibit A

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND 2004 SERIES A (WEST VIRGINIA DWTRF PROGRAM),

No. AR-1 $570,000

KNOW ALL MEN BY THESE PRESENTS: That EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the principal sum of FIVE HUNDRED SEVENTY THOUSAND DOLLARS ($570,000) or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, Junel, September 1 and December 1 of each year, commencing _____ 1, 200__, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The Administrative Fee (as defined in the hereinafter described Bond Resolution) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2006, as set forth on said Exhibit B.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated August 24, 2004.

This Bond is issued (i) to permanently finance the cost of acquisition and construction of certain improvements and extensions to the existing water facilities of the

Issuer (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on August 23, 2004, (the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $360,000 (THE "PRIOR BONDS").

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

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar (as defined in the Resolution), by the Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

Under the Act, this Bond is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

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

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

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

IN WITNESS WHEREOF, EASTERN WYOMING PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated August ____, 2004.

[SEAL]

EASTERN WYOMING PUBLIC SERVICE DISTRICT

_____

Chairman

Attest:

_____

Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the 2004 Series A Bonds described in and issued under the provisions of the within mentioned Resolution and has been duly registered in the name of the registered owner set forth above.

Date: August ____, 2004.

UNITED BANK, INC.,
as Registrar

_____
Authorized officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

(Form of)

EXHIBIT B

DEBT SERVICE SCHEDULE

$570,000

Eastern Wyoming Public Service District
30 Years, 0% Interest Rate, 1.0% Administrative Fee
Closing Date: August 24, 2004

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Total P+I
09/01/2004	-	-	-
12/01/2004	-	-	-
03/01/2005	-	-	-
06/01/2005	-	-	-
09/01/2005	-	-	-
12/01/2005	-	-	-
03/01/2006	4,750.00	-	4,750.00
06/01/2006	4,750.00	-	4,750.00
09/01/2006	4,750.00	-	4,750.00
12/01/2006	4,750.00	-	4,750.00
03/01/2007	4,750.00	-	4,750.00
06/01/2007	4,750.00	-	4,750.00
09/01/2007	4,750.00	-	4,750.00
12/01/2007	4,750.00	-	4,750.00
03/01/2008	4,750.00	-	4,750.00
06/01/2008	4,750.00	-	4,750.00
09/01/2008	4,750.00	-	4,750.00
12/01/2008	4,750.00	-	4,750.00
03/01/2009	4,750.00	-	4,750.00
06/01/2009	4,750.00	-	4,750.00
09/01/2009	4,750.00	-	4,750.00
12/01/2009	4,750.00	-	4,750.00
03/01/2010	4,750.00	-	4,750.00
06/01/2010	4,750.00	-	4,750.00
09/01/2010	4,750.00	-	4,750.00
12/01/2010	4,750.00	-	4,750.00
03/01/2011	4,750.00	-	4,750.00
06/01/2011	4,750.00	-	4,750.00
09/01/2011	4,750.00	-	4,750.00
12/01/2011	4,750.00	-	4,750.00
03/01/2012	4,750.00	-	4,750.00
06/01/2012	4,750.00	-	4,750.00
09/01/2012	4,750.00	-	4,750.00
12/01/2012	4,750.00	-	4,750.00
03/01/2013	4,750.00	-	4,750.00
06/01/2013	4,750.00	-	4,750.00
09/01/2013	4,750.00	-	4,750.00
12/01/2013	4,750.00	-	4,750.00
03/01/2014	4,750.00	-	4,750.00
06/01/2014	4,750.00	-	4,750.00
09/01/2014	4,750.00	-	4,750.00
12/01/2014	4,750.00	-	4,750.00
03/01/2015	4,750.00	-	4,750.00
06/01/2015	4,750.00	-	4,750.00

$570,000

Eastern Wyoming Public Service District
30 Years, 0% Interest Rate, 1.0% Administrative Fee
Closing Date: August 24, 2004

Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Total P+I
09/01/2026	4,750.00	-	4,750.00
12/01/2026	4,750.00	-	4,750.00
03/01/2027	4,750.00	-	4,750.00
06/01/2027	4,750.00	-	4,750.00
09/01/2027	4,750.00	-	4,750.00
12/01/2027	4,750.00	-	4,750.00
03/01/2028	4,750.00	-	4,750.00
06/01/2028	4,750.00	-	4,750.00
09/01/2028	4,750.00	-	4,750.00
12/01/2028	4,750.00	-	4,750.00
03/01/2029	4,750.00	-	4,750.00
06/01/2029	4,750.00	-	4,750.00
09/01/2029	4,750.00	-	4,750.00
12/01/2029	4,750.00	-	4,750.00
03/01/2030	4,750.00	-	4,750.00
06/01/2030	4,750.00	-	4,750.00
09/01/2030	4,750.00	-	4,750.00
12/01/2030	4,750.00	-	4,750.00
03/01/2031	4,750.00	-	4,750.00
06/01/2031	4,750.00	-	4,750.00
09/01/2031	4,750.00	-	4,750.00
12/01/2031	4,750.00	-	4,750.00
03/01/2032	4,750.00	-	4,750.00
06/01/2032	4,750.00	-	4,750.00
09/01/2032	4,750.00	-	4,750.00
12/01/2032	4,750.00	-	4,750.00
03/01/2033	4,750.00	-	4,750.00
06/01/2033	4,750.00	-	4,750.00
09/01/2033	4,750.00	-	4,750.00
12/01/2033	4,750.00	-	4,750.00
03/01/2034	4,750.00	-	4,750.00
06/01/2034	4,750.00	-	4,750.00
09/01/2034	4,750.00	-	4,750.00
12/01/2034	4,750.00	-	4,750.00
03/01/2035	4,750.00	-	4,750.00
06/01/2035	4,750.00	-	4,750.00
09/01/2035	4,750.00	-	4,750.00
12/01/2035	4,750.00	-	4,750.00
Total	$570,000.00	-	$570,000.00 *

*Plus $718.44 one-percent administrative fee paid quarterly. Total fee over life of loan is $86,212.80.

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____, the within-mentioned Bond and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Bond on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

Dated: _____

_____

IN THE PRESENCE OF:

_____

BOND RESOLUTION

Authorizing

EASTERN WYOMING PUBLIC SERVICE DISTRICT WATER REVENUE BONDS (WEST VIRGINIA DWTRF PROGRAM), 2006 SERIES A

Adopted: January 10, 2006

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EASTERN WYOMING PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF WATER TREATMENT AND DISTRIBUTION FACILITIES BY EASTERN WYOMING PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COSTS THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF $2,570,000 IN AGGREGATE PRINCIPAL AMOUNT OF EASTERN WYOMING PUBLIC SERVICE DISTRICT WATER REVENUE BONDS (WEST VIRGINIA DWTRF PROGRAM), 2006 SERIES A; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF EASTERN WYOMING PUBLIC SERVICE DISTRICT:

ARTICLE I

DEFINITIONS, STATUTORY AUTHORITY AND FINDINGS

Section 1.01 Definitions. The following terms shall have the following meanings in this Resolution unless the context expressly requires otherwise.

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

"AML Grant" means the West Virginia Department of Environmental Protection – Abandoned Mine Lands Grant in the amount of $4,465,920.

"AML Grant Agreement" means a written commitment for the payment of the West Virginia Department of Environmental Protection – Abandoned Mine Lands Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement for the 2006 Series A Bonds.

"Application" means the application, with attachments and exhibits, filed by the Issuer with the BPH for a DWTRF loan.

"ARC Grant" means the Appalachian Regional Commission Grant in the amount of $1,000,000.

"ARC Grant Agreement" means a written commitment for the payment of the Appalachian Regional Commission Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the 2006 Series A Bonds acting in its administrative capacity and upon authorization from the BPH under the Act.

"Authorized Officer" means the Chairman of the Governing Body of the Issuer or any other officer or person of the Issuer specifically designated by resolution of the Governing Body of the Issuer.

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

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

"Bond Register" means the books of the Issuer as hereinafter defined, maintained by the Bond Registrar as hereinafter defined for the registration and transfer of the Bonds.

"Bond Registrar" or "Registrar" means United Bank, Inc., Charleston, West Virginia, and its successors and assigns.

"Bonds" means, collectively, the 2006 Series A Bonds, the Prior Bonds and any additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution or another resolution of the Issuer.

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

"BPH" means the West Virginia Bureau for Public Health, a division of the West Virginia Department of Health and Human Resources, or any successor thereto.

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

"Closing Date" means the date upon which there is an exchange of the 2006 Series A Bonds for all or a portion of the proceeds of the 2006 Series A Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, including the rules and regulations promulgated pursuant thereto or any predecessors or successors thereto.

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

"Consulting Engineer" or "Consulting Engineers" means Pentree, Incorporated, Princeton, West Virginia, or any qualified engineer or firm of engineers licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System in accordance with Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended.

"Costs" or "Costs of the Project" or any similar phrase means those costs described in Section 1.03 D hereof to be part of the cost of acquisition and construction of the Project.

"Council" means the West Virginia Infrastructure and Jobs Development Council or any successor thereto.

"Council Act" means Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended, and in effect on the date of the adoption of this Resolution.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds, as hereinafter defined, during the period of computation,

excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Depository Bank" means The Peoples Bank of Mullens, Mullens, West Virginia, and its successors and assigns.

"DWTRF Loan" means the West Virginia Drinking Water Treatment Revolving Fund Loan in the amount of $2,570,000.

"EWSAA Grant" means the Emergency Wartime Supplemental Appropriation Act Grant in the amount of $487,242.

"EWSAA Grant Agreement" means a written commitment for the payment of the Emergency Wartime Supplemental Appropriation Act Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

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

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

"Governmental 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 including (i) such obligations which have been stripped from their unmatured interest coupons, interest coupons stripped from such obligations and receipts or certificates evidencing payments from such obligations or interest coupons stripped from such obligations, (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes.

"Grant Receipts" means all moneys received by the Issuer on account of any Grant to pay Costs of the Project.

"Gross Proceeds" means the sum of the following amounts:

(i) Original proceeds, namely, net amounts received by or for the Issuer as a result of the sale of the Bonds, excluding original proceeds which become

transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Bonds;

(ii) Investment proceeds, namely, amounts received at any time by or for the Issuer, such as interest and dividends, resulting from the investment of any original proceeds (as reference in clause (i) above) or investment proceeds (as referenced in this clause (ii)) in Nonpurpose Investments, increased by profits and decreased (if necessary, below zero) by any losses on such investments, excluding investment proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Bonds;

(iii) Transferred proceeds, namely, original proceeds of any prior obligations, and interest earnings and profits less losses resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any prior obligations and which are deemed to become proceeds of the Bonds ratably as original proceeds of the Bonds, and interest earnings and profits resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any such prior obligations, all on the date of such ratable discharge;

(iv) Sinking fund proceeds, namely, amounts, other than original proceeds, investment proceeds or transferred proceeds as referenced in clauses (i) through (iii) above, of the Bonds, which are held in any fund to the extent that the Issuer reasonably expects to use such other fund to pay Debt Service;

(v) Amounts in the Bonds and in any other fund established as a reasonably required reserve or replacement fund;

(vi) Investment Property pledged by the Issuer as security for payment of Debt Service on the Bonds;

(viii) Amounts, other than as specified in this definition, used to pay Debt Service on the Bonds; and

(viii) Amounts received as a result of investing amounts described in this definition.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, or any Tap Fees, as hereinafter defined).

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract or investment-type property, excluding, however, obligations the interest on which is excluded from gross income under Section 103 of the Code for federal income tax purposes.

"Issuer" means Eastern Wyoming Public Service District, a public service district and political subdivision of the State of West Virginia, in Wyoming County, West Virginia, and, unless the context clearly indicates otherwise, includes the Board and any successor thereto.

"Loan Agreement" means the Loan Agreement heretofore entered into, or to be entered into, between the Issuer and the Authority, on behalf of the BPH providing for the purchase of the 2006 Series A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by this Resolution.

"LCPSD" means the Logan County Public Service District, or any successor thereto, which operates and maintains the System for the Issuer pursuant to an agreement dated August 30, 2001, by and between the Issuer and LCPSD.

"Managing Engineer" means the managing engineer of the Issuer or any successor thereto.

"Net Proceeds" means the face amount of the 2006 Series A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the 2006 Series A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the 2006 Series A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the Gross Proceeds of the Bonds and is not acquired in order to carry out the governmental purpose of the Bonds.

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

"Operation and Maintenance Agreement" means that certain Agreement dated August 30, 2001 by and between the LCPSD and the Issuer, pursuant to which the LCPSD operates and maintains the Issuer's System.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being delivered except (a) any Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Resolution and set aside for such payment (whether upon or prior to maturity); and (b) any Bond deemed to have been paid as provided in Article X hereof.

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

"Paying Agent" means the West Virginia Municipal Bond Commission and its successors and assigns.

"Prior Bonds" means, collectively, the Eastern Wyoming Public Service District Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, issued in the original principal amount of $360,000 and the Eastern Wyoming Public Service District Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program), dated August 24, 2004, issued in the original principal amount of $570,000.

"Prior Resolution" means, collectively, the resolutions of the Issuer authorizing the Prior Bonds adopted on October 10, 2001 and August 23, 2004.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a

person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit by a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements" if any.

"Project" means the Project described in Section 1.03B hereof.

"PSC" means the Public Service Commission of West Virginia or any other agency of the State of West Virginia that succeeds to the functions of the Public Service Commission of West Virginia.

"PSC Order" means, collectively, the Recommended Decision entered January 31, 2005 in Case No. 04-0023-PWD-PC-CN, which became a Final Order of the Public Service Commission of West Virginia (the "PSC") on February 20, 2005, with all requisite appeal periods having expired without successful appeal, and a Commission Order entered January 4, 2006 in Case No. 04-0023-PWD-PC-CN, among other things, granting to the Issuer a certificate of convenience and necessity and approving funding for the Project and the rates for the System. The time for appeal of the January 4, 2006 Commission Order has not expired prior to the date hereof. However, the Issuer hereby states it will not appeal the January 4, 2006 Commission Order, and the only other party to Case No. 04-0023-PWD-PC-CN, the Commission Staff, has stated that it does not intend to appeal the January 4, 2006 Commission Order. Both orders are in full force and effect.

"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 Unites States of America;

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

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

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

(h) The West Virginia "consolidated fund" managed by the West Virginia Investment

Management Board pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended; and

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by the Prior Resolution and continued by Section 5.01(2) hereof.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the 2006 Series A Bonds and the Prior Bonds.

"Resolution" or "Bond Legislation" means this bond resolution, as from time to time amended or supplemented.

"Revenue Fund" means the Revenue Fund established by the Prior Resolution and continued by Section 5.01(1) hereof.

"Secretary" means the Secretary of the Issuer.

"Sinking Funds" shall mean, collectively, the respective sinking funds established for the 2006 Series A Bonds and the Prior Bonds.

"SCBG" means the Small Cities Block Grant in the amount of $3,000,000.

"SCBG Grant Agreement" means a written commitment for the payment of the Small Cities Block Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer, amending or supplementing this Resolution; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the 2006 Series A Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Resolution to be set aside and held for the payment of or security for the 2006 Series A Bonds, the Prior Bonds or any other obligations of the Issuer, including but not limited to

the Renewal and Replacement Fund, the Reserve Accounts and Sinking Funds.

"System" means the complete existing waterworks system of the Issuer, including the Project, and any improvements and extensions thereto hereafter constructed or acquired from any sources whatsoever.

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

"West Virginia DWTRF Program" means the West Virginia Drinking Water Treatment Revolving Fund Program established by the State, administered by the BPH and funded by capitalization grants awarded to the State pursuant to the Federal Safe Drinking Water Act, as amended, for the purpose of providing, establishing and maintaining a permanent perpetual fund for the acquisition, construction and improvement of drinking water projects.

"WVIJDC Grant" means the West Virginia Infrastructure and Jobs Development Council Grant in the amount of $228,742.

"WVIJDC Grant Agreement" means a written commitment for the payment of the West Virginia Infrastructure and Jobs Development Council Grant which specifies the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"2006 Series A Bonds" means the $2,570,000 in aggregate principal amount of Eastern Wyoming Public Service District Water Revenue Bonds (West Virginia DWTRF Program), 2006 Series A, of the Issuer originally authorized hereby.

"2006 Series A Bonds Construction Trust Fund" means the 2006 Series A Bonds Construction Trust Fund created by Section 5.01 hereof.

"2006 Series A Bonds Reserve Account" means the 2006 Series A Bonds Reserve Account established by Section 5.02.

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

"2006 Series A Bonds Sinking Fund" means the 2006 Series A Bonds Sinking Fund established by Section 5.02.

Additional terms and phrases are defined in this Resolution as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

Words importing singular number include the plural number in each case and vice versa; words importing the masculine gender include every other gender; and words importing persons include firms, partnerships, associations and corporations.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Resolution; and the term "hereafter" means after the date of adoption of this Resolution.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Resolution so numbered.

Section 1.02. Authority for this Resolution. This Resolution, together with any resolution supplemental hereto or amendatory hereof, is adopted pursuant to the provisions of the Act and other applicable provisions of the law.

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

A. The Issuer is a public service district and a public corporation and political subdivision of the State, located in and near Mullens, Wyoming County, West Virginia, created pursuant to the Act by an order issued by The County Commission of Wyoming County, West Virginia.

B. The Issuer presently owns and operates a public water system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that the Issuer construct a new regional water treatment plant, two storage tanks, distribution lines and other necessary appurtenances to eliminate the existing inadequate and outdated water treatment plants located at Mullens, Nuriva, Welton, Wyco, Iroquois and Stephenson, West Virginia (collectively, the "Project"), which constitute properties for the treatment and distribution of potable water (the existing public water system of the Issuer, the Project and any further additions, betterments and improvements thereto or extensions thereof are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineer, which plans and specifications have heretofore been filed with the Issuer and to pay the cost of issuance hereof and related costs.

C. The estimated maximum cost of the construction and acquisition of the Project is approximately $11,751,904, of which approximately $2,570,000 will be permanently financed by the 2006 Series A Bonds herein authorized. The remaining cost will be funded with a $4,465,920 AML Grant, a $1,000,000 ARC Grant, a $487,242 EWSAA Grant, a $3,000,000 SCBG and a $228,742 WVIJDC Grant.

D. It is necessary for the Issuer to issue its Water Revenue Bonds (West Virginia DWTRF Program), 2006 Series A in the aggregate principal amount of $2,570,000 to permanently finance, in part, the cost of acquisition and construction of the Project, and to pay the cost of issuance thereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; engineering and legal expenses; expenses for estimates of costs and revenues and for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expenses, commitment fees, fees of the Authority, initial fees for the services of registrars, and the placing of the Project in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the 2006 Series A Bonds or the repayment of indebtedness, incurred by the Issuer for such purposes shall be deemed part of the Costs of the Project.

E. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the Operating Expenses of the System, the principal of and interest on the Prior Bonds, the 2006 Series A Bonds and all sinking funds, reserve accounts and other payments provided for herein, and in the Prior Resolution.

F. The period of usefulness of the System after completion of the Project is not less than 30 years.

G. There are outstanding obligations of the Issuer which will rank on parity with the 2006 Series A Bonds as to liens, pledge, and source of and security for payment, which obligations are designated and have the lien positions with respect to the 2006 Series A Bonds as follows:

Designation	Lien Position
Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated October 16, 2001, in the original principal amount of $360,000	First Lien
Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program), dated August 24, 2004, in the original principal amount of $570,000 (collectively, the "Prior Bonds")	First Lien

The 2006 Series A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has met the parity and coverage requirements for issuance of bonds on a parity with the Prior Bonds and the resolutions authorizing the Prior Bonds and has

substantially complied with all other parity requirements, except to the extent that noncompliance with any such other parity requirements is not of a material nature. Prior to the issuance of the 2006 Series A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the parity and coverage tests of the Prior Bonds have been met and (ii) the written consent of the Registered Owners of the Prior Bonds to the issuance of the 2006 Series A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. It is in the best interests of the Issuer that the 2006 Series A Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to the authorization of the Project, operation of the System, and the issuance of the 2006 Series A Bonds, or will have so complied prior to the issuance of the 2006 Series A Bonds, including, among other things, the obtaining of the PSC Order.

J. The Project has been approved by the Council, and the Authority, on behalf of BPH, has agreed to make the DWTRF Loan to the Issuer.

K. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 1.04. Bond Legislation Constitutes Contract. In consideration of the acceptance of the 2006 Series A Bonds by those who shall be Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owners of the 2006 Series A Bonds.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT; APPROVAL OF OPERATION AND MAINTENANCE OF THE SYSTEM

Section 2.01. Authorization of the Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project at an estimated cost of $11,751,904 in accordance with the plans and specifications which have been prepared by the Consulting Engineers and heretofore filed in the office of the Governing Body. The proceeds of the 2006 Series A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project in an amount and otherwise compatible with the plan of financing described in the application to the Authority, the BPH and the Council.

Section 2.02. Approval of Operation and Maintenance of the System. The Issuer hereby approves the operation and maintenance of the System by LCPSD, for and on behalf of the Issuer, along with any other assets of the Issuer that the Issuer may desire for LCPSD to operate and maintain, pursuant to the Operation and Maintenance Agreement.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying the Costs of the Project and paying certain costs of issuance and related costs, there shall be and hereby are authorized to be issued negotiable bonds of the Issuer. Said 2006 Series A Bonds shall be issued as a single bond, to be designated the "Eastern Wyoming Public Service District Water Revenue Bonds (West Virginia DWTRF Program), 2006 Series A", in the aggregate principal amount of $2,570,000, and shall have such terms as are set forth hereinafter in this Resolution or any Supplemental Resolution thereto. The proceeds of the 2006 Series A Bonds shall be deposited in the 2006 Series A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Term of Bonds. The 2006 Series A Bonds shall be issued in the original principal amount of $2,570,000; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, with interest and principal payable quarterly on such dates; shall mature on such dates and in such amounts and at such times as shall be set forth in Schedule Y to the Loan Agreement; the terms of which are incorporated herein by reference. In the event of an inconsistency between the terms hereof and said Loan Agreement, the terms of the Loan Agreement shall apply; and shall be redeemable with the consent of the Authority and the BPH and in compliance with the Loan Agreement. The repayment of principal, interest and the Administrative Fee on the 2006 Series A Bonds shall be as set forth in Schedule Y to the Loan Agreement. The 2006 Series A Bonds shall be payable as to principal at the office of the Paying Agent in any coin or currency which, on the dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America.

Interest on the 2006 Series A Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by this Resolution or any Supplemental Resolution thereto, the 2006 Series A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule and a record of advances attached, representing the aggregate principal amount of the 2006 Series A Bonds. The 2006 Series A Bonds shall be exchangeable at the option and expense of the Holder for another fully registered bond in aggregate principal amount equal to the amount of said bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said bond; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Section 3.03. Execution of Bonds. The 2006 Series A Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto and attested by the Secretary of the Issuer. In case any one or more of the officers who shall have signed or sealed any of the 2006 Series A Bonds shall cease to be such officer of the Issuer before the 2006 Series A Bonds so signed and sealed shall have been actually sold or delivered, such 2006 Series A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such 2006 Series A Bonds had not ceased to hold such office. Any 2006 Series A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such 2006 Series A Bonds shall hold the proper office of the Issuer, although at the date of such 2006 Series A Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. The Issuer hereby appoints and designates United Bank, Inc., Charleston, West Virginia, to serve as the Bond Registrar for the 2006 Series A Bonds. No 2006 Series A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Resolution. The Certificate of Authentication and Registration shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the 2006 Series A Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the 2006 Series A Bonds shall be

and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner, in accepting any of said 2006 Series A Bonds, shall be conclusively deemed to have agreed that said 2006 Series A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner shall further be conclusively deemed to have agreed that said 2006 Series A Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the 2006 Series A Bonds remain Outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the 2006 Series A Bonds.

The 2006 Series A Bonds shall be transferrable only upon the books of the Bond Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto, together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney.

In all cases in which the privilege of exchanging the 2006 Series A Bonds or transferring the 2006 Series A Bonds is exercised, such Bonds shall be delivered in accordance with the provisions of this Resolution. All 2006 Series A Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of 2006 Series A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obligated to make any such exchange or transfer of 2006 Series A Bonds during the period commencing on the 15th day of the month preceding an interest payment date on the 2006 Series A Bonds or, in the case of any proposed redemption of 2006 Series A Bonds, next preceding the date of the selection of 2006 Series A Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver a new Bond of the same series and of like tenor of the 2006 Series A Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated bond, upon surrender and cancellation of such mutilated bond, or in lieu of and substitution for the bond destroyed, stolen or lost and upon the Holder's furnishing the Issuer proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and Bond Registrar may incur. All 2006 Series A Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such bond

shall have matured or be about to mature, instead of issuing a substitute bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds Not to be Indebtedness of the Issuer. The 2006 Series A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts in the 2006 Series A Bonds Reserve Account. No Holder of any of the 2006 Series A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the 2006 Series A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service on all the 2006 Series A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, on parity with the lien on the Net Revenues in favor of the holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of, and interest on and other payments for the 2006 Series A Bonds and the Prior Bonds and to make the payments into the Sinking Funds, the Reserve Accounts and the Renewal and Replacement Fund hereinafter established, and established in the Prior Resolution, are hereby irrevocably pledged to the payment of the principal of and interest on the Prior Bonds and the 2006 Series A Bonds as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the 2006 Series A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the 2006 Series A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the 2006 Series A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the 2006 Series A Bonds to the original purchasers;

C. An executed and certified copy of the Bond Legislation;

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the 2006 Series A Bonds.

Section 3.10. Form of Bonds. The text of the 2006 Series A Bonds shall be in substantially the form attached hereto as Exhibit A, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution or by any Supplemental Resolution thereto adopted prior to the issuance thereof.

Section 3.11. Sale of Bonds; Ratification and Execution of Loan Agreement. The 2006 Series A Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved. The Loan Agreement, including all schedules and exhibits attached hereto, is hereby approved and incorporated into this Bond Legislation.

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

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by Prior Resolution);

(2) Renewal and Replacement Fund (established by Prior Resolution); and

(3) 2006 Series A Bonds Construction Trust Fund.

The Issuer hereby appoints and designates The Peoples Bank of Mullens, located in Mullens, West Virginia, as the Depository Bank under the Resolution.

Section 5.02. Establishment of Funds and Accounts with Commission. The Issuer hereby appoints and designates the Commission as the Paying Agent for the 2006 Series A Bonds. The special funds or accounts hereby established with the Commission are the 2006 Series A Bonds Sinking Fund, and the 2006 Series A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund created pursuant to the Prior Resolution. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) the principal payment for the Prior Bonds required by the Prior Resolution, and (ii) commencing 3 months prior to the first date of payment of principal of the 2006 Series A Bonds, for deposit in the 2006 Series A Bonds Sinking Fund, a sum equal to $1/3^{rd}$ of the amount of principal which will mature and become due on the 2006 Series A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the 2006 Series A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months,

then such monthly payment shall be increased proportionately to provide, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Reserve Accounts for the Prior Bonds, the amounts required by the Prior Resolution, and (ii) commencing 3 months prior to the first date of payment of principal of the 2006 Series A Bonds, if not fully funded upon issuance of the 2006 Series A Bonds, for deposit in the 2006 Series A Bonds Reserve Account, an amount equal to 1/120 of the 2006 Series A Bonds Reserve Requirement; provided, that no further payments shall be made into the 2006 Series A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the 2006 Series A Bonds Reserve Requirement.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund a sum equal to 2½% of the Gross Revenues each month (as required in the Prior Resolution and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required, shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the 2006 Series A Bonds Sinking Fund shall be used only for the purpose of paying principal of, and interest, if any, on the 2006 Series A Bonds as the same shall become due. Moneys in the 2006 Series A Bonds Reserve Account shall be used only for the purpose of paying principal of, and interest, if any, on the 2006 Series A Bonds, as the same shall come due, when other moneys in the 2006 Series A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the 2006 Series A Bonds Reserve Account shall be transferred, not less than once each year, to the

2006 Series A Bonds Construction Trust Fund prior to completion of the Project and thereafter to the 2006 Series A Bonds Sinking Fund.

Any withdrawals from the 2006 Series A Bonds Reserve Account which result in a reduction in the balance of such account to below the 2006 Series A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the 2006 Series A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay any interest on and principal of such Parity Bonds and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Commission is hereby designated as the fiscal agent for the administration of the 2006 Series A Bonds Sinking Fund and the 2006 Series A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority, the Issuer shall make the necessary arrangements whereby required payments into such accounts are automatically debited from the Revenue Fund and electronically transferred to the Commission on the required date.

Moneys in the 2006 Series A Bonds Reserve Account and 2006 Series A Bonds Sinking Fund shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The 2006 Series A Bonds Sinking Fund and the 2006 Series A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the 2006 Series A Bonds under the conditions and restrictions hereinafter set forth.

Interest, principal or reserve account payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the 2006 Series A Bonds and the Prior Bonds in accordance with the respective principal amounts then outstanding.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve account payments with respect to the 2006 Series A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of

this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement.

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

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

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

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, that all deposits, including on account of deficiencies, shall be made in the order of priority set forth in Paragraph (A), above, and no payment of lower priority shall be made if there exists a deficiency in a fund or account of higher priority. No such deficiency shall exist solely because the required payments into the 2006 Series A Bonds Reserve Account have not, as of such date, funded such account to the requirement therefor.

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

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the 2006 Series A Bonds Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and used for any lawful purpose of the System.

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. Moneys received from time to time from the sale of the 2006 Series A Bonds shall be deposited with the Depository Bank in the 2006 Series A Bonds Construction Trust Fund and applied solely to payment of Costs of the Project and until so expended are hereby pledged as additional security for the 2006 Series A Bonds.

Section 6.02. Disbursements From the Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority, the BPH and the Council a report listing the specific purposes for which the proceeds of the 2006 Series A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the 2006 Series A Bonds Construction Trust Fund shall be made only after submission to the BPH of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement, in compliance with the construction schedule, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

(A) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

(B) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Costs of the Project;

(C) Each of such costs has been otherwise properly incurred; and

(D) Payment for each of the items proposed is then due and owing.

Pending such application, moneys in the 2006 Series A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

Section 6.03. Excess Bond Proceeds. Upon completion of the Project, as certified by the Consulting Engineers, and after all costs have been paid, any remaining proceeds of the 2006 Series A Bonds shall be applied as directed by the BPH.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder of the 2006 Series A Bonds. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Holder of the 2006 Series A Bonds, as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said 2006 Series A Bonds are Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The 2006 Series A Bonds shall not be nor 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 of any 2006 Series A Bonds shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay said 2006 Series A Bonds.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position. The payment of the debt service of the 2006 Series A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System on parity with the lien on said Net Revenues in favor of the holders of the Prior Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the principal of the Prior Bonds and the 2006 Series A Bonds herein authorized and to make the payments into all funds and accounts, and all other payments provided for in this Resolution and the Prior Resolution are hereby irrevocably pledged to such payments as the same become due, and for the other purposes provided in this Resolution.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges. Such rates and charges are and shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Recommended Decision entered January 31, 2005 in Case No. 04-0023-PWD-PC-CN, which became a Final Order of the Public Service Commission of West Virginia (the "PSC") on February 20, 2005, with all requisite appeal periods having expired without successful appeal, and a Commission Order entered January 4, 2006, in Case No. 04-0023-PWD-PC-CN, among other things, approving the rates and charges for the services of the System. The time for appeal of the January 4, 2006 Commission Order has not expired prior to the date hereof. However, the Issuer hereby states it will not appeal the January 4, 2006 Commission Order, and the only other party to Case No. 04-0023-PWD-PC-CN, the Commission Staff, has stated that it does not intend to appeal the January 4, 2006 Commission Order. Both orders are in full force and effect. Such rates and charges are hereby adopted.

So long as the 2006 Series A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the requirements of the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the 2006 Series A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, except as provided in the Prior Resolution. Additionally, so long as the 2006 Series A Bonds are outstanding and except as otherwise required by law and with the written consent of the Authority and the BPH, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the 2006 Series A Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall be immediately remitted to the Commission for deposit in the 2006 Series A Bonds Sinking Fund, and the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and the Administrative Fee on the 2006 Series A Bonds. Any balance remaining after the payment of the 2006 Series A Bonds shall be remitted to the Issuer by the Commission unless

necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. So long as any of the 2006 Series A Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the 2006 Series A Bonds; provided, however, that Parity Bonds may be issued as provided for in Section 7.07 hereof and in the Prior Resolution (as long as the Prior Bonds are Outstanding). All obligations hereafter

issued by the Issuer payable from the revenues of the System, except such Parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the 2006 Series A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein and in the Prior Resolution have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the liens of the 2006 Series A Bonds, upon any of the income and revenues of the System pledged for payment of the 2006 Series A Bonds and the interest thereon in this Resolution, or upon the System or any part hereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolution shall be applicable. Additionally, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the 2006 Series A Bonds pursuant to this Resolution, except under the conditions and in the manner herein provided and, as provided in the Prior Resolution, so long as the Prior Bonds are outstanding.

All Parity Bonds issued hereunder shall be on a parity in all respects with the 2006 Series A Bonds. The prior written consent of the Authority and BPH must be received prior to the issuance of any Parity Bonds.

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

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

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the three succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any improvements to be financed by the Parity Bonds and any increase in rates adopted by the Issuer and approved by the PSC, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds including the revenues from new customers to be served, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove discussed may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer and approved by the PSC, the period for appeal of which has expired prior to the issuance of such Parity Bonds.

All covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holder of the 2006 Series A Bonds and the Holders of any Parity Bonds issued from time to time within the limitations of and in compliance with this section. Any Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their respective liens on the revenues of the System and their respective source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of another series on a parity therewith. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Parity Bonds, in addition to the payments required for 2006 Series A Bonds theretofore issued pursuant to this Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Outstanding Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions

provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the 2006 Series A Bonds.

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

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

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

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of 2006 Series A Bonds issued pursuant to this Resolution shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed by the Uniform System of Accounts promulgated by the PSC. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and initiate the manner by which subsidiary records of the accounting system, which may be installed remotely from the direct supervision of the Governing Body, shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the BPH, and the Authority, or any other original purchaser of the 2006 Series A Bonds, and shall mail in each year to any Holder of 2006 Series A Bonds requesting the same, an annual report containing the following:

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues, and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Resolution and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof, to the extent legally required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder of 2006 Series A Bonds and shall submit said report to the Authority, the BPH and the Council, or any other purchaser of the 2006 Series A Bonds. Such audit report submitted to the Authority, the BPH and the Council shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and if there are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Issuer's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements.

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

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

The Issuer shall provide the BPH with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in the Loan Agreement or as promulgated from time to time.

Section 7.09. Rates. Approvals of equitable rates or charges for the use of and service rendered by the System have been obtained all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System, and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the 2006 Series A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the 2006 Series A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the 2006 Series A Bonds Reserve Requirement are on deposit in the 2006 Series A Bonds Reserve Account and all reserve accounts for obligations on a parity with the 2006 Series A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of, and interest on the 2006 Series A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the 2006 Series A Bonds. In any event, the Issuer shall not reduce the rates or charges for services of the System set forth in Section 7.04, so long as the 2006 Series A Bonds are outstanding.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 30 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority, the BPH and the Council within thirty days of the adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Managing Engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of

10% of the amount of such budget shall be made except upon the further certificate of the Managing Engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the BPH and the Council and to any Holder of any 2006 Series A Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority, the BPH and the Council and to any Holder of any 2006 Series A Bonds or anyone acting for and in behalf of such Holder of any 2006 Series A Bonds.

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

Section 7.11. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.12. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the PSC and other laws of the State.

Whenever any rates, fees, rentals or other charges for the services or facilities of the System remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities provided is delinquent and the user is liable at law until such time as all such rates, fees and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the PSC, rates, rentals and other charges, if not paid when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that it will, to the full extent permitted by law and the rules promulgated by the PSC, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.13. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue and the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.14. Connections to System. The Issuer will, to the extent authorized by the laws of the State and the rules and regulations of the PSC, require prospective users of the System to connect thereto.

Section 7.15. Insurance. The Issuer hereby covenants and agrees that so long as the 2006 Series A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and be used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily

injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Section 38-2-39.

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

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

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

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

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

Section 7.16. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineer in the form similar to that attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the BPH, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority, the BPH and the Council is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to the Issuer within 60 days of the completion of the Project. The Issuer shall notify the BPH in writing of such receipt.

The Issuer shall require the Consulting Engineers to submit a final Operation and Maintenance Manual, as defined in the DWTRF Regulations, to the Issuer when the Project is 90% completed. The Issuer shall, at all times, provide operation and maintenance of the System in compliance with any and all State and Federal standards. The Issuer shall employ qualified operating personnel, properly certified by the State, before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the BPH in writing of the certified operator employed at the 50% completion stage.

Section 7.17. Completion of Project; Permits and Orders. The Issuer hereby covenants and agrees to complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all applicable laws, rules and regulations issued by the BPH, the Authority or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

The Issuer has obtained all permits and approvals required by State and federal laws for the acquisition and construction of the Project and all orders and approvals from the PSC and the Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the 2006 Series A Bonds required by State law.

Section 7.18. Statutory Mortgage Lien. For the further protection of the Holder of the 2006 Series A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the 2006 Series A Bonds, shall be for the benefit of all Registered Owners of 2006 Series A Bonds and shall be on a parity with the statutory mortgage lien of the Prior Bonds.

Section 7.19. Compliance with Loan Agreement and Law. The Issuer agrees to perform, satisfy and comply with all terms and conditions of the Loan Agreement and the Act. The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the BPH or other state, federal or local bodies in regard to the construction and acquisition of the Project and the operation, maintenance and use of the System.

Section 7.20. PSC Order. The Issuer shall comply with the conditions of the PSC Order and any supplement or amendment thereto.

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

Section 7.22. Public Releases. The Issuer shall list the funding provided by the BPH and the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

Section 7.23. Contracts. A. The Issuer shall, simultaneously with the delivery of the 2006 Series A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project and the Chairman is hereby authorized and directed to execute and deliver all such contracts.

B. The Issuer shall submit all proposed change orders to the BPH for written approval. The Issuer shall obtain the written approval of the BPH before expending any proceeds of the 2006 Series A Bonds held in "contingency" as set forth in

the Schedule B attached to the Certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the BPH before expending any proceeds of the 2006 Series A Bonds made available due to bid or construction or project underruns.

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once a year, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records relating thereto so long as any of the 2006 Series A Bonds are Outstanding.

Section 8.02. Certificate and Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the 2006 Series A Bonds as a condition to issuance of the 2006 Series A Bonds. In addition,

the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the 2006 Series A Bonds as may be necessary in order to maintain the status of the 2006 Series A Bonds as governmental bonds; (ii) that it shall not take, or permit to suffer to be taken, any action with respect to the Issuer's use of the proceeds of the 2006 Series A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, the Council or the BPH, as the case may be, from which the proceeds of the 2006 Series A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, the Council or the BPH, to ensure compliance with the covenants and agreements set forth in this Section 8.02, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the 2006 Series A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULTS AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the 2006 Series A Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any 2006 Series A Bonds; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the 2006 Series A Bonds set forth in this Resolution or by any Supplemental Resolution thereto, or in the 2006 Series A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Bond Registrar, any Paying Agent or a Holder of a Bond; or

(C) If a default occurs with respect to the Prior Bonds or the Prior Resolution; or

(D) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act, the Loan Agreement, and this Resolution relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the 2006 Series A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of any express trust for the Registered Owners of the 2006 Series A Bonds, and (v) by action at law or bill in equity enjoin any acts in violation of the Resolution with respect to the 2006 Series A Bonds, or the rights of such Registered Owners; provided however, that all rights and remedies of the Registered Owners shall be on a parity with those of the Registered Owners of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under this Resolution and the Act, including, the completion of the Project, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the

revenues therefrom and the application thereof. If there be any Event of Default with respect to the 2006 Series A Bonds any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project, or both, on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the 2006 Series A Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Resolution and the Act.

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

Whenever all that is due upon the 2006 Series A Bonds and interest thereon and under any covenants of this Resolution for Reserve, Sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Resolution shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any 2006 Series A Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the 2006 Series A Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such 2006 Series A Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Resolution, and the title to and ownership of said System shall remain in the Issuer, and no

court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the 2006 Series A Bonds, the principal of, and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the 2006 Series A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Resolution. Prior to the issuance of the 2006 Series A Bonds, this Resolution may be amended or supplemented in any way by a Supplemental Resolution. Following the issuance of the 2006 Series A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the 2006 Series A Bonds shall be made without the consent in writing of the Registered Owners of the 2006 Series A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the 2006 Series A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of 2006 Series A Bonds required for consent to the above-permitted amendments or modifications.

Section 11.02. Resolution Constitutes Contract. The provisions of the Resolution shall constitute a contract between the Issuer and the Holder of the 2006 Series A Bonds, and no change, variation or alteration of any kind of the provisions of the Resolution shall be made in any manner, except as in this Resolution provided.

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

section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, or the 2006 Series A Bonds.

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

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

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

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

Adopted this 10th day of January, 2006.

EASTERN WYOMING PUBLIC SERVICE DISTRICT

By: _____
Chairman

By: _____
Member

By: _____
Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of EASTERN WYOMING PUBLIC SERVICE DISTRICT on the 10th day of January, 2006.

Dated: January 12, 2006.

[SEAL]

Dallas J. Cecil

Secretary

Exhibit A

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BOND (WEST VIRGINIA DWTRF PROGRAM), 2006 SERIES A

No. AR-1

$2,570,000

KNOW ALL MEN BY THESE PRESENTS: That EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Wyoming County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the principal sum of TWO MILLION FIVE HUNDRED SEVENTY THOUSAND DOLLARS ($2,570,000) or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2007, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The Administrative Fee (as defined in the hereinafter described Bond Resolution) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2007, as set forth on said Exhibit B.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated January 12, 2006.

This Bond is issued (i) to permanently finance the cost of construction of a new regional water treatment plant, two storage tanks, distribution lines and other

necessary appurtenances by the Issuer (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public waterworks system of the Issuer, the Project and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on January 10, 2006 (the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), DATED OCTOBER 16, 2001, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $360,000 AND (2) WATER REVENUE BONDS, SERIES 2004 A (WEST VIRGINIA DWTRF PROGRAM), DATED AUGUST 24, 2004, ISSUED IN THE ORIGINAL AGGREGATE AMOUNT OF $570,000 (COLLECTIVELY THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Resolution) to be derived from the operation of the System on a parity with the lien of the Prior Bonds, and from moneys in the reserve account created under the Bond Resolution for this Bond (the "Reserve Account") and unexpended proceeds of this Bond (the "Bond Proceeds"). Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act, and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Reserve Account and unexpended Bond Proceeds. Pursuant to the Bond Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on this Bond, and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond and the Prior Bonds, provided however, that so long as the Reserve Account is funded at an amount at least equal to the maximum amount of principal and interest which will come due on this Bond in the then current or any succeeding year, and the reserve accounts for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, are funded at an amount at least equal to the

requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owners of this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owners of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Resolution, only upon the books of the Registrar (as defined in the Resolution), by the Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

Under the Act, this Bond is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

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

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

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

IN WITNESS WHEREOF, EASTERN WYOMING PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated January __, 2006.

[SEAL]

EASTERN WYOMING PUBLIC SERVICE DISTRICT

_____

Chairman

Attest:

_____

Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the 2006 Series A Bonds described in and issued under the provisions of the within mentioned Resolution and has been duly registered in the name of the registered owner set forth above.

Date: January _____, 2006.

_____
UNITED BANK, INC., as Registrar

_____
Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$64,250.00		(19)		
(2)	$		(20)		
(3)	$		(21)		
(4)	$		(22)		
(5)	$		(23)		
(6)	$		(24)		
(7)	$		(25)		
(8)	$		(26)		
(9)	$		(27)		
(10)	$		(28)		
(11)	$		(29)		
(12)	$		(30)		
(13)	$		(31)		
(14)	$		(32)		
(15)	$		(33)		
(16)	$		(34)		
(17)	$		(35)		
(18)	$		(36)		

TOTAL $

(Form of)

EXHIBIT B

DEBT SERVICE SCHEDULE

$2,570,000

Eastern Wyoming PSD

0% Interest Rate, 1% Administrative Fee, 30 Years

Closing Date: January 12, 2006

Debt Service Schedule

Date	Principal	Coupon	Total P+I
03/01/2006	-	-	-
06/01/2006	-	-	-
09/01/2006	-	-	-
12/01/2006	-	-	-
03/01/2007	-	-	-
06/01/2007	-	-	-
09/01/2007	-	-	-
12/01/2007	21,417.00	-	21,417.00
03/01/2008	21,417.00	-	21,417.00
06/01/2008	21,417.00	-	21,417.00
09/01/2008	21,417.00	-	21,417.00
12/01/2008	21,417.00	-	21,417.00
03/01/2009	21,417.00	-	21,417.00
06/01/2009	21,417.00	-	21,417.00
09/01/2009	21,417.00	-	21,417.00
12/01/2009	21,417.00	-	21,417.00
03/01/2010	21,417.00	-	21,417.00
06/01/2010	21,417.00	-	21,417.00
09/01/2010	21,417.00	-	21,417.00
12/01/2010	21,417.00	-	21,417.00
03/01/2011	21,417.00	-	21,417.00
06/01/2011	21,417.00	-	21,417.00
09/01/2011	21,417.00	-	21,417.00
12/01/2011	21,417.00	-	21,417.00
03/01/2012	21,417.00	-	21,417.00
06/01/2012	21,417.00	-	21,417.00
09/01/2012	21,417.00	-	21,417.00
12/01/2012	21,417.00	-	21,417.00
03/01/2013	21,417.00	-	21,417.00
06/01/2013	21,417.00	-	21,417.00
09/01/2013	21,417.00	-	21,417.00
12/01/2013	21,417.00	-	21,417.00
03/01/2014	21,417.00	-	21,417.00
06/01/2014	21,417.00	-	21,417.00
09/01/2014	21,417.00	-	21,417.00
12/01/2014	21,417.00	-	21,417.00
03/01/2015	21,417.00	-	21,417.00
06/01/2015	21,417.00	-	21,417.00
09/01/2015	21,417.00	-	21,417.00
12/01/2015	21,417.00	-	21,417.00
03/01/2016	21,417.00	-	21,417.00
06/01/2016	21,417.00	-	21,417.00
09/01/2016	21,417.00	-	21,417.00
12/01/2016	21,417.00	-	21,417.00

$2,570,000

Eastern Wyoming PSD

0% Interest Rate, 1% Administrative Fee, 30 Years

Closing Date: January 12, 2006

Debt Service Schedule

Date	Principal	Coupon	Total P+I
03/01/2017	21,417.00	-	21,417.00
06/01/2017	21,417.00	-	21,417.00
09/01/2017	21,417.00	-	21,417.00
12/01/2017	21,417.00	-	21,417.00
03/01/2018	21,417.00	-	21,417.00
06/01/2018	21,417.00	-	21,417.00
09/01/2018	21,417.00	-	21,417.00
12/01/2018	21,417.00	-	21,417.00
03/01/2019	21,417.00	-	21,417.00
06/01/2019	21,417.00	-	21,417.00
09/01/2019	21,417.00	-	21,417.00
12/01/2019	21,417.00	-	21,417.00
03/01/2020	21,417.00	-	21,417.00
06/01/2020	21,417.00	-	21,417.00
09/01/2020	21,417.00	-	21,417.00
12/01/2020	21,417.00	-	21,417.00
03/01/2021	21,417.00	-	21,417.00
06/01/2021	21,417.00	-	21,417.00
09/01/2021	21,417.00	-	21,417.00
12/01/2021	21,417.00	-	21,417.00
03/01/2022	21,417.00	-	21,417.00
06/01/2022	21,417.00	-	21,417.00
09/01/2022	21,417.00	-	21,417.00
12/01/2022	21,417.00	-	21,417.00
03/01/2023	21,417.00	-	21,417.00
06/01/2023	21,417.00	-	21,417.00
09/01/2023	21,417.00	-	21,417.00
12/01/2023	21,417.00	-	21,417.00
03/01/2024	21,417.00	-	21,417.00
06/01/2024	21,417.00	-	21,417.00
09/01/2024	21,417.00	-	21,417.00
12/01/2024	21,417.00	-	21,417.00
03/01/2025	21,417.00	-	21,417.00
06/01/2025	21,417.00	-	21,417.00
09/01/2025	21,417.00	-	21,417.00
12/01/2025	21,417.00	-	21,417.00
03/01/2026	21,417.00	-	21,417.00
06/01/2026	21,417.00	-	21,417.00
09/01/2026	21,417.00	-	21,417.00
12/01/2026	21,417.00	-	21,417.00
03/01/2027	21,417.00	-	21,417.00
06/01/2027	21,417.00	-	21,417.00
09/01/2027	21,417.00	-	21,417.00
12/01/2027	21,416.00	-	21,416.00

$2,570,000

Eastern Wyoming PSD
0% Interest Rate, 1% Administrative Fee, 30 Years
Closing Date: January 12, 2006

Debt Service Schedule

Date	Principal	Coupon	Total P+I
03/01/2028	21,416.00	-	21,416.00
06/01/2028	21,416.00	-	21,416.00
09/01/2028	21,416.00	-	21,416.00
12/01/2028	21,416.00	-	21,416.00
03/01/2029	21,416.00	-	21,416.00
06/01/2029	21,416.00	-	21,416.00
09/01/2029	21,416.00	-	21,416.00
12/01/2029	21,416.00	-	21,416.00
03/01/2030	21,416.00	-	21,416.00
06/01/2030	21,416.00	-	21,416.00
09/01/2030	21,416.00	-	21,416.00
12/01/2030	21,416.00	-	21,416.00
03/01/2031	21,416.00	-	21,416.00
06/01/2031	21,416.00	-	21,416.00
09/01/2031	21,416.00	-	21,416.00
12/01/2031	21,416.00	-	21,416.00
03/01/2032	21,416.00	-	21,416.00
06/01/2032	21,416.00	-	21,416.00
09/01/2032	21,416.00	-	21,416.00
12/01/2032	21,416.00	-	21,416.00
03/01/2033	21,416.00	-	21,416.00
06/01/2033	21,416.00	-	21,416.00
09/01/2033	21,416.00	-	21,416.00
12/01/2033	21,416.00	-	21,416.00
03/01/2034	21,416.00	-	21,416.00
06/01/2034	21,416.00	-	21,416.00
09/01/2034	21,416.00	-	21,416.00
12/01/2034	21,416.00	-	21,416.00
03/01/2035	21,416.00	-	21,416.00
06/01/2035	21,416.00	-	21,416.00
09/01/2035	21,416.00	-	21,416.00
12/01/2035	21,416.00	-	21,416.00
03/01/2036	21,416.00	-	21,416.00
06/01/2036	21,416.00	-	21,416.00
09/01/2036	21,416.00	-	21,416.00
12/01/2036	21,416.00	-	21,416.00
03/01/2037	21,416.00	-	21,416.00
06/01/2037	21,416.00	-	21,416.00
09/01/2037	21,416.00	-	21,416.00
Total	**$2,570,000.00**	-	**$2,570,000.00** *

*Plus $3,239.24 one-percent administrative fee paid quarterly. Total fee over life of loan is $388,708.80.

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____, the within-mentioned Bond and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Bond on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

Dated: _____

_____

IN THE PRESENCE OF:

_____

WEST VIRGINIA
Water Development Authority
Celebrating 35 Years of Service 1974 - 2009

$1,000,000
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2009 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

CONSENT TO ISSUANCE OF PARITY BONDS

In reliance upon a certificate of Griffith & Associates, PLLC, independent certified public accountants, and the opinion of Spilman Thomas & Battle, PLLC, Bond Counsel, stating that the coverage and parity requirements have been met (copies of which are attached hereto), the undersigned duly authorized representative of the West Virginia Water Development Authority, the registered owner of the Prior Bonds, hereinafter defined and described, hereby consents to the issuance of the Water Revenue Bonds, 2009 Series A (West Virginia Infrastructure Fund) (the "Bonds"), in the original principal amount of $1,000,000, by the Eastern Wyoming Public Service District (the "Issuer"), under the terms of the Bond Resolution authorizing the Bonds, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program) and Water Revenue Bonds, 2006 Series A (West Virginia DWTRF Program) (collectively, the "Prior Bonds").

WITNESS my signature on this 16th day of October, 2009.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: Carol A. Cummings
Its: Authorized Representative

1779805
9717.10

180 Association Drive, Charleston, WV 25311-1217
phone (304) 558-3612 / fax (304) 558-0299
www.wvwda.org

$1,000,000
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, 2009 SERIES A
(WEST VIRGINIA INFRASTRUCTURE FUND)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. LOAN AGREEMENT
11. PUBLIC SERVICE COMMISSION ORDER/RATES
12. SIGNATURES AND DELIVERY
13. BOND PROCEEDS
14. SPECIMEN BONDS
15. CONFLICT OF INTEREST
16. PROCUREMENT OF ENGINEERING SERVICES
17. COMPLIANCE WITH WEST VIRGINIA JOBS ACT
18. COMPLIANCE WITH WEST VIRGINIA ALCOHOL AND DRUG-FREE WORKPLACE ACT
19. GRANTS AND LOANS
20. ADDITIONAL CUSTOMERS
21. EXECUTION OF COUNTERPARTS

We, the undersigned Chairman and Secretary of the Public Service Board of Eastern Wyoming Public Service District in Wyoming County, West Virginia (the "Issuer"), and the undersigned counsel to the Issuer hereby certify in connection with the Issuer's Water Revenue Bonds, 2009 Series A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning set forth in the Bond Resolution of the Issuer duly adopted October 13, 2009 (the "Bond Resolution").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of Gross Revenues, the pledge of Net Revenues, or in

any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, or the pledge or security provided for the payment of the Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable and necessary approvals, permits, licenses, orders, authorizations, registrations, exemptions, consents and certificates required by law for the creation and existence of the Issuer, the acquisition and construction of the Project, the operation of the System, the imposition of rates and charges and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

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

The Bonds are issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has obtained a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and the written consent of the Registered Owners of the Prior Bonds to the issuance of the Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Resolution.

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

Bond Resolution

Loan Agreement

Public Service Commission Order

West Virginia Infrastructure and Jobs Development Council Approval Letter

County Commission Orders and Public Service Commission Order regarding the Creation of District

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Minutes of Current Year Organizational Meeting

Affidavit of Publication of Notice of Public Hearing

Excerpt of Minutes of Board Meeting on Adoption of the Bond Resolution and Resolution authorizing invoices.

2001 Bond Resolution and Supplemental Resolution

2004 Bond Resolution

2006 Bond Resolution

WDA Consent to Issuance of Parity Bonds

Environmental Health Services Permit

Insurance Certificates

Small Cities Block Grant Commitment Letter

Appalachian Regional Commission Grant Commitment Letter

WV Infrastructure and Jobs Development Council Grant Commitment Letter and Grant Agreement

West Virginia Department of Environmental Protection Abandoned Mine Lands Grant Commitment Letter

West Virginia Legislative Digest Grant Commitment Letter

Wyoming County Commission Grant Commitment Letter

Operating Agreement between Issuer and Logan County Public

Service District

Intergovernmental Agreement between Issuer and City of Mullens

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Eastern Wyoming Public Service District." The Issuer is a public service district duly created by The County Commission of Wyoming County, West Virginia and is presently existing under the laws of, and is a public corporation and political subdivision of, the State of West Virginia. The governing body of the Issuer is its Public Service Board, consisting of 3 duly appointed, qualified and acting members, whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
Virgil Shrewsbury, Jr.	December 30, 2006	December 31, 2012
Dallas J. Cecil	January 1, 2005	January 1, 2011
Mart Lane	January 1, 2009	January 1, 2015

The duly elected, qualified and acting officers of the Public Service Board of the Issuer are as follows:

Chairman – Mart Lane
Treasurer – Virgil Shrewsbury, Jr.
Secretary – Dallas J. Cecil

The duly appointed and acting Counsel to the Issuer is John F. Rist, III, of Rist Higgins & Associates PLLC, Beckley, West Virginia.

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

8. MEETINGS, ETC.: All actions, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the acquisition, construction, operation and financing of the Project and the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the

Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A of the Code of West Virginia, 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability insurance, vehicular liability insurance and property damage insurance, and builder's risk insurance where applicable in accordance with the Bond Resolution and the Loan Agreement. All insurance for the System required by the Bond Resolution and the Loan Agreement is in full force and effect.

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

11. PUBLIC SERVICE COMMISSION ORDER/RATES: The Issuer has received a Recommended Decision entered December 8, 2008 in Case No. 08-1090-PWD-CN, which became a Final Order of the Public Service Commission of West Virginia (the "PSC") on December 28, 2008, with all requisite appeal periods having expired without successful appeal. The Final order grants to the Issuer a certificate of public convenience and necessity for the Project, approves the financing of the Project and approves rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. Such rates and charges will become effective upon completion of the Project. The time for appeal of the Final Order has expired prior to the date hereof. The Final Order is in full force and effect. The rates prescribed therein will become effective upon substantial completion of the Project.

12. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Chairman did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond, dated the date hereof, by his manual signature, and the undersigned Secretary did officially cause the official seal of the Issuer to be affixed upon the Bonds and to be attested by his manual signature. The seal impressed upon the Bonds and this certificate is the duly authorized, proper and only seal of the Issuer. The Registrar did officially authenticate and deliver the Bonds to the Authority.

13. BOND PROCEEDS: On the date hereof, the Issuer received $21,057.31 from the Authority and the Council, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

14. SPECIMEN BONDS: The Specimen Bond delivered concurrently herewith is a true and accurate specimen of the Bonds.

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

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

17. COMPLIANCE WITH WEST VIRGINIA JOBS ACT: The Issuer hereby certifies that, unless it qualifies for an exception, the Issuer shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Issuer hereby certifies that (i) the Issuer will comply with all the requirements of the West Virginia Jobs Act; (ii) the Issuer has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (iii) the Issuer has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (iv) the Issuer will file with the DOL and the Council copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The monthly requisitions submitted to the Council shall also certify that the Issuer is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

18. COMPLIANCE WITH WEST VIRGINIA ALCOHOL AND DRUG-FREE WORKPLACE ACT: The Issuer hereby certifies that the Issuer shall comply with all the requirements of Chapter 21, Article 1D of the Code of West Virginia, 1931, as amended (the "West Virginia Drug-Free Workplace Act") and shall require its contractors and subcontractors to comply with the West Virginia Drug-Free Workplace

Act. The Issuer hereby certifies that it has included the provisions of the West Virginia Drug-Free Workplace Act in each contract and subcontract for the Project.

19. GRANTS AND LOANS: As of the date hereof, the Small Cities Block Grant in the amount of $1,500,000, the grant from the Wyoming County Commission in the amount of $15,000, the grant from the West Virginia Infrastructure and Jobs Development Council in the amount of $537,345, the grant from the West Virginia Department of Environment Protection Abandoned Mine Lands fund in the amount of $9,223,344, and the West Virginia Legislative Digest Grant in the amount of $100,000 are all committed for the Project and are all in full force and effect.

20. ADDITIONAL CUSTOMERS: The Issuer will serve at least 73 bona fide full-time users of the System upon completion of the Project, in full compliance with the requirements and conditions of the Loan Agreement and Bond Resolution.

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

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IN WITNESS WHEREOF, we have hereunto set our hands this 16th day of October, 2006.

[SEAL]

SIGNATURE	OFFICIAL TITLE
Kenneth W. McBride, Jr.	Chairman
Dallas J. Cecil	Secretary
John Rist, III, Esquire	Counsel to Issuer

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9717.10

IN WITNESS WHEREOF, we have hereunto set our hands this 16th day of October, 2006.

[SEAL]

SIGNATURE	OFFICIAL TITLE
_____ Kenneth W. McBride, Jr.	Chairman
_____ Dallas J. Cecil	Secretary
To the best of our knowledge and belief _____ John Rist, III, Esquire	Counsel to Issuer

1779761
9717.10

$1,000,000
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, 2009 SERIES A
(WEST VIRGINIA INFRASTRUCTURE FUND)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Chairman of the Public Service Board of Eastern Wyoming Public Service District in Wyoming County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $1,000,000 Eastern Wyoming Public Service District Water Revenue Bonds, 2009 Series A (West Virginia Infrastructure Fund) (the "Bonds"), hereby certifies as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. All capitalized words and terms used in this Certificate and not otherwise defined herein shall have the same meaning set forth in the Bond Resolution duly adopted by the Issuer on October 13, 2009 (the "Bond Resolution").

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on October 16, 2009, the date on which the Bonds are being physically delivered in exchange for an initial advance of $21,057.31, being a portion of the principal amount of the Bonds, with the balance to be advanced to the Issuer as acquisition and construction of the Project progresses. To the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

5. The Bonds were sold on October 16, 2009 to the Authority, pursuant to a Loan Agreement dated October 16, 2009 by and between the Issuer and the Authority, on behalf of the Council, for an aggregate purchase price of $1,000,000 (100% of par), at which time, the Issuer received $21,057.31 from the Authority and the Council, being more than a de minimus

amount of the principal of the Bonds. No accrued interest has been or will be paid on the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued to acquire and construct a water distribution system and other necessary appurtenances to serve South Mullens, Itmann and Budd Mountain in Wyoming County, West Virginia (collectively, the "Project") and to pay the cost of issuance hereof and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the reserve account for the Bonds, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before December 16, 2010. The acquisition and construction of the Project is expected to be completed by September 16, 2010.

8. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at $12,375,689. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Bonds	$1,000,000
Small Cities Block Grant	$1,500,000
West Virginia Legislative Digest Grant	$ 100,000
West Virginia Infrastructure and Jobs Development Council Grant	$ 537,345
West Virginia Department of Environment Protection Abandoned Mine Lands Fund Grant	$9,223,344
Wyoming County Commission Grant	$ 15,000
Total Sources	$12,375,689

USES

Cost of Acquisition and Construction of the Project	$12,365,189
Cost of Issuance of the Bonds	$ 10,500
Total Uses	$12,375,689

9. Pursuant to Article V of the Bond Resolution, the following special funds or accounts have been created or continued if previously established by the Prior Resolution, relative to the Bonds:

(1) Revenue Fund (established by Prior Resolution);

(2) Renewal and Replacement Fund (established by Prior Resolution);

(3) 2009 Series A Bonds Construction Trust Fund;

(4) 2009 Series A Bonds Sinking Fund; and

(5) 2009 Series A Bonds Reserve Account.

10. Pursuant to Article VI of the Bond Resolution, the proceeds of the Bonds will be deposited in the 2009 Series A Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Bonds and related costs.

11. Moneys held in the 2009 Series A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the 2009 Series A Bonds Reserve Account (if equal to the 2009 Series A Bonds Reserve Requirement) will be withdrawn therefrom, not less than once each year, will be deposited in the 2009 Series A Bonds Sinking Fund, and such amounts will be applied as set forth in the Bond Resolution.

12. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 11 months of the date hereof.

13. The Issuer will take such steps to ensure that the Bonds meet the requirements of the Code.

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

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

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

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

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

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

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

21. The Bonds are not federally guaranteed.

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

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

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

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

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

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

WITNESS my signature and seal on this 16th day of October, 2009.

EASTERN WYOMING PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

Attest:

_____
Its: Secretary

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$1,000,000
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, 2009 SERIES A
(WEST VIRGINIA INFRASTRUCTURE FUND)

CERTIFICATE OF ENGINEER

I, Robert D. Hazelwood, P.E., Registered Professional Engineer, West Virginia License No. 8452 of Pentree, Incorporated, Princeton, West Virginia, hereby certify as follows:

1. My firm is engineer for certain additions, improvements and extensions to the existing public water facilities (the "System") of the Eastern Wyoming Public Service District (the "Issuer"), consisting of the acquisition and construction of a water distribution system to serve South Mullens, Itmann and Bud Mountain areas of Wyoming County (the "Project"), to be constructed primarily in Wyoming County, West Virginia, which Project is being financed in part by the proceeds of the $1,000,000 Eastern Wyoming Public Service District Water Revenue Bonds, 2009 Series A (West Virginia Infrastructure Fund) (the "Bonds") of the Issuer. Capitalized terms used herein which are not defined herein shall have the same meanings set forth in the Bond Resolution adopted by the Issuer on October 13, 2009, and the Loan Agreement dated October 16, 2009 (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council").

2. The Bonds are being issued for the purposes of paying a portion of the costs of construction of the Project and paying the costs of issuance hereof and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the BPH and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 40 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and in reliance upon the opinion of the Issuer's counsel, Rist Higgins & Associates PLLC, of even date herewith, all successful bidders will be required to comply with the required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds will be verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the Council and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has received the required Affidavits (that were provided by the

Council and Region 1 Planning and Development Council, Contract Administrator) from all contractors and subcontractors to whom contracts have been awarded for the Project pursuant to the West Virginia Alcohol and Drug-Free Workplace Act; (ix) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (x) the Issuer has received User Agreements for the additional 73 bona fide full-time users of the System as required by the Loan Agreement; (xi) in reliance upon the certificate of Michael D. Griffith, CPA, an independent certified public accountant, as of the effective date thereof, the rates and charges for the System as adopted by the Issuer and approved by the Public Service Commission of West Virginia will be sufficient to comply with the provisions of the Loan Agreement; (xii) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto, and the proceeds of the grants irrevocably committed therefor, are sufficient to pay the costs of the construction of the Project approved by Council, and (xiii) attached hereto as Exhibit A is the final amended "Schedule B – Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

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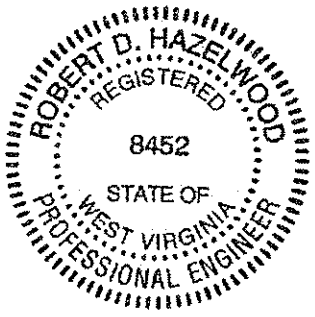
WITNESS my signature and seal on this 13th day of October, 2009.

[SEAL]



PENTREE, INCORPORATED

Robert D. Hazelwood

Robert D. Hazelwood, P.E.
West Virginia License No. 8452

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EASTERN WYOMING PSD SCHEDULE B
IJDC NO. 2004W-833

A. COST OF PROJECT	Total	STATE DIGEST/ COUNTY COMM	SCBG Grant	AML Grant	IJDC Loan	IJDC Grant
1 **Construction**						
Contract 6 - Mullens	4,466,900.00		645,520.00	3,103,562.00	717,038.00	780.00
Contract 7 - Itmann	2,214,465.00			2,170,175.00	40,462.00	3,828.00
Contract 8 - Bud Mountain	1,755,800.00			1,720,684.00	35,116.00	
Contract 8A - Micajah Ridge	1,897,150.00			1,859,207.00	37,943.00	
Contract 9 - Bud Mountain tank	377,261.00			369,716.00		7,545.00
Construction Contingency	124,400.00					124,400.00
2 **Technical Services**						
a. Mapping Phase	36,000.00	36,000.00				
b. Basic Services	386,000.00	79,000.00	287,000.00		20,000.00	
c. Inspection	472,000.00		105,000.00		113,941.00	253,059.00
d. Additional Services	80,000.00		70,000.00			10,000.00
3 **Legal & Fiscal**						
a. Legal	65,000.00		65,000.00			
b. Accounting	10,000.00		10,000.00			
4 **Administrative**	110,000.00		60,000.00		25,000.00	25,000.00
5 **Sites & Other Lands**						
a. Land acquisition / ROW	197,480.00		197,480.00			
b. Water System Acquisitions	0.00					
c. Permits	60,000.00		60,000.00			
6 **Interim Financing**	0.00					
7 **Misc.**						
8 **Project Contingency**	112,733.00					112,733.00
9 **TOTAL of Lines 1 through 8**	12,365,189.00	115,000.00	1,500,000.00	9,223,344.00	989,500.00	537,345.00
B. **COST OF FINANCING**						
10 **Funded Reserve**	0.00					
11 **Other Costs**						
a. Registrar fees	500.00				500.00	
b. Bond Counsel	10,000.00				10,000.00	
12 **Cost of Issuance**	10,500.00				10,500.00	
13 **TOTAL PROJECT COST(Line 9 plus Line 12)**	**12,375,689.00**	**115,000.00**	**1,500,000.00**	**9,223,344.00**	**1,000,000.00**	**537,345.00**
C. SOURCES OF OTHER FUNDS						
14 Federal Grants	0.00					
15 State Grants	11,360,689.00	100,000.00	1,500,000.00	9,223,344.00		537,345.00
16 Other Grants	15,000.00	15,000.00				
17 Any Other Source	0.00					
18 TOTAL GRANTS (Lines 14 through 17)	11,375,689.00					
19 **Size of Bond Issue**	**1,000,000.00**					

Robert Hazlewood
Pentree, Inc., Consulting Engineer

Oct. 13, 2009
Date

Mark Lane
Eastern Wyoming Public Service District

OCT 13-09
Date

$1,000,000
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, 2009 SERIES A
(WEST VIRGINIA INFRASTRUCTURE FUND)

October 16, 2009

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

West Virginia Infrastructure and Jobs Development Council
180 Association Drive
Charleston, West Virginia 25311

Eastern Wyoming Public Service District
Post Office Box 907
Mullens, West Virginia 25882

Ladies and Gentlemen:

Based upon the water rates and charges set forth in the Final Recommended Decision of the Public Service Commission of West Virginia (the "PSC"), entered on December 28, 2008, in Case No. 08-1090-PWD-CN, which, among other things, approved the rates and charges for the services of the System, and based on the projected operation and maintenance expenses and customer usage as furnished to us by the Consulting Engineer of the Eastern Wyoming Public Service District (the "Issuer"), it is our opinion that such rates and charges will be sufficient, together with other revenues of the water system (the "System") of the Issuer (i) to provide for all operating expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Issuer's Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program) (the "2001 Series A Bonds"); the Issuer's Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program) (the "Series 2004 A Bonds"), the Issuer's Water Revenue Bonds, 2006 Series A (West Virginia DWTRF Program) (the "2006 Series A Bonds" and, collectively with the 2001 Series A Bonds and the Series 2004 A Bonds, the "Prior Bonds"), and the Issuer's Water Revenue Bonds, 2009 Series A (West Virginia Infrastructure Fund) (the "2009 Series A Bonds") to be issued in the aggregate principal amount of $1,000,000 to the West Virginia Water Development Authority, as authorized in the Bond Resolution of the Issuer.

It is our further opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the 2009 Series A Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three succeeding years after the completion of the improvements to be financed by the 2009 Series A 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 2009 Series A Bonds and the Prior Bonds.

Very truly yours,

Michael D. Griffith, CPA, AFI
Griffith & Associates, PLLC

MDG/dk

Michael D. Griffith, CPA, AFI
michaelgriffithcpa@verizon.net
950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

$1,000,000
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, 2009 SERIES A
(WEST VIRGINIA INFRASTRUCTURE FUND)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this 16th day of October, 2009, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Chairman of the Public Service Board of Eastern Wyoming Public Service District in Wyoming County, West Virginia (the "Issuer"), hereby certify as follows:

(1) On the date hereof, the Authority received the entire original issue of Eastern Wyoming Public Service District Water Revenue Bonds, 2009 Series A (West Virginia Infrastructure Fund), issued as a single, fully registered Bond, numbered AR-1, in the principal amount of $1,000,000, dated October 16, 2009 (the "Bonds").

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

(3) The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, the sum of $21,057.31, being a portion of the principal amount of the Bonds. The undersigned mutually acknowledge that the balance of such principal amount will be advanced by the Authority and the West Virginia Infrastructure and Jobs Development Council to the Issuer as requested by the Issuer from time to time as acquisition and construction of the Project proceeds to completion.

WITNESS our signatures on this 16th day of October, 2009.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Authorized Representative

EASTERN WYOMING PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

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$1,000,000
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, 2009 SERIES A
(WEST VIRGINIA INFRASTRUCTURE FUND)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

United Bank, Inc. as Registrar
500 Virginia Street, East
Charleston, West Virginia

Ladies and Gentlemen:

On this 16th day of October, 2009, there are delivered to you herewith as Registrar for the above-captioned Bonds:

(1) Bond No. AR-1, constituting the entire original issue of the Eastern Wyoming Public Service District Water Revenue Bonds, 2009 Series A (West Virginia Infrastructure Fund), in the principal amount of $1,000,000, dated October 16, 2009 (the "Bonds"), executed by the Chairman and the Secretary of Eastern Wyoming Public Service District (the "Issuer") and bearing the official seal of the Issuer. The Bonds are authorized to be issued under and pursuant to a Bond Resolution duly adopted by the Issuer on October 13, 2009 (the "Bond Resolution");

(2) A copy of the Bond Resolution authorizing the above-captioned Bonds, duly certified by the Secretary of the Issuer;

(3) Executed counterparts of the loan agreement dated October 16, 2009 (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") (the "Loan Agreement"); and

(4) An executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Bonds.

You are hereby requested and authorized to deliver the Bonds to the Authority, upon payment to the Issuer of the sum of $21,057.31, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated this 16th day of October, 2009.

EASTERN WYOMING PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

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$1,000,000
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, 2009 SERIES A
(WEST VIRGINIA INFRASTRUCTURE FUND)

ACCEPTANCE OF DUTIES AS REGISTRAR

UNITED BANK, INC., Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Eastern Wyoming Public Service District Water Revenue Bonds, 2009 Series A (West Virginia Infrastructure Fund), dated October 16, 2009, in the principal amount of $1,000,000 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Resolution authorizing issuance of the Bonds.

WITNESS my signature on this 16th day of October, 2009.

UNITED BANK, INC.

By: _____
Its: Vice President

1781045
9717.10

$1,000,000
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, 2009 SERIES A
(WEST VIRGINIA INFRASTRUCTURE FUND)

CERTIFICATE OF REGISTRATION OF BONDS

UNITED BANK, INC. Charleston, West Virginia, as Registrar under the Bond Resolution and Registrar's Agreement, providing for the above-captioned bond issue of Eastern Wyoming Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered, Eastern Wyoming Public Service District Water Revenue Bond, 2009 Series A (West Virginia Infrastructure Fund) of the Issuer, dated October 16, 2009, in the principal amount of $1,000,000, numbered AR-1, was registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of United Bank, Inc., as Registrar.

WITNESS my signature on this 16th day of October, 2009.

UNITED BANK, INC.

By: _____
Its: Vice President

1779752
9717.10

$1,000,000
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, 2009 SERIES A
(WEST VIRGINIA INFRASTRUCTURE FUND)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 16th day of October, 2009, by and between EASTERN WYOMING PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia (the "Issuer"), and UNITED BANK, INC. ("Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $1,000,000 principal amount of Water Revenue Bonds, 2009 Series A (West Virginia Infrastructure Fund), in fully registered form (the "Bonds"), pursuant to a Bond Resolution of the Issuer adopted on October 13, 2009 (the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrant and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the attached schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: Eastern Wyoming Public Service District
316 Moran Avenue
Mullens, West Virginia 25882
Attention: Chairman

REGISTRAR: United Bank, Inc.
500 Virginia Street, East
Charleston, West Virginia
Attention: Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

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

IN WITNESS WHEREOF, EASTERN WYOMING PUBLIC SERVICE DISTRICT and UNITED BANK, INC. have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the date first written above.

EASTERN WYOMING PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

UNITED BANK, INC.

By: _____
Its: Vice President

EXHIBIT A

Bond Legislation

(See Tab No. 9)

SCHEDULE OF COMPENSATION

(on file with Registrar)

$1,000,000
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, 2009 SERIES A
(WEST VIRGINIA INFRASTRUCTURE FUND)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

First Peoples Bank, Mullens, West Virginia, hereby accepts appointment as Depository Bank in connection with the Bond Resolution of the Public Service Board of Eastern Wyoming Public Service District in Wyoming County, West Virginia (the "Issuer"), adopted on October 13, 2009, authorizing the issuance of the Issuer's Water Revenue Bonds (West Virginia Infrastructure Fund), 2009 Series A, dated October 16, 2009, in the principal amount of $1,000,000, all as set forth in the Bond Resolution.

WITNESS my signature on this 16th day of October, 2009

FIRST PEOPLES BANK

By: _____
Its: Authorized Officer

1779746
9717.10

SPILMAN THOMAS & BATTLE, PLLC
ATTORNEYS AT LAW

October 16, 2009

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

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

Eastern Wyoming Public Service District
Post Office Box 907
Mullens, West Virginia 25882

Re: Eastern Wyoming Public Service District Water Revenue Bonds
2009 Series A (West Virginia Infrastructure Fund)

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Eastern Wyoming Public Service District in Wyoming County, West Virginia (the "Issuer"), a public service district, public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $1,000,000 Water Revenue Bonds, 2009 Series A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and a Bond Resolution duly adopted by the Issuer on October 13, 2009 (the "Bond Resolution"), to pay the costs of acquisition and construction of improvements, additions, betterments and extensions to the existing public waterworks facilities of the Issuer, including, but not limited to, the construction of a water distribution system to serve the South Mullens, Itmann and Bud Mountain areas of Wyoming County (collectively, the "Project"), and to pay the costs of issuance hereof and related costs. The existing water treatment and distribution system, the Project, and any further improvements or extensions thereto are herein called the "System".

We have examined the applicable provisions of the Act, the Bond Resolution, a Loan Agreement, dated October 16, 2009, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Bonds, which are to be purchased by the Authority in

accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2011, 2010, and maturing on September 1, 2049, all as set forth in the Bonds and Schedule Y attached to the Loan Agreement. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Resolution and the Loan Agreement. All capitalized items used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Resolution and the Loan Agreement when used herein.

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

1. The Issuer is a duly created and validly existing public service district, public corporation and political subdivision of the State of West Virginia, with corporate power and authority to adopt the Bond Resolution, to acquire and construct the Project, to operate and maintain the System and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

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

3. The Bond Resolution and all other necessary orders and resolutions have been duly and effectively adopted by the Issuer, are in full force and effect as of the date hereof and constitute valid and binding obligations of the Issuer enforceable upon the Issuer in accordance with their terms. The Bond Resolution contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer. The Bonds are payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of security for payment with the Prior Bonds, all in accordance with the terms of the Bonds and the Bond Resolution.

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

6. The Bonds are, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

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

This opinion is rendered as of the date hereof. We are under no obligation to, nor will we, update or revise this opinion due to events occurring after the date hereof which change the facts or law upon which this opinion is based.

This opinion is rendered to the addressees set forth above solely for their use in connection with the transactions contemplated under the Bond Resolution, is solely for the benefit of those addressees, and their respective successors and assigns; and, except where we have given our prior written consent, may not be relied upon by anyone else or used for any purpose other than in connection with the consummation of the transactions contemplated in the Bond Resolution.

All counsel to the transaction may rely on this opinion as if expressly addressed to them.

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

Very truly yours,

Spilman Thomas & Battle, PLLC

Spilman Thomas & Battle, PLLC

RIST, HIGGINS & ASSOCIATES, P.L.L.C.

ATTORNEYS AT LAW
1800 HARPER ROAD
BECKLEY, WEST VIRGINIA 25801

TELEPHONE NO. 304-255-1400/255-4849
FACSIMILE NO. 304-255-6914

JOHN F. RIST, III
E-Mail: j.rist@suddenlinkmail.com

JAMES C. HIGGINS
E-Mail: risthiggins@yahoo.com

October 16, 2009

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311-1571

West Virginia Infrastructure and Jobs Development Council
180 Association Drive
Charleston, West Virginia 25311-1571

Eastern Wyoming Public Service District
316 Morgan Avenue
Mullens, West Virginia 25882

Spilman Thomas & Battle, PLLC
Post Office Box 273
Charleston, West Virginia 25321-0273

Re: Eastern Wyoming Public Service District Water Revenue Bonds,
2009 Series A (West Virginia Infrastructure Fund)

Ladies and Gentlemen:

We are counsel to Eastern Wyoming Public Service District, a public service district in Wyoming County, West Virginia (the "Issuer"), in connection with the issuance and sale of the Eastern Wyoming Public Service District Water Revenue Bonds, 2009 Series A (West Virginia Infrastructure Fund) (the "Bonds). AS such counsel, we have reviewed copies of the approving opinion of Spilman Thomas & Battle, PLLC, as bond counsel, a loan agreement dated October 16, 2009, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the"Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), the Bond Resolution duly adopted by the Issuer on October 13, 2009 (the "Bond Resolution"), and other documents, papers, agreements, instruments and certificates relating to the Bonds and orders of the County Commission of Wyoming County relating to the Issuer and the appointment of members of the

Public Service Board of the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Resolution and the Loan Agreement when used herein.

We are of the opinion that:

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

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

3. The Bond Resolution has been duly adopted by the issuer and is in full force and effect as of the date hereof and constitutes a valid and binding obligation of the Issuer enforceable in accordance with its terms.

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

5. To the best of our knowledge, the execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement and the Bond Resolution, and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any agreement, document or instrument to which Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

6. To the best of our knowledge, the Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations requires by law for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition, construction and improvements of the Project, the operation of the System, and the imposition of rates and charges for use of the System, including, without limitation, all requisite orders, certificates and approvals from the County

Commission of Wyoming County, the Wyoming County Circuit Court, the West Virginia Infrastructure and Jobs Development Council, the West Virginia Bureau for Public Health, and the Public Service Commission of West Virginia. The Issuer received the Recommended Decision entered December 8, 2008 in Case No. 08-1090-PWD-CN, which became a Final Order of the Public Service Commission of West Virginia (the"PSC") on December 28, 2008, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project, approving the financing for the Project and approving the rates and charges for the services of the System. The time for appeal of the December 28, 2008 Order has expired prior to the date hereof. The Order is in full force and effect.

7. To the best of our knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or West Virginia Water Development Authority threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds, the Bond Resolution, the Loan Agreement, the acquisition, construction and improvements of the Project, the operation of the System, the validity of the Bonds or pledge of the Net Revenues set forth in the Bond Resolution.

8. We have ascertained that all successful bidders have provided the drug-free workplace affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code and we will ascertain that all successful bidders have made required provisions for all insurance and payment and performance bonds and verify such policies and bonds for accuracy. Prior to construction we will review the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project to ensure that such surety bonds and policies (1) are in compliance with the contacts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Loan Agreement and the Resolution; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

We express no other opinions other than those expressly stated hereinabove. Without limiting the generality of the foregoing sentence, we express no opinion as to the tax, bond or securities laws of the United States or of any state thereof.

It is to be understood that the rights of the various parties to the transaction and the enforceability of the instruments and agreements 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.

This opinion is rendered only for the benefit of the addressees and may not be relied upon by other parties without our prior written consent. No attorney-client privilege is waived or intended to be waived by this opinion

Sincerely,

RIST, HIGGINS & ASSOCIATES, PLLC

John F. Rist, III

JFR/lp

RIST, HIGGINS & ASSOCIATES, P.L.L.C.

ATTORNEYS AT LAW
1800 HARPER ROAD
BECKLEY, WEST VIRGINIA 25801

TELEPHONE NO. 304-255-1400/255-4849

FACSIMILE NO. 304-255-6914

John F. Rist, III
E-Mail: j.rist@suddenlinkmail.com

James C. Higgins
E-Mail: risthiggins@yahoo.com

October 7, 2009

West Virginia Infrastructure and Jobs Development Council
180 Association Drive
Charleston, West Virginia 25311-1571

Patrick C. Park
Sub Grant Manager
West Virginia Dept. Of Environmental Protection
601 57th Street SE
Charleston, West Virginia 25304

Eastern Wyoming Public Service District
316 Morgan Avenue
Mullens, West Virginia 25882

Spilman Thomas & Battle, PLLC
P.O. Box 273
Charleston, West Virginia 25321-0273

RE: *Eastern Wyoming Public Service District*
Itmann/Bud Mountain

Dear Ms. Chestnut:

This firm represents Eastern Wyoming Public Service District ("District") with regard to a proposed project to construct water extensions in the Itmann/Bud Mountain area of Wyoming County (the "Project"), and provides this final title opinion on behalf of the District to satisfy the requirements of the West Virginia Department of Environmental Protection with regard to the financing proposed for the Project. Please be advised of the following:

1. That I am of the opinion that the District is a duly created and existing public service district possessed with all the powers and authority granted to public service districts under the laws of the State of West Virginia and has the full power and authority to construct, operate and maintain the Project as approved by the Department of Environmental Protection and the Bureau for Public Health.

2. That I am advised by Pentree, Inc., the consulting engineers for the Project, that the District has obtained approval for all necessary permits and approvals for the construction of the Project.

3. That I have investigated and ascertained the location of and am familiar with the legal description of the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Pentree, Inc., the consulting engineers for the Project.

4. That I have examined the records on file in the Office of the Clerk of the County Commission of Wyoming County, West Virginia, the county in which the Project is to be located, and, in my opinion, the District has acquired legal title or such other estate or interest in the necessary site components for the Project, which the Project Engineer advised were necessary to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the facilities to be constructed.

5. That all deeds or other documents which have been acquired to date by the District have been duly recorded in the aforesaid Clerk's Office in order to protect the legal title to and interest of the District.

This opinion is subject to: (a) reservations, exceptions, easements, covenants and restrictions contained in prior deeds to the subject tracts; (b) the liens for the taxes for the tax year 2009; (c) an accurate engineering survey of said tracts; (d) the plotting of off-conveyances to determine overlaps, if any; (e) any reservations or exceptions which a visual inspection of the premises or a review of the zoning ordinance would disclose; (f) any unripened mechanic's lien rights; and (g) any claim by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws; (h) the accuracy of the indices and the records in the County Clerk's, the Sheriff's and Assessor's Offices of Wyoming County, West Virginia, as the same appeared on the dates that the various instruments were recorded; and (i) the accuracy of the information provided to us by the Project Engineers, including, but not limited to the list of easements and properties to be acquired for the Project.

This opinion is rendered only for the benefit of the addresses and may not be relied upon by other parties without our prior written consent. No attorney-client privilege is waived or intended to be waived by this opinion.

Sincerely,

RIST, HIGGINS & ASSOCIATES, P.L.L.C.

John F. Rist III

JFR:lp

cc: Region 1 Planning and Development
Eastern Wyoming Public Service District

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

NEW ISSUE REPORT FORM

Date of Report: October 16, 2009

ISSUE: Eastern Wyoming Public Service District Water Revenue Bonds, 2009 Series A (West Virginia Infrastructure Fund)

ADDRESS: 316 Moran Avenue, Mullens, West Virginia 25882 COUNTY: Wyoming

PURPOSE OF ISSUE: New Money: X
Refunding: _____

REFUND ISSUE(S) DATED: NA

ISSUE DATE: October 16, 2009 CLOSING DATE: October 16, 2009

ISSUE AMOUNT: $1,000,000 RATE: 0%

1ST DEBT SERVICE DUE: 6/1/2011 1ST PRINCIPAL DUE: 6/1/2011

1ST DEBT SERVICE AMOUNT: $6,494 PAYING AGENT: West Virginia Municipal Bond Commission

BOND
COUNSEL: Spilman Thomas & Battle, PLLC
Contact Person: Brian C. Helmick, Esquire
Phone: 304/340.3826

UNDERWRITERS
COUNSEL: Jackson Kelly PLLC
Contact Person: Samme L. Gee, Esquire
Phone: 304/340-1318

CLOSING BANK: First Peoples Bank
Contact Person: Randy Hamilton
Phone: 304/294-7115

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: William Baisden
Position: Logan County PSD (Admin Agent)
Phone: 304/946-2641

OTHER: _____
Contact Person: _____
Position: _____
Phone: _____

DEPOSITS TO MBC AT CLOSE:
By: _____ Wire
_____ Check

_____ Accrued Interest: $_____
_____ Capitalized Interest: $_____
_____ Reserve Account: $_____
_____ Other:

REFUNDS & TRANSFERS BY MBC AT CLOSE:
By: _____ Wire
_____ Check
_____ IGT

_____ To Escrow Trustee: $_____
_____ To Issuer: $_____
_____ To Cons. Invest. Fund $_____
_____ To Other $_____

NOTES: The 2009 Series A Bonds Reserve Account will be funded over 10 years.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

DEBT SERVICE SCHEDULE

0% Interest Rate

40 Years from Closing Date

Dated Date	10/16/09	
Delivery Date	10/16/09	

Period Ending	Principal	Interest	Debt Service
10/16/09			
6/1/11	6,494		6,494
9/1/11	6,494		6,494
12/1/11	6,494		6,494
3/1/12	6,494		6,494
6/1/12	6,494		6,494
9/1/12	6,494		6,494
12/1/12	6,494		6,494
3/1/13	6,494		6,494
6/1/13	6,494		6,494
9/1/13	6,494		6,494
12/1/13	6,494		6,494
3/1/14	6,494		6,494
6/1/14	6,494		6,494
9/1/14	6,494		6,494
12/1/14	6,494		6,494
3/1/15	6,494		6,494
6/1/15	6,494		6,494
9/1/15	6,494		6,494
12/1/15	6,494		6,494
3/1/16	6,494		6,494
6/1/16	6,494		6,494
9/1/16	6,494		6,494
12/1/16	6,494		6,494
3/1/17	6,494		6,494
6/1/17	6,494		6,494
9/1/17	6,494		6,494
12/1/17	6,494		6,494
3/1/18	6,494		6,494
6/1/18	6,494		6,494
9/1/18	6,494		6,494
12/1/18	6,494		6,494
3/1/19	6,494		6,494
6/1/19	6,494		6,494
9/1/19	6,494		6,494
12/1/19	6,494		6,494
3/1/20	6,494		6,494
6/1/20	6,494		6,494
9/1/20	6,494		6,494
12/1/20	6,494		6,494
3/1/21	6,494		6,494
6/1/21	6,494		6,494
9/1/21	6,494		6,494
12/1/21	6,494		6,494
3/1/22	6,494		6,494

0% Interest Rate			
40 Years from Closing Date			
Period Ending	Principal	Interest	Debt Service
6/1/22	6,494		6,494
9/1/22	6,494		6,494
12/1/22	6,494		6,494
3/1/23	6,494		6,494
6/1/23	6,494		6,494
9/1/23	6,494		6,494
12/1/23	6,494		6,494
3/1/24	6,494		6,494
6/1/24	6,494		6,494
9/1/24	6,494		6,494
12/1/24	6,494		6,494
3/1/25	6,494		6,494
6/1/25	6,494		6,494
9/1/25	6,494		6,494
12/1/25	6,494		6,494
3/1/26	6,494		6,494
6/1/26	6,494		6,494
9/1/26	6,494		6,494
12/1/26	6,494		6,494
3/1/27	6,494		6,494
6/1/27	6,494		6,494
9/1/27	6,494		6,494
12/1/27	6,494		6,494
3/1/28	6,494		6,494
6/1/28	6,494		6,494
9/1/28	6,494		6,494
12/1/28	6,494		6,494
3/1/29	6,494		6,494
6/1/29	6,494		6,494
9/1/29	6,494		6,494
12/1/29	6,494		6,494
3/1/30	6,494		6,494
6/1/30	6,494		6,494
9/1/30	6,493		6,493
12/1/30	6,493		6,493
3/1/31	6,493		6,493
6/1/31	6,493		6,493
9/1/31	6,493		6,493
12/1/31	6,493		6,493
3/1/32	6,493		6,493
6/1/32	6,493		6,493
9/1/32	6,493		6,493
12/1/32	6,493		6,493
3/1/33	6,493		6,493
6/1/33	6,493		6,493
9/1/33	6,493		6,493
12/1/33	6,493		6,493
3/1/34	6,493		6,493
6/1/34	6,493		6,493

0% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
9/1/34	6,493		6,493
12/1/34	6,493		6,493
3/1/35	6,493		6,493
6/1/35	6,493		6,493
9/1/35	6,493		6,493
12/1/35	6,493		6,493
3/1/36	6,493		6,493
6/1/36	6,493		6,493
9/1/36	6,493		6,493
12/1/36	6,493		6,493
3/1/37	6,493		6,493
6/1/37	6,493		6,493
9/1/37	6,493		6,493
12/1/37	6,493		6,493
3/1/38	6,493		6,493
6/1/38	6,493		6,493
9/1/38	6,493		6,493
12/1/38	6,493		6,493
3/1/39	6,493		6,493
6/1/39	6,493		6,493
9/1/39	6,493		6,493
12/1/39	6,493		6,493
3/1/40	6,493		6,493
6/1/40	6,493		6,493
9/1/40	6,493		6,493
12/1/40	6,493		6,493
3/1/41	6,493		6,493
6/1/41	6,493		6,493
9/1/41	6,493		6,493
12/1/41	6,493		6,493
3/1/42	6,493		6,493
6/1/42	6,493		6,493
9/1/42	6,493		6,493
12/1/42	6,493		6,493
3/1/43	6,493		6,493
6/1/43	6,493		6,493
9/1/43	6,493		6,493
12/1/43	6,493		6,493
3/1/44	6,493		6,493
6/1/44	6,493		6,493
9/1/44	6,493		6,493
12/1/44	6,493		6,493
3/1/45	6,493		6,493
6/1/45	6,493		6,493
9/1/45	6,493		6,493
12/1/45	6,493		6,493
3/1/46	6,493		6,493
6/1/46	6,493		6,493
9/1/46	6,493		6,493

0% Interest Rate

40 Years from Closing Date

Period Ending	Principal	Interest	Debt Service
12/1/46	6,493		6,493
3/1/47	6,493		6,493
6/1/47	6,493		6,493
9/1/47	6,493		6,493
12/1/47	6,493		6,493
3/1/48	6,493		6,493
6/1/48	6,493		6,493
9/1/48	6,493		6,493
12/1/48	6,493		6,493
3/1/49	6,493		6,493
6/1/49	6,493		6,493
9/1/49	6,494		6,494
	1,000,000		1,000,000

PWSID# WV3305521

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

CAPITOL AND WASHINGTON STREETS 1 DAVIS SQUARE, SUITE 200 CHARLESTON, WV 25301
TELEPHONE (304) 558-2981

PERMIT

(Water)

PROJECT: Itmann/Bud Mountain Water Project **PERMIT NO.:** 17,997

LOCATION: Mullins, Itmann, Elmore **COUNTY:** Wyoming **DATE:** 6-3-2008

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

Eastern Wyoming Public Service District
P. O. Box 506
Logan, West Virginia 25601

is hereby granted approval to: install approximately 4,200 LF of 12"; 8,900 LF of 10"; 30,900 LF of 8"; 19,200 LF of 6"; 5,000 LF of 4"; 14,800 LF of 3"; and 14,300 LF of 2" water lines; one (1) 100 GPM duplex water booster station (Elmore); one (1) 60 GPM duplex emergency water transfer station with a 20 gallon hydro-pneumatic tank (Herndon Heights); one (1) 133,000 gallon (alternate: 89,000 gallon) water storage tank (Bud Mountain) and all necessary valves, controls and appurtenances.

Facilities are to serve existing customers in South Mullins and Itmann and initially 80 new customers on Bud Mountain.

NOTE: **This permit is contingent upon: 1) All new water line and the water storage tank being disinfected, flushed, and bacteriologically tested prior to use; 2) Maintaining a minimum ten (10) feet horizontal separation between sewer and water lines, and a minimum 18" vertical separation between crossing sewer and water lines with the water line to be over the sewer line; and 3) Enclosing the proposed water storage tank with a minimum six (6) feet high fence with a locking gate.**

The Environmental Engineering Division of the **OEHS Beckley District Office** (304) 256-6666 is to be notified when construction begins.

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

FOR THE DIRECTOR

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

WSH:bms

pc: Pentree, Inc.
James W. Ellars, P.E., PSC-Engineering Division
Amy Swann, PSC-Water and Wastewater Division
Wyoming County Health Department

ACORD CERTIFICATE OF LIABILITY INSURANCE

INSURED COPY | DATE (MM/DD/YY) 10/06/09

PRODUCER
WV BOARD OF RISK & INSURANCE MGT.
90 MACCORKLE AVE. SW, SUITE 203
SOUTH CHARLESTON, WV 25303

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED
EASTERN WYOMING PSD
P O BOX 506
LOGAN, WV 25601

INSURER A: NATIONAL UNION FIRE CO OF PITTSBURGH, PA
INSURER B:
INSURER C:
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR X WRONGFUL ACT X PROFESSIONAL GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC	L 2761	07/01/2009	07/01/2010	EACH OCCURRENCE FIRE DAMAGE (Any one fire) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 100,000 $ 0 $ INCLUDED $ N/A $ N/A
A	AUTOMOBILE LIABILITY ANY AUTO X ALL OWNED AUTOS X SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS	L2761	07/01/2009	07/01/2010	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ $ $
	EXCESS LIABILITY OCCUR CLAIMS MADE DEDUCTIBLE RETENTION $				EACH OCCURRENCE AGGREGATE	$ $
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY STOPGAP	L2761	07/01/2009	07/01/2010	WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $
B	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
SUBJECT TO THE PROVISIONS, CONDITIONS AND EXCLUSIONS OF THE POLICIES LISTED ABOVE, IT IS AGREED THAT THE CERTIFICATE HOLDER IS AN "ADDITIONAL INSURED" WITH RESPECTS TO:

CERTIFICATE HOLDER ✓ ADDITIONAL INSURED; INSURER LETTER: A

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY
180 ASSOCIATION DRIVE
CHARLESTON, WV 25311

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE Jayne A. Gladwell

ACORD 25-S (7/97)
C:\FMPRO\CERTPROS.WEB

© ACORD CORPORATION 1988

JUN 25 2009

CERTIFICATE OF LIABILITY INSURANCE

ADDITIONAL INSURED: EASTERN WYOMING PSD
PO BOX 506
LOGAN, WV 25601

CERTIFICATE NO: L 2761 - Jun 8, 2001

This certifies that the insured named above is an Additional Insured for the Coverage indicated below under General Liability Policy GL 0936375 and Automobile Policy CA 0936177 issued to the State of West Virginia by NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURGH, PA.

COVERAGE PERIOD: Jul 1, 2009 to Jul 1, 2010 12:01 a.m. Eastern Time

COVERAGE AFFORDED: Comprehensive General Liability Insurance
Personal Injury Liability Insurance
Professional Liability Insurance
Stop Gap Liability Insurance
Wrongful Act Liability Coverage
Comprehensive Auto Liability Coverage
Auto Physical Damage Insurance
Garagekeepers Insurance

LIMIT OF LIABILITY: $1,000,000 each occurence* and is SUBJECT TO $2,500 DEDUCTIBLE. *For all coverages combined. This limit is not increased if a claim is insured under more than one coverage or if claim is made against more than one insured.

SPECIAL LIMITS: The auto physical damage limit is the actual cash value of each vehicle subject to a deductible of $1,000.

CLAIM REPORTING: Claims should be reported to:
Claim Manager
West Virginia Board of Risk & Insurance Management
90 MacCorkle Avenue S.W.Suite 203
South Charleston, West Virginia 25303

Claims Made Prior Acts Date: June 8, 2001

THE INSURANCE EVIDENCED BY THIS CERTIFICATE IS SUBJECT TO ALL OF THE TERMS, CONDITIONS, EXCLUSIONS AND DEFINITIONS IN THE POLICIES. IT IS A CONDITION PRECEDENT OF COVERAGE UNDER THE POLICIES THAT THE ADDITIONAL INSURED DOES NOT WAIVE ANY STATUTORY OR COMMON LAW IMMUNITY CONFERRED UPON IT.

BY: [signature] DATED: June 10, 2009
AUTHORIZED REPRESENTATIVE

AGENT OF RECORD: C. V. FELLER INSURANCE AGENCY INC.

PO BOX 295
MULLENS, WV 25882

HH 5/14/09

(Salter) Water leak
6/19/09
5/28/09
6/1/09

$1,000,000
EASTERN WYOMING PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, 2009 SERIES A
(WEST VIRGINIA INFRASTRUCTURE FUND)

CLOSING MEMORANDUM

To: Financing Team

From: Brian C. Helmick, Esquire

Date: October 16, 2009

DISBURSEMENT TO EASTERN WYOMING PUBLIC SERVICE DISTRICT

Payor:	West Virginia Water Development Authority/West Virginia Infrastructure & Jobs Development Council
Source:	2009 Series A Bonds Proceeds
Amount:	$21,057.31
Date:	October 16, 2009
Form:	Wire Transfer
Payee:	Eastern Wyoming Public Service District
Bank:	First Peoples Bank 200 First Street Mullens, WV 25882
Routing #:	051503556
Account #:	112275
Account:	Eastern Wyoming Public Service District Itmann/Budd Mountain Water Project
Contact:	Randy Hamilton (304.294.7115)

1779787
9717.10

EASTERN WYOMING
PUBLIC SERVICE DISTRICT

Post Office Box 506
Logan, West Virginia 25601

Phone: (304) 946-2641
Fax: (304) 946-2645

October 13, 2009

Ms. Angela Chestnut, PE
Executive Director
WV Infrastructure & Jobs Development Council
180 Association Drive
Charleston, WV 25311

RE: ITMANN/BUD MOUNTAIN WATER PROJECT 2004W-833
IJDC REQUISITION NUMBER ONE (1) – LOAN CLOSING

Dear Ms. Chestnut:

Enclosed please find for your review and approval **requisition number one (1)** for the **Eastern Wyoming PSD Itmann / Bud Mountain Water project** in the **amount of $21,057.31**.

This is the loan closing requisition for this project and pays engineering and closing costs.

Should you have any questions concerning this request, please contact me or LeAnn Croy at Region I Planning & Development Council at 304-431-7225.

Sincerely,

Mart Lane
Chairman

Enclosure

cc: Bob Hazelwood, PE, Pentree, Inc.

RESOLUTION OF THE EASTERN WYOMING PSD
APPROVING INVOICES RELATING TO CONSTRUCTION
AND OTHER SERVICES FOR THE PROPOSED WATER PROJECT
AND AUTHORIZING PAYMENT THEREOF,

WHEREAS, the Eastern Wyoming PSD has reviewed the invoices attached hereto and incorporated herein by reference relating to the construction of the Water Project funded by the West Virginia Infrastructure & Jobs Development Council (IJDC), HUD Small Cities Block Grant (SCBG), WV State Legislative Digest Funds (DIGEST), Appalachian Regional Commission Grant (ARC), and WV Abandoned Mine Lands (AML), and finds as follows:

a) **That none of the items for which the payment is proposed to be made has formed the basis for any disbursement heretofore made.**
b) **That each item for which the payment is proposed to be paid is or was necessary in connection with the project and constitutes a cost of the project.**
c) **That each of such costs has been otherwise property incurred.**
d) **That payment for each of the items proposed is due and owing as the date hereof.**

NOW, THEREFORE, BE IT RESOLVED BY THE EASTERN WYOMING PSD AS FOLLOWS:
There is herby authorized and directed the payment of the attached invoices as follows:

VENDOR NAME/ PAYEE	TOTAL AMOUNT	IJDC	SCBG	AML	OTHER
PENTREE, INC. (ENGINEERING)	$10,557.31	$10,557.31			
SPILMAN THOMAS & BATTLE (BOND CO)	$10,000.00	$10,000.00			
UNITED BANK (REGISTRAR FEE)	$500.00	$500.00			
TOTALS	**$21,057.31**	**$21,057.31**	**$0.00**	**$0.00**	**$0.00**

ADOPTED BY THE Eastern Wyoming PSD, at their meeting held the 13th day of October 2009.

Eastern Wyoming PSD

BY: Mart Lane
Its: Chairman

Eastern Wyoming PSD - Itmann / Bud Mountain Water Project

As of October 13, 2009

SCBG	SCHEDULE B BUDGET	Adjustments	FINAL BUDGET	Paid Prior to this Draw	Requested this draw	Requested to date	Remaining Funds
Construction	$645,520.00		$645,520.00			$0.00	$645,520.00
Engineering	$462,000.00		$462,000.00	$259,337.86		$259,337.86	$202,662.14
Administration	$60,000.00		$60,000.00	$30,635.71		$30,635.71	$29,364.29
Legal	$65,000.00		$65,000.00	$21,642.90		$21,642.90	$43,357.10
Accountant	$10,000.00		$10,000.00	$330.00		$330.00	$9,670.00
Acquisition	$197,480.00		$197,480.00	$13,180.00		$13,180.00	$184,300.00
Permits	$60,000.00		$60,000.00	$35,440.00		$35,440.00	$24,560.00
			$0.00			$0.00	$0.00
Total	$1,500,000.00	$0.00	$1,500,000.00	$360,566.47	**$0.00**	$360,566.47	$1,139,433.53

AML	SCHEDULE B BUDGET	Adjustments	FINAL BUDGET	Paid Prior to this Draw	Requested this draw	Requested to date	Remaining Funds
Construction	$9,223,344.00		$9,223,344.00			$0.00	$9,223,344.00
Total	$9,223,344.00	$0.00	$9,223,344.00	$0.00	**$0.00**	$0.00	$9,223,344.00

STATE / COUNTY	SCHEDULE B BUDGET	Adjustments	FINAL BUDGET	Paid Prior to this Draw	Requested this draw	Requested to date	Remaining Funds
Engineering	$115,000.00		$115,000.00	$115,000.00		$115,000.00	$0.00
Total	$115,000.00	$0.00	$115,000.00	$115,000.00	**$0.00**	$115,000.00	$0.00

EDC	SCHEDULE B BUDGET	Adjustments	FINAL BUDGET	Paid Prior to this Draw	Requested this draw	Requested to date	Remaining Funds
Construction	$842,712.00		$842,712.00			$0.00	$842,712.00
Const. Contingency	$124,400.00		$124,400.00			$0.00	$124,400.00
Engineering	$397,000.00		$397,000.00		$10,557.31	$10,557.31	$386,442.69
Administration	$50,000.00		$50,000.00			$0.00	$50,000.00
Closing Costs	$10,500.00		$10,500.00		$10,500.00	$10,500.00	$0.00
Project Contingency	$112,733.00		$112,733.00			$0.00	$112,733.00
Total	$1,537,345.00	$0.00	$1,537,345.00	$0.00	$21,057.31	$21,057.31	$1,516,287.69

TOTAL PROJECT	SCHEDULE B BUDGET	Adjustments	FINAL BUDGET	Paid Prior to this Draw	Requested this draw	Requested to date	Remaining Funds
Administration	$110,000.00		$110,000.00	$30,635.71		$30,635.71	**$79,364.29**
Engineering	$974,000.00		$974,000.00	$374,337.86	$10,557.31	$384,895.17	**$589,104.83**
Legal	$65,000.00		$65,000.00	$21,642.90		$21,642.90	**$43,357.10**
Accountant	$10,000.00		$10,000.00	$330.00		$330.00	**$9,670.00**
Acquisition	$197,480.00		$197,480.00	$13,180.00		$13,180.00	**$184,300.00**
Permits	$60,000.00		$60,000.00	$35,440.00		$35,440.00	**$24,560.00**
Closing Costs	$10,500.00		$10,500.00		$10,500.00	$10,500.00	**$0.00**
Construction	$10,711,576.00		$10,711,576.00			$0.00	**$10,711,576.00**
Const. Contingency	$124,400.00		$124,400.00			$0.00	**$124,400.00**
Project Contingency	$112,733.00		$112,733.00			$0.00	**$112,733.00**
Total	**$12,375,689.00**	**$0.00**	**$12,375,689.00**	**$475,566.47**	**$21,057.31**	**$496,623.78**	**$11,879,065.22**

PENTREE, INC. CONTRACT FOR ITMANN - BUD MOUNTAIN WATER

	AMOUNT	MAPPING PHASE	PRELIMINARY DESIGN	FINAL DESIGN	BIDDING	CONST. ADMIN.	RESIDENT INSPECT.	SPECIAL SERVICES	ASBUILTS
ORIGINAL CONTRACT	$450,000.00	$36,000.00	$84,000.00	$84,000.00	$10,000.00	$38,000.00	$184,000.00	$8,000.00	$6,000.00
Addendum No. 1	$327,000.00		$20,000.00	$56,000.00	$20,000.00	$42,000.00	$153,000.00	$32,000.00	$4,000.00
Addendum No. 2	$107,000.00			$12,000.00			$65,000.00	$30,000.00	
Addendum No. 3	$90,000.00				$10,000.00	$10,000.00	$70,000.00		
	$0.00								
CONTRACT TOTAL	$974,000.00	$36,000.00	$104,000.00	$152,000.00	$40,000.00	$90,000.00	$472,000.00	$70,000.00	$10,000.00
INVOICE #1	$14,520.00	$12,000.00	$2,520.00						
INVOICE #2	$22,680.00	$16,800.00	$5,880.00						
INVOICE #3	$7,200.00	$7,200.00							
INVOICE #4	$8,400.00		$8,400.00						
INVOICE #5	$16,800.00		$16,800.00						
INVOICE #6	$16,800.00		$16,800.00						
INVOICE #7	$16,800.00		$16,800.00						
INVOICE #8	$11,800.00		$11,800.00						
INVOICE #9	$108,461.60		$25,000.00	$56,000.00				$27,461.60	
INVOICE #10	$15,779.88							$15,779.88	
INVOICE #11	$95,400.07			$84,000.00				$11,400.07	
INVOICE #12	$17,574.42			$12,000.00				$5,574.42	
INVOICE #13	$12,121.89				$10,000.00			$2,121.89	
INVOICE #14	$10,000.00				$10,000.00				
INVOICE #15	$10,848.93				$10,000.00			$848.93	
INVOICE #16	$10,557.31				$10,000.00			$557.31	
	$0.00								
	$0.00								
	$0.00								
SPENT TO DATE	$395,744.10	$36,000.00	$104,000.00	$152,000.00	$40,000.00	$0.00	$0.00	$63,744.10	$0.00
TOTAL AMOUNT	$974,000.00	$36,000.00	$104,000.00	$152,000.00	$40,000.00	$90,000.00	$472,000.00	$70,000.00	$10,000.00
SPENT TO DATE	$395,744.10	$36,000.00	$104,000.00	$152,000.00	$40,000.00	$0.00	$0.00	$63,744.10	$0.00
BALANCE REMAINING	$578,255.90	$0.00	$0.00	$0.00	$0.00	$90,000.00	$472,000.00	$6,255.90	$10,000.00
PERCENTAGE COMPLETE	41%	100%	100%	100%	100%	0%	0%	91%	0%

9/29/2009

PENTREE, INCORPORATED
P.O. Box 1309
Princeton, WV 24740
(304) 431-7800

Date: September 28, 2009

Invoice #: 16
505-010-0465

TO: Mart Lane, Chairman
Eastern Wyoming P.S.D.
P.O. Box 506
Logan, WV 25601

OWNER APPROVAL: Mart Lane

APPROVAL DATE: _____

RE: Itmann / Bud Mountain Water Project **Terms : Net 30 Days**

DESCRIPTION	AMOUNT	AMOUNT	TOTAL
DESIGN PHASE ($292,000)			
($292,000) x 100% complete		$292,000.00	
Less Previous Invoices (paid)		$292,000.00	
			$ 0.00
Sub-Total Design Phase			
BID PHASE ($40,000)			
$40,000 X 100% complete		$ 40,000.00	
Less Previous Invoices (paid)		$ 30,000.00	
Sub-Total Bid Phase			$ 10,000.00
SPECIAL SERVICES ($70,000)			
Professional Services (595.75 hours)(thru 9/12/09)	$ 54,658.95		
Less Previous Invoices	$ 54,101.64		
Sub-Total		$ 557.31	
Reimbursables			
Mileage		$ 0.00	
Sub-Total Special Services			$ 557.31
Total Invoice # 16			**$ 10,557.31**

We do hereby certify that the above invoice reflects a true and accurate accounting of the records of Pentree, Incorporated.

Robert D. Hazelwood

Robert D. Hazelwood, P.E. , Vice President

UNITED BANK
WEST VIRGINIA'S BANK

I N V O I C E

Date: October 16, 2009

To: Eastern Wyoming Public Service District
316 Moran Avenue
Mullens, WV 25301

Re: Eastern Wyoming Public Service District
Water Revenue Bonds
2009 Series A
(West Virginia Infrastructure Fund

Amount Due: $ 500.00

Acceptance Fee	$ 500.00

Please remit to United Bank
Corporate Trust Department
P. O. Box 393
Charleston, WV

SPILMAN THOMAS & BATTLE, PLLC

ATTORNEYS AT LAW

Direct Dial: (304) 340-3802
E-mail: lhill@spilmanlaw.com

October 16, 2009

Eastern Wyoming Public Service District
c/o William Baisden, P.E.
41 Armory Road
Monaville, West Virginia 25636

Legal Fees for professional services as Bond Counsel regarding the issuance of:

$1,000,000
Eastern Wyoming Public Service District
Water Revenue Bonds, 2009 Series A
(West Virginia Infrastructure Fund)

Legal services as Bond Counsel:	$10,000.00
	Total Due - $10,000.00

Please remit payment to Spilman Thomas & Battle, PLLC, P.O. Box 273, Charleston, WV 25321, Attention: Sherry Keeney, at your earliest convenience. Thank you. (9717.10)

EASTERN WYOMING PUBLIC SERVICE DISTRICT

RESOLUTION

WHEREAS, Eastern Wyoming Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes monthly debt service payments on the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which is turn pays the owners of the Bonds;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

WHEREAS, the Issuer finds and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly payments be made by electronic transfer.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, shall be made to the MBC by electronic transfer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) Mark Lamb, Dallas J. Cecil, and Virgil Shreves are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service payments.

3) This Resolution shall be effective immediately upon adoption.

Adopted this 13th day of October, 2009.

Mark Lamb
Chairman

1783611 (9717.10)

Issuer Name: Eastern Wyoming Public Service District

Main Contact: William Baisden
Email for main contact: wb@lcpsd.com Fax: 304.946.2641

EXHIBIT A

List each bond issue and the last four digits of the Bank account number from which the electronic transfer will be made.

Bond Issue	Bank Information (last 4 digits)
Water Revenue Bonds, 2009 Series A (West Virginia Infrastructure Fund)	4771
Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program)	4771
Water Revenue Bonds, Series 2004 A (West Virginia DWTRF Program)	4771
Water Revenue Bonds, 2006 Series A (West Virginia DWTRF Program)	4771

AGREEMENT

THIS AGREEMENT, made and entered into on this the 30th day of August, 20 01, by and between **LOGAN COUNTY PUBLIC SERVICE DISTRICT**, a political subdivision of the State of West Virginia, with offices at Suite 507, White & Browning Building, 201 ½ Stratton Street, Logan, West Virginia, 25601, party of the first part, sometimes hereinafter referred to as **"LCPSD"** and **EASTERN WYOMING PUBLIC SERVICE DISTRICT**, a political subdivision of the State of West Virginia, with offices at 316 Moran Avenue, Mullens, West Virginia 25882, party of the second part, sometimes hereinafter referred to as **"EWPSD"**.

WHEREAS, EWPSD is the owner of certain water treatment, storage, and distribution systems in and around the Mullens, Itmann, Blackeagle, Corinne, Allen Junction, Wyco, Iroquois, Stephenson, Pierpoint and surrounding areas of Wyoming County, West Virginia, (the"Water Systems"); and,

WHEREAS, EWPSD, the City of Mullens and the County Commission of Wyoming County are collectively working to replace, upgrade and extend the Water Systems, hereinafter collectively sometimes referred to as the "Improvements"; and,

WHEREAS, EWPSD and LCPSD are desirous of entering into an agreement whereunder LCPSD will operate and maintain the Water Systems of EWPSD as well as the Improvements thereto, all as more particularly set forth herein, subject to the following terms and conditions.

WITNESSETH:

I. Management, Operation and Maintenance of EWPSD Water Facilities by LCPSD.

A. Except as otherwise provided in this Agreement, LCPSD hereby agrees, at its expense, to provide competent and professional management services to EWPSD in regard to its Water Systems, Improvements and general operations. These services shall include, but not necessarily be limited to (i) advice and assistance in complying with applicable state, federal and regulatory requirements, (ii) collection, coordination and distribution of correspondance and other relative information, (iii) maintenance of books and records, (iv) administration, clerical

and other support services and, (v) planning, preliminary engineering and coordination of Improvements. It is agreed that LCPSD staff job titles shall be applicable to EWPSD when performing duties described herein this Subsection A of Section I.

B. Except as otherwise provided in this Agreement, LCPSD hereby agrees to operate, maintain, repair and replace (i) EWPSD owned Water Systems and (ii) all Improvements added thereto by EWPSD with the written approval of LCPSD and EWPSD. The obligation of LCPSD to operate, maintain, and repair the Water Systems and Improvements (collectively hereinafter referred to as the "Water Facilities") at its own expense shall be limited to routine operation, maintenance and repair of EWPSD Water Facilities; provided, however, LCPSD's obligation to operate, maintain, and repair the EWPSD Water Facilities shall not include the obligation to maintain, repair or replace at its expense, any condition, defect or malfunction arising from the installation of EWPSD Water Facilities which fail to meet the standards of LCPSD, if such discrepancy in installation is reported in writing by LCPSD to EWPSD and to the County Commission of Wyoming County within 15 days of discovery.

C. In the event that it becomes necessary to install, relocate or replace any unit of property or any condition, defect or malfunction arising from faulty installation for which notice as hereinabove set forth has been given to EWPSD by LCPSD, such installation, replacement or relocation shall be made at the expense of EWPSD.

II. Reading Meters, Billing of Customers and Payments to EWPSD.

A. All customers served directly from EWPSD Water Facilities under this Agreement shall be the customers of EWPSD. LCPSD shall, at its expense, read all meters of the customers of EWPSD and render bills to those customers as agent for and on behalf of EWPSD and render to those customers as agent for and on behalf of EWPSD in a manner consistent with the meter reading and billing practices of LCPSD employed in billing its own customers, such bills to be rendered and collected by LCPSD on behalf of EWPSD and to be computed based on the usage of each EWPSD customer at the rates of EWPSD from time to time established or modified by EWPSD and approved by the Public Service Commission of West

Virginia ("Commission").

B. The bills delivered by LCPSD to each customer of EWPSD on behalf of EWPSD shall reflect the amount due for the water used (such amount to be determined by applying the rates of EWPSD to the consumption of water by EWPSD's customers as determined by monthly or estimated meter readings). The bills delivered to the customers of EWPSD shall be delivered by, and shall be payable to, LCPSD as agent for EWPSD.

C. LCPSD, in consideration of the respective rights, duties, obligations, agreements and undertakings of the parties under this Agreement, shall be entitled to receive from EWPSD an amount which will be the total of each customer's bill based on the consumption of each individual EWPSD customer at EWPSD rates from time to time established or modified by EWPSD and approved by the Commission. LCPSD shall prepare and deliver a monthly statement to EWPSD which shall reflect the total amount collected by LCPSD as agent for EWPSD and the total amount expended by LCPSD for the water service provided to customers of EWPSD at the respective rates of EWPSD. A customer of EWPSD shall be charged a municipal B & O surcharge on usage only if that customer resides within a municipality which imposes such a surcharge. In addition, the monthly statement to be provided to EWPSD by LCPSD will also include the costs of any installations, relocations, replacements, maintenance or repairs that have been made by LCPSD at the cost of EWPSD pursuant to Section IV, any additions or extensions, and related refunds, made at the cost of EWPSD under Section III, and the cost of any fire hydrants under Section VII installed at the cost of EWPSD.

D. In addition to such other obligations, duties and responsibilities set forth in this Agreement, as amended, LCPSD also agrees to pay directly to vendors the reasonable costs of the following six items on behalf of EWPSD, upon the receipt of an invoice for such costs from the vendor, which as been approved by EWPSD for payment and forwarded by EWPSD to LCPSD:

1. EWPSD Commissioner's Fees
2. Legal and Accounting Expenses
3. Liability Insurance and Bonds

4. Regulatory Commission Fees

5. Office Facilities and Supplies

6. Miscellaneous Supplies

EWPSD agrees that the aggregate annual cost of the previous six items shall be the total annual amount to be paid by LCPSD to EWPSD under this agreement between LCPSD and EWPSD. In the event that LCPSD believes that the annual costs of the above-mentioned six items is excessive, then LCPSD may petition the Commission to audit and review the costs incurred by EWPSD for such items and to fix a maximum aggregate annual amount for said items which LCPSD will pay pursuant to this Subsection D.

E. As a part of the costs and expenses described in Subsection D of this Section II, EWPSD agrees to have its accountant review, at least annually, at the expense of EWPSD, the systems of accounts maintained by LCPSD for EWPSD and report the results of that review to EWPSD, LCPSD and the County Commission of Wyoming County.

F. EWPSD has issued Revenue Bonds, hereinafter sometimes referred to as "Original Bonds", to finance the acquisition of the EWPSD Water Systems. LCPSD agrees that it will pay directly to the bond holder(s) such principal and interest payments and on such dates as provided for in the Bond Documents. LCPSD further agrees that it will deposit directly into the Bond Reserve Account the required payments on such dates as provided for in the Bond Documents. LCPSD further agrees that it will deposit directly into the Renewal and Replacement Reserve Account the required payments (minimum of 2.5% of gross revenues) on such dates as provided for in the Bond Documents. LCPSD further agrees that it will deposit directly into a Plant Additions Reserve Account monthly payments equal to 5% of gross revenues, or such amount as approved, as a cost to be recovered throught rates, by the Commission in the initial, and all subsequent, tariff adjustment proceedings. All reserve accounts shall be interest bearing accounts.

G. LCPSD understands that EWPSD may, from time to time, desire to issue additional Revenues Bonds, hereinafter sometimes referred to as "Subsequent Bonds", to fund Improvements to the EWPSD Water Systems. Prior to the issuance of any Subsequent Bonds, EWPSD agrees that it shall first obtain written approval from LCPSD regarding the issuance of

such Subsequent Bonds. Provided such written approval is obtained by EWPSD from LCPSD, LCPSD agrees to make such principal and interest payments, Bond Reserve Account Deposits and Renewal and Replacement Reserve Account Deposits as provided for in the Subsequent Bond Documents in the manner described in Subsection F of this Section II.

H. EWPSD and LCPSD agree that the payments and deposits required in Subsections F and G of this Section II for the Original Bonds and any Subsequent Bonds will not be the responsibility of LCPSD following the termination of this Agreement by either EWPSD or LCPSD. EWPSD and LCPSD agree that Deposits into Bond Reserve Accounts and Renewal and Replacement Reserve Accounts required by the Original or Subsequent Bond Documents will not be the responsibility of LCPSD as long as such accounts are fully funded as provided for in the respective Bond Documents.

I. EWPSD and LCPSD agree that all deposits made by LCPSD, on behalf of EWPSD, for all Bond Reserve and Renewal and Replacement Reserve Accounts referred to in this Section II are the property of EWPSD and following the retirement or defeasement of the Original Bonds or any Subsequent Bonds any balances remaining in such accounts shall be transfered into the Plant Additions Reserve Account. EWPSD and LCPSD further agree that the payments and deposits required in Subsections F and G of this Section II for the Original Bonds and any Subsequent Bonds will be made into the Plant Additions Reserve Account following the retirement or defeasement of such Original Bonds or Subsequent Bonds, to the extent allowed by the Commission.

J. EWPSD and LCPSD agree that all funds held in all Renewal and Replacement Reserve Accounts provided for herein, shall be under the complete control of EWPSD and can be accessed only through a Resolution properly approved and executed by EWPSD. EWPSD and LCPSD further agree that all funds held in the Plant Additions Reserve Account provided for herein, shall be under the complete control of LCPSD during the term of this agreement, or any extension thereof, and can be accessed only through a Resolution properly approved and executed by LCPSD.

K. EWPSD and LCPSD agree that the manner in which all monthly customer revenues collected by LCPSD on behalf of EWPSD in accordance with Subsections A through C

of this Section II, shall be expended is (i) current operating expenses, (ii) revenue bond payments, (iii) revenue bond reserve payments, (iv) revenue bond renewal and replacement reserve payments and, (v) improvements and betterments to the Water Facilities of EWPSD.

III. Future Additions to and Future Extensions of EWPSD Water Systems.

LCPSD and EWPSD are aware that there may be future approved EWPSD additions and extensions made to EWPSD Water Systems. In addition to the other requirements set forth in this Agreement, EWPSD and LCPSD hereby specifically agree that such additions and extensions shall be made only if, in the opinion of LCPSD, EWPSD has sufficient treatment capacity and distribution and pumping facilities, including transmission and distribution mains, adequate to serve EWPSD's customers and if LCPSD believes it otherwise economically feasible to meet the total then present and anticipated needs of the customers of EWPSD. Further, EWPSD and LCPSD agree as follows:

A. Future Additions. All future additions to EWPSD Water Facilities constructed by EWPSD shall be subject to this Agreement; provided, however, that future additions to the system must be approved by both LCPSD and EWPSD.

B. Future Extensions. Customer extensions from EWPSD Water Facilities and within EWPSD boundary lines may be installed by either EWPSD or LCPSD. When EWPSD receives a request for a customer extension, EWPSD shall notify in writing LCPSD within fifteen (15) days of its receipt of said request whether EWPSD will install the customer extension or desires LCPSD to make the installation.

(1) In the event EWPSD desires LCPSD to install the customer extension, (i) LCPSD shall contract on its own behalf with the customer requesting the extension and make the installation pursuant to the Rules and Regulations of the Commission, (ii) all customers attaching to the customer extension shall be considered customers of EWPSD for billing purposes at the rates of EWPSD, and (iii) the customer extension shall be, without further cost or expense of any kind, the property of EWPSD.

(2) In the event EWPSD elects to install and own the customer extension, the construction for that customer extension by EWPSD shall be contracted to a contractor acceptable to LCPSD, and all plans and specifications for that extension must be submitted to and approved by LCPSD before becoming a part of EWPSD's system and being subject to this Agreement. When that extension is contracted to a contractor acceptable to LCPSD, LCPSD, on behalf of and as agent of EWPSD, shall contract directly with such contractor to provide the extension. Any extension deposits taken by LCPSD on behalf of and as agent for EWPSD pursuant to the Rules and Regulations of the Commission of shall be retained by LCPSD and credited against the cost of the extension, and the balance of the deposit above the cost of the extension, if any, shall be returned to the contracting customer. LCPSD on behalf of and as agent for EWPSD, shall make refunds to the contracting customers for the extensions pursuant to the Rules and Regulations of the Commission based on the rates of EWPSD.

IV. Plans and Specifications for EWPSD Improvements.

A. The EWPSD is expected to retain the services of consulting engineering firms from time to time to prepare the necessary plans and specifications and to prepare estimates of the cost of construction of EWPSD Improvements. Prior to preparation of the necessary bidding documents, EWPSD will submit the plans and specifications for EWPSD Improvements to LCPSD for approval.

B. LCPSD shall have the right, but not the obligation, to inspect the construction of EWPSD Improvements. EWPSD shall have the obligation to provide a full time, qualified resident project representative to assist EWPSD in determining that construction under this Agreement is conducted in accordance with the approved Plans and Specifications. In the event an inspection by LCPSD or such EWPSD inspector during construction of EWPSD Improvements or of the construction techniques or methods employed by, or for, EWPSD or its contractor during construction reveals that construction of EWPSD Improvements is not proceeding according to the approved Plans and Specifications, LCPSD shall, within 15 days of any inspection by LCPSD or within 15 days of being advised of such deficiencies in construction

by the EWPSD inspector, give written notice thereof to EWPSD, with a copy of such notice to the County Commission of Wyoming County, and EWPSD hereby agrees that it will correct, or cause its contractor to correct, such discrepancy within 45 days of receipt of such notice.

C. In the event EWPSD or its contractor refuses to correct such discrepancy, then LCPSD, at its sole option, shall have the right to be reimbursed for the cost and expense of making any installations, relocation, replacements, maintenance or repairs on such discrepancy.

D. EWPSD agrees that it will be EWPSD's responsibility to obtain all permits, easements, rights-of-way, and properties necessary to construct all EWPSD Improvements and extensions to the EWPSD Water Systems that are to be owned by EWPSD. LCPSD agrees that it will be LCPSD's responsibility to obtain all permits, easements, rights-of-way, and properties necessary to construct extensions, upgrades and betterments to the EWPSD Water Facilities that are to be installed by LCPSD as provided for in Section III of this Agreement.

E. EWPSD and LCPSD agree that each will work with the other to facilitate the provision of a public water source to all residents within EWPSD's boundaries in an affordable and timely manner.

V. Installation of Domestic Services.

EWPSD shall install and own services and meter installations for the customers to be served under this Agreement. Thereafter, and after the proposed construction of EWPSD Water Facilities provided for under this Agreement have been completed, LCPSD shall install, in accordance with the Rules and Regulations of the Commission, domestic services lines, including the tap on EWPSD Water Facilities and the service line from EWPSD Water Facilities to the established curb line or within the public right of way nearest the main. This installation shall include the meter setting. All such service lines from EWPSD Water Facilities to EWPSD customer's property line, meter settings and taps shall be constructed and installed by LCPSD and shall be the property of EWPSD. Following installation, LCPSD shall be responsible for the routine repair, maintenance and replacement of the meters.

VI. Payment to LCPSD Upon Termination of the Agreement.

A. Upon the termination of this Agreement, LCPSD will be entitled to receive payment for all water delivered to EWPSD customers though the termination date of this Agreement in accordance with the provisions of Section II of this Agreement.

B. Upon termination of the agreement, EWPSD also agrees that it reimburse LCPSD in full, any cash advances, interagency loans or other payments provided for under this agreement made by LCPSD to EWPSD.

C. Upon termination of the Agreement, LCPSD shall, within thirty (30) days of such termination, provide EWPSD the total cost of all such items described in subparagraphs A and B of this Section VI. EWPSD agrees that it shall pay to LCPSD the total cost of such items over a one year period with cash payments to be made in twelve (12) equal monthly payments of principal, plus accrued interest at five (5) percent, commencing forty-five (45) days after termination of the Agreement.

VII. Installation of Private Fire Protection Services.

After the proposed construction of EWPSD Improvements provided for in this Agreement have been completed, additional fire services, approved by EWPSD and LCPSD, may be installed by LCPSD from EWPSD Water Facilities, but only in accordance with the Rules and Regulations of the Commission. Fire service shall be installed by LCPSD at the expense of the applicant and shall be billed by LCPSD to the applicant and paid by the applicant directly to LCPSD at a rate equal to the approved EWPSD private protection rate.

VIII. Installation of Fire Hydrants.

After the original construction of EWPSD Improvements provided for in this Agreement have been completed, public fire protection facilities approved by EWPSD and LCPSD may be installed on EWPSD Water Facilities covered by this Agreement at the request of an appropriate

governmental unit, and installation shall be made pursuant to the Rules and Regulations of the Commission.

IX. Water Service Franchise Territories.

It is expressly understood and agreed by LCPSD and EWPSD that:

A. LCPSD shall be permitted to operate and maintain EWPSD Facilities and other facilities within the water service franchise area of EWPSD as are necessary to enjoy and fulfill its rights and obligations under this Agreement, subject to the terms and conditions set forth in this Agreement.

B. Except as otherwise provided in the Agreement, all persons served from extensions or additions constructed at the LCPSD's expense as described in Section III, and served, either at present or in the future, by EWPSD shall be considered customers of EWPSD.

X. Term of this Agreement.

This Agreement shall be effective on the date of the Final Order of the Public Service Commission of West Virginia approving the Agreement, and shall extend for forty (40) years from the date thereof and thereafter may continue in effect from year to year after the 40-year term of the Agreement by mutual consent of the parties.

XI. Representations and Warranties.

A. EWPSD represents and warrants to LCPSD as follows:

(1) The execution, delivery and performance of this Agreement by EWPSD has been duly authorized, and this Agreement constitutes a valid and binding obligation of EWPSD enforceable in accordance with its terms; and,

(2) The execution and performance of this Agreement in accordance with its terms by EWPSD will not violate any provisions of law or violate the terms or conditions of any grants or loans made to EWPSD or any other party for acquisition of the EWPSD Water Systems.

B. LCPSD represents and warrants to EWPSD as follows:

(1) The execution, delivery and performance of this Agreement by LCPSD has been duly authorized, and this Agreement constitutes a valid and binding obligation of LCPSD enforceable in accordance with its terms; and,

(2) The execution and performance of this Agreement in accordance with its terms by LCPSD will not violate any provisions of LCPSD's indentures.

XII. Assignability.

This Agreement shall be binding upon the successors and assigns of the respective parties hereto.

XIII. Notice.

A. LCPSD shall deliver all written requests, statements, fees, notices or other documents or payments called for or permitted by the terms of this Agreement to EWPSD at the following address:

Eastern Wyoming Public Service District
316 Moran Avenue
Mullens, West Virginia 25882

B. EWPSD shall deliver all requests, fees, statements, notices or other documents called for or permitted by the terms of this Agreement to LCPSD at the following address:

Logan County Public Service District
Suite 507, White & Browning Building

201 ½ Stratton Street
Logan, West Virginia 25601

XIV. Captions.

The captions preceding the text of the subsections of this Agreement are inserted solely for convenience and referenced and shall not be used to construe, interpret or affect any provision of this Agreement.

XV. Originals

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Upon execution by both parties thereto, one counterpart of this Agreement shall be filed with the Commission by LCPSD.

XVI. Surviorability

This Agreement is the entire agreement between the said parties and the parties to this Agreement have been represented by Counsel, or have had an opportunity to consult legal Counsel with regard to this Agreement, and all provisions of this Agreement have been fully negotiated. This Agreement constitutes the sole, final, and entire agreement and understanding between the parties, and they shall not be bound by any terms, conditions, statements, or representations, oral or written, not contained in this Agreement. This Agreement may not be changed orally, but only by an agreement, in writing, executed by all parties. This Agreement shall be governed by and interpreted in accordance with the laws of the State of West Virginia and if any provision of this Agreement shall for any reason be held invalid or unenforceable by any Court, governmental agency, or arbitrator of competent jurisdiction, such invalidity or unenforceability shall not affect any other provision, and this Agreement shall be construed as if such invalid or unenforceable provision had never been contained therein.

IN WITNESS WHEREOF, Logan County Public Service District, a political subdivision of the State of West Virginia, and Eastern Wyoming Public Service District, a political subdivision of the State of West Virginia, have caused this Agreement to be signed, by their proper officers thereunto duly authorized, all as of the day and year written below.

LOGAN COUNTY PUBLIC SERVICE DISTRICT

SEAL

Witness:

Mike Stone
Mr. Mike Stone, Secretary

By: James R. Jeffrey
Mr. James R. Jeffrey, Chairman

Date: 8/30/01

EASTERN WYOMING PUBLIC SERVICE DISTRICT

SEAL

Witness:

Dallas J. Cecil
Mr. Dallas J. Cecil, Secretary

By: Morgan K. Davis
Mr. Morgan K. Davis, Chairman

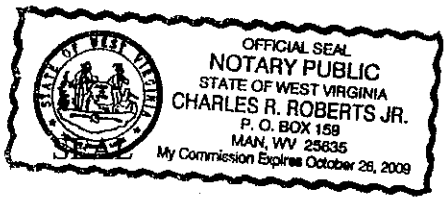
Date: 9/4/01

STATE OF WEST VIRGINIA,

COUNTY OF Logan, to-wit:

The foregoing instrument was acknowledged before me this 30th day of August, 20 01, by James R. Jeffrey, Chairman of Logan County Public Service District, a political subdivision of the State of West Virginia, on behalf of said District.

My Commission Expires: October 26, 2009



Charles R Roberts Jr.

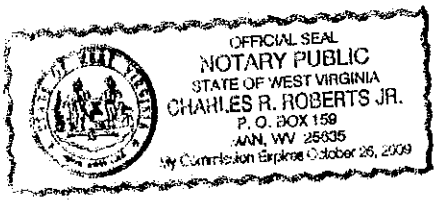
Notary Public

STATE OF WEST VIRGINIA,

COUNTY OF Wyoming, to-wit:

The foregoing instrument was acknowledged before me this 4th day of September, 20 01, by Morgan K. Davis, Chairman of Eastern Wyoming Public Service District, a political subdivision of the State of West Virginia, on behalf of said District.

My Commission Expires: October 26, 2001



Charles R Roberts Jr.

Notary Public

SEAL

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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 3rd day of August, 2001.

CASE NO. 01-1039-W-PWD-PC

MULLENS WATER WORKS, INC. and
EASTERN WYOMING PUBLIC SERVICE DISTRICT

Petition for consent and approval to sell the assets of
Mullens Water Works to Eastern Wyoming Public Service District

COMMISSION ORDER

On August 3, 2001, the Eastern Wyoming Public Service District and Mullens Water Works, Inc. filed a proposed agreement of sale whereby Mullens Water Works, Inc. (MWW), a privately owned utility, would sell its assets to Eastern Wyoming Public Service District (PSD). The Commission will grant its consent and approval for MWW and the PSD to enter into the sale agreement. The Commission will approve the receipt of funds by the PSD necessary to purchase MWW. Additionally, the Commission will grant its consent and approval to the PSD entering into an operation and maintenance agreement with Logan County PSD.

DISCUSSION

By Order entered February 27, 2001 in Case No. 00-1652-PWD-PC, Wyoming County Commission, the Commission approved the formation of Eastern Wyoming Public Service District. The Commission found that the formation of the PSD was in the public interest. Among other things, the Commission noted that the PSD would eventually acquire several failing private systems. In addition, the City of Mullens had negotiated an option to purchase Mullens Water Works which would be assigned to the PSD upon the creation of the PSD. Thus, it was contemplated by the Commission that once the PSD was formed that MWW would be transferred to Eastern Wyoming PSD. Furthermore, it was noted in the Commission's order that Logan County PSD would take over the operation and maintenance of existing systems to be included in the PSD pursuant to a contract between the PSD and Logan County PSD. Long range project budgets were $14,580,000, which would establish quality water service to Wyoming County including the City of Mullens.

[redacted] Public [redacted]mmission
[redacted]ginia
Charleston
[redacted]

SC, the Public Service Commission ordered MWW to file an application for a certificate of public convenience and necessity to make improvements and replacements necessary to substantially improve the quality of service to its customers.

On January 18, 2000, MWW filed an application for a certificate of public convenience and necessity to construct and replace physical plant to improve service at an estimated project cost of $1.6 million. MWW stated that its efforts to obtain funding for its project through private banks had failed and MWW proposed to fund the improvements and replacements by charging a $10.00 per month customer surcharge as a contribution in aid of construction. MWW proposed to complete the project in eighteen years.

On February 18, 2000, Staff filed an interim joint staff memorandum stating that MWW's certificate application was seriously deficient. Staff expressed concern with the eighteen year completion schedule for the project. Staff suggested that MWW's inability to access financial resources to complete the project in a timely fashion could serve as the factual basis for a finding by the Commission that MWW is unable to adequately serve its customers as contemplated by West Virginia Code §24-2-7(b) which sets forth the prerequisites for placing a public utility in receivership.

By letter dated February 5, 2001, which was filed in Case No. 00-0064-W-CN, MWW tendered to the PSD a proposed sale agreement to sell the assets of MWW to the PSD for the purchase price of $250,000. Subsequent to those negotiations, the City of Mullens experienced devastating flooding in July of 2001. As a result of that flooding, the parties to the agreement acknowledged that there had been damage to the existing water system and that it was necessary to renegotiate the proposed purchase price.

The sale agreement that has been filed on August 3, 2001, represents the successful renegotiation of the sale agreement by the PSD and MWW.

On June 25, 2001, a document was filed in Case No. 00-0064-W-CN which is a proposed operation and maintenance agreement between Logan County PSD and Eastern Wyoming PSD. Among other things, the agreement provides that Logan County PSD would operate and maintain the water systems of the Eastern Wyoming PSD including the Mullens Water Company. The agreement allows Eastern Wyoming PSD to utilize the personnel and expertise of the Logan County PSD while Eastern Wyoming is making its transition to a fully staffed and operating PSD.

By letter dated June 21, 2001 to Rick Roberts, the managing engineer for Logan County PSD, the Department of Health and Human Resources committed a binding offer of a loan to Eastern Wyoming PSD to acquire Mullens Water Works, Inc., Buckeye Water Works, Inc., Welton Water Company, Corrine Water System, and Pierpoint Water System. As noted in that letter, the purchase of these systems will allow the District to consolidate the systems and develop into a regional water provider.

Pursuant to provisions of West Virginia Code §16-13A-25, the PSD is required to obtain

Commission approval prior to borrowing money. In addition, the proposed sale of assets by MWW to Eastern Wyoming PSD and the proposed operation and maintenance agreement between Logan County PSD and Eastern Wyoming PSD must be approved by the Commission pursuant to West Virginia Code §24-2-12. The Commission has reviewed the proposed agreements and finds that the terms and conditions thereof are reasonable, that neither party is given an undue advantage over the other, and that the proposed agreements do not adversely affect the public in this State. Indeed, the proposed agreements greatly benefit the public in Wyoming County by setting the stage for the development of a regional water provider. Based upon the Commission's knowledge of these matters, the filing of these documents in other Commission cases, and the need to immediately begin repairs to the water treatment plant to provide potable water to the residents of Mullens, the Commission believes that it is reasonable to waive public notice of these applications, to grant its consent and approval for the PSD to borrow the money necessary to purchase MWW, to grant its consent and approval for Eastern Wyoming PSD to purchase the assets of Mullens Water Works, and to grant its consent and approval for Logan County PSD and Eastern Wyoming PSD to enter into an operation and maintenance agreement.

FINDINGS OF FACT

1. On August 3, 2001, the Eastern Wyoming Public Service District and Mullens Water Works, Inc. filed a proposed agreement of sale whereby Mullens Water Works, Inc. (MWW), a privately owned utility, would sell its assets to Eastern Wyoming Public Service District (PSD).

2. By Order entered February 27, 2001 in Case No. 00-1652-PWD-PC, Wyoming County Commission, the Commission approved the formation of Eastern Wyoming Public Service District.

3. It was contemplated that once the PSD was formed that MWW would be transferred to Eastern Wyoming PSD. Furthermore, it was noted in the Commission's order that Logan County PSD would take over the operation and maintenance of existing systems to be included in the PSD pursuant to a contract between the PSD and Logan County PSD.

4. On January 18, 2000, MWW filed an application for a certificate of public convenience and necessity to construct and replace physical plant to improve service at an estimated project cost of $1.6 million. MWW stated that its efforts to obtain funding for its project through private banks had failed and MWW proposed to fund the improvements and replacements by charging a $10.00 per month customer surcharge as a contribution in aid of construction. MWW proposed to complete the project in eighteen years. On February 18, 2000, Staff filed an interim joint staff memorandum stating that MWW's certificate application was seriously deficient.

5. By letter dated February 5, 2001, which was filed in Case No. 00-0064-W-CN, MWW tendered to the PSD a proposed sale agreement to sell the assets of MWW to the PSD for the purchase price of $250,000. Subsequent to those negotiations, the City of Mullens experienced devastating flooding in July of 2001. As a result of that flooding, parties to the agreement acknowledged that there had been damage to the existing water system and that it was necessary to renegotiate the proposed purchase price.

6. On June 25, 2001, a document was filed in Case No. 00-0064-W-CN which is a proposed operation and maintenance agreement between Logan County PSD and Eastern Wyoming PSD. Among other things, the agreement provides that Logan County PSD would operate and maintain the water systems of the Eastern Wyoming PSD including the Mullens Water Company. The agreement allows Eastern Wyoming PSD to utilize the personnel and expertise of the Logan County PSD while Eastern Wyoming is making its transition to a fully staffed and operating PSD.

7. By letter dated June 21, 2001 to Rick Roberts, the managing engineer for Logan County PSD, the Department of Health and Human Resources committed a binding offer of a loan to Eastern Wyoming PSD to acquire Mullens Water Works, Inc., Buckeye Water Works, Inc. Welton Water Company, Corrine Water System, and Pierpoint Water System. As noted in that letter, the purchase of systems will allow the District to consolidate the systems and develop into a regional water provider.

CONCLUSIONS OF LAW

1. The Commission has reviewed the proposed agreements and finds that the terms and conditions thereof are reasonable, that neither party is given an undue advantage over the other, and that the proposed agreements do not adversely affect the public in this State. Indeed, the proposed agreements greatly benefit the public in Wyoming County by setting the stage for the development of a regional water provider.

2. Based upon the Commission's knowledge of these matters, the filing of these documents in other Commission cases, and the need to immediately begin repairs to the water treatment plant to provide potable water to the residents of Mullens, the Commission believes that it is reasonable to waive public notice of these applications, to grant its consent and approval for the PSD to borrow the money necessary to purchase MWW, to grant its consent and approval for Eastern Wyoming PSD to purchase the assets of Mullens Water Works, and to grant its consent and approval for Logan County PSD and Eastern Wyoming PSD to enter into an operation and maintenance agreement.

ORDER

IT IS THEREFORE ORDERED that the Commission's prior consent and approval is given to Mullens Water Works, Inc. and Eastern Wyoming Public Service District to enter into the agreement of sale filed with the Commission on August 3, 2001 in this proceeding.

IT IS FURTHER ORDERED that the Commission's prior consent and approval is given to Eastern Wyoming Public Service District to borrow the money offered by the Department of Health and Human Resources in its June 21, 2001 letter.

IT IS FURTHER ORDERED that Eastern Wyoming Public Service District is granted the necessary power and authority to operate the utility system previously operated by Mullens Water Works, Inc.

IT IS FURTHER ORDERED that the Commission's prior consent and approval is given to Logan County Public Service District and Eastern Wyoming Public Service District to enter into the operation and maintenance agreement.

IT IS FURTHER ORDERED that Eastern Wyoming Public Service District is granted the authority to charge the existing rates of Mullens Water Works, Inc. to its customers served by the system purchased.

IT IS FURTHER ORDERED that the Commission's tariff office should make the necessary modifications to the existing tariffs of Mullens Water Works, Inc. reflecting the adoption by Eastern Wyoming Public Service District and tender them to the Public Service District for their signature and resubmittal to the Commission's tariff office.

IT IS FURTHER ORDERED that the Commission's Executive Secretary shall serve a copy of this order on all parties of record by First Class United States Mail and upon Commission Staff by hand delivery.

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

Charlotte R. Lane

CHARLOTTE R. LANE, Commissioner

MARTHA Y. WALKER, Commissioner

JAMES D. WILLIAMS, Chairman

REH/cbd
MULLENS.WPD

CONSENT OF LOGAN COUNTY PUBLIC SERVICE DISTRICT

Pursuant to Section II.G. that certain Operation and Maintenance Agreement dated August 30, 2001, by and between LOGAN COUNTY PUBLIC SERVICE DISTRICT ("LCPSD"), a public service district and political subdivision of the State of West Virginia, and EASTERN WYOMING PUBLIC SERVICE DISTRICT ("EWPSD"), a public service district and political subdivision of the State of West Virginia, LCPSD hereby consents to the issuance by EWPSD of its Water Revenue Bonds, 2009 Series A (West Virginia Infrastructure Fund), in the aggregate principal amount of $1,000,000 (the "Bonds") to finance a portion of the costs of the acquisition, construction, improvement and extension of EWPSD's existing public waterworks facilities including, but not limited to, the construction of a water distribution system to serve the South Mullens, Itmann and Bud Mountain areas of Wyoming County, West Virginia.

Dated this 14th day of October, 2009.

LOGAN COUNTY PUBLIC SERVICE DISTRICT

By: Ben F. Toney Jr

Its: Chair

[SEAL]

STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
CHARLESTON 25305

DARRELL V. McGRAW, JR.
ATTORNEY GENERAL

(304) 558-2021
FAX (304) 558-0140

February 5, 2009

Mr. John F. Rist, II
Rist, Higgins & Associates, PLLC
1800 Harper Raod
Beckley, West Virginia 25801

Re: Intergovernmental Agreement between the Eastern Wyoming Public Service District and the City of Mullens

Dear Mr. Rist:

Pursuant to West Virginia Code § 8-23-3, the above-captioned document was submitted to this office for approval or disapproval under cover of February 3, 2009, received by us on February 5, 2009.

I am pleased to inform you that the subject documents, returned to you herewith, have been approved as to form by the Attorney General. Thank you for your assistance and cooperation.

Very truly yours,

Dawn E. Warfield

DAWN E. WARFIELD
DEPUTY ATTORNEY GENERAL

DEW/tl
Enclosure

INTERGOVERNMENTAL AGREEMENT

THIS INTERGOVERNMENTAL AGREEMENT, made and entered into this 6th day of May, 2008, by and between **THE CITY OF MULLENS, WEST VIRGINIA,** a West Virginia municipal corporation, (sometimes hereinafter referred to as, "CITY"), and **EASTERN WYOMING PUBLIC SERVICE DISTRICT,** a public service district formed pursuant to West Virginia Code §16-13A-1, et seq (sometimes hereinafter referred to as, "EWPSD").

W I T N E S S E T H:

THAT for and in consideration of the mutual terms and conditions listed below, the parties do hereby agree mutually agree and affirm as follows:

1. **BACKGROUND OF THIS AGREEMENT:** CITY is the governing body of the City of Mullens, Wyoming County, West Virginia. EWPSD is a public service district serving water to customers in Wyoming County, West Virginia. CITY is engaged in ongoing efforts of economic and infrastructure development for the benefit of its citizens.

EWPSD has expanded its boundaries to encompass the affected areas of Wyoming County, to administer the funds received by grant, loan or otherwise in the construction of such water distribution facilities, and to take such further actions that will assist CITY in providing water service to as many residents as feasible. CITY and EWPSD have identified additional areas in Wyoming County that need water service, and have made applications to receive or have received funding sufficient to construct facilities to serve those customers in the eastern area of Wyoming County. This includes, but is not limited to, the communities of Itmann, Bud

Mountain, South Mullens and surrounding areas. This is identified by the parties as the "PROJECT." The parties to this agreement desire by its execution to define the role of each party in the PROJECT.

Pursuant to the provisions of West Virginia Code §8-23-1 et seq. and 16-13A-1 et seq., the parties agree that is a public purpose and in the interest of EWPSD and City to execute this Intergovernmental Agreement. The execution of this agreement will unite the parties as the local sponsors, and will further their cooperation with each other on the basis of mutual advantage. This will result in the consolidation of functions and, thereby, provide services and facilities in a manner and pursuant to forms of governmental organization. This will also result in the most economic and expeditious construction and implementation of the Itmann/Bud Mountain Water Line Extension Project which is located within the service boundaries of EWPSD, and the construction on Guyandotte Avenue, Mullens, West Virginia.

Since the powers, privileges, authority and public works as aforesaid may be undertaken by any one of the parties to this Agreement acting alone, it is therefore, recognized and pursuant to the provisions of these Chapters of the West Virginia Code, that they may be exercised, enjoyed, engaged in or undertaken jointly by all of the parties hereto.

The scope of the project includes all project related work on Guyandotte Avenue, Mullens, West Virginia, which affects approximately sixty-three (63) customers, and is incidental to the Itmann/Bud Mountain Water Line Extension Project. However, EWPSD and CITY agree that replacement of the water transmission main running along Guyandotte Avenue as shown on the Construction Drawings as prepared by Pentree Inc., the project engineer, and directly affecting those approximately sixty-three (63) customers, will not be included in the bid

documents as a deductive alternate. Construction of water transmission main running along Guyandotte Avenue is incidental to providing service to the Itmann and Bud Mountain Project areas.

2. APPLICATIONS FOR FUNDING: CITY and EWPSD shall apply for all available funding for the PROJECT through all local, state and federal agencies. When possible, such applications shall be made jointly, with CITY making the application on behalf of both parties. CITY will be assisted in processing the applications by Region I Planning and Development Council. By this Agreement, EWPSD appoints CITY to be its agent solely for any state grant applications that are required to be filed by a municipality. Prior to such applications being submitted, however, CITY shall cause EWPSD to review and execute such applications as may be appropriate. Any loan application shall be made by the party seeking the loan.

EWPSD shall be responsible for all matters relating to the engineering and construction of the Itmann/Bud Mountain Water Line Extension Project in regard to all phases of the grant from the State of West Virginia, 07SCBG006. EWPSD shall pay engineering invoices for the design of the Project with State grant funds awarded to CITY by the State of West Virginia and EWPSD Digest and local funds.

The project duration is expected to be thirty-six (36) months, or sooner, contingent on final approval of all contract documents.

3. FINANCIAL RECORDS AND PAYMENT: All financial records and payment(s) on project 07SCBG006 will be maintained and made by Region I Planning and Development

Council, as Project Administrator, upon the joint approval of EWPSD and CITY following verification by CITY for compliance with all contracts and local governmental regulations. All project payment(s) shall be made following the execution of a City of Mullens order. Upon receipt by City of Mullens of the Small Cities Block Grant Fund share of the payment, CITY shall deposit funds into their project account; however, that payment will be transferred over to EWPSD's construction account for payment to the venders. All financial records shall be available for audit and inspection at any time during the construction of the project following proper notification of needs. At the conclusion of the project, following final inspection and acceptance of the project by EWPSD and CITY a final project audit shall be made by CITY, and the audit shall be available for public inspection or review.

The Itmann/Bud Mountain Water Line Extension shall be funded in the following manner from the sources indicated. Based on a preliminary project cost, funds are obligated from the following:

Governor's Contingency/Budget Digest	$ 100,000.00
Small Cities Block Grant to City	1,500,000.00
Wyoming County Commission	15,000.00
West Virginia Department of Environmental Protection-Abandoned Mine Lands Program Grant	9,324,700.00
Project Total Cost	$10,939,700.00

The Small Cities Block Grant Loan was committed by the State of West Virginia in a letter dated February 1, 2008.

4. EWPSD PARTICIPATION: After the PROJECT is funded for construction, EWPSD shall review and accept all construction bids and contracts, and shall be solely responsible for initial processing of billings for the PROJECT, subject to the terms of Paragraph 3 herein. Legal title to or ownership of all real and personal property, including, but not limited to, easements acquired by virtue of the execution of or performance under this agreement, shall be vested in EWPSD.

EWPSD and City agree that it is EWPSD's obligation to obtain all of the necessary State approvals for the operation of the Project

5. PROJECT ADMINISTRATION PROCEDURE: After funding requests are made, EWPSD and CITY shall be the primary entities processing the necessary applications. EWPSD shall make all applications for permission to construct the PROJECT to the Public Service Commission, West Virginia Department of Health, and shall apply for other necessary permits. The PROJECT shall be bid by EWPSD. EWPSD shall receive all bids and shall award contracts in such manner as shall be appropriate and in keeping with funding agency requirements. Upon contracts for construction being awarded, EWPSD shall receive all invoices for payment, shall approve such invoices as may be proper, and forward those invoices to CITY for review and approval for payment, in the normal course of such procedures.

The West Virginia Development Office and the West Virginia Department of Environmental Protection-Abandoned Mine Lands Program shall have the right to exercise proper administrative control over this project at all times, by in no way shall they alter plans and specifications once these plans have been approved and let to contract by the local sponsors of

the project.

All easements, rights-of-way and property will be obtained in the name of EWPSD. All required permits, authorizations and approval shall become a part of this Agreement and incorporated herein by reference. It is further provided herein that all provisions incorporated in that certain agreement by and between the State of West Virginia and CITY dated February 1, 2008 are incorporated herein by reference and sponsors herein shall comply with all said provisions.

The sponsors recognize that it is the obligation of EWPSD to furnish water service to all residents of EWPSD where financially feasible.

A project complaint center shall be maintained at the Office of EWPSD, 41 Armory Road, Monaville, West Virginia 25601-9700, for the duration of the construction project. EWPSD shall provide complaint forms. The agent shall investigate all complaints with the least possible delay and provide complainant a response within fifteen (15) working days of filing the complaint, as possible. Failure on the part of any contractor or other employed person to respond to a complaint will be grounds for voiding any contract or agreement.

6. FURTHER AGREEMENTS: EWPSD shall execute professional service agreements for project engineering, legal, accounting and other necessary professional aspects of the project. The awarding and operation of any contract, either professional or construction, will follow appropriate public notice in compliance with all Federal, State and local regulations. Non-compliance will be grounds for immediate cancellation of any contract or service. Project employment will be subject to the selection made by the successful bidders on this project,

provided compliance conditions are met.

CITY and EWPSD intend to make further agreement concerning the operation of the PROJECT after construction. The purpose of that further agreement is to insure that the PROJECT will continue, through expansions and extensions, to serve the needs of the residents of the CITY, both in areas where the return on investment for expansion or extension is great and where it is not.

7. CHANGE IN SCOPE; RESPONSIBILITY FOR PROJECT: Any material, significant or substantial change in project scope following final engineering design approval by the sponsors, can only be made with the approval of the sponsors, and the State of West Virginia.

EWPSD shall be responsible for construction of the project. EWPSD assumes full responsibility for the project.

8. LEGAL TITLE OR OWNERSHIP:

Legal title to or ownership of all real and personal property, including, but not limited to, easements, acquired by virtue of the execution of or performance under this agreement, is vested in Eastern Wyoming Public Service District.

9. FINAL INSPECTION: A final inspection of all aspects of the project shall be made by EWPSD and the City, and other interested parties.

10. LIABILITY FOR CLAIMS: EWPSD, shall be solely responsible and liable for claims, demands, suits, losses, damages and injuries (including death) to persons and property

damage whatsoever that may result from or arise out of construction or operation (including financial operation) of the Itmann/Bud Mountain Water Line Extension Project. Neither CITY nor the State of West Virginia, or their successors or assigns shall have the responsibility or liability thereof. EWPSD does hereby agree to hold and save harmless, indemnify and defend CITY or their successors or assigns therefrom.

11. TERMINATION OF AGREEMENT: If either party terminates this agreement in whole or in part, all work completed and incomplete on this project will become the property of EWPSD and the disposition or completion of incomplete work on the project will become the responsibility of EWPSD.

12. MISCELLANEOUS PROVISIONS: The provisions of the Agreement are in addition to and not in derogation of any power and authority vested in these public bodies under and constitutional, statutory or other provisions, which may now or hereafter be effect.

13. TERM OF THIS AGREEMENT: This agreement shall be in effect for a period of three (3) fiscal years, subject to annual renewal for any additional period of time needed to complete all phases of the PROJECT, each of which annual renewal periods shall be limited to one fiscal year: *Provided,* that, in addition to the right of non-renewal, any party shall have the right to terminate this agreement on any 12-month anniversary of the date of this agreement by giving to the other parties thirty (30) days' written notice of such termination prior to the 12-month anniversary date.

14. APPROVAL OF THIS AGREEMENT: This Agreement shall become effective upon approval hereof by the Attorney General of the State of West Virginia or upon his failure to approve the same within thirty (30) days of this submission to him for review, all pursuant to the provisions of Chapter 8, Article 23, Section 3, of the West Virginia Code.

15. COUNTERPARTS: This Agreement shall be executed in five counterparts, each party to have an original, and Region I Planning and Development Council to have an original for use in the PROJECT.

We do hereby agree to this **INTERGOVERNMENTAL AGREEMENT,** made and entered into on the day and date first written above.

WITNESS the following signatures and seals.

THE CITY OF MULLENS
a municipal corporation

Jon McKinney

JON MCKINNEY
Its Mayor

"CITY"

EASTERN WYOMING PUBLIC SERVICE DISTRICT
a statutory public service district

MART LANE
Its Chairman

"EWPSD"

DARRELL V. MCGRAW, JR.
ATTORNEY GENERAL
STATE OF WEST VIRGINIA

Approved as to form this 5th day of February, 2008.

By Dawn E. Warfield
Assistant Attorney General

STATE OF WEST VIRGINIA,

COUNTY OF WYOMING, TO-WIT:

I, Kimberly Woodrum, a Notary Public in and for the State and County aforesaid, hereby certify that **JON MCKINNEY,** who signed the foregoing writing bearing date the 6th day of May, 2008, on behalf of **THE CITY OF MULLENS,** has, this day, acknowledged the same before me in my said State and County to be the act and deed of the said municipal corporation, and is executed with its authority.

Given under my hand this 26th day of August, 2008.
My commission expires: MAY 31, 2010.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KIMBERLY RENEE WOODRUM
315 MORAN AVENUE
MULLENS, WV 25882
My commission expires May 31, 2010

Kimberly Renee Woodrum
NOTARY PUBLIC

STATE OF WEST VIRGINIA,

COUNTY OF WYOMING, TO-WIT:

I, W. Richard Staton, a Notary Public in and for the State and County aforesaid, hereby certify that **MART LANE,** who signed the foregoing writing bearing date the 6th day of May, 2008, on behalf of **EASTERN WYOMING PUBLIC SERVICE DISTRICT,** has, this day, acknowledged the same before me in my said State and County to be the act and deed of the said public service district, and is executed with its authority..

Given under my hand this 6th day of May, 2008.

My commission expires: June 19, 2014.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
W. RICHARD STATON
P. O. BOX 357
MULLENS, WV 25882-0357
My commission expires June 19, 2014

NOTARY PUBLIC

This instrument was prepared by:

W. Richard Staton, Esq.
Moler & Staton, L. C.
P O Box 357
Mullens WV 25882-0357
Phone: 304-294-7313
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www.statonlaw.com

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