

**FRANKFORT PUBLIC SERVICE DISTRICT**

**Sewer Bond Anticipation Notes, Series 2010 A  
(West Virginia Infrastructure Fund)**

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**FRANKFORT PUBLIC SERVICE DISTRICT**  
**SEWER BOND ANTICIPATION NOTES, SERIES 2010 A**  
**(WEST VIRGINIA INFRASTRUCTURE FUND)**

**NOTE RESOLUTION**

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**FRANKFORT PUBLIC SERVICE DISTRICT**

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE PUBLIC SEWERAGE FACILITIES OF FRANKFORT PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE FRANKFORT PUBLIC SERVICE DISTRICT OF NOT MORE THAN \$6,537,749 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER BOND ANTICIPATION NOTE, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH NOTES; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH NOTE; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH NOTE; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE BOARD OF THE FRANKFORT PUBLIC SERVICE DISTRICT:

**ARTICLE I**

**STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS**

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

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

A. The Frankfort Public Service District (the "Issuer") is a public service district and political subdivision of the State of West Virginia in Mineral County of said State.

B. The Issuer deems it necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed improvements and extensions to the existing public sewerage system of the Issuer consisting of construction of three new interceptors and a treatment plant capable of processing 0.6 million gallons of wastewater per day and all necessary appurtenances relating thereto, together with all appurtenant facilities (collectively, the "Project") which constitutes properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the existing public sewer facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System") in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Secretary of the Issuer.

C. It is deemed necessary for the Issuer to issue its Sewer Bond Anticipation Note, Series 2010 A (West Virginia Infrastructure Fund) in the total aggregate principal amount of not more than \$6,537,749 as a single note (the "Series 2010 A Note"), to temporarily finance a portion of the costs of acquisition and construction of the Project and paying certain costs of issuance.

D. The Series 2010 A Note will be paid by proceeds from a future bond issue through the West Virginia Department of Environmental Protection Clean Water State Revolving Fund and/or from a grant from The County Commission of Mineral County.

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

F. It is in the best interests of the Issuer that its Series 2010 A Note be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, as hereinafter defined, in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

G. On the closing date, there will be outstanding obligations of the Issuer being the (i) Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of \$500,000 (the "Series 2000 A Bonds"); (ii) Sewer Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), dated June 22, 2000, issued in the original aggregate principal amount of \$1,572,459 (the "Series 2000 B Bonds"); (iii) Sewer Revenue Bonds, Series 1975 (United States Department of Agriculture), dated April 27, 1975, originally issued to Fort Ashby Public Service District in the aggregate principal amount of \$612,900 (the "Series 1975 Bonds") (collectively the "Prior Bonds"); and (iv) Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund) issued concurrent with the Series 2010 A Note (the "Series 2010 A Bonds"). The Series 2010 A Note is not secured by the Gross Revenues or Net Revenues of the System.

H. 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 costs of operation and maintenance of the System and to make payments into all fund and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law, the Loan Agreement (hereinafter defined) relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2010 A Note, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure & Jobs Development Council and the obtaining of a Certificate of Public Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2010 A Note or such final order will not be subject to appeal.

J. The Project has been reviewed and determined to be technically and financially feasible by the West Virginia Infrastructure and Jobs Development Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Note Legislation Constitutes Contract. In consideration of the acceptance of the Series 2010 A Note by the Registered Owners of the same from time to time, this Note Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Noteholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Noteholders of any and all of such Series 2010 A Note, all which shall be of equal rank and without preference, priority or distinction between any one Note and any other Notes and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

“Authority” means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2010 A Note, or any other agency, board or department of the State that succeeds to the functions of the Authority.

“Authorized Officer” means the Chairman of the Issuer, or any other officer of the Issuer specifically designated by resolution of the Governing Body.

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

“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 Issuer.

“Closing Date” means the date upon which there is an exchange of the Series 2010 A Note for all or a portion of the proceeds of the Series 2010 A Note from the Authority.

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

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

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

“Costs” or “Costs of the Project” means those costs described in Section 1.02D hereof to be a part of the costs of acquisition and construction of the Project.

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

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

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

“Governing Body” means the Board of the Issuer, as it may now or hereafter be constituted.

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

“Grant” means any grants committed to the Project.

“Gross Revenues” means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that “Gross Revenues” does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

“Herein,” “hereto” and similar words shall refer to this entire Note Legislation.

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

“Issuer” means Frankfort Public Service District, a municipal corporation and political subdivision of the State of West Virginia, in Mineral County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body and/or the Sanitary Board of the Issuer.

“Loan Agreement” means the Loan Agreement heretofore entered, or to be entered into, by and between the Issuer and the Authority providing for the purchase of the Series 2010 A Note, the form of which shall be approved and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

“Net Proceeds” means the face amount of the Series 2010 A Note, plus accrued interest and premium, if any, less original issue discount, if any.

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

“Notes” means, collectively, the Series 2010 A Note and, where appropriate, any notes on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

“Note Legislation,” “Resolution,” “Note Resolution” or “Local Act” means this Note Resolution and all ordinances, orders and resolutions supplemental hereto or amendatory hereof.

“Operating Expenses” means the reasonable, proper and necessary costs of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the Costs, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and Paying Agent), 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 Notes, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent by the Issuer in the Supplemental Resolution with the written consent of the Authority.

"Prior Bonds" means, collectively, the Series 2000 A Bonds, Series 2000 B Bonds and Series 1975 Bonds.

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

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

"Qualified Investments" means and includes the following:

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;
- (c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

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

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

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

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

(h) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended, including, without limitation, authorized pools of investments operated by such State Board of Investments; and

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

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

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

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by section 5.01 hereof.

"Revenue Fund" means the Revenue Fund established by section 5.01 hereof.

"Secretary" means the Secretary of the Issuer.

"Series 1975 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1975 (United States Department of Agriculture), dated April 27, 1975, originally issued to Fort Ashby Public Service District in the aggregate principal amount of \$612,900.

"Series 2000 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of \$500,000.

"Series 2000 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), dated June 22, 2000, issued in the original aggregate principal amount of \$1,572,459.

"Series 2010 A Bonds" means the Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund).

"Series 2010 A Bonds Resolution" means the resolution authorizing the Series 2010 A Bonds.

"Series 2010 A Bonds Construction Trust Fund" means the Series 2010 A Bonds Construction Trust Fund established by the Series 2010 A Bonds Resolution.

"Series 2010 A Bonds Reserve Account" means the Series 2010 A Bonds Reserve Account established by the Series 2010 A Bonds Resolution.

“Series 2010 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 2010 A Bonds in the then current or any succeeding year.

“Series 2010 A Bonds Sinking Fund” means the Series 2010 A Bonds Sinking Fund established by the Series 2010 A Bonds Resolution.

“Series 2010 A Note” means the Sewer Bond Anticipation Note, Series 2010 B (West Virginia Infrastructure Fund) authorized by this Resolution.

“Series 2010 A Note Fund” means the Series 2010 A Note Fund established by Section 5.02 hereof.

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution, ordinance or order of the Issuer supplementing or amending this Resolution and, when preceded by the article “the,” refers specifically to the supplemental resolution authorizing the sale of the Series 2010 A Note; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2010 A Note, and not so included may be included in another Supplemental Resolution.

“Surplus Revenues” means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2010 A Bonds and the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Sinking Funds, the Reserve Accounts and the Renewal and Replacement Fund.

“System” means the complete sewerage system of the Issuer, to be constructed as a result of the issuance of the Series 2010 A Note and Series 2010 A Bonds, and shall include the Project and any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever.

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

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

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

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 not to exceed \$18,221,000, of which a portion will be paid from proceeds of the Series 2010 A Note, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2010 A Note hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received or will receive bids and will enter into contracts for the acquisition and construction of the Project in an amount compatible with the financing plan submitted to the Authority.

The cost of the Project is estimated to be \$18,221,000, of which approximately \$6,537,749 will initially be obtained from the proceeds of the Series 2010 A Notes; approximately \$1,500,000 will be obtained from a U.S. Economic Development Administration grant; approximately \$933,500 will be obtained from a U.S. Environmental Protection Agency Grant; and approximately \$7,249,751 will be obtained from proceeds of the Series 2010 A Bonds.

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

Section 3.01. Authorization of Note. For the purposes of paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2010 A Note of the Issuer. The Series 2010 A Note shall be issued as a single note, designated as "Sewer Bond Anticipation Note, Series 2010 A (West Virginia Infrastructure Fund)", in the principal amount of not more than \$6,537,749, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2010 A Note remaining after funding capitalization of interest, if any, shall be deposited in or credited to the Series 2010 Bonds Construction Trust Fund established by the Series 2010 A Bonds Resolution.

Section 3.02. Terms of Note. The Series 2010 A Note shall be issued in such principal amount; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2010 A Note

as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2010 A Note shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2010 A Note shall initially be issued in the form of a single note, fully registered to the Authority, with a record of advances, representing the aggregate principal amount of the Series 2010 A Note, and shall mature in six (6) months or as provided in the Supplemental Resolution. The Series 2010 A Note shall be exchangeable at the option and expense of the Registered Owner for another fully registered Note or Notes of the same series in aggregate principal amount equal to the amount of said Note then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Note; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Notes, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Notes shall be dated and shall bear interest as specified in a Supplemental Resolution.

Section 3.03. Execution of Notes. The Series 2010 A Note shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2010 A Note shall cease to be such officer of the Issuer before the Series 2010 A Note so signed and sealed have been actually sold and delivered, such Note may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Note had not ceased to hold such office. Any Series 2010 A Note may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Note shall hold the proper office in the Issuer, although at the date of such Note such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2010 A Note shall be valid or obligatory for any purpose or entitled to any security or benefit under this Note Legislation unless and until the Certificate of Authentication and Registration on such Note, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Registrar. Any such executed Certificate of Authentication and Registration upon any such Note shall be conclusive evidence that such Note has been authenticated, registered and delivered under this Note Legislation. The Certificate of Authentication and Registration on any Series 2010 A Note shall be deemed to have been executed by the Registrar if manually signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the notes issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2010 A Note shall be and have all

of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2010 A Note shall be conclusively deemed to have agreed that such Note shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Note shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2010 A Note remains outstanding, the Issuer, through the Registrar or its agent, shall keep and maintain books for the registration and transfer of such Note.

The registered Series 2010 A Note shall be transferable only upon the books of the 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 Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging or transferring the registered Series 2010 A Note are exercised, all Series 2010 A Notes shall be delivered in accordance with the provisions of this Note Legislation. All Series 2010 A Notes surrendered in any such exchanges or transfers shall forthwith be cancelled by the Registrar. For every such exchange or transfer of Series 2010 A Notes, the 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 note upon each exchange or transfer, and any other expenses of the Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Registrar shall not be obliged to make any such exchange or transfer of any Series 2010 A Note during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2010 A Note or, in the case of any proposed redemption of such Note, next preceding the date of the selection of Notes to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Note Mutilated, Destroyed, Stolen or Lost. In case any Series 2010 A Note shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Note of the same series and of like tenor as the Note so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Note upon surrender and cancellation of such mutilated Note, or in lieu of and substitution for the Note destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Notes so surrendered shall be cancelled by the Registrar and held for the account of the Issuer. If any such Note shall have matured or be about to mature, instead of issuing a substitute Note, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Note be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Note not to be Indebtedness of the Issuer. The Series 2010 A Note shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely

from the proceeds of a grant or grants made available to the Issuer subsequent to the issuance of the Note. No holder or holders of the Series 2010 A Note shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2010 A Note or the interest thereon.

Section 3.08. Note Secured by Pledge of Bond Proceeds. The payment of the debt service on the Series 2010 A Note shall be secured by a first lien on bond, note or grant proceeds received by the Issuer subsequent to the issuance of the Note to permanently finance a portion of the costs of the Project.

Section 3.09. Delivery of Note. The Issuer shall execute and deliver the Series 2010 A Note to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2010 A Note 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 2010 A Note are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;
- B. A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2010 A Note to the original purchasers;
- C. An executed and certified copy of the Note Legislation;
- D. An executed copy of the Loan Agreement; and
- E. The unqualified approving opinion of bond counsel on the Series 2010 A Note.

Section 3.10. Form of Note. The text of the Series 2010 A Note shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2010 A NOTES)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
FRANKFORT PUBLIC SERVICE DISTRICT  
SEWER BOND ANTICIPATION NOTES, SERIES 2010 A  
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. R-1

\$ \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS: That on this the \_\_\_\_\_ day of \_\_\_\_\_, 2010, FRANKFORT PUBLIC SERVICE DISTRICT, a public service district and political subdivision of the State of West Virginia in Mineral County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, on the maturity date of \_\_\_\_\_ 1, 2010.

This Note shall bear no interest. Principal installments of this Note 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 Note 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 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 West Virginia Infrastructure and Jobs Development Council (the "Council") dated \_\_\_\_\_, 2010.

This Note is issued to temporarily pay a portion of the costs of the Project. The public sewerage system to be constructed by the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Note is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Note Resolution duly enacted by the Issuer on \_\_\_\_\_, 2010, and a Supplemental Resolution duly adopted by the Issuer on \_\_\_\_\_, 2010 (collectively, the "Note Legislation"), and is subject to all the terms and conditions thereof. The Note Legislation provides for the issuance of additional notes under certain conditions, and such notes would be entitled to be paid and secured equally

and ratably from and by the funds and revenues and other security provided for the Note under the Note Legislation.

THIS NOTE HAS NO LIEN ON THE GROSS OR NET REVENUES OF THE SYSTEM.

This Note is payable only from and secured by a first lien on the proceeds of a bond or note of the Issuer subsequent to the issuance of the Note and/or grants received by the Issuer to permanently finance the costs of the Project. This Note does not constitute a corporate 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 as set forth in the Note Resolution.

Subject to the registration requirements set forth herein, this Note is transferable, as provided in the Note Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Note, 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 Note, 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 Note shall be applied solely to payment of the costs of the Project described in the Note Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Note.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Note, 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.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

\_\_\_\_\_  
Chairman

ATTEST

\_\_\_\_\_  
Secretary

**CERTIFICATE OF AUTHENTICATION AND REGISTRATION**

This Note is one of the Series 2010 A Note described in the within-mentioned Note Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: \_\_\_\_\_, 2010

THE HUNTINGTON NATIONAL BANK,  
as Registrar

By: \_\_\_\_\_  
Its: Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL \$ \_\_\_\_\_

(Form of)  
ASSIGNMENT

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

Dated: \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_

In the presence of:

\_\_\_\_\_

Section 3.11. Sale of Note; Approval and Ratification of Execution of Loan Agreement. The Series 2010 A Note shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver them to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, and is hereby approved and incorporated in this Note Legislation.

**ARTICLE IV  
[RESERVED]**

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

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created (or continued if established by the Series 2010 A Bonds Resolution) with and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank or the Issuer and from each other:

- (1) Revenue Fund (established by the Prior Resolutions);
- (2) Renewal and Replacement Fund (established by the Prior Resolutions);
- (3) Reserve Account (established by Prior Resolution for the Series 1975 Bonds); and
- (4) Series 2010 A Bonds Construction Trust Fund (established by the Series 2010 A Bonds Resolution).

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or continued if established by the Series 2010 A Bonds Resolution) with and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission or the Issuer and from each other:

- (1) Series 2000 A Bonds Sinking Fund (established by Prior Resolution);

- (2) Series 2000 A Bonds Reserve Account (established by Prior Resolution);
- (3) Series 2000 B Bonds Sinking Fund (established by Prior Resolution);
- (4) Series 2000 B Bonds Reserve Account (established by Prior Resolution);
- (5) Series 2010 A Bonds Sinking Fund;
- (6) Series 2010 A Bonds Reserve Account; and
- (7) Series 2010 A Notes Fund.

Section 5.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Note Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Note Legislation. All monies in the Revenue Fund shall be disposed of only in the following manner and order of priority:

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

(2) The Issuer shall next transfer from the Revenue Fund and remit to the National finance Office the amount referred to pay interest on the Series 1975 Bonds as required by Prior Resolution.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the National Finance Office the amount required to pay principal on the Series 1975 Bonds, as required by the Prior Bonds; (ii) remit to the Commission, as appropriate, the amounts required to pay principal of the Series 2000 A Bonds and Series 2000 B Bonds, as required by the Prior Resolutions; and (iii) remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2010 A Bonds, for deposit in the Series 2010 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2010 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 2010 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit (i) to the Depository Bank the amount required by Prior Resolution for deposit in the Reserve Account for the Series 1975 Bonds; (ii) to the Commission, as appropriate, the amounts required by the Prior Resolutions for deposit in the respective Reserve Accounts for the Series 2000 A Bonds and Series 2000 B Bonds; and (iii) to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2010 A Bonds, if not fully funded upon issuance of the Series 2010 A Bonds, for deposit in the Series 2010 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2010 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 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 2010 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, a sum equal to 2 ½% of the Gross Revenues each month (as previously set forth in the Prior Resolutions 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 hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

This Note has no lien on the Gross Revenues or Net Revenues of the system. The Issuer shall remit to the Commission the principal only upon the issuance of revenue bonds of the Issuer subsequent to the issuance of the Note to permanently finance the costs of the Project.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2010 A Note Fund and created hereunder, and all amounts required for said account shall be remitted to the Commission. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

B. 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.

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. 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 their respective charges and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

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

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

## ARTICLE VI

### APPLICATION OF NOTES PROCEEDS

Section 6.01. Application of Notes Proceeds; Pledge of Unexpended Note Proceeds. From the monies received from the sale of the Series 2010 A Note, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2010 A Note, there shall be deposited with the Commission in the Series 2010 A Note Fund, the amount, if any, set forth in the Supplemental Resolution for capitalized interest.

B. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2010 A Note, such monies shall be deposited with the Depository Bank in the Series 2010 Bonds Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and, until so expended, are hereby pledged as additional security for the Series 2010 A Note.

C. After completion of the construction of the Project, as certified by The Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2010 A Note shall be expended as directed by the Authority.

Section 6.02. Disbursements of Note Proceeds. The Issuer shall each month provide the Authority with a requisition for the costs incurred for the Project, together with such documentation as the Authority shall require. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements of the proceeds of the Series 2010 A Note from the Series 2010 Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Authority of a certificate, signed by an Authorized Officer, stating that:

- (1) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;
- (2) 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;
- (3) Each of such costs has been otherwise properly incurred; and
- (4) Payment for each of the items proposed is then due and owing.

Pending such application, monies in the Series 2010 Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

## ARTICLE VII ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01.      General Covenants of the Issuer. All the covenants, agreements and provisions of this Note Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2010 A Note. In addition to the other covenants, agreements and provisions of this Note Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2010 A Note as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2010 A Note or the interest thereon is Outstanding and unpaid.

Section 7.02.      Notes not to be Indebtedness of the Issuer. The Series 2010 A Note shall not be nor constitute a corporate 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 Note Legislation. No Holder or Holders of the Series 2010 A Note shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2010 A Note or the interest thereon.

Section 7.03.      Note Secured by Pledge of Future Bond proceeds. The payment of the debt service on the Series 2010 A Note shall be secured by a first lien on the Issuer's future revenue bonds or notes used to permanently finance a portion of the costs of the Project. It is anticipated that the Issuer will issue bonds to the Authority for a Clean Water State Revolving Fund loan and/or the Issuer will receive grant funds from The County Commission of Mineral County which bond and/or grant proceeds shall be pledged to and used to pay the debt service on the Series 2010 A Note.

Section 7.04.      Reserved

Section 7.05.      Sale of the System. So long as the Series 2010 A Notes is outstanding and except as otherwise required by law or with the written consent of 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 fully pay all the Notes Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Series 2010 A Note Fund, or in the event the Authority is no longer a Holder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 2010 A Note in accordance with Article X hereof. Any balance remaining after the payment of the Series 2010 A Note and interest 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 is not in excess of \$10,000, the Issuer shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer 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 shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Governing Body may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of \$10,000 and not in excess of \$50,000, shall be deposited by the Issuer into the Renewal and Replacement Fund. Such payments of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said fund by other provisions of this Note Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the source fiscal year for such sales, leases or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Notes then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Notes then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Notes 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 for in Section 7.07 hereof, 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 Series 2010 A Note. All obligations issued by the Issuer after the issuance of the Series 2010 A Note and payable from revenue bonds of the Issuer, 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 Series 2010 A Notes; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

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

Section 7.07. Additional Parity Bonds. No additional Parity Bonds, payable out of the future revenue bonds of the System, shall be issued after the issuance of the Series 2010 A Note pursuant to this Resolution, without the prior written consent of the Authority.

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

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

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia and the Act. 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 Issuer. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Issuer shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Authority, or any other original purchaser of the Series 2010 A Note and shall mail in each year to any Holder or Holders of the Series 2010 A Note, 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 Note Legislation and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and, to the extent legally required, in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2010 A Note and shall submit the report to the Authority, or any other original purchaser of the Series 2010 A Note. Such audit report submitted to the Authority shall include a statement that notes whether the results of test 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 revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Issuer or the Board 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, or its agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, the Issuer shall also provide the Authority, or its 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.

Section 7.09.                      Reserved

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 within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, and to any Holder of any Notes who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, 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 any Holder of any Notes or anyone acting for and in behalf of such Holder of any Notes.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 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 by the 10th day of each month.

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

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

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

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

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the 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 Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, 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 of the System or the water system 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. If the water system is not owned by the Issuer, the Issuer will, to the extent allowed by law, use diligent efforts to enter into a similar termination agreement with the provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders thereof.

Section 7.14.      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 either 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, the Board and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be

deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds.

A. The Issuer hereby covenants and agrees that so long as the Series 2010 A Note 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 Board, 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 prime contractor 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 and the Board from claims for bodily injury and/or death and not less than \$500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT 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 any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

(4) FIDELITY BONDS will be provided as to every officer and employee of the Issuer or the Board 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.

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

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

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

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

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with

and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 7.17. Completion of Project; Permits and Orders. The Issuer will complete the acquisition and construction of 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 will obtain all permits required by state and federal laws for the acquisition and construction of the Project, 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 of issuance of the Series 2010 A Note required by State law, with all requisite appeal periods having expired without successful appeal and the Issuer shall supply an opinion of counsel to such effect.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the Council with copies of all documents submitted to the Authority.

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

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

Section 7.19. [RESERVED]

Section 7.20. 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 7.21.      Statutory Mortgage Lien. For the further protection of the Holders of the Series 2010 A Note, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2010 A Note and shall be junior and subordinate to the statutory mortgage lien in favor of the Holders of the Series 2010 A Bonds.

Section 7.22.      Contracts; Change Orders; Public Releases.

A. The Issuer shall, simultaneously with the delivery of the Series 2010 A Note 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 Authority for written approval. The Issuer shall obtain the written approval of the Authority before expending any proceeds of the Series 2010 A Note held in "contingency" as set forth in the Schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Authority before expending any proceeds of the Series 2010 A Note made available due to bid or construction or project underruns.

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

**ARTICLE VIII**  
**INVESTMENT OF FUNDS; USE OF PROCEEDS**

Section 8.01.      Investments. Any monies held as a part of the funds and accounts created by this 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 written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Resolution, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the

holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2010 A Note are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest, if any, on the Series 2010 A Note from gross income for federal income tax purposes.

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 2010 A Note as a condition to issuance of the Series 2010 A Note. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2010 A Note as may be necessary in order to maintain the status of the Series 2010 A Note as governmental notes; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2010 A Note which would cause any notes, the interest, if any, on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, from which the proceeds of the Series 2010 A Note are derived, to lose their status as tax-exempt notes; 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, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Note Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2010 A Note 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 Series 2010 A Note:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2010 A Note; or

(2) If default occurs in the Issuer or the Issuer’s observance of any of the covenants, agreements or conditions on their respective parts relating to the Series 2010 A Note set forth in this Note Legislation, any supplemental resolution or in the Series 2010 A Note, and such default shall have continued for a period of 30 days after the Issuer or Board, as appropriate, shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Note; or

(3) If the Issuer or Board files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

(4) If default occurs with respect to the Prior Resolutions or the Series 2010 A Bonds Resolution.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner or Holder of a Note 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 or Holders including the right to require the Issuer to perform its duties under the Act and the Note Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Notes; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners or Holders of the Notes, and (v) by action or bill in equity enjoin any acts in violation of the Note Legislation with respect to the Notes, or the rights of such Registered Owners.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Note may, by proper legal action, compel the performance of the duties of the Issuer under the Note Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If

there be any Event of Default with respect to such Notes, any Registered Owner of a Note shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer or the Board, 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 Notes 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 Note Legislation and the Act.

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

Whenever all that is due upon the Notes and interest thereon and under any covenants of this Note Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Note Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Notes 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 herein above conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

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

Section 10.01. Payment of Series 2010 A Note. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2010 A Note, the principal of and interest due or to become due thereon at the times and in the manner stipulated therein and in this Note Legislation, then the pledge of revenue bonds or notes and other monies and securities pledged under this Note Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2010 A Note shall thereupon cease, terminate and become void and be discharged and satisfied.

**ARTICLE XI**  
**MISCELLANEOUS**

Section 11.01. Amendment or Modification of Note Legislation. Prior to issuance of the Series 2010 A Note, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2010 A Note, no material modification or amendment of this Resolution, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2010 A Note shall be made without the consent in writing of the Registered Owners of the Series 2010 A Note so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2010 A Note 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 the Series 2010 A Note required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Note Legislation may be amended without the consent of any Holder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 2010 A Note from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution or the Series 2010 A Note.

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 ordinances, orders or resolutions and or parts thereof in conflict with the provisions 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 of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, the Secretary and members of the Governing Body and the Issuer 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.

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Adopted this 8th day of March, 2010.

  
Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of the FRANKFORT PUBLIC SERVICE DISTRICT on the 8th day of March, 2010.

Dated: March 18, 2010.

[SEAL]

  
\_\_\_\_\_  
Secretary

306370.00003

EXHIBIT A

Loan Agreement included in note transcript as Document 3.

FRANKFORT PUBLIC SERVICE DISTRICT

Sewer Bond Anticipation Notes, Series 2010 A  
(West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER BOND ANTICIPATION NOTE, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE FRANKFORT PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH NOTE AND THE SALE AND DELIVERY OF SUCH NOTE TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE NOTE.

Whereas, the Board (the "Governing Body") of Frankfort Public Service District (the "Issuer") has duly and officially adopted and enacted a note resolution, effective March 8, 2010 (the "Note Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE PUBLIC SEWERAGE FACILITIES OF FRANKFORT PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE FRANKFORT PUBLIC SERVICE DISTRICT OF NOT MORE THAN \$6,537,749 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER BOND

ANTICIPATION NOTE, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH NOTES; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH NOTE; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH NOTE; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Note Resolution provides for the issuance of Sewer Bond Anticipation Note, Series 2010 A (West Virginia Infrastructure Fund), of the Issuer (the "Series 2010 A Notes"), in the aggregate principal amounts not to exceed \$6,537,749, and has authorized the execution and delivery of a loan agreement relating to the Series 2010 A Notes, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Note Resolution it is provided that the form of the Loan Agreement and the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Series 2010 A Notes should be established by a supplemental resolution pertaining to the Series 2010 A Notes; and that other matters relating to the Series 2010 A Notes be herein provided for;

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

WHEREAS, the Series 2010 A Notes is proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amounts, the dates, the maturity date, the redemption provisions, the interest rate, the interest and principal payment dates and the sale price of the Series 2010 A Notes be fixed hereby in the manner stated herein, and that other matters relating to the Series 2010 A Notes be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF FRANKFORT PUBLIC SERVICE DISTRICT, AS FOLLOWS:

Section 1. Pursuant to the Note Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Bond Anticipation Note, Series 2010 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single note, numbered R-1, in the principal amount of \$6,537,749. The Series 2010 A Notes shall be dated the date of delivery thereof, shall finally mature September 1, 2010. The Series 2010 A Notes shall bear no interest. The Series 2010 A Notes shall be payable on September 1, 2010, at which time the entire principal amount is due. The Series 2010 A Notes shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2010 A Notes.

Section 2. All other provisions relating to the Series 2010 A Notes and the text of the Series 2010 A Notes shall be in substantially the form provided in the Note Resolution.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the application to the Authority. The price of the Series 2010 A Notes shall be 100% of par value, there being no interest accrued thereon.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2010 A Notes under the Note Resolution and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2010 A Notes, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2010 A Notes under the Note Resolution.

Section 6. The Issuer does hereby appoint and designate the First Peoples Community Federal Credit Union, Cumberland, Maryland, to serve as Depository Bank under the Note Resolution.

Section 7. The Chairman and the Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2010 A Notes hereby and by the Note Resolution approved and provided for, to the end that the Series 2010 A Notes may be delivered on or about March 18, 2010, to the Authority pursuant to the Loan Agreement.

Section 9. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 2010 A Notes are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 10. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Project.

Section 11. The Issuer hereby determines to invest all monies in the funds and accounts established by the Note Resolution held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer.

Section 12. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 8th day of March, 2010.

  
Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Board of Frankfort Public Service District on the 8th day of March, 2010.

Dated: March 18, 2010.

[SEAL]

  
Secretary

02.18.10  
306370.00003

IC/BAN-1  
(02/10)

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").

FRANKFORT PUBLIC SERVICE DISTRICT (2004S-791a)  
(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 bonds, notes or other negotiable instruments 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 loan with attachments and exhibits (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 the notes 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 Notes, 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 the Notes, as hereinafter defined, pursuant to this Loan Agreement.

1.6 "Local Act" means the resolution, ordinance or other official action of the Governmental Agency required by Section 4.1 hereof, authorizing the issuance of the Notes.

1.7 “Local Statute” means the specific provisions of the Code of West Virginia, 1931, as amended, pursuant to which the Notes are issued.

1.8 “Notes” means the notes to be issued by the Governmental Agency pursuant to the provisions of the Local Statute to evidence the Loan and to be purchased by the Authority, all in accordance with the provisions of this Loan Agreement.

1.9 “Project” means the project hereinabove referred to, to be constructed, being constructed or already constructed by the Governmental Agency in whole or in part with the net proceeds of the Notes.

1.10 “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.

1.11 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 Notes is outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Notes 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.

### ARTICLE III

#### Conditions to Loan; Issuance of Notes

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 Notes, 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 Notes 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;

(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;

(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 Notes 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 net proceeds of the Notes, together with all moneys on deposit or to be simultaneously deposited 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 evidence satisfactory to the Authority of such irrevocably committed funds.

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 Notes in the principal amount and at the price set forth in Schedule X hereto. The Notes 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 Notes 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 Notes 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.

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Council for loans 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

Notes unless and until sufficient funds are available in the Infrastructure Fund to purchase all the Notes and that, prior to execution of this Loan Agreement, the Authority may commit to and purchase the notes and/or revenue bonds of other governmental agencies for which it has sufficient funds available.

3.6 The Governmental Agency shall prepay the Notes from the proceeds of any permanent financing it obtains for the Project.

## ARTICLE IV

### Notes; 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 Notes pursuant to an official action of the Governmental Agency in accordance with the Local Statute, which shall, as enacted or adopted, contain provisions and covenants in substantially the form as follows, unless the specific provision or covenant is modified or waived by the Council:

(a) The Governmental Agency hereby pledges the following sources of funds as security for the Notes:

(i) Proceeds of any grants (other than Infrastructure Fund grants) received by the Governmental Agency for the System, and

(ii) Proceeds of any revenue bonds, refunding bonds, bond anticipation notes or other obligations of the Governmental Agency, issued subsequent to the issuance of the Notes.

In the event any grants (other than Infrastructure Fund grants) are received by the Governmental Agency, or any revenue bonds, refunding bonds, bond anticipation notes or other obligations of the Governmental Agency are issued, the Governmental Agency shall pay the entire outstanding principal of and interest, if any, accrued to the maturity date of the Notes, from such sources.

(b) The Governmental Agency hereby covenants substantially as follows:

(i) That the Governmental Agency shall complete or has completed the Project and will operate and maintain the System in good condition;

(ii) That the Governmental Agency recognizes that the Authority may by proper legal action compel the performance of the duties of the Governmental Agency under the Local Act, and shall also have, in the event of a default in the payment of principal of and interest, if any, on the Notes, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law;

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

(iv) 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 operation and maintenance expenses and debt service requirements;

(v) That for wastewater systems, 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;

(vi) That the proceeds of the Notes must be deposited in a notes project 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 Notes shall have a lien until such proceeds are applied to the payment of the costs of the Project or to the payment of bond anticipation notes or other interim financing of such Governmental Agency, the proceeds of which were used to finance the costs of the Project;

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

(viii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, (the "Code"), which exception shall be set forth in an opinion of bond counsel, or, at the option of the Authority, the loan is not tax-exempt, the Governmental Agency will furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations or to the effect that no rebate is payable, and, at any time, any additional information requested by the Authority;

(ix) 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 Notes, 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 issued to provide moneys for the Infrastructure Fund, or any bonds secured by the Notes;

(x) That the Governmental Agency shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" of the Notes (as that term is defined in the Code) from time to time as the Authority may request, and

(xi) That the Governmental Agency shall not issue any bonds, notes or other obligations payable from the revenues of the System unless it has received the written consent of the Authority and the Council.

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, sale and delivery of the Notes shall be approved without qualification by recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit A.

4.2 The principal of and interest, if any, on the Loan shall be repaid by the Governmental Agency on the days and in the years as provided in Schedule X and Schedule Y attached hereto.

4.3 The Loan shall bear interest, if any, from the dates 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 Notes exceed any statutory limitation with regard thereto.

4.4 The Notes 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 Notes may be issued in one or more series, as reflected by Schedule X hereto.

## 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.

5.2 In the event the Governmental Agency defaults in any payment to the Authority, the amount of such default shall bear interest at the annual rate of 3% on the installment of the Loan next due, from the date of the default until the date of the payment thereof, unless waived by the Authority.

5.3 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 costs of 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 Notes, 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 this Loan Agreement.

6.2 The Governmental Agency hereby covenants that it will rebate any amounts required by Section 148 of the Code, if applicable, 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 Notes.

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 to pay costs of the Project, payable from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

## ARTICLE VII

### Miscellaneous

7.1 Additional definitions, additional terms and provisions of the Loan and additional covenants and agreements of the Governmental Agency 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 The Authority shall take all actions required by the Council in making and enforcing this Loan Agreement and the provisions of the Note.

7.3 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.

7.4 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.

7.5 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.

7.6 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.

7.7 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 Notes to the Authority and that such obligation may be specifically enforced or subject to a similar equitable remedy by the Authority.

7.8 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 Notes 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, if any, 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.

FRANKFORT PUBLIC SERVICE DISTRICT

(SEAL)

Attest:

By:   
Its: Secretary

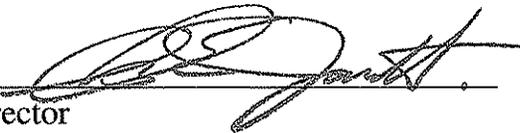
By:   
Its: Chairperson  
Date: March 18, 2010

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

(SEAL)

Attest:

By:   
Its: Secretary-Treasurer

By:   
Its: Director  
Date: March 18, 2010

{C1690468.1}

EXHIBIT A

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

West Virginia Infrastructure and  
Jobs Development Council  
180 Association Drive  
Charleston, West Virginia 25311

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

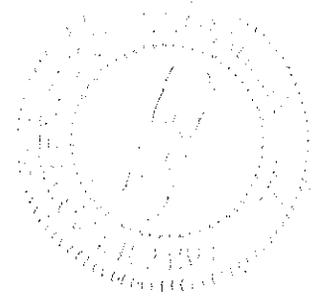
Ladies and Gentlemen:

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 notes of the Governmental Agency, dated \_\_\_\_\_, \_\_\_\_\_ (the "Notes"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Notes are issued in the principal amount of \$\_\_\_\_\_, in the form of one note, fully registered as to principal to the Authority, with no interest, and the entire outstanding principal of the Notes shall be payable on \_\_\_\_\_, \_\_\_\_\_, as set forth in Schedule Y incorporated in and made a part of the Notes.

The Notes 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 note \_\_\_\_\_ duly adopted or enacted by the Governmental Agency on \_\_\_\_\_ (the “Local Act”), pursuant to and under which Local Statute and Local Act the Notes are authorized and issued, and the Loan Agreement that has been undertaken. The Notes 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 construct and acquire the Project and to operate and maintain the System, to adopt or enact the Local Act and to issue and sell the Notes, 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 Notes have been duly authorized, issued, executed and delivered by the Governmental Agency to the Authority and are valid and legally enforceable special obligations of the Governmental Agency, payable from and secured by a first lien on the proceeds of any grants received by the Governmental Agency for the System, proceeds of any revenue bonds, refunding bonds, bond anticipation notes or other obligations of the Governmental Agency, issued subsequent to the issuance of the Notes, all in accordance with the terms of the Notes and the Local Act.

6. [If required, the Notes 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 Notes 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 Notes of bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or in the exercise of judicial discretion in appropriate cases.

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

Very truly yours,

## SCHEDULE X

### DESCRIPTION OF NOTES

Principal Amount of Notes \$6,537,749  
Purchase Price of Notes \$6,537,749

The Notes shall bear no interest. The principal of the Notes shall be payable in full on September 1, 2010.

The Governmental Agency shall submit its payments to the Commission which will make payment to the Authority at such address as is given to the Commission in writing by the Authority.

The Notes are fully registered in the name of the Authority as to principal and the Notes shall grant the Authority a first lien on the proceeds of any grants for the System, and/or proceeds of any revenue bonds, refunding bonds, bond anticipation notes or other obligations of the Governmental Agency, issued subsequent to the issuance of the Notes.

The Governmental Agency may prepay the Notes in part or in whole at any time at the price of par but only with the Council's written consent. The Governmental Agency shall prepay the Notes from the proceeds of any permanent financing it obtains for the Project. 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, which written request must be filed at least 60 days prior to the intended date of issuance.





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 Charleston, WV 25326-1588  
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 www.steptoe-johnson.com

Writer's Contact Information  
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 (304) 353-8180 – Facsimile  
 John.stump@steptoe-johnson.com

February 24, 2010

Via Hand Delivery

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

RECEIVED  
 10 FEB 24 PM 2:56  
 W VA PUBLIC SERVICE  
 COMMISSION  
 SECRETARY'S OFFICE

Re: Case No.: 08-2005-PSD-CN (Reopened)  
**FRANKFORT PUBLIC SERVICE DISTRICT**

Application for a certificate of convenience and necessity to construct to construct a sewage treatment system to serve portions of northern Mineral County including the communities of Fort Ashby, Patterson Creek, Lakewood, and Plum Run Road.

Dear Ms. Squire:

Enclosed herein for filing on behalf of the Frankfort Public Service District, please find an affidavit by the District's certified public accountant.

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

Best Regards,

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

Enclosures

306370.00003

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

Case No.: 08-2005-PSD-CN (Reopened)

FRANKFORT PUBLIC SERVICE DISTRICT

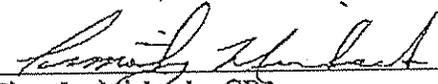
Application for a certificate of convenience and necessity to construct a sewage treatment system to serve portions of northern Mineral County including the communities of Fort Ashby, Patterson Creek, Lakewood, and Plum Run Road.

STATE OF ~~WEST VIRGINIA~~ MARYLAND  
COUNTY OF ~~Allegany~~, TO-WIT:

AFFIDAVIT

I, Timothy Michaels, CPA, after making an oath of affirmation to tell the truth, say that, I have reviewed the Commission Order entered July 14, 2009 and Commission Order entered February 8, 2010 of the Public Service Commission of West Virginia in Case No. 08-2005-PSD-CN which approved the funding of (a) an EDA grant of \$1,500,000, (b) an EPA grant of \$933,500, (c) an LJDC grant of \$2,000,000, (d) an LJDC loan of up to \$7,249,751 at 0% interest for 38 years and (e) TIF of up to \$6,537,749 for a total cost of \$18,221,000, and based upon all the information that has been provided to me to date, I am of the opinion that the rates and charges for the District (i) are not affected by the revised funding which includes (a) an EDA grant of \$1,500,000, (b) an EPA grant of \$933,500, (c) an LJDC grant of \$2,000,000, (d) an LJDC loan of up to \$7,249,751 at 0% interest for 38 years and (e) an LJDC Bond Anticipation Note in the amount of \$6,537,749 at 0% interest for 6 months; and (ii) will be sufficient to provide revenues which, together with other revenues of the System, will allow me to provide the CPA certification required for the issuance of the loans.

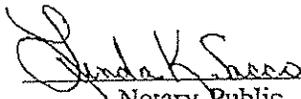
This Affidavit is executed on the 22<sup>nd</sup> day of February, 2010.

  
\_\_\_\_\_  
Timothy Michaels, CPA

Taken, subscribed and sworn to before me this 22 day of February, 2010.

My commission expires 2/4/2013.

[SEAL]

  
\_\_\_\_\_  
Notary Public  
Allegany County



**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 8<sup>th</sup> day of February, 2010.

CASE NO. 08-2005-PSD-CN (REOPENED)

FRANKFORT PUBLIC SERVICE DISTRICT,  
a public utility, Keyser, Mineral County.

Application for a certificate of convenience and necessity to construct a sewage treatment system to serve portions of northern Mineral County including the communities of Fort Ashby, Patterson Creek, Lakewood, and Plum Run Road.

**COMMISSION ORDER**

The Commission reopens this matter, approves revised financing and grants additional rates.

**BACKGROUND**

On November 20, 2008, Frankfort Public Service District ("Frankfort") applied for a certificate of convenience and necessity ("Certificate") to construct a sewage treatment system to serve portions of northern Mineral County in the vicinity of Fort Ashby. The project includes construction of three new interceptors and a treatment plant capable of processing 0.6 million gallons of wastewater per day ("MGD"). The West Virginia Infrastructure and Jobs Development Council ("IJDC") has approved the application. See, Application and January 15, 2009 filing. Frankfort also serves a separate group of customers in the Wiley Ford area of Mineral County that are unaffected by the proposed construction project. June 11, 2009 Exceptions.

Frankfort anticipated a project cost of \$18,221,000 and planned to finance construction with \$9,249,751 in funding from the American Recovery and Reinvestment Act of 2009 ("Stimulus"), an Economic Development Act ("EDA") grant of \$1,500,000, a \$933,500 grant from the U.S. Environmental Protection Agency ("EPA") and either an IJDC loan of \$5,532,800 along with \$1,004,949 in tax increment financing ("TIF") or alternatively an IJDC loan of \$4,085,000 and TIF of \$2,452,749. Frankfort requested that the Commission approve an across the board rate increase of approximately 10.1% along with a rate increase of 115.2% for project customers on completion. Id.

On February 14, 2009, Frankfort published a revised notice of its proposal, including a rate increase, in a newspaper of general circulation in Mineral County. February 27, 2009 Affidavit of Publication. It also certified that it sent notice of a sewer rate increase to all customers. See, May 14, 2009 filing.

On May 26, 2009, Staff filed a memorandum recommending that the Commission approve the Certificate and increased rates for both Fort Ashby and Wiley Ford customers. Staff divided its rate proposal into an across-the-board increase for all sewer customers of approximately 10.1% and a further rate increase for all sewer customers of 114.5% on project completion. Staff also recommended that the Commission approve project financing and require approval for any changes to the project plans, scope or financing that affected rates.

Staff subsequently revised its rate recommendation and suggested that the Commission approve a tariff similar to one Frankfort proposed, but recommended a rate increase on completion of construction of 117% on customers in the Fort Ashby area. July 2, 2009 Staff Memorandum.

The Commission approved the Certificate application to extend sewer service in Mineral County and proposed project funding, including \$9,249,751 of Stimulus funding. The Commission directed Frankfort to obtain Commission approval before commencing construction if the scope, plans or financing for the project changed. July 14, 2009 Commission Order.

On October 23, 2009, Frankfort requested that the Commission reopen this matter to revise the project funding package approved in the July 14, 2009 Commission Order because Frankfort did not obtain the anticipated Stimulus funding. The revised funding package includes an IJDC grant of \$2,000,000, an IJDC loan of \$7,249,751, a US EPA grant of \$933,500, a US EDA grant of \$1,500,000 and TIF funding of \$6,537,749. Frankfort also requested additional rates to meet the increased loan service associated with the proposed funding revisions. Specifically, Frankfort proposed three separate rates including existing rates applicable to its Wiley Ford customers, retaining post-construction rates approved by the Commission in its July 14, 2009 Order for existing Fort Ashby area customers and the rate published by Frankfort in the February 14, 2009 public notice for new service areas connected by this project. Frankfort also noted that the rates it published in the February 14, 2009 public notice did not generate any public protest.

On December 15, 2009, Staff filed a memorandum recommending that the Commission approve the revised funding package Frankfort requested. Staff also recommended increased rates due to the financing changes, but suggested that the Commission adopt one post-construction rate for all Fort-Ashby area customers, instead of separate rates for new and existing customers in that service area. Staff recommended no additional rates for former Wiley Ford customers. The Staff rate recommendation will

provide an additional 9.89% beyond the post-construction rates approved in the July 14, 2009 Commission Order.

On January 29, 2010, Frankfort filed a bid tabulation and urged the Commission to approve its reopening request.

### **DISCUSSION**

In light of the failed bid by Frankfort to obtain Stimulus funding, it is reasonable to approve its request to reopen this matter and adjust the funding package. The Commission will approve the proposed revision to replace Stimulus funding with an increased IJDC loan of \$7,249,751 on terms identical to those approved in the July 14, 2009 Commission Order and increased TIF funding of \$6,537,749. W.Va. Code §16-13A-24, 25.

The Commission also approves the revised post-project rates Frankfort requested for new customers as more fully set forth in Attachment A to this Order. The rates set forth in Attachment A of this Order are granted in lieu of the post-project rates approved as Attachment B to the July 14, 2009 Commission Order. The Commission notes that it directed Frankfort to file for a rate review one year after completion of construction, a provision Frankfort reiterated in its reopening request. The Commission takes that directive seriously and in light of that mandate, concludes that three separate rates are a reasonable temporary rate design. The Commission fully expects to replace that rate design with unified rates after the rate review. The Commission will also replace portions of the new schedule of the tariff Frankfort proposed with comparable provisions approved for existing customers in the Fort Ashby area.

The filing notice published by Frankfort on February 14, 2009, notified the public of rates that the Commission has approved for new Fort Ashby customers by this Order. Therefore, the Commission concludes that further publication is unnecessary in this matter. The remainder of the July 14, 2009 Commission Order remains in full force and effect.

### **FINDINGS OF FACT**

1. Frankfort requested that the Commission reopen this matter to approve a revised funding package increasing the amount of its IJDC loan and increased TIF funding. Frankfort also requested increased rates to offset the increased loan service associated with its revisions. October 23, 2009 Request to Reopen.

2. Frankfort previously published notice of the rates proposed in this matter once in a qualified newspaper in Mineral County advising the public of the filing and a thirty-day protest period. It also provided notice of a rate increase to customers individually through its billing. February 27, 2009 Affidavit of Publication and May 14, 2009 filing.

3. No one has protested the proposed project in response to the notice Frankfort provided. See, Case file generally.

4. Staff recommended that the Commission reopen this matter to approve the financing changes Frankfort requested. Staff also recommended additional post-project rates for all Frankfort customers in the Fort Ashby area generating approximately 9.89% beyond those approved by the Commission in its July 14, 2009 Commission Order. December 15, 2009 Staff Memorandum.

### CONCLUSIONS OF LAW

1. Public convenience and necessity continue to require the proposed project as described in the application. W.Va. Code §24-2-11.

2. The revised financing for the project is reasonable and should be approved.

3. If the scope, plans or financing for the project change further, Frankfort must obtain prior Commission approval before commencing construction. Changes in project costs do not require separate approval if those changes do not affect rates and Frankfort submits an affidavit from a certified public accountant attesting to this effect.

4. The revised rates Frankfort proposed for new Fort Ashby area customers reflected in Attachment A are necessary and sufficient to provide Frankfort a positive cash flow.

### ORDER

IT IS THEREFORE ORDERED that this matter is reopened.

IT IS FURTHER ORDERED that the Commission approves the revised funding package including an EDA grant of \$1,500,000, an EPA grant of \$933,500, an IJDC grant of \$2,000,000, an IJDC loan of up to \$7,249,751 at 0% interest for 38 years and TIF of up to \$6,537,749 in lieu of the original funding package.

IT IS FURTHER ORDERED that if the scope, plans or financing for the project change, Frankfort must obtain prior Commission approval before commencing construction. Changes in project cost do not require separate approval if those changes do not affect rates and Frankfort submits an affidavit from a certified public accountant attesting to that effect.

IT IS FURTHER ORDERED that the additional rate increase Frankfort proposed is approved for new Fort Ashby area customers for service rendered after project completion. The full changes appear in the tariff sheets attached as Attachment A to this Order. The rates set forth in Attachment A of this Order are granted in lieu of the post-project rates approved as Attachment B to the July 14, 2009 Commission Order.

IT IS FURTHER ORDERED that within thirty days after project completion, Frankfort shall file an original and six copies of a revised tariff setting forth the final rates and charges reflected in Attachment A to this Order.

IT IS FURTHER ORDERED that further hearing or notice in this matter is waived.

IT IS FURTHER ORDERED that the remaining terms of the July 14, 2009 Commission Order, including the provision regarding rate review, are unaffected and remain in full force and effect.

IT IS FURTHER ORDERED that on entry of this Order, this case shall be removed from the Commission docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this Order on all parties of record by United States Mail, and on Staff by hand delivery.

A True Copy, Testor:

  
Sandra Squire  
Executive Secretary

MJM/lld  
082005cd.wpd

FRANKFORT PUBLIC SERVICE DISTRICT - Sewer  
CASE NO. 08-2005-PSD-CN  
**APPROVED POST-CONSTRUCTION TARIFF**  
(Schedule 1)

**APPLICABILITY**

Applicable within the Wiley Ford territory served.

**AVAILABILITY**

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

**RATES** (customers with metered water supply)

First	3,000 gallons of water used per month	\$8.68 per 1,000 gallons
All Over	3,000 gallons of water used per month	\$7.91 per 1,000 gallons

**MINIMUM CHARGE**

No bill will be rendered for less than \$26.04 which is the equivalent of 3,000 gallons of usage.

**FLAT RATE CHARGE** (customers with non-metered water supply)

Equivalent of 4,500 gallons of water usage, \$37.90 per month.

**DELAYED PAYMENT PENALTY**

The above schedule is net. On all current amounts 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.

**DISCONNECT/RECONNECT/ADMINISTRATIVE FEES**

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Wiley Ford Water Company, or in the event the delinquent sewer bill is collected by the water company, no disconnection or administrative fee is required.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with Wiley Ford Water Company, is reconnected, a reconnection fee of \$35.00 shall be charged.

RETURNED CHECK CHARGE

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

SECURITY DEPOSIT

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.

TAP FEE

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

A tap fee of \$50 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 the applicant's premises that is associated with a certificate proceeding.

A tap fee of \$300 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

LEAK ADJUSTMENT

\$5.64 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

FRANKFORT PUBLIC SERVICE DISTRICT-SEWER  
CASE NO 08-2005-PSD-CN  
APPROVED POST-CONSTRUCTION TARIFF  
(Schedule 2)

APPLICABILITY

Applicable within the territory previously served by Fort Ashby.

AVAILABILITY

Available for general domestic, commercial and industrial service.

(I) RATES

First 3,000 gallons used per month	\$12.04 per 1,000 gallons
Next 3,000 gallons used per month	\$ 9.63 per 1,000 gallons
Next 4,000 gallons used per month	\$ 8.67 per 1,000 gallons
Next 10,000 gallons used per month	\$ 6.28 per 1,000 gallons
All Over 20,000 gallons of water used per month	\$ 4.83 per 1,000 gallons

(I) MINIMUM CHARGE

No bill will be rendered for less than \$36.12 per month, which is the equivalent of 3,000 gallons of usage with a 5/8 inch meter.

(N) FLAT RATE CHARGE (customers with non-metered water supply)

Equivalent of 4,500 gallons of water usage, \$50.57 per month.

DISCONNECT/RECONNECT/ADMINISTRATIVE FEES

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Frankfort Public Service District Water Division a disconnection fee of \$10.00 shall be charged: or in the event the delinquent sewer bill is collected by the Frankfort Public Service District Water Division, an administrative fee of \$10.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with the Frankfort Public Service District Water Division, is reconnected, a reconnection fee of \$10.00 shall be charged.

RETURNED CHECK CHARGE

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

SECURITY DEPOSIT

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.

DELAYED PAYMENT PENALTY

The above schedule is net. On all current amounts 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 charge is to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of \$250.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

(I) LEAK ADJUSTMENT

\$3.36 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

(I) Indicates Increase

(N) Indicates New

FRANKFORT PUBLIC SERVICE DISTRICT - Sewer  
CASE NO. 08-2005-PSD-CN  
**APPROVED POST-CONSTRUCTION TARIFF**  
(Schedule 3)

(N) APPLICABILITY

Applicable to new service areas developed through construction of the Regional Sewer Project.

(N) AVAILABILITY

Available for general, commercial and industrial service.

(N) METERED RATES

First 2,000 gallons Used Per Month	\$ 14.00 per 1,000 gallons
Above 2,000 gallons Used Per Month	\$ 10.00 per 1,000 gallons

(N) MINIMUM CHARGE

No bill shall be rendered for less than the following amount:  
\$28.00

(N) FLAT RATE CHARGE (customers with unmetered service)

Equivalent of 4,500 gallons of water usage, \$53.00 per month.

(N) MASTER METER

Customers having master meters serving multiple residential or commercial units shall be issued a bill equal to the greater of the minimum monthly bill of \$28.00 multiplied by the number of individual units or the amount of sewer service to be charged based on metered water usage.

(N) DISCONNECT/RECONNECT/ADMINISTRATIVE FEES

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Frankfort Public Service District Water Division, a disconnection fee of \$10.00 shall be charged; or in the event the delinquent sewer bill is collected by the Frankfort Public Service District Water Division, an administrative fee of \$10.00 shall be charged. Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with the Frankfort Public Service District Water Division is reconnected, a reconnection fee of \$10.00 shall be charged.

(N) RETURNED CHECK CHARGE

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

(N) SECURITY DEPOSIT

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.

(N) DELAYED PAYMENT PENALTY

The above schedule is net. On all current amounts 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.

(N) TAP FEE

The following charge is to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of \$250.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

(N) LEAK ADJUSTMENT

\$ 3.36 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

(N) Indicates New

**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 14<sup>th</sup> day of July, 2009.

CASE NO. 08-2005-PSD-CN

FRANKFORT PUBLIC SERVICE DISTRICT,  
a public utility, Keyser, Mineral County.

Application for a certificate of convenience and necessity to construct a sewage treatment system to serve portions of northern Mineral County including the communities of Fort Ashby, Patterson Creek, Lakewood, and Plum Run Road.

**COMMISSION ORDER**

The Commission grants the application for a certificate of convenience and necessity ("Certificate") and grants increased rates.

**BACKGROUND**

On November 20, 2008, Frankfort Public Service District ("Frankfort") applied for a Certificate to construct a sewage treatment system to serve portions of northern Mineral County including the communities of Fort Ashby, Patterson Creek, Lakewood, and Plum Run Road. The project includes the construction of three new interceptors and a treatment plant capable of processing 0.6 million gallons of wastewater per day ("MGD"). The West Virginia Infrastructure and Jobs Development Council ("IJDC") has approved the application, which has a statutory deadline of August 12, 2009. See, Application, January 15, 2009 filing and May 12, 2009 Commission Order. Frankfort also serves a separate group of customers in the Wiley Ford area of Mineral County that is unaffected by the proposed construction project. See, June 11, 2009 Exceptions.

Frankfort anticipates a project cost of \$18,221,000 and plans to finance construction with \$9,249,751 in funding from the American Recovery and Reinvestment Act of 2009 ("Stimulus"), an Economic Development Act ("EDA") grant of \$1,500,000, a \$933,500 grant from the U.S. Environmental Protection Agency ("EPA") and either an IJDC loan of \$5,532,800 along with \$1,004,949 in tax increment financing ("TIF") or alternatively an IJDC loan of \$4,085,000 and TIF of \$2,452,749. Frankfort requested that the Commission approve an across the board rate increase of approximately 10.1% along with a rate increase of

115.2% for project customers on completion. A 115.2% rate increase qualifies Frankfort for 100% Stimulus loan forgiveness. Frankfort also proposed an alternative financing package consisting of a smaller IJDC loan and larger TIF. See, June 11, 2009 Exceptions.

The Commission referred this proceeding to the Division of Administrative Law Judges (“ALJ”) for a recommended decision on or before April 6, 2009. The Commission subsequently extended that deadline to June 30, 2009. See, December 4, 2008 and May 12, 2009 Commission Orders.

Commission Staff (“Staff”) filed an initial memorandum listing numerous deficiencies in the initial filing and requesting documents to facilitate its review of the project. See, December 19, 2008 Staff Memorandum and Data Request. Staff supplemented its document request on April 17, 2009. See, Further Initial Staff Memorandum.

Frankfort filed several documents responding to the Staff Data Request on January 15, 2009. Frankfort produced commitment letters for its financing package and some of the permits required for the project. See, January 15, 2009 filing.

On February 14, 2009, Frankfort published a revised notice of its proposal, including a rate increase, in a newspaper of general circulation in Mineral County. See, February 27, 2009 Affidavit of Publication.

Frankfort supplemented its filings with copies of service agreements for several residential complexes including Sherwood Acres Subdivision, Whiteacre Trailer Park, Graceland Subdivision, Hunt Club Subdivision & Commercial Complex, Moreland Trailer Park and Lakewood Subdivision. Frankfort also filed flooding information regarding the proposed treatment plant. See, April 23, 2009 filing.

On May 6, 2009, Frankfort filed a letter demonstrating project eligibility for \$9,249,751 of Stimulus funding.

It subsequently certified that it sent notice of a sewer rate increase to all customers. See, May 14, 2009 filing.

On May 26, 2009, Staff filed a final memorandum recommending that the Commission approve the Certificate including construction and operation of three interceptors, a 0.6 MGD treatment plant located in northern Mineral County and increased rates for both Fort Ashby and Wiley Ford customers. Staff divided its rate proposal into an across-the-board increase for all sewer customers of approximately 10.1% and a further rate increase for all sewer customers of 114.5% on project completion. The rate proposal covers the proposed financing and provides for a replacement reserve. Staff recommended that the Commission approve project financing including receipt of \$9,249,751 in Stimulus funding, a \$933,500 grant from the EPA, a \$1,500,000 EDA grant, a \$6,537,749 IJDC loan at 0% interest over 38 years. Staff also recommended a series of conditions including that Frankfort (1) obtain and file all

outstanding permits, (2) promptly file a certified bid tabulation for each contract, (3) notify the Commission after the substantial completion inspection, (4) perform a full inflow and infiltration ("I&I") study and develop plans to correct any I&I found by that study and (5) require Commission approval for any changes to the project plans, scope or financing that affects rates. See, Final Staff Memorandum.

On May 29, 2009, the ALJ issued a Procedural Order directing Frankfort to publish notice of the Staff proposed rates because the May 26, 2009 Staff recommendation affected all Frankfort sewer customers. The attached notice also included an additional protest period for the Staff recommended rates.

Frankfort filed Exceptions objecting to the directive to publish notice of the Staff recommended rates and to those proposed rates. It proposed that the Commission instead increase rates by 115.2% after project completion only on project customers instead of all Frankfort sewer customers. The District also (1) suggested requiring a class cost of service study one year after completion of the project, (2) proposed accepting \$75,045.52 from the Mineral County Commission in escrow for payment of an existing loan, (3) presented two alternative financing options and (4) sought a one month extension of the ALJ due date. See, June 11, 2009 filing.

The Commission subsequently rescinded its referral of the matter to the ALJ Division. See, June 18, 2009 Commission Order.

In response to the Exceptions, Staff revised its recommendation and suggested that the Commission approve a tariff similar to the one Frankfort proposed. Staff also endorsed the financing package Frankfort proposed with larger TIF and a smaller IJDC loan. The Staff memorandum, however, recommended a rate increase on completion of construction of 117% on project customers. Staff also recommended approval of a \$75,045 grant placed into escrow by the Mineral County Commission for payment of an existing loan. Finally, Staff recommended that the Commission direct Frankfort to file for a rate review one year after completion of the project. See, July 2, 2009 Staff Memorandum.

On July 10, 2009, the District filed a response to the Staff's revised recommendation. The District agreed with the Staff and requested that the Commission issue a final decision as soon as possible.

### DISCUSSION

The Commission finds that it is reasonable to adopt the Staff recommendation to approve the project. The project will provide sewer service to areas of Mineral County that are currently without service or have failing sewer systems. Therefore, the Commission concludes that the project is necessary and convenient and will issue a Certificate for both the interceptors and the 0.6 MGD treatment plant. The Commission will waive hearing in this matter because no one has voiced opposition to the project.

Under W.Va. Code §16-13A-24, Frankfort may accept loans or grants for the construction or acquisition of a water, wastewater or sewage system, but the District must receive Commission approval to accept the grant. See, W.Va. Code §16-13A-25(a). The Commission finds that the revised funding package presented by Frankfort is a reasonable means to finance the construction project. The use of Stimulus funding with 100% loan forgiveness will substantially benefit Frankfort ratepayers. The EDA and EPA grants are also reasonable and should be approved. Similarly, the Commission approves the proposal from Frankfort to place \$75,045.52 from the Mineral County Commission in escrow for the payment of an existing loan because the arrangement is reasonable and benefits Frankfort customers. Id. The Commission agrees with Staff that financing Option 1 from the Exceptions, with more TIF and a smaller IJDC loan, is preferable because it reduces borrowing at this stage and reduces the resulting debt service impact on revenue requirements.

After consideration of both the Exceptions and the Staff memoranda, the Commission concludes that it should grant Frankfort a two-step rate increase. The first step includes a rate increase for all Frankfort sewer customers of approximately 10.1% that will apply to all service rendered after the entry of this Order. That increase is more fully reflected in the tariff attached to this Order as Attachment A. This increase will provide a positive cash flow and allow Frankfort to operate during construction. The second rate increase of approximately 117% for project customers is fully reflected in Attachment B to this Order and will provide sufficient rates to pay for the operations of the District after the project is completed. The present rate disparity justifies imposing the project related rate increase only on those who directly benefit from the project. Frankfort will also file for a review of its rate one year after project completion.

The Commission will also approve the service agreements to connect Sherwood Acres Subdivision, Whiteacre Trailer Park, Graceland Subdivision, Hunt Club Subdivision & Commercial Complex and Moreland Trailer Park to the Frankfort system. The terms of those agreements are reasonable, no party has an undue advantage and they will benefit the public through improved water quality, however the Commission will not specifically approve the underlying terms of those agreements. See, W.Va. Code §24-2-12.

The Commission finds that Frankfort should conduct an I&I study as Staff recommended and will direct Frankfort to formulate a remediation plan based on that study. Frankfort will file that plan as a closed entry in this proceeding. The Commission notes that it may require Frankfort to demonstrate that it has implemented that plan before any expansion of the treatment plant that is the subject of this Order.

Finally, the Commission will impose the usual Certificate terms Staff recommended in its final memorandum regarding project changes and the filing of certain documents including all outstanding permits, certified bid tabulations and a notice of the substantial completion inspection.

## FINDINGS OF FACT

1. Frankfort applied for a Certificate to construct a sewage system in the Fort Ashby area of Mineral County including construction and operation of three interceptors and a 0.6 MGD treatment plant. See, Application and January 15, 2009 filing.

2. Frankfort filed service agreements to provide service to several existing housing developments including Sherwood Acres Subdivision, Whiteacre Trailer Park, Graceland Subdivision, Hunt Club Subdivision & Commercial Complex and Moreland Trailer Park. See, April 23, 2009 filing.

3. Frankfort plans to fund the project with \$9,249,751 in Stimulus funding, an EDA grant of \$1,500,000, a \$933,500 grant from the EPA and either an IJDC loan of \$5,532,800 along with \$1,004,949 in TIF or alternatively an IJDC loan of \$4,085,000 and TIF of \$2,452,749. See, June 11, 2009 Exceptions.

4. Frankfort also sought approval to accept \$75,045.52 from the Mineral County Commission in escrow for payment of an existing loan. Id.

5. Frankfort published notice of this matter once in a qualified newspaper in Mineral County advising the public of the filing and a thirty-day protest period and provided notice of a rate increase to customers individually through its billing. See, February 27, 2009 Affidavit of Publication and May 14, 2009 filing.

6. No one has protested the proposed project. See, Case file generally.

7. Staff recommended that the Commission approve the Certificate application including construction and operation of the interceptors and treatment plant located in northern Mineral County and increased rates. Staff divided its rate proposal into an across-the-board increase for all customers of approximately 10.1% and a further rate increase of approximately 117% for project customers on completion. See, May 26, 2009 and July 2, 2009 Staff Memoranda.

8. Staff also recommended that the Commission approve project financing including receipt of \$9,249,751 in Stimulus funding, a \$933,500 grant from the EPA, a \$1,500,000 EDA grant, a \$4,085,000 IJDC loan at 0% interest over 38 years and \$2,452,749 of TIF. Id.

9. Staff also recommended a series of conditions including that Frankfort (1) obtain and file all outstanding permits, (2) promptly file a certified bid tabulation for each contract, (3) notify the Commission after the substantial completion inspection, (4) perform a full I&I study and develop plans to correct any I&I found by that study, (5) require Commission approval for any changes to the project plans, scope or financing that affects rates and (6) require a rate review one year after project completion. Id.

10. Frankfort has a problem with I&I that requires further study. Id.

### CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed project as described in the application. See, W.Va. Code §24-2-11.

2. The revised financing for the project is reasonable and should be approved.

3. If the scope, plans or financing for the project change, Frankfort must obtain prior Commission approval before commencing construction. Changes in project costs do not require separate approval if those changes do not affect rates and Frankfort submits an affidavit from a certified public accountant attesting to this effect.

4. The Staff proposed across the board rate increase of approximately 10.1% reflected in Attachment A is necessary and sufficient to provide Frankfort a positive cash flow.

5. The additional rate increase of approximately 117% reflected in Attachment B on project customers is reasonable and sufficient to meet project costs.

6. The service agreements should be approved because their terms are reasonable, do not give any party an undue advantage and do not adversely affect the public. See, W.Va. Code §24-2-12.

7. It is reasonable to allow Frankfort to accept \$75,045.52 in escrow to guarantee payment of an existing loan. See, W.Va. Code §16-13A-25.

8. Frankfort should procure a study to address its I&I problem.

### ORDER

IT IS THEREFORE ORDERED that the November 20, 2008, application for a Certificate to extend sewer service to portions of Northern Mineral County including three interceptors and the construction of a 0.6 MGD treatment plant is approved.

IT IS FURTHER ORDERED that the proposed financing for the project including Stimulus funding up to \$9,249,751 with 100% forgiveness, an EDA grant of \$1,500,000, an EPA grant of \$933,500, an IJDC loan of up to \$4,085,000 at 0% interest for 38 years and TIF of up to \$2,452,749 is approved.

IT IS FURTHER ORDERED that if the scope, plans or financing for the project change, Frankfort must obtain prior Commission approval before commencing construction. Changes in project cost do not require separate approval if those changes do not affect rates and Frankfort submits an affidavit from a certified public accountant attesting to that effect.

IT IS FURTHER ORDERED that an across-the-board rate increase of approximately 10.1% on all Frankfort sewer customers is approved for service rendered after entry of this Order. The full changes appear in the tariff sheets attached as Attachment A.

IT IS FURTHER ORDERED that an additional rate increase of approximately 117% is approved for project customers for service rendered after project completion. The full changes appear in the tariff sheets attached as Attachment B.

IT IS FURTHER ORDERED that within thirty days of the date of this Order, Frankfort shall file an original and six copies of a revised tariff setting forth the final rates and charges reflected in Attachment A.

IT IS FURTHER ORDERED that within thirty days after project completion, Frankfort shall file an original and six copies of a revised tariff setting forth the final rates and charges reflected in Attachment B.

IT IS FURTHER ORDERED that Frankfort shall file for a Commission review of its rates one year after project completion.

IT IS FURTHER ORDERED that service agreements for Sherwood Acres Subdivision, Whiteacre Trailer Park, Graceland Subdivision, Hunt Club Subdivision & Commercial Complex and Moreland Trailer Park are approved without approving the underlying terms of those agreements.

IT IS FURTHER ORDERED that Frankfort may accept \$75,045.52 from the Mineral County Commission in escrow for payment of an existing loan.

IT IS FURTHER ORDERED that hearing in this matter is waived.

IT IS FURTHER ORDERED that Frankfort submit a copy of the certified bid tabulation to the Commission for each project contract.

IT IS FURTHER ORDERED that Frankfort shall comply with all existing bond conditions, including conditions requiring a replacement reserve.

IT IS FURTHER ORDERED that Frankfort notify the Commission in writing when the project engineer has performed the substantial completion inspection.

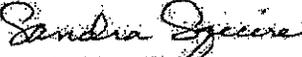
IT IS FURTHER ORDERED that the Certificate granted in this matter is conditioned on Frankfort obtaining and filing all outstanding permits.

IT IS FURTHER ORDERED that the District shall perform a full I&I study and develop a plan to implement the study recommendations. That plan shall be filed as a closed entry in this matter.

IT IS FURTHER ORDERED that on entry of this Order, this case shall be removed from the docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this Order on all parties of record by United States Mail, and on Staff by hand delivery.

A True Copy. Teste:

  
Sandra Squitro  
Executive Secretary

MJM/tt  
082005cc.wpd

FRANKFORT PUBLIC SERVICE DISTRICT - Sewer  
CASE NO. 08-2005-PSD-CN

**APPROVED TARIFF**  
(Schedule 1)

(C) **APPLICABILITY**

Applicable within the Wiley Ford territory served.

**AVAILABILITY**

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

(I) **RATES** (customers with metered water supply)

First	3,000 gallons of water used per month	\$8.68 per 1,000 gallons
All Over	3,000 gallons of water used per month	\$7.91 per 1,000 gallons

(I) **MINIMUM CHARGE**

No minimum bill will be rendered for less than \$26.04 which is the equivalent of 3,000 gallons of usage.

(I) **FLAT RATE CHARGE** (customers with non-metered water supply)

Equivalent of 4,500 gallons of water usage, \$37.90 per month.

**DELAYED PAYMENT PENALTY**

The above schedule is net. On all current amounts 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.

**DISCONNECT/RECONNECT/ADMINISTRATIVE FEES**

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Wiley Ford Water Company, or in the event the delinquent sewer bill is collected by the water company, no disconnection or administrative fee is required.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with Wiley Ford Water Company, is reconnected, a reconnection fee of \$35.00 shall be charged.

(N) RETURNED CHECK CHARGE

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

SECURITY DEPOSIT

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.

TAP FEE

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

A tap fee of \$50 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 not apply after the completion of construction adjacent to the applicant's premises that is associated with a certificate proceeding.

A tap fee of \$300 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

(I) LEAK ADJUSTMENT

\$5.64 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

- (C) Indicates change in text
- (I) Indicates Increase
- (N) Indicates New

FRANKFORT PUBLIC SERVICE DISTRICT - Sewer  
CASE NO. 08-2005-PSD-CN

**APPROVED TARIFF**  
(Schedule 2)

(C) **APPLICABILITY**

Applicable within the territory previously served by Fort Ashby.

**AVAILABILITY**

Available for general domestic, commercial and industrial service.

(I) **RATES**

First	3,000 gallons used per month	\$5.55 per 1,000 gallons
Next	3,000 gallons used per month	\$4.44 per 1,000 gallons
Next	4,000 gallons used per month	\$4.00 per 1,000 gallons
Next	10,000 gallons used per month	\$2.90 per 1,000 gallons
All Over	20,000 gallons of water used per month	\$2.22 per 1,000 gallons

(I) **MINIMUM CHARGE**

No bill will be rendered for less than \$16.65 per month, which is the equivalent of 3,000 gallons of usage with a 5/8 inch meter.

(C,N) **DISCONNECT/RECONNECT/ADMINISTRATIVE FEES**

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Frankfort Public Service District Water Division a disconnection fee of \$10.00 shall be charged; or in the event the delinquent sewer bill is collected by the Frankfort Public Service District Water Division, an administrative fee of \$10.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with the Frankfort Public Service District Water Division, is reconnected, a reconnection fee of \$10.00 shall be charged.

(N) **RETURNED CHECK CHARGE**

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

(N) SECURITY DEPOSIT

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.

DELAYED PAYMENT PENALTY

The above schedule is net. On all current amounts 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 charge is to be made whenever the utility installs a new tap to serve an applicant:

A tap fee of \$250.00 will be charged to customers applying for service for each new tap to the system.

(I) LEAK ADJUSTMENT

\$0.79 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

(C) Indicates change in text

(I) Indicates Increase

(N) Indicates New

FRANKFORT PUBLIC SERVICE DISTRICT - Sewer  
CASE NO. 08-2005-PSD-CN

**APPROVED POST-CONSTRUCTION TARIFF**  
(Schedule 1)

**APPLICABILITY**

Applicable within the Wiley Ford territory served.

**AVAILABILITY**

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

**RATES** (customers with metered water supply)

First	3,000 gallons of water used per month	\$8.68 per 1,000 gallons
All Over	3,000 gallons of water used per month	\$7.91 per 1,000 gallons

**MINIMUM CHARGE**

No minimum bill will be rendered for less than \$26.04 which is the equivalent of 3,000 gallons of usage.

**FLAT RATE CHARGE** (customers with non-metered water supply)

Equivalent of 4,500 gallons of water usage, \$37.90 per month.

**DELAYED PAYMENT PENALTY**

The above schedule is net. On all current amounts 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.

**DISCONNECT/RECONNECT/ADMINISTRATIVE FEES**

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Wiley Ford Water Company, or in the event the delinquent sewer bill is collected by the water company, no disconnection or administrative fee is required.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with Wiley Ford Water Company, is reconnected, a reconnection fee of \$35.00 shall be charged.

RETURNED CHECK CHARGE

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

SECURITY DEPOSIT

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.

TAP FEE

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

A tap fee of \$50 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 the applicant's premises that is associated with a certificate proceeding.

A tap fee of \$300 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

LEAK ADJUSTMENT

\$5.64 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

FRANKFORT PUBLIC SERVICE DISTRICT - Sewer  
CASE NO. 08-2005-PSD-CN

**APPROVED POST-CONSTRUCTION TARIFF**  
(Schedule 2)

**APPLICABILITY**

Applicable within the territory previously served by Fort Ashby.

**AVAILABILITY**

Available for general domestic, commercial and industrial service.

(I) **RATES**

First	3,000 gallons used per month	\$12.04 per 1,000 gallons
Next	3,000 gallons used per month	\$ 9.63 per 1,000 gallons
Next	4,000 gallons used per month	\$ 8.67 per 1,000 gallons
Next	10,000 gallons used per month	\$ 6.28 per 1,000 gallons
All Over	20,000 gallons of water used per month	\$ 4.83 per 1,000 gallons

(I) **MINIMUM CHARGE**

No bill will be rendered for less than \$36.12 per month, which is the equivalent of 3,000 gallons of usage with a 5/8 inch meter.

(N) **FLAT RATE CHARGE** (customers with non-metered water supply)

Equivalent of 4,500 gallons of water usage, \$50.57 per month.

**DISCONNECT/RECONNECT/ADMINISTRATIVE FEES**

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Frankfort Public Service District Water Division a disconnection fee of \$10.00 shall be charged; or in the event the delinquent sewer bill is collected by the Frankfort Public Service District Water Division, an administrative fee of \$10.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with the Frankfort Public Service District Water Division, is reconnected, a reconnection fee of \$10.00 shall be charged.

RETURNED CHECK CHARGE

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

SECURITY DEPOSIT

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.

DELAYED PAYMENT PENALTY

The above schedule is net. On all current amounts 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 charge is to be made whenever the utility installs a new tap to serve an applicant:

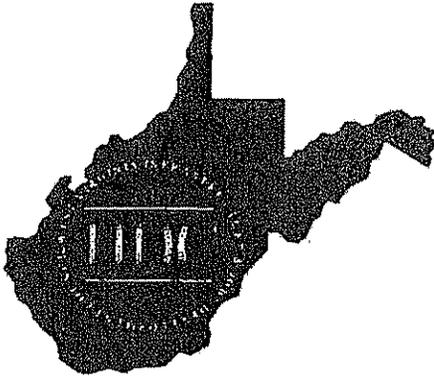
A tap fee of \$250.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

(I) LEAK ADJUSTMENT

\$3.36 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

(I) Indicates Increase

(N) Indicates New



Jefferson E. Brady, P.E. Executive Director

300 Summers Street, Suite 980  
Charleston, West Virginia 25301  
Phone: (304) 558-4607  
Facsimile: (304) 558-4609  
Jefferson.Brady@verizon.net

December 8, 2006

Blane Murray, Chairman  
Frankfort PSD  
P.O. Box 80  
Wiley Ford, WV 26767

Re: Loan Agreement/Grant Agreement  
Sewer Project 2004S-791a  
**Action Required by January 15, 2007**

Dear Mr. Murray:

At the December 6, 2006 meeting of the West Virginia Infrastructure & Jobs Development Council (the "Council"), the Council authorized the West Virginia Water Development Authority (the "Authority") to enter into a loan and grant agreement with Frankfort Public Service District (the "District") for a loan of \$7,249,751 and a grant of \$2,000,000. The loan and grant will be made from the proceeds of bonds issued by the Authority on behalf of the Council. To comply with new US Internal Revenue Code requirements, the Council and the Authority replaced the binding commitment letters with the attached loan and grant agreements.

If the District intends to accept the loan and grant, its governing body must adopt a written resolution authorizing it to enter into the loan and grant agreements. If authorized, the District should execute the loan and grant agreements in triplicate and return them, along with a certified copy of the resolution, to the Authority. **The District must also submit to the Council a proposed written schedule for the closing of the loan and grant.**

Please contact Jeff Brady at (304) 558-4607 if you have any questions.

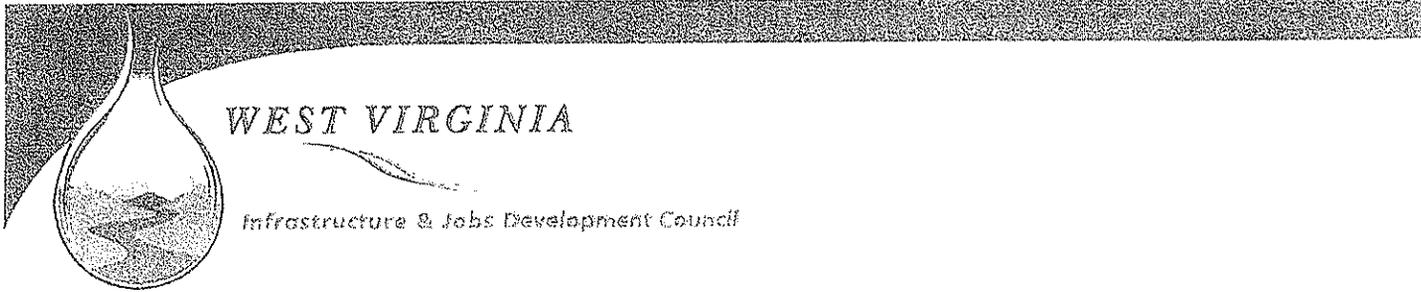
Sincerely,

Jefferson E. Brady, P.E.  
Executive Director

cc: Dave Vanscoy, P.E., RK&K  
Mike Bland, Mineral County Coordinator

Public Members

Ken Lowe, Shepherdstown • Dwight Calhoun, Petersburg • Tim Stranko, Morgantown • Dave McComas, Prichard



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

Angela K. Chestnut, P.E.  
Executive Director

Barbara J. Pauley  
Administrative Secretary

February 5, 2010

A. Blane Murray, Chairman  
Frankfort Public Service District  
P.O. Box 80  
Frankfort, WV 26767

Re: Frankfort Public Service District  
Sewer Project No. 2004S-791a  
IJDC BAN Binding Commitment

Dear Mr. Murray:

The West Virginia Infrastructure and Jobs Development Council (Infrastructure Council), at its February 3, 2010 meeting, voted to approve the District's request to utilize a \$2,433,500 EPA grant, a \$7,249,751 Infrastructure Fund loan (0%, 40 yrs), a \$2,000,000 Infrastructure Fund grant and receive a binding commitment for a \$6,537,739 Infrastructure Fund Bond Anticipation Note (BAN) to equal the MCC grant/TIF contribution, which will be taken out with either CWSRF ARRA rollover funds when available or the MCC grant/TIF. The BAN will have a term of six months, be non-interest bearing and will be the last funds expended for the project. Total cost of this project is \$18,221,000.

If this commitment letter is acceptable to the District, please execute two copies of this letter and return to the Council at the address below no later than February 28, 2010. If the Infrastructure Council does not receive this acknowledged commitment letter by February 28, 2010, the Council shall consider this offer rejected.

If the District has any questions regarding this commitment, please contact Angela K. Chestnut at the 304-558-4607 (X201).

Sincerely

Kenneth Lowe, Jr.

cc: Mike Johnson, P.E., DEP (via e-mail)  
David G. Vanscoy, P.E., Rummel, Klepper & Kahl, LLP (via e-mail)  
Region VIII Planning & Development Council (via e-mail)  
Samme Gee, Esq., Jackson Kelly (via e-mail)

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

Frankfort Public Service District

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

FRANKFORT PUBLIC SERVICE DISTRICT

Sewer Bond Anticipation Notes, Series 2010 A  
(West Virginia Infrastructure Fund)

CROSS-RECEIPT FOR NOTES AND NOTES PROCEEDS

On the 18th day of March, 2010, 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 Frankfort Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 18th day of March, 2010, the Authority received the Sewer Bond Anticipation Notes, Series 2010 A (West Virginia Infrastructure Fund), of the Issuer, in the principal amount of \$6,537,749, numbered AR-1 (the "Series 2010 A Notes"), issued as a single, fully registered Note.

2. At the time of such receipt the Series 2010 A Notes 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 Notes.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2010 A Notes an amount of \$-0-. The balance of the principal amount of the Series 2010 A Notes will be advanced by the Authority to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER  
DEVELOPMENT AUTHORITY

By: Carol A. Cummins  
Its: Authorized Representative

FRANKFORT PUBLIC SERVICE DISTRICT

By: A. Blaine Young  
Its: Chairman

02.18.10  
306370.00003

FRANKFORT PUBLIC SERVICE DISTRICT

Sewer Bond Anticipation Notes, Series 2010 A  
(West Virginia Infrastructure Fund)

DIRECTION TO AUTHENTICATE AND DELIVER NOTES

The Huntington National Bank  
as Note Registrar  
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 18th day of March, 2010.

(1) Note No. R-1, constituting the entire original issue of the Frankfort Public Service District Sewer Bond Anticipation Note, Series 2010 A (West Virginia Infrastructure Fund), in the principal amount of \$6,537,749 (the "Series 2010 A Notes"), executed by the Chairman and the Secretary of the Frankfort Public Service District (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Note Resolution duly enacted by the Issuer on March 8, 2010, and a Supplemental Resolution duly adopted by the Issuer on March 8, 2010 (collectively, the "Note Legislation");

(2) A copy of the Note Legislation authorizing the above-described Note issue, duly certified by the Secretary of the Issuer;

(3) Executed counterparts of a loan agreement for the Series 2010 A Notes, dated March 18, 2010, 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

(4) Executed opinions of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Series 2010 A Notes.

You are hereby requested and authorized to deliver the Series 2010 A Notes to the Authority upon payment to the Issuer of the sum of \$-0-. Prior to such delivery of the Series 2010 A Notes, you will please cause the Series 2010 A Notes to be authenticated and registered by an authorized officer, as Note Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

FRANKFORT PUBLIC SERVICE DISTRICT

By:   
Its: Chairman

306370.00003

CH4999259.2

SPECIMEN

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
FRANKFORT PUBLIC SERVICE DISTRICT  
SEWER BOND ANTICIPATION NOTES, SERIES 2010 A  
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. R-1

\$6,537,749

KNOW ALL MEN BY THESE PRESENTS: That on this the 18th day of March, 2010, FRANKFORT PUBLIC SERVICE DISTRICT, a public service district and political subdivision of the State of West Virginia in Mineral County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of SIX MILLION FIVE HUNDRED THIRTY-SEVEN THOUSAND SEVEN HUNDRED FORTY-NINE DOLLARS (\$6,537,749), 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, on the maturity date of September 1, 2010.

This Note shall bear no interest. Principal installments of this Note 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 Note 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 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 West Virginia Infrastructure and Jobs Development Council (the "Council") dated March 18, 2010.

This Note is issued to temporarily pay a portion of the costs of the Project. The public sewerage system to be constructed by the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Note is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Note Resolution duly enacted by the Issuer on March 8, 2010, and a Supplemental Resolution duly adopted by the Issuer on March 8, 2010 (collectively, the "Note Legislation"), and is subject to all the terms and conditions thereof. The Note Legislation provides for the issuance of additional notes under certain conditions, and such notes would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Note under the Note Legislation.

THIS NOTE HAS NO LIEN ON THE GROSS OR NET REVENUES OF THE SYSTEM.

This Note is payable only from and secured by a first lien on the proceeds of a bond or note of the Issuer subsequent to the issuance of the Note and/or grants received by the Issuer to permanently finance the costs of the Project. This Note does not constitute a corporate 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 as set forth in the Note Resolution.

Subject to the registration requirements set forth herein, this Note is transferable, as provided in the Note Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Note, 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 Note, 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 Note shall be applied solely to payment of the costs of the Project described in the Note Legislation, and there shall be and hereby is created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Note.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Note, 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.

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

[Remainder of Page Intentionally Blank]

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

[SEAL]

  
Chairman

ATTEST

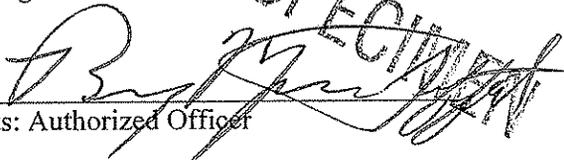
  
Secretary

**CERTIFICATE OF AUTHENTICATION AND REGISTRATION**

This Note is one of the Series 2010 A Note described in the within-mentioned Note Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: March 18, 2010.

THE HUNTINGTON NATIONAL BANK,  
as Registrar

By:   
Its: Authorized Officer

**SPECIMEN**

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$-0-	March 18, 2010	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL \$ \_\_\_\_\_

(Form of)

ASSIGNMENT

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

Dated: \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_

In the presence of:

\_\_\_\_\_



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

Writer's Contact Information

March 18, 2010

Frankfort Public Service District  
Sewer Bond Anticipation Notes, Series 2010 A  
(West Virginia Infrastructure Fund)

Frankfort Public Service District  
Wiley Ford, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Infrastructure Council  
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Frankfort Public Service District (the "Issuer"), a public service district and political subdivision organized and existing under the laws of the State of West Virginia, of its \$6,537,749 Sewer Bond Anticipation Note, Series 2010 A (West Virginia Infrastructure Fund), dated the date hereof (the "Series 2010 A Notes" or the "Note").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated March 18, 2010, 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 Note, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Note is originally issued in the form of one Note, registered as to principal to the Authority, payable on September 1, 2010, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2010 A Notes. The Note bears no interest.

The Series 2010 A Notes is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of temporarily paying a portion of the costs of the Project.

We have also examined the applicable provisions of the Act, the Note Resolution duly adopted by the Issuer on March 8, 2010, as supplemented by a Supplemental Resolution duly adopted by the Issuer on March 8, 2010 (collectively, the "Note Legislation"), pursuant to

and under which Act and Note Legislation the Series 2010 A Notes is authorized and issued, and the Loan Agreement has been entered into. The Series 2010 A Notes is subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Note Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Note Legislation and the Loan Agreement when used herein.

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

1. The Issuer is a duly created and validly existing public service district and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to enact the Note Legislation and to issue and sell the Series 2010 A Notes, all under the Act and other applicable provisions of law.

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

3. The Note Legislation and all other necessary ordinances and resolutions have been duly and effectively enacted and adopted by the Issuer in connection with the issuance and sale of the Series 2010 A Notes and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Note Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Series 2010 A Notes has 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 payment of the debt service on the Series 2010 A Note shall be secured by a first lien on bond, note or grant proceeds received by the Issuer subsequent to the issuance of the Note to permanently finance a portion of the costs of the Project.

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

6. The Series 2010 A Notes is, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, and the interest on the Series 2010 A Notes is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

It is to be understood that the rights of the holders of the Series 2010 A Notes and the enforceability of the Series 2010 A Notes, the Loan Agreement and the Note Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or

hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,

  
STEPTOE & JOHNSON PLLC

02.18.10  
306370.00003

**JOHN D. ATHEY**  
ATTORNEY AT LAW  
ATHEY LAW BUILDING, SUITE 2  
140 ARMSTRONG STREET  
KEYSER, WEST VIRGINIA 26726  
  
PHONE 304-788-9292  
FACSIMILE 304-788-8041

March 18, 2010

Frankfort Public Service District  
Sewer Bond Anticipation Notes, Series 2010 A  
(West Virginia Infrastructure Fund)

Frankfort Public Service District  
Wiley Ford, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Infrastructure Council  
Charleston, West Virginia

Steptoe & Johnson PLLC  
Charleston, West Virginia

Ladies and Gentlemen:

I serve as the Attorney for the Frankfort Public Service District in Mineral County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC as bond counsel, a loan agreement for the Series 2010 A Notes, dated March 18, 2010, including all schedules and exhibits attached thereto, 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"), a Note Resolution duly enacted by the Issuer on March 8, 2010, as supplemented by a Supplemental Resolution duly adopted by the Issuer on March 8, 2010 (collectively, the "Note Legislation"), and other documents relating to the above-captioned Note of the Issuer (collectively, the "Note"). Capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Note Legislation and the Loan Agreement when used herein.

I am of the opinion that:

1. The Issuer has been duly created and is validly existing as a public service district 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, have taken the requisite oaths and are authorized to act in their respective capacities on behalf of the Issuer.

3. 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.

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

5. The execution and delivery of the Note and the Loan Agreement and the consummation of the transactions contemplated by the Note, the Loan Agreement and the Note Legislation and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any ordinance, order, resolution, agreement or other instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, court order or consent decree to which the Issuer is subject.

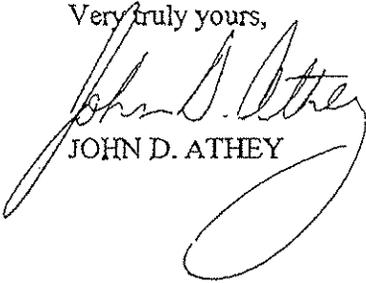
6. The Issuer has received the Commission Order dated July 14, 2009 and Commission Order dated February 8, 2010 of the Public Service Commission of West Virginia, and CPA Affidavit dated February 22, 2010, in Case No. 08-0124-W-CN, granting the Issuer a certificate of public convenience and necessity for the Project, rates for the system and approving the financing for the Project. The time for appeal of the Final Order has expired prior to the date hereof. Such Order remains in full force and effect.

7. To the best of my knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreement, the Note Legislation, the acquisition and construction of the Project, the operation of the System, the validity of the Note or the collection of the Gross Revenues. The payment of the debt service on the Series 2010 A Note shall be secured by a first lien on bond, note or grant proceeds received by the Issuer subsequent to the issuance of the Note to permanently finance a portion of the costs of the Project.

8. I have ascertained that all successful bidders have provided the drug-free workplace affidavit, submitted their drug free workplace plan, and the contracts contain language that complies with the Drug Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code. I have also ascertained all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Based upon my review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, I am of the opinion that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Note Legislation and the Loan Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,

  
JOHN D. ATHEY

**JOHN D. ATHEY**  
ATTORNEY AT LAW  
ATHEY LAW BUILDING, SUITE 2  
149 ARMSTRONG STREET  
KEYSER, WEST VIRGINIA 26726  
PHONE 804-788-0202  
FACSIMILE 804-788-0041

## FINAL TITLE OPINION

March 8, 2010

West Virginia Infrastructure and Jobs Development Council  
Charleston, West Virginia

West Virginia Department of Environmental Protection  
Charleston, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

Re: Frankfort Public Service District

Dear Ladies & Gentlemen:

I represent Frankfort Public Service District (the "District") with regard to a proposed project the Northern Mineral County Regional Sewer Project, together with all appurtenant facilities (the "Project"), and provide this final title opinion on behalf of the District to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council") and the West Virginia Department of Environmental Protection (the "DEP") with regard to the financing proposed for the Project. Please be advised of the following:

1. 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 DEP.
2. The District has obtained approval for all necessary permits and approvals for the construction of the Project.

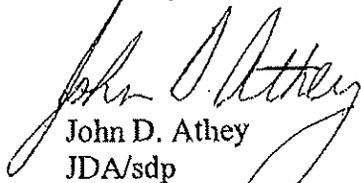
Page Two  
July 30, 2009

3. 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 Rummel, Klepper, & Kahl Engineers, the consulting engineers for the Project.

4. I have examined the records on file in the Office of the Clerk of the County Commission of Mineral 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, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the facilities to be constructed.

5. Any 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.

Sincerely,



John D. Athey

JDA/sdp

cc: Frankfort Public Service District

John Stump, Esquire, Steptoe & Johnson

Dave Vanscoy, RK&K

Michael Bland, County Coordinator

FRANKFORT PUBLIC SERVICE DISTRICT

Sewer Bond Anticipation Notes, Series 2010 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/GAN
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. LOAN AGREEMENT
11. INSURANCE
12. VERIFICATION OF SCHEDULE
13. RATES
14. SIGNATURES AND DELIVERY
15. NOTE PROCEEDS
16. PUBLICATION OF NOTICE OF FILING
17. PUBLIC SERVICE COMMISSION ORDERS
18. SPECIMEN NOTE
19. CONFLICT OF INTEREST
20. PROCUREMENT OF ENGINEERING SERVICES
21. GRANTS
22. EXECUTION OF COUNTERPARTS

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Frankfort Public Service District in Mineral County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify this 18th day of March, 2010 in connection with the Issuer's Sewer Bond Anticipation Notes, Series 2010 A (West Virginia Infrastructure Fund) dated the date hereof (collectively, the "Series 2010 A Notes"), as follows:

1. **TERMS:** All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Note Resolution of the Issuer duly adopted March 8, 2010, and the Supplemental Resolution duly adopted March 8, 2010 (collectively, the “Note Legislation”).

2. **NO LITIGATION: 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 Notes, the acquisition or construction of the Project, the operation of the System, the receipt of Grant proceeds or the Net Revenues, or in any way contesting or affecting the validity of the Notes, or any proceedings of the Issuer taken with respect to the issuance or sale of the Notes, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Notes or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Notes, the acquisition and construction of the Project, the operation of the System, the pledge or application of moneys and security or the collection of the Gross Revenues.

3. **GOVERNMENTAL APPROVALS AND BIDDING:** All applicable and necessary approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Notes have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

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

On the closing date, there will be outstanding obligations of the Issuer being the Issuer’s: (i) Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated June 22, 2000, issued in the original aggregate principal amount of \$500,000 (the “Series 2000 A Bonds”); (ii) Sewer Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund), dated June 22, 2000, issued in the original aggregate principal amount of \$1,572,459 (the “Series 2000 B Bonds”); (iii) Sewerage System Design Revenue Bonds, Series 2006 A, dated April 25, 2006, issued in the original aggregate principal amount of \$200,000 (the “Series 2006 A Bonds”) and (iv) Sewer Revenue Bonds, Series 1975 (United States Department of Agriculture), dated April 27, 1975, originally issued to Fort Ashby Public Service District in the aggregate principal amount of \$612,900 (the “Series 1975 Bonds”) (hereinafter collectively, the “Prior Bonds”); and Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund) which will be secured by a pledge of Net Revenues.

The Series 2010 A Notes is secured by a pledge of future revenue bonds of the Issuer or grant proceeds received from The County Commission of Mineral County.

5. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true, correct and complete copies of the originals of the documents of which they purport to be copies, and such original documents are in full force and effect and have not been repealed, rescinded, amended, supplemented or changed in any way unless modification appears from later documents also listed below:

Note Resolution

Supplemental Resolution

Loan Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

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

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Minutes of Current Year Organizational Meeting

Minutes on Adoption of Note Resolution and Supplemental Resolution

NPDES Permit

Infrastructure Fund Grant Agreement

Evidence of U.S. Environmental Protection Agency Grant

Evidence of U.S. Economic Development Administration Grant

Approval of Plans and Specifications

Prior Resolutions

Evidence of Insurance

Consent of West Virginia Water Development Authority

Consent of United States Department of Agriculture

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Frankfort Public Service District." The Issuer is a public service district and public corporation duly created by The County Commission of Mineral County and presently existing under the laws of, and a public corporation and political subdivision of, the State of West Virginia. The governing body of the Issuer is its Public Service Board consisting of 5 duly appointed, qualified and acting members whose names and dates of commencement and termination of current terms of office are as follows:

Name	of Office	Date of Commencement of Office	Date of Termination
Douglas Brelsford		July 1, 2007	June 30, 2011
Douglas Kenney		July 1, 2007	June 30, 2011
Blane Murray		July 1, 2007	June 30, 2013
Gerald Frantz		July 1, 2009	June 30, 2015
Paul Corwell		July 1, 2009	June 30, 2015

The names of the duly elected and/or appointed, qualified and acting officers of the Public Service Board of the Issuer for the calendar year 2010 are as follows:

Chairperson	-	Blane Murray
Secretary	-	Paul Corwell

The duly appointed and acting counsel to the Issuer is John D. Athey, Keyser, 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 Notes.

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

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Note Legislation. The successful bidders have provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code. All insurance for the System required by the Note Legislation and 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 is true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with all covenants, terms and representations in the Loan Agreement.

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

11. INSURANCE. The Issuer will maintain or, as appropriate, will require all contractors to maintain worker's compensation, public liability, property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with

the Note Legislation and the Loan Agreement. All insurance for the System required by the Note Legislation and the Loan Agreement are in full force and effect.

12. VERIFICATION OF SCHEULE: The final Schedule B attached to the Certificate of Consulting Engineer, accurately represents the estimated costs of the Project, the sources of funds available to pay the costs of the Project and the costs of financing of the Notes.

13. RATES: The Issuer has received the Commission Order dated July 14, 2009 and Commission Order dated February 8, 2010 of the Public Service Commission of West Virginia and CPA Affidavit dated February 22, 2010, in Case No. 08-2005-PSD-CN, approving the rates and charges for the services of the System. The Issuer has adopted a resolution prescribing such rates and charges. The rates will be effective when the Project is substantially complete.

14. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Chairman did officially sign all of the Series 2010 A Notes of the aforesaid issue, consisting upon original issuance of a single Note of each series, dated the date hereof, by his or her manual signature, and the undersigned Secretary did officially cause the official seal of the Issuer to be affixed upon said Series 2010 A Notes and to be attested by his or her manual signature, and the Registrar did officially authenticate, register and deliver the Series 2010 A Notes to a representative of the Authority as the original purchaser of the Series 2010 A Notes under the Loan Agreement. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

15. NOTE PROCEEDS: On the date hereof, the Issuer received \$-0- from the Authority, there being no interest accrued thereon. The balance of the principal amount of the Series 2010 A Notes will be advanced to the Issuer as acquisition and construction of the Project progresses.

16. PUBLICATION OF NOTICE OF PSC FILING: The Issuer has published any required notice with respect to, among other things, the acquisition and construction of the Project, anticipated user rates and charges, and the filing of a formal application for a certificate of public convenience and necessity with the Public Service Commission of West Virginia, in accordance with Chapter 16, Article 13A, Section 25 of the Official West Virginia Code of 1931, as amended.

17. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Commission Order dated July 14, 2009 and Commission Order dated February 8, 2010 of the Public Service Commission of West Virginia and CPA Affidavit dated February 22, 2010, in Case No. 08-2005-PSD-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the rates and charges for the System and the financing for the Project. The time for appeal of the Final Order has expired prior to the date hereof without any appeal. Such order is not subject to

any further appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to such Final Order.

18. SPECIMEN NOTE: Delivered concurrently herewith is a true and accurate specimen of the Series 2010 A Notes.

19. CONFLICT OF INTEREST: No officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Notes, the Note Legislation and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

20. 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 Notes.

21. GRANTS: On the date hereof, the grant from the Council in the amount of \$2,000,000, the U.S. Economic Development Administration grant in the amount of \$1,500,000 and the U.S. Environmental Protection Agency grant in the amount of \$933,500, are in full force and effect.

22. EXECUTION OF COUNTERPARTS: 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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WITNESS our signatures and the official seal of the FRANKFORT PUBLIC SERVICE DISTRICT as of the date first written above.

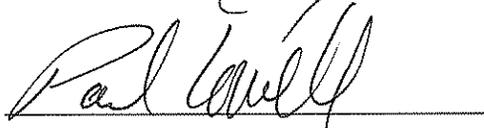
[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

  
\_\_\_\_\_

Chairman

  
\_\_\_\_\_

Secretary

\_\_\_\_\_

Attorney

02.18.10  
306370.00003

WITNESS our signatures and the official seal of the FRANKFORT PUBLIC SERVICE DISTRICT as of the date first written above.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

\_\_\_\_\_

Chairman

\_\_\_\_\_

Secretary

*John D. Atkey*  
\_\_\_\_\_

Attorney

02.18.10  
306370.00003

FRANKFORT PUBLIC SERVICE DISTRICT

Sewer Bond Anticipation Notes, Series 2010 A  
(West Virginia Infrastructure Fund)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Chairman of the Frankfort Public Service District in Mineral County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of \$6,537,749 Sewer Bond Anticipation Note, Series 2010 A (West Virginia Infrastructure Fund), of the Issuer, dated March 18, 2010 (the "Note" or the "Series 2010 A Notes"), hereby certifies on the 18th day of March, 2010, as follows:

1. I am the officer of the Issuer duly charged with the responsibility of issuing the Note. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Note Resolution duly enacted by the Issuer on March 8, 2010, as supplemented by Supplemental Resolution duly adopted by the Issuer on March 8, 2010 (collectively, the "Note Legislation"), authorizing the Note.

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 March 18, 2010, the date on which the Note is being physically delivered in exchange for an initial advance of the principal amount of the Series 2010 A Notes, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Note Legislation pursuant to which the Note is issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Note which would cause any note, the interest, if any, 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 Infrastructure Fund (the "Authority"), from which the proceeds of the Note is derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Series 2010 A Notes was sold on March 18, 2010, to the Authority, pursuant to a loan agreement dated March 18, 2010, by and between the Issuer and the Authority, for an aggregate purchase price of \$6,537,749 (100% of par), at which time, the Issuer received \$-0- from the Authority. No accrued interest has been or will be paid on the Series 2010 A Notes. The balance of the principal amount of the Series 2010 A Notes will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2010 A Notes is being delivered simultaneously with the delivery of this certificate and are issued for the purposes of to temporarily pay a portion of the costs of acquisition and construction of the Project.

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

8. The total cost of the Project, a portion of which is financed from the proceeds of the Note (including all costs of issuance of the Note), is estimated at \$18,221,000. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2010 A Bonds	\$ 7,249,751.00
Proceeds of the Series 2010 A Notes	\$ 6,537,749.00
U.S. Environmental Protection Agency grant	\$ 933,500.00
U.S. Economic Development Administration grant	\$ 1,500,000.00
Infrastructure Council grant	\$ <u>2,000,000.00</u>
Total Sources	<u>\$18,221,000.00</u>

USES

Costs of Acquisition and Construction of the Project	\$18,036,228.59
Repayment of Series 2006 A Bonds	\$ 143,771.41
Costs of Issuance	\$ <u>41,000.00</u>
Total Uses	<u>\$18,221,000.00</u>

9. Pursuant to Article V of the Note Resolution, the following special funds or accounts have been created or continued relative to the Series 2010 A Notes:

- (1) Revenue Fund (established by the Series 2010 A Bonds Resolution);
- (2) Renewal and Replacement Fund (established by the Series 2010 A Bonds Resolution);
- (3) Series 2010 A Bonds Construction Trust Fund (established by the Series 2010 A Bonds Resolution); and
- (4) Series 2010 A Notes Fund.

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

- (1) Series 2010 A Notes proceeds in the amount of \$-0- will be deposited in the Series 2010 A Notes Fund.
- (2) The balance of the proceeds of the Series 2010 A Notes will be deposited in the Series 2010 Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2010 A Notes and related costs.

11. 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 14 months of the date hereof.

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

13. All of the proceeds of the Note will be expended on the Project within 20 months from the date of issuance thereof.

14. 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 Note.

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

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

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

18. The original proceeds of the Note will not exceed the amount necessary for the purposes of the issue.

19. The Issuer shall use the Note 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.

20. The Note is not federally guaranteed.

21. The Issuer has retained the right to amend the Note Resolution authorizing the issuance of the Note if such amendment is necessary to assure that the Note remains governmental bonds.

22. Other than the Series 2010 A Bonds, there are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Note, (b) are to be sold pursuant to a common plan of financing together with the Note 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 Note.

23. 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.

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

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

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

FRANKFORT PUBLIC SERVICE DISTRICT

By:   
Its: Chairman

02.18.10  
306370.00003

FRANKFORT PUBLIC SERVICE DISTRICT

Sewer Bond Anticipation Notes, Series 2010 A  
(West Virginia Infrastructure Fund)

CERTIFICATE OF ENGINEER

I, David G. Vanscoy, Registered Professional Engineer, West Virginia License No. 6649, of Rummel, Klepper & Kahl, LLP, Keyser, West Virginia, hereby certify this 18th day of March, 2010 as follows:

1. My firm is engineer for the acquisition and construction of certain improvements and extensions (the "Project") to the existing public sewerage system (the "System") of Frankfort Public Service District (the "Issuer"), to be constructed primarily in Mineral County, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned notes (collectively, the "Notes") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Resolution, duly adopted by the Issuer on March 8, 2010, as supplemented by the Supplemental Resolution duly adopted by the Issuer on March 8, 2010, the Loan Agreement for the Series 2010 A Notes, 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 March 18, 2010, (the "Loan Agreement").

2. The Notes are being issued for the purposes of temporarily paying a portion of the costs of acquisition and construction of the Project.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Council and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 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 Issuer's counsel, John D. Athey, Esquire, of even date herewith, all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the successful bidders have provided the Drug-Free Workplace Affidavit as evidence of the Vendor's compliance with the provisions of Article 1D, Chapter 21 of the West

Virginia Code; (vi) the bid documents relating to the Project reflect the Project as approved by the Council and the bid forms provided to the bidders contain the critical operational components of the Project; (vii) the successful bids include prices for every item on such bid forms; (viii) the uniform bid procedures were followed; (ix) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (x) in reliance upon the certificate of the Issuer's certified public accountant, Huber, Michaels & Company, of even date herewith, the rates and charges for the System as adopted by the Issuer and approved by the West Virginia Public Service Commission will be sufficient to comply with the provisions of the Loan Agreement; (xi) the net proceeds of the Notes, together with all other monies on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the Council; and (xii) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

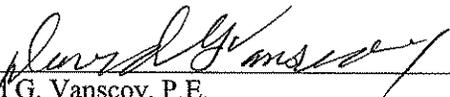
4. The Project will service 500 new customers in the Fort Ashby, Patterson Creek, Lakewood and Plum Run Road areas.

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

RUMMEL, KLEPPER & KAHL, LLP

(SEAL)

  
\_\_\_\_\_  
David G. Vanscoy, P.E.  
West Virginia License No. 6649

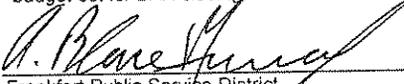
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CH5331915

WEST VIRGINIA INFRASTRUCTURE  
SCHEDULE B  
FRANKFORT PUBLIC SERVICE DISTRICT  
2004S-791a

A. COST OF PROJECT	TOTAL	IJDC Loan	IJDC Grant	EPA Grant	EDA grant	BAN/TIF*
1 Construction						
Contract 1 - WWTP	10,532,008.59	1,656,213.59	1,404,546.00	933,500.00	0.00	6,537,749.00
Contract 2 - Patterson Creek	1,317,782.00	843,381.00		0.00	474,401.00	0.00
Contract 3 - Plum Run	1,725,680.00	1,104,435.00		0.00	621,245.00	0.00
Contract 4 - Lakewood	1,123,375.00	719,021.00		0.00	404,354.00	0.00
2 Technical Services - RK&K						
a. Basic Design	826,699.00	826,699.00			0.00	0.00
b. Basic Construction	318,000.00	318,000.00		0.00	0.00	0.00
c. Inspection	463,000.00	463,000.00		0.00	0.00	0.00
d. Special Services	250,000.00	250,000.00		0.00	0.00	0.00
Repay IJDC Design Loan	143,771.41	143,771.41		0.00	0.00	0.00
3 Legal						
a. Legal	70,000.00	70,000.00		0.00	0.00	0.00
b. Rights of Way	75,000.00	75,000.00		0.00	0.00	0.00
4 Administrative						
a. Coordinator	130,000.00	130,000.00		0.00	0.00	0.00
b. Accounting	20,000.00	20,000.00		0.00	0.00	0.00
c. Other	139,230.00	139,230.00		0.00	0.00	
5 Sites & Lands						
a. Acquisition	100,000.00	100,000.00		0.00	0.00	
b. Easements	75,000.00	75,000.00		0.00	0.00	
6 Equipment	275,000.00	275,000.00		0.00	0.00	
7 Contingency	595,454.00	0.00	595,454.00	0.00	0.00	0.00
8 TOTAL of Lines 1 through 7	18,180,000.00	7,208,751.00		933,500.00	1,500,000.00	6,537,749.00
B. COST OF FINANCING						
9 Funded Reserve	0.00	0.00		0.00	0.00	0.00
10 Registrar fees	1,000.00	1,000.00		0.00	0.00	0.00
11 Bond Counsel (S&J)	40,000.00	40,000.00		0.00	0.00	0.00
12 Cost of Financing	41,000.00	41,000.00		0.00	0.00	0.00
13 TOTAL PROJECT COST line 8 plus line 12	18,221,000.00	7,249,751.00	2,000,000.00	933,500.00	1,500,000.00	6,537,749.00
C. SOURCES OF OTHER FUNDS						
14 Federal Grants EPA	933,500.00	0.00		933,500.00	0.00	
15 Federal Grants EDA	1,500,000.00	0.00		0.00	1,500,000.00	
16 State Grants IJDC	2,000,000.00		2,000,000.00	0.00	0.00	
17 Other Grants	0.00	0.00		0.00	0.00	
18 TOTAL GRANTS Lines 14 through 17	4,433,500.00	0.00		933,500.00	1,500,000.00	0.00
19 Size of Bond Issue (line 13 minus Line 18)	13,787,500.00	7,249,751.00	2,000,000.00	0.00	0.00	6,537,749.00

\*budget set for BAN closing /if & when TIF funds are applied, then the budget to be revised

  
Frankfort Public Service District

  
RK&K Engineering

March 18, 2010

BILL OF SALE OF  
FORT ASHBY PUBLIC SERVICE DISTRICT

THIS BILL OF SALE, made as of this 1st day of July, 2008, by and between FORT ASHBY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia, party of the first part, hereinafter sometimes referred to as the "Seller," and FRANKFORT PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia, party of the second part, hereinafter sometimes referred to as the "Purchaser;"

WHEREAS, Seller adopted a resolution on March 1, 2004, approving the transfer of the assets of Seller to Purchaser, subject to the Purchaser's assumption of the Seller's Sewer Revenue Bonds, Series 1975 (United States of America – Farmers Home Administration, United States Department of Agriculture) (the "Series 1975 Bonds"), dated August 27, 1975, issued in the original aggregate principal amount of \$612,900; Water Revenue Bonds, Series 1979 (United States of America – Farmers Home Administration, United States Department of Agriculture) (the "Series 1979 Bonds"), dated January 4, 1980, issued in the original aggregate principal amount of \$301,000; Water Revenue Bonds, Series 1993 A (United States of America – Farmers Home Administration, United States Department of Agriculture) (the "Series 1993 A Bonds"), dated December 2, 1993, issued in the original aggregate principal amount of \$1,325,000; and Water Revenue Bonds, Series 1993 B (United States of America – Farmers Home Administration, United States Department of Agriculture) (the "Series 1993 B Bonds"), dated December 2, 1993, issued in the original aggregate principal amount of \$198,000 (the Series 1975 Bonds, the Series 1979 Bonds, the Series 1993 A Bonds and the Series 1993 B Bonds are herein collectively called the "Fort Ashby Prior Bonds"), the approval of the Public Service Commission of West Virginia and the approval of the bondholders of the Districts;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 05-0255-PSWD-PC, by Final Order entered on September 8, 2005, approved transfer of the assets of Seller to Purchaser; and  
CH3835624.1

WHEREAS, the United States Department of Agriculture, acting through the Rural Utilities Service, as bondholder of the Fort Ashby Prior Bonds and certain Frankfort outstanding bonds, and the West Virginia Water Development Authority, as bondholder of certain Frankfort outstanding bonds, has approved the transfer of the assets of Seller to Purchaser and the assumption of the Fort Ashby Prior Bonds by the Purchaser, and the Public Service Board of Fort Ashby Public Service District is hereby executing and delivering this Bill of Sale to evidence the transfer of all personal property, tangible or intangible, and interests in personal property owned by Fort Ashby Public Service District to Frankfort Public Service District.

WITNESSETH, that for the sum of Ten and 00/100 Dollars (\$10.00), cash in hand paid by the Purchaser to the Seller, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Seller does hereby sell, assign, transfer, set over and deliver to Purchaser all personal property, including, but not limited to, all inventory, accounts receivable, deposit accounts, certificates of deposit, other evidences of indebtedness of a third party to the Seller, claims, causes of action, agreements, including, but not limited to, any indemnification agreements, contracts, equipment, supplies, vehicles, furniture, fixtures, furnishings, improvements, and any other tangible or intangible personal property, and any interest in personal property owned by the Seller, wherever located and of whatever nature.

The Seller shall deliver possession of the aforesaid personal property to Purchaser on the date of this Bill of Sale.

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IN WITNESS WHEREOF, Fort Ashby Public Service District has caused its corporate name to be signed and its corporate seal to be affixed hereto by its proper officer thereunto duly authorized, all as of the day and year first hereinabove written.

FORT ASHBY PUBLIC SERVICE DISTRICT

[SEAL]

By: Thomas C. Pyle  
Its: Chairman

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

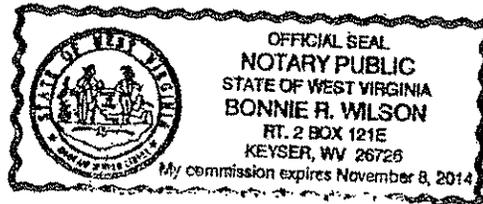
I, Bonnie Wilson, a Notary Public in and for the County and State aforesaid, do certify that \_\_\_\_\_, who signed the writing hereto annexed, bearing date as of the 1st day of July, 2008, for FORT ASHBY PUBLIC SERVICE DISTRICT, a public corporation, has this day in my said County, before me, acknowledged the said writing to be the act and deed of said corporation.

Given under my hand and official seal this 10 day of July, 2008.  
My commission expires Nov. 8, 2014.

Bonnie R. Wilson  
Notary Public

This instrument prepared by:

John C. Stump  
Steptoe & Johnson PLLC  
Post Office Box 1588  
Charleston, West Virginia 25326  
(304) 353-8000



## QUITCLAIM DEED

THIS QUITCLAIM DEED, made as of this 1st day of July 2008, by and between FORT ASHBY PUBLIC SERVICE DISTRICT (hereinafter sometimes referred to as "Fort Ashby"), a public corporation and political subdivision of the State of West Virginia, party of the first part, and FRANKFORT PUBLIC SERVICE DISTRICT (hereinafter sometimes referred to as "Frankfort"), a public corporation and political subdivision of the State of West Virginia, party of the second part.

WHEREAS, Fort Ashby adopted a resolution on March 1, 2004, approving the transfer of the assets of Fort Ashby to Frankfort, subject to Frankfort's assumption of Fort Ashby's Sewer Revenue Bonds, Series 1975 (United States of America – Farmers Home Administration, United States Department of Agriculture) (the "Series 1975 Bonds"), dated August 27, 1975, issued in the original aggregate principal amount of \$612,900; Water Revenue Bonds, Series 1979 (United States of America – Farmers Home Administration, United States Department of Agriculture) (the "Series 1979 Bonds"), dated January 4, 1980, issued in the original aggregate principal amount of \$301,000; Water Revenue Bonds, Series 1993 A (United States of America – Farmers Home Administration, United States Department of Agriculture) (the "Series 1993 A Bonds"), dated December 2, 1993, issued in the original aggregate principal amount of \$1,325,000; and Water Revenue Bonds, Series 1993 B (United States of America – Farmers Home Administration, United States Department of Agriculture) (the "Series 1993 B Bonds"), dated December 2, 1993, issued in the original aggregate principal amount of \$198,000 (the Series 1975 Bonds, the Series 1979 Bonds, the Series 1993 A Bonds and the Series 1993 B Bonds are herein collectively called the "Fort Ashby Prior Bonds"), the approval of the Public Service Commission of West Virginia and the approval of the bondholders of the Districts;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 05-0255-PSWD-PC, by Final Order entered on September 8, 2005, approved transfer of the assets of Fort Ashby to Frankfort; and

WHEREAS, the United States Department of Agriculture, acting through the Rural Utilities Service, as bondholder of the Fort Ashby Prior Bonds and certain Frankfort outstanding bonds, and the West Virginia Water Development Authority, as bondholder of certain Frankfort outstanding bonds, has approved the transfer of the assets of Fort Ashby to Frankfort and the assumption of the Bonds by Frankfort, and Fort Ashby Public Service District is hereby executing and delivering this Quitclaim Deed to evidence the transfer of all right, title and interest in and to any and all real estate and interests in real estate, together with all improvements situate thereon and the appurtenances thereunto belonging, owned by Fort Ashby Public Service District to Frankfort Public Service District.

WHEREAS, The property described herein was obtained or improved with Federal financial assistance and is subject to nondiscrimination provisions of Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, and other similarly worded Federal statutes, and the regulations issued pursuant thereto that prohibit discrimination on the basis of race, color, national origin, handicap, religion, age, or sex in programs or activities receiving Federal financial assistance. Such provisions apply for as long as the property continues to be used for the same or similar purposes for which the Federal assistance was extended, for so long as the purchaser owns it, whichever is later.

NOW, THEREFORE, in consideration of said merger and the premises herein and Ten Dollars (\$10.00), cash in hand paid, the receipt of which is hereby acknowledged, the party of the first part does hereby GRANT and CONVEY unto the party of the second part all of its right, title and interest in and to any and all real estate and interests in real estate, together with all improvements situate thereon and the appurtenances thereunto belonging, situate in Mineral County, West Virginia, and more particularly bounded and described In Exhibit A attached hereto:

For the same consideration aforesaid, the said party of the first part does hereby assign, transfer, set over and convey to the party of the second part all personal property, including, but not limited to, all inventory, accounts receivable, equipment, supplies, vehicles, furniture, fixtures,

furnishings, improvements, other tangible personal property and any interest in personal property owned by the party of the first part, wherever located.

This conveyance is made subject to all exceptions, reservations, restrictions, easements, conditions and rights-of-way contained or mentioned in prior instruments of record affecting the subject property.

The undersigned party of the first part hereby declares that this conveyance is not subject to the West Virginia Excise Tax on the privilege of transferring real property because it is a conveyance from a political subdivision of the State of West Virginia to another political subdivision of the State of West Virginia.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Fort Ashby Public Service District has hereto caused its corporate name to be signed and corporate seal to be affixed hereto by its proper officer thereunto duly authorized, all as of the day and year first hereinabove written.

FORT ASHBY PUBLIC SERVICE DISTRICT

[SEAL]

By Thomas C. Pyle  
Its Chairman

STATE OF WEST VIRGINIA,

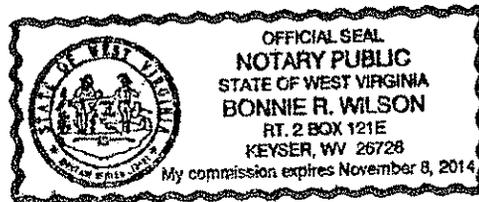
COUNTY OF MINERAL, TO-WIT:

I, Bonnie Wilson, a Notary Public in and for the County and State aforesaid, do certify that, \_\_\_\_\_, Chairman, who signed the writing hereto annexed, bearing date as of the 1st day of July, 2008, for FORT ASHBY PUBLIC SERVICE DISTRICT, a public corporation, has this day in my said County, before me, acknowledged the said writing to be the act and deed of said corporation.

Given under my hand and official seal this 10 day of July, 2008.

My commission expires Nov. 8, 2014.

Bonnie R. Wilson  
Notary Public



This document prepared by:  
John C. Stump  
Stephoe & Johnson PLLC  
Post Office Box 1588  
Charleston, West Virginia 25326  
(304) 353-8000

FORT ASHBY PUBLIC SERVICE DISTRICT

A RESOLUTION AUTHORIZING AND RATIFYING THE MERGER OF FORT ASHBY PUBLIC SERVICE DISTRICT INTO FRANKFORT PUBLIC SERVICE DISTRICT AND ADOPTING OTHER PROVISIONS RELATED THERETO

WHEREAS, Fort Ashby Public Service District (hereinafter "Fort Ashby") is a public service district and public corporation created by Resolution of The County Commission of Mineral County (hereinafter, the "County Commission") and formed pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, Frankfort Public Service District (hereinafter "Frankfort") is a public service district and public corporation created by Resolution of the County Commission and formed pursuant to the provisions of the Act;

WHEREAS, the Public Service Board of Fort Ashby adopted a resolution on March 1, 2004 following a duly noticed public hearing, authorizing the merger of Fort Ashby into Frankfort;

WHEREAS, the County Commission adopted a resolution on February 8, 2005, approving the merger of Fort Ashby into Frankfort, subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 05-0255-PSWD-PC, by Recommended Decision entered August 19, 2005, which became a Final Order of the Commission on September 8, 2005, approved and ordered the merger of Fort Ashby Public Service District into Frankfort Public Service District, and with the following conditions:

- (1) The cash assets of the Fort Ashby Public Service District, other than the restricted bond reserve, shall be placed in an interest bearing account for future repairs, replacements and extensions of its water and sewer systems. The accrued interest from this account remains part of the account.
- (2) The new Frankfort Public Service District shall adopt the Fort Ashby Public Service District's water and sewer tariffs and continue to charge Fort Ashby customers by these tariffs. The new

District shall maintain a separate financial and statistical account of Fort Ashby's water and sewer operations.

(3) After all financial obligations of Fort Ashby are met, any surplus cash shall be deposited into the restricted cash account. This applies to both the water and sewer operations of Fort Ashby.

(4) Approval by the Frankfort Public Service District to acquire the water and sewer assets of the Fort Ashby Public Service District.

(5) Approval by the Frankfort Public Service District to assume the outstanding water and sewer debt of the Fort Ashby Public Service District.

(6) The Frankfort Public Service District and the Fort Ashby Public Service District obtain approval from their bondholders concerning this acquisition. This applies to the water and sewer operations of both Districts.

(7) The existing customers of the Fort Ashby Public Service District continue to pay the rates and charges currently in effect for that District for a period of eighteen (18) months. This applies to both the water and sewer operations of Fort Ashby.

(8) The Frankfort Public Service District apply to the Commission for a rate review eighteen (18) months after the Commission issues a Final Order in this case. This applies to both the water and sewer operations of both Districts.

(9) The Frankfort Public Service District record the amount of \$1,995,324 as the net book value of the Fort Ashby Public Service District's net water utility plant and \$1,340,918 for the net sewer utility plant;

WHEREAS, the County Commission has adopted a resolution and order on July 8, 2008, ratifying the merger of Fort Ashby into Frankfort, subject to the approval of both Districts' bondholders and the conditions for the merger ordered by the Public Service Commission of West Virginia;

WHEREAS, as a necessary part of the merger, the County Commission's July 8, 2008 resolution and order ratifying the merger of Fort Ashby into Frankfort, requires Frankfort to assume, all privileges, rights and other assets of Fort Ashby and to assume, all debts, duties and other liabilities of Fort Ashby;

WHEREAS, as of the date of this Resolution, Fort Ashby has the following outstanding bonds: Sewer Revenue Bonds, Series 1975 (United States of America – Farmers

Home Administration, United States Department of Agriculture) (the "Series 1975 Bonds"), dated August 27, 1975, issued in the original aggregate principal amount of \$612,900; Water Revenue Bonds, Series 1979 (United States of America – Farmers Home Administration, United States Department of Agriculture) (the "Series 1979 Bonds"), dated January 4, 1980, issued in the original aggregate principal amount of \$301,000; Water Revenue Bonds, Series 1993 A (United States of America – Farmers Home Administration, United States Department of Agriculture) (the "Series 1993 A Bonds"), dated December 2, 1993, issued in the original aggregate principal amount of \$1,325,000; and Water Revenue Bonds, Series 1993 B (United States of America – Farmers Home Administration, United States Department of Agriculture) (the "Series 1993 B Bonds"), dated December 2, 1993, issued in the original aggregate principal amount of \$198,000 (the Series 1975 Bonds, the Series 1979 Bonds, the Series 1993 A Bonds and the Series 1993 B Bonds are herein collectively called the "Prior Bonds");

WHEREAS, the United States Department of Agriculture, Rural Utilities Service, as the holder of the Prior Bonds heretofore issued by Fort Ashby has consented to the merger of Fort Ashby into Frankfort and the assumption of the Prior Bonds by Frankfort;

WHEREAS, as a necessary part of the merger, the County Commission's July 8, 2008 resolution and order ratifying the merger of Fort Ashby into Frankfort, orders the dissolution of Fort Ashby and the enlargement of Frankfort to include all areas presently served by Fort Ashby;

WHEREAS, the United States of America – Farmers Home Administration, United States Department of Agriculture, as the holder of the Prior Bonds heretofore issued by Fort Ashby has consented to the dissolution of Fort Ashby;

WHEREAS, the Board of Frankfort plans to adopt a resolution on July 10, 2008, approving and ratifying the merger of Fort Ashby into Frankfort and other provisions related thereto;

WHEREAS, contemporaneously with the merger of Fort Ashby into Frankfort, Fort Ashby desires to assign, and Frankfort desires to assume all liabilities for and obligations under the Prior Bonds; and

WHEREAS, it is in the best interest of the customers of Frankfort and Fort Ashby to complete the proposed merger, to convey all assets, rights, privileges, immunities and powers of Fort Ashby to Frankfort, for Frankfort to assume and re-designate the Prior Bonds, for Fort Ashby to be dissolved and for the boundaries of Frankfort to be expanded to include and all areas presently served by Fort Ashby.

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF FORT ASHBY PUBLIC SERVICE DISTRICT, MINERAL COUNTY, WEST VIRGINIA AS FOLLOWS:

1. Fort Ashby does hereby authorize and ratify the merger of Fort Ashby into Frankfort and accepts any and all conditions placed on the merger ordered by the Public Service Commission.

2. As required by the merger, Fort Ashby does hereby authorize and ratify the transfer of the assets of Fort Ashby to Frankfort, the assignment of the Prior Bonds to Frankfort and the dissolution of Fort Ashby.

3. That, immediately following the consummation of the merger, Fort Ashby shall be dissolved.

4. The Chairman and Secretary of Fort Ashby are hereby authorized and directed to execute all documents concerning the merger, specifically including, but not limited to, the transfer of Fort Ashby's assets to Frankfort and the assignment of the Prior Bonds.

5. The Chairman and Secretary of Fort Ashby are hereby authorized and directed to execute all documents concerning the dissolution of Fort Ashby.

6. The Chairman and Secretary of Fort Ashby are vested with the appropriate authority to take any and all actions necessary to complete the merger and the dissolution of Fort Ashby.

7. This Resolution shall become effective immediately upon adoption hereof.

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Adopted by the Public Service Board of Fort Ashby Public Service District at a meeting duly noticed and held on the 10th day of July, 2008.

FORT ASHBY PUBLIC SERVICE DISTRICT

[SEAL]

  
\_\_\_\_\_  
Chairman

FRANKFORT PUBLIC SERVICE DISTRICT

A RESOLUTION AUTHORIZING AND RATIFYING THE  
MERGER OF FORT ASHBY PUBLIC SERVICE DISTRICT  
INTO FRANKFORT PUBLIC SERVICE DISTRICT AND  
ADOPTING OTHER PROVISIONS RELATED THERETO

WHEREAS, Frankfort Public Service District (hereinafter "Frankfort") is a public service district and public corporation created by Resolution of The County Commission of Mineral County (hereinafter, the "County Commission") and formed pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, Fort Ashby Public Service District (hereinafter "Fort Ashby") is a public service district and public corporation created by Resolution of the County Commission and formed pursuant to the provisions of the Act;

WHEREAS, the County Commission adopted a resolution on February 8, 2005, approving the merger of Fort Ashby into Frankfort, subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 05-0255-PSWD-PC, by Recommended Decision entered August 19, 2005, which became a Final Order of the Commission on September 8, 2005, approved and ordered the merger of Fort Ashby Public Service District into Frankfort Public Service District, with the following conditions:

(1) The cash assets of the Fort Ashby Public Service District, other than the restricted bond reserve, shall be placed in an interest bearing account for future repairs, replacements and extensions of its water and sewer systems. The accrued interest from this account remains part of the account.

(2) The new Frankfort Public Service District shall adopt the Fort Ashby Public Service District's water and sewer tariffs and continue to charge Fort Ashby customers by these tariffs. The new District shall maintain a separate financial and statistical account of Fort Ashby's water and sewer operations.

(3) After all financial obligations of Fort Ashby are met, any surplus cash shall be deposited into the restricted cash account. This applies to both the water and sewer operations of Fort Ashby.

(4) Approval by the Frankfort Public Service District to acquire the water and sewer assets of the Fort Ashby Public Service District.

(5) Approval by the Frankfort Public Service District to assume the outstanding water and sewer debt of the Fort Ashby Public Service District.

(6) The Frankfort Public Service District and the Fort Ashby Public Service District obtain approval from their bondholders concerning this acquisition. This applies to the water and sewer operations of both Districts.

(7) The existing customers of the Fort Ashby Public Service District continue to pay the rates and charges currently in effect for that District for a period of eighteen (18) months. This applies to both the water and sewer operations of Fort Ashby.

(8) The Frankfort Public Service District apply to the Commission for a rate review eighteen (18) months after the Commission issues a Final Order in this case. This applies to both the water and sewer operations of both Districts.

(9) The Frankfort Public Service District record the amount of \$1,995,324 as the net book value of the Fort Ashby Public Service District's net water utility plant and \$1,340,918 for the net sewer utility plant;

WHEREAS, the County Commission has adopted a resolution and order on July 8, 2008, ratifying the merger of Fort Ashby into Frankfort, subject to the approval of both Districts' bondholders and the conditions for the merger ordered by the Public Service Commission of West Virginia;

WHEREAS, as a necessary part of the merger, the County Commission's July 8, 2008 resolution and order ratifying the merger of Fort Ashby into Frankfort, requires Frankfort to assume, all privileges, rights and other assets of Fort Ashby and to assume, all debts, duties and other liabilities of Fort Ashby;

WHEREAS, as of the date of this Resolution, Fort Ashby has the following outstanding bonds: Sewer Revenue Bonds, Series 1975 (United States of America – Farmers Home Administration, United States Department of Agriculture) (the "Series 1975 Bonds"), dated August 27, 1975, issued in the original aggregate principal amount of \$612,900; Water Revenue Bonds, Series 1979 (United States of America – Farmers Home Administration, United States Department of Agriculture) (the "Series 1979 Bonds"), dated January 4, 1980, issued in

the original aggregate principal amount of \$301,000; Water Revenue Bonds, Series 1993 A (United States of America – Farmers Home Administration, United States Department of Agriculture) (the “Series 1993 A Bonds”), dated December 2, 1993, issued in the original aggregate principal amount of \$1,325,000; and Water Revenue Bonds, Series 1993 B (United States of America – Farmers Home Administration, United States Department of Agriculture) (the “Series 1993 B Bonds”), dated December 2, 1993, issued in the original aggregate principal amount of \$198,000 (the Series 1975 Bonds, the Series 1979 Bonds, the Series 1993 A Bonds and the Series 1993 B Bonds are herein collectively called the “Fort Ashby Prior Bonds”);

WHEREAS, as of the date of this Resolution, Frankfort has the following outstanding bonds: Water Revenue Bonds, Series 1976 (United States Department of Agriculture) (the “Series 1976 Bonds”), dated July 16, 1976, issued in the original aggregate principal amount of \$223,000; Water Revenue Bonds, Series 1993 (United States Department of Agriculture) (the “Series 1993 Bonds”), dated December 2, 1993, issued in the original aggregate principal amount of \$2,000,000, Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program) (the “Series 2000 A Bonds”), dated June 27, 2000, issued in the original aggregate principal amount of \$500,000; Sewer Revenue Bonds, Series 2000 B (West Virginia Infrastructure Fund) (the “Series 2000 B Bonds”), dated June 27, 2000, issued in the original aggregate principal amount of \$1,572,459, Sewerage System Design Revenue Bonds, Series 2006 A (West Virginia Infrastructure Fund) (the “Series 2006 A Bonds”), dated April 15, 2006, issued in the original aggregate principal amount of \$200,000; and Water Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund) (the “Series 2008 A Bonds”), dated May 6, 2008, issued in the original aggregate principal amount of \$400,000 (the Series 1976 Bonds, the Series 1993 Bonds, the Series 2000 A Bonds, the Series 2000 B Bonds, the Series 2006 A Bonds and the Series 2008 A Bonds are herein collectively called the “Frankfort Prior Bonds”);

WHEREAS, the United States Department of Agriculture, Rural Utilities Service, as the holder of the Fort Ashby Prior Bonds heretofore issued by Fort Ashby has consented to the merger of Fort Ashby into Frankfort and the assumption of the Fort Ashby Prior Bonds by Frankfort;

WHEREAS, the United States Department of Agriculture, Rural Utilities Service and the West Virginia Water Development Authority, as the holders of the Frankfort Prior Bonds heretofore issued by Frankfort has consented to the merger of Fort Ashby into Frankfort and the assumption of the Fort Ashby Prior Bonds by Frankfort;

WHEREAS, as a necessary part of the merger, the County Commission’s July 8, 2008 resolution and order ratifying the merger of Fort Ashby into Frankfort, orders the dissolution of Fort Ashby and the enlargement of Frankfort to include all areas presently served by Fort Ashby;

WHEREAS, contemporaneously with the completion of the merger of Fort Ashby into Frankfort, Frankfort’s service territory shall now include the following service territory (“Post Merger Service Territory”):

Beginning at a stake in a field, land owned by Fred Siple; thence S. 30° 18' E. a distance of 2263.00 feet to Patterson Creek, crossing

said creek same bearing continued a distance of 944.71 feet, total distance of 3207.71 feet to a fence post in right of way line of W. Va. Secondary Road No. 15; thence with said right-of-way line S. 55° 31' W. a distance of 443.99 feet to a stake by a power pole in said right-of-way line; thence, crossing said W. Va. Secondary Road No. 15 and along the property line of The Board of Education, S. 30° 18' E. a distance of 782.85 feet to a concrete Monument, corner to said Board of Education and in property line of Ralph Barnes and Fed Larsen; thence with said Barnes and Larsen S. 71° 56' W. a distance of 229.64 feet to a hickory tree corner of said Barnes and James Allen; thence with said Barnes and Allen and passing a Swamp Oak on other corner of said Barnes and Allen in said Public Service Distance line S. 14° 54' E. a distance of 595.08 feet to an eight inch Black Oak in or near the property line of K. H. Ratcliffe and James Allen; thence S. 28° 21' W. a distance of 1744.00 feet to a stake on a ridge; thence S. 1° 54' W. a distance of 955.65 feet, crossing a deep hollow and ridge to a twenty inch Black Oak on the east side of a ravine; thence down ravine S. 62° 11' W. a distance of 402.77 feet to a point on S. W. Corner of concrete Headwall of Route W. Va. 28; thence crossing Route 28 and up W. Va. Secondary Route 58.5, S. 64° 27' W. a distance of 557.80 feet to a stake on the west side of said Route 28/5; thence with west side of Route 58/5 S. 11° 45' W. A distance of 229.00 feet to an eighteen inch Black Walnut; thence leaving said Route 28/5 S. 63° 43' W. a distance of 1102.34 feet to an eighteen inch Black Oak on a knoll; thence, N. 29° 36' W. a distance of 653.99 feet to a fence post corner to Dowden and Riley in Shanholtz line; thence with Dowden, Stallings and Riley line N. 35° 32' W. a distance of 1580.09 feet to an eight inch elm near corner of Stallings and in Riley line; thence across Riley's land S. 42° 28' W. a distance of 1069.50 feet to a double Thorn Tree in Bower's line; thence with Bower and Riley N. 35° 25' W., crossing Route W.Va. 46 at 530.00 feet, old Mill Race at 1772.00 feet and Patterson Creek at 3448.00 feet, a distance of 3698.69 feet to three Chestnut Oaks growing from one stump; thence N. 34° 55' E. a distance of 2951.85 feet to a 5 inch Elm on a ridge 325 feet more or less northwest of W. B. Helmick's house; thence N. 43° 29' E. crossing W. Va. Secondary Road No. 28/4, a distance of 1398.27 feet to a fourteen inch Pine on ridge; thence N. 62° 06' E. a distance of 1262.73 feet to an eight inch Hickory Tree; thence S. 85° 01' E., crossing Route W. Va. 28 at the intersection of W. Va. Secondary Route 28/3, a distance of 1517.09 feet to the beginning; containing 1.277 square miles; and

Beginning at the intersection of the Frankfort-Cabin Run Tax Districts an the North Branch Potomac River thence, northeasterly along river to its intersection with the southern boundary of the

town of Ridgeley corporation line, thence east along the corporation line to its intersection with the meanders of the river to its intersection with the Mineral-Hampshire County line, thence, southwesterly along county line to its intersection with the Frankfort-Cabin Run Magisterial District line, thence, northwesterly along magisterial district line to the North Branch Potomac River, the point of beginning, containing approximately 100 square miles.

The district service area excludes the Town of Ridgeley; and

WHEREAS, the United States of America – Farmers Home Administration, United States Department of Agriculture, as the holder of the Prior Bonds heretofore issued by Fort Ashby has consented to the dissolution of Fort Ashby;

WHEREAS, the Board of Fort Ashby plans to adopt a resolution on July 10, 2008, approving and ratifying the merger of Fort Ashby into Frankfort and other provisions related thereto;

WHEREAS, contemporaneously with the merger of Fort Ashby into Frankfort, Fort Ashby desires to assign, and Frankfort desires to assume all liabilities for and obligations under the Fort Ashby Prior Bonds; and

WHEREAS, it is in the best interest of the customers of Frankfort and Fort Ashby to complete the proposed merger, to convey all assets, rights, privileges, immunities and powers of Fort Ashby to Frankfort, for Frankfort to assume and re-designate the Fort Ashby Prior Bonds, for Fort Ashby to be dissolved and for the boundaries of Frankfort to be enlarged to include all areas presently served by Fort Ashby.

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF FRANKFORT PUBLIC SERVICE DISTRICT, MINERAL COUNTY, WEST VIRGINIA AS FOLLOWS:

1. Frankfort does hereby authorize and ratify the merger of Fort Ashby into Frankfort and accepts any condition placed on the merger ordered by the Public Service Commission.

2. As required by the merger, Frankfort does hereby authorize and ratify the transfer of the assets of Fort Ashby to Frankfort, the assignment of the Fort Ashby Prior Bonds to Frankfort and the enlargement of Frankfort's boundaries to include all areas in the Post Merger Service Territory.

3. The Chairman and Secretary of Frankfort are hereby authorized and directed to execute all documents concerning the merger, specifically including, but not limited to, the transfer of Fort Ashby's assets to Frankfort, the assignment of the Fort Ashby Prior Bonds to Frankfort and the enlargement of Frankfort's boundaries to include all areas in the Post Merger Service Territory.

4. The Chairman and Secretary of Frankfort are vested with the appropriate authority to take any and all actions necessary to complete the merger.

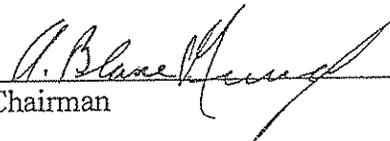
5. This Resolution shall become effective immediately upon adoption hereof.

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Adopted by the Public Service Board of Frankfort Public Service District at a meeting held on the 10th day of July, 2008.

FRANKFORT PUBLIC SERVICE DISTRICT

[SEAL]

  
Chairman

BEFORE THE COUNTY COMMISSION OF MINERAL COUNTY

**A RESOLUTION AND ORDER RATIFYING THE MERGER  
OF FORT ASHBY PUBLIC SERVICE DISTRICT INTO  
FRANKFORT PUBLIC SERVICE DISTRICT**

WHEREAS, pursuant to the provisions of Article 13A, Chapter 16 of the West Virginia Code, The County Commission of Mineral County is empowered to, upon its own motion by order duly adopted, propose the merger of public service districts located within the County, in order to preserve the public health, comfort and convenience of the areas within the public service districts;

WHEREAS, The County Commission of Mineral County, after considerable deliberation, has decided that the merger of Fort Ashby Public Service District into Frankfort Public Service District is necessary for the preservation of the public health, comfort and convenience for the areas presently served and proposed to be served by the said Districts;

WHEREAS, The County Commission of Mineral County, West Virginia, adopted a Resolution and Order on January 11, 2005, proposing the merger of Fort Ashby Public Service District into Frankfort Public Service District;

WHEREAS, The County Commission of Mineral County, West Virginia, held public hearings on the Resolution and Order on January 24, 2005, February 2, 2005 and February 8, 2005, proposing the merger of Fort Ashby Public Service District into Frankfort Public Service District;

WHEREAS, The County Commission of Mineral County, West Virginia, after the final public hearing, adopted a Resolution and Order on February 8, 2005, approving the merger of Fort Ashby Public Service District into Frankfort Public Service District, subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 05-0255-PSWD-PC, by Recommended Decision entered August 19, 2005, which became a Final Order of the Commission on September 8, 2005, approved and ordered the merger of Fort Ashby Public Service District into Frankfort Public Service District, contingent upon said Districts' bondholders granting their consent and approval of the acquisition and merger and with the following conditions:

(1) The cash assets of the Fort Ashby Public Service District, other than the restricted bond reserve, shall be placed in an interest bearing account for future repairs, replacements and extensions of its water and sewer systems. The accrued interest from this account remains part of the account.

(2) Frankfort Public Service District shall adopt the Fort Ashby Public Service District's water and sewer tariffs and continue to charge Fort Ashby Public Service District customers by these tariffs.

Frankfort Public Service District shall maintain a separate financial and statistical account of Fort Ashby Public Service District's water and sewer operations.

(3) After all financial obligations of Fort Ashby Public Service District are met, any surplus cash shall be deposited into the restricted cash account. This applies to both the water and sewer operations of Fort Ashby Public Service District.

(4) Approval by the Frankfort Public Service District to acquire the water and sewer assets of the Fort Ashby Public Service District.

(5) Approval by the Frankfort Public Service District to assume the outstanding water and sewer debt of the Fort Ashby Public Service District.

(6) The Frankfort Public Service District and the Fort Ashby Public Service District obtain approval from their bondholders concerning this acquisition. This applies to the water and sewer operations of both Districts.

(7) The existing customers of the Fort Ashby Public Service District continue to pay the rates and charges currently in effect for that District for a period of eighteen (18) months. This applies to both the water and sewer operations of Fort Ashby Public Service District.

(8) The Frankfort Public Service District apply to the Commission for a rate review eighteen (18) months after the date of the merger. This applies to both the water and sewer operations of both Districts.

(9) The Frankfort Public Service District record the amount of \$1,995,324 as the net book value of the Fort Ashby Public Service District's net water utility plant and \$1,340,918 for the net sewer utility plant;

WHEREAS, contemporaneously with the completion of the merger of Fort Ashby Public Service District into Frankfort Public Service District, Fort Ashby Public Service District desires to assign, and Frankfort Public Service District desires to assume, all privileges, rights and other assets of Fort Ashby Public Service District;

WHEREAS, contemporaneously with the completion of the merger of Fort Ashby Public Service District into Frankfort Public Service District, Fort Ashby Public Service District desires to transfer, and Frankfort Public Service District desires to assume, all debts, duties and other liabilities of Fort Ashby Public Service District;

WHEREAS, contemporaneously with the completion of the merger of Fort Ashby Public Service District into Frankfort Public Service District, the service territory of Frankfort Public Service District shall be enlarged to include the all areas presently served by said Districts; and

WHEREAS, contemporaneously with the completion of the merger of Fort Ashby Public Service District into Frankfort Public Service District, Fort Ashby Public Service District shall be dissolved;

WHEREAS, The County Commission of Mineral County, after considerable deliberation, has decided that the enlargement of the water and sewer service authority of Frankfort Public Service District to include all areas presently served by the said Districts, is necessary for the preservation of the public health, comfort and convenience for the areas presently served and proposed to be served by the said Districts;

WHEREAS, contemporaneously with the consumation of the merger, Frankfort Public Service District shall include the following service territory:

Beginning at a stake in a field, land owned by Fred Siple; thence S. 30° 18' E. a distance of 2263.00 feet to Patterson Creek, crossing said creek same bearing continued a distance of 944.71 feet, total distance of 3207.71 feet to a fence post in right of way line of W. Va. Secondary Road No. 15; thence with said right-of-way line S. 55° 31' W. a distance of 443.99 feet to a stake by a power pole in said right-of-way line; thence, crossing said W. Va. Secondary Road No. 15 and along the property line of The Board of Education, S. 30° 18' E. a distance of 782.85 feet to a concrete Monument, corner to said Board of Education and in property line of Ralph Barnes and Fed Larsen; thence with said Barnes and Larsen S. 71° 56' W. a distance of 229.64 feet to a hickory tree corner of said Barnes and James Allen; thence with said Barnes and Allen and passing a Swamp Oak on other corner of said Barnes and Allen in said Public Service Distance line S. 14° 54' E. a distance of 595.08 feet to an eight inch Black Oak in or near the property line of K. H. Ratcliffé and James Allen; thence S. 28° 21' W. a distance of 1744.00 feet to a stake on a ridge; thence S. 1° 54' W. a distance of 955.65 feet, crossing a deep hollow and ridge to a twenty inch Black Oak on the east side of a ravine; thence down ravine S. 62° 11' W. a distance of 402.77 feet to a point on S. W. Corner of concrete Headwall of Route W. Va. 28; thence crossing Route 28 and up W. Va. Secondary Route 58.5, S. 64° 27' W. a distance of 557.80 feet to a stake on the west side of said Route 28/5; thence with west side of Route 58/5 S. 11° 45' W. A distance of 229.00 feet to an eighteen inch Black Walnut; thence leaving said Route 28/5 S. 63° 43' W. a distance of 1102.34 feet to an eighteen inch Black Oak on a knoll; thence, N. 29° 36' W. a distance of 653.99 feet to a fence post corner to Dowden and Riley in Shanholtz line; thence with Dowden, Stallings and Riley line N. 35° 32' W. a distance

of 1580.09 feet to an eight inch elm near corner of Stallings and in Riley line; thence across Riley's land S. 42° 28' W. a distance of 1069.50 feet to a double Thorn Tree in Bower's line; thence with Bower and Riley N. 35° 25' W., crossing Route W. Va. 46 at 530.00 feet, old Mill Race at 1772.00 feet and Patterson Creek at 3448.00 feet, a distance of 3698.69 feet to three Chestnut Oaks growing from one stump; thence N. 34° 55' E. a distance of 2951.85 feet to a 5 inch Elm on a ridge 325 feet more or less northwest of W. B. Helmick's house; thence N. 43° 29' E. crossing W. Va. Secondary Road No. 28/4, a distance of 1398.27 feet to a fourteen inch Pine on ridge; thence N. 62° 06' E. a distance of 1262.73 feet to an eight inch Hickory Tree; thence S. 85° 01' E., crossing Route W. Va. 28 at the intersection of W. Va. Secondary Route 28/3, a distance of 1517.09 feet to the beginning; containing 1.277 square miles; and

Beginning at the intersection of the Franfort-Cabin Run Magisterial Districts an the North Branch Potomac River thence, northeasterly along river to its intersection with the southern boundary of the town of Ridgeley corporation line, thence east along the corporation line to its intersection with the meanders of the river to its intersection with the Mineral-Hampshire County line, thence, southwesterly along county line to its intersection with the Frankfort-Cabin Run Magisterial District line, thence, northwesterly along magisterial district line to the North Branch Potomac River, the point of beginning, containing approximately 100 square miles.

The district service area excludes the Town of Ridgeley;

WHEREAS, the Board of Frankfort Public Service District will consider for adoption a resolution on July 10, 2008, approving and ratifying the merger of Fort Ashby Public Service District into Frankfort Public Service District and other provisions related thereto;

WHEREAS, the Board of Fort Ashby Public Service District will consider for adoption a resolution on July 10, 2008, approving and ratifying the merger of Fort Ashby Public Service District into Frankfort Public Service District and other provisions related thereto; and

WHEREAS, it is now deemed desirous by The County Commission of Mineral County to adopt a Resolution and Order ratifying the merger of Fort Ashby Public Service District into Frankfort Public Service District, sanctioning and confirming all lawful actions taken by said Districts and their counsel to effectuate and complete the merger of Fort Ashby Public Service District into Frankfort Public Service District.

NOW, THEREFORE, BE IT, AND IT IS, HEREBY, RESOLVED AND ORDERED by The County Commission of Mineral County as follows:

1. That the merger of Fort Ashby Public Service District into Frankfort Public Service District, as described in the above stated recitals of this Resolution and Order, is hereby ratified, confirmed, and, in all respects deemed completed, contingent upon the following conditions:

(1) The cash assets of the Fort Ashby Public Service District, other than the restricted bond reserve, shall be placed in an interest bearing account for future repairs, replacements and extensions of its water and sewer systems. The accrued interest from this account remains part of the account.

(2) Frankfort Public Service District shall adopt the Fort Ashby Public Service District's water and sewer tariffs and continue to charge Fort Ashby Public Service District's customers by these tariffs. The Frankfort Public Service District shall maintain a separate financial and statistical account of Fort Ashby Public Service District's water and sewer operations.

(3) After all financial obligations of Fort Ashby Public Service District are met, any surplus cash shall be deposited into the restricted cash account. This applies to both the water and sewer operations of Fort Ashby Public Service District.

(4) Approval by the Frankfort Public Service District to acquire the water and sewer assets of the Fort Ashby Public Service District.

(5) Approval by the Frankfort Public Service District to assume the outstanding water and sewer debt of the Fort Ashby Public Service District.

(6) The Frankfort Public Service District and the Fort Ashby Public Service District obtain approval from their bondholders concerning this acquisition. This applies to the water and sewer operations of both Districts.

(7) The existing customers of the Fort Ashby Public Service District continue to pay the rates and charges currently in effect for that District for a period of eighteen (18) months. This applies to both the water and sewer operations of Fort Ashby Public Service District.

(8) The Frankfort Public Service District apply to the Commission for a rate review eighteen (18) months after the date of the merger. This applies to both the water and sewer operations of both Districts.

(9) The Frankfort Public Service District record the amount of \$1,995,324 as the net book value of the Fort Ashby Public Service

District's net water utility plant and \$1,340,918 for the net sewer utility plant;

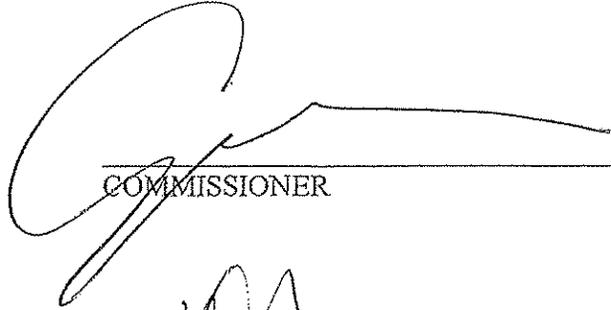
2. That all lawful actions taken by the said Districts and their counsel to effectuate and complete the merger of Fort Ashby Public Service District into Frankfort Public Service District are hereby ratified and confirmed.

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2008. By the Order of The County Commission of Mineral County this 8th day of July,

THE COUNTY COMMISSION OF  
MINERAL COUNTY

\_\_\_\_\_  
PRESIDENT

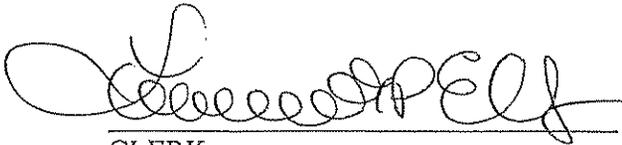


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COMMISSIONER



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COMMISSIONER

ATTEST:

  
\_\_\_\_\_  
CLERK

8/19/05

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PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

Entered: August 19, 2005

CASE NO. 05-0255-PSWD-PC

**FINAL**  
9-8-05

MINERAL COUNTY COMMISSION  
Petition for consent and approval of  
the merger of the Fort Ashby and Frankfort  
Public Service Districts.

RECOMMENDED DECISION

PROCEDURE

On February 25, 2005, the Mineral County Commission (County Commission) filed, pursuant to West Virginia Code §16-13-2, its February 8, 2005 Order, merging the Fort Ashby Public Service District and the Frankfort Public Service District.

On March 14, 2005, Staff Attorney Cecelia Jarrell filed an Initial Internal Memorandum, to which was attached the Initial Internal Memorandum prepared by Mr. Randy Lengyel, Utilities Analyst III, Water and Wastewater Division. Both Districts provide water and sewer service. The Mineral County Commission seeks to establish one public service district, the Frankfort Public Service District, to serve both geographical areas. Staff indicated that the Mineral County Commission's filing did not include two necessary items of information and that, once these were received, Staff would make a recommendation within the time guidelines set by the Commission. Staff recommended that the matter be referred to the Division of Administrative Law Judges for disposition.

On March 15, 2005, Staff filed its First Set of Interrogatories, Data Requests or Requests for Information upon the Mineral County Commission.

By Order dated March 23, 2005, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before September 23, 2005.

On May 16, 2005, the Mineral County Commission submitted the information requested by Staff in its interrogatories.

By Procedural Order dated May 25, 2005, the Mineral County Commission was directed to file with the Commission a copy of its Order that set its consolidation proposal for the February 8, 2005 public hearing.

On June 6, 2005, the Mineral County Commission filed a copy of its resolution and order proposing the merger of the Fort Ashby and Frankfort

11-11-05

Public Service Districts and setting the date of the public hearing, as directed by the Order of May 25, 2005.

On June 7, 2005, Staff Attorney Cecelia Jarrell filed a Final Joint Staff Memorandum, to which was attached the Final Internal Memorandum prepared by Mr. Randy Lengyel, Utilities Analyst III, Water and Wastewater Division. Staff opined that the merger proposed will result in more efficient and cost-effective operations, allow the consolidation of several functions and stabilize operation and maintenance expense. The Mineral County Commission had submitted documentation regarding its compliance with the requirements of West Virginia Code §16-13A-2.

Commission Staff, upon reviewing the information submitted, provided the following recommendations:

- (1) Approval of the Mineral County Commission's petition to merge the Fort Ashby Public Service District water and sewer operations into the Frankfort Public Service District water and sewer operations, contingent upon the Districts' bondholders granting their consent and approval to the acquisition and merger.
- (2) The cash assets of the Fort Ashby Public Service District, other than the restricted bond reserve, shall be placed in an interest bearing account for future repairs, replacement and extensions of its water and sewer systems. The accrued interest from this account remains part of the account.
- (3) The new Frankfort Public Service District shall adopt the Fort Ashby Public Service District's water and sewer tariffs and continue to charge the former Fort Ashby customers by these tariffs. The new District shall maintain a separate financial and statistical account of the former Fort Ashby water and sewer operations.
- (4) After all financial obligations of Fort Ashby are met, any surplus cash shall be deposited into the restricted cash account as set forth in Recommendation No. 2. This applies to both the water and sewer operations of both Districts.
- (5) Approval by Frankfort Public Service District to acquire the water and sewer assets of the Fort Ashby Public Service District.
- (6) Approval by Frankfort Public Service District to assume the outstanding water and sewer debt of the Fort Ashby Public Service District.
- (7) The Frankfort Public Service District and the Fort Ashby Public Service District obtain approval from their bondholders concerning this acquisition. This applies to both the water and sewer operations of both Districts.

- (8) The existing customers of the Fort Ashby Public Service District continue to pay the rates and charges currently in effect for Fort Ashby for a period of 18 months. This applies to both the water and sewer operations of both Districts.
- (9) The Frankfort Public Service District apply to the Commission for a rate review 18 months after the Commission issues a Final Order in this case for both the water and sewer operations of both Districts.
- (10) The Frankfort Public Service District record the amount of \$1,995,324 as the net book value of the Frankfort Public Service District's net water utility plant and \$1,340,918 as the net book value for the net sewer utility plant.

By Procedural Order dated June 8, 2005, this matter was set for hearing to be held in Wiley Ford, West Virginia, on July 14, 2005, and the County Commission was ordered to publish a Notice of Hearing.

The hearing was held as scheduled. The Mineral County Commission was represented by Michael Bland, County Coordinator, and by Mr. Wayne Spiggle, Mineral County Commissioner. Commission Staff was represented by Cecelia Jarrell, Esquire. No one appeared in protest to the County Commission's petition. A proper affidavit was submitted reflecting that publication of the Notice of Hearing was made in accordance with the Commission's requirements. The Final Joint Staff Memorandum prepared by Mr. Randy Lengyel was received in evidence as Staff Exhibit No. 1. No other evidence was taken since no one appeared to protest. (Tr. pp. 5-7).

#### FINDINGS OF FACT

1. The Mineral County Commission filed its February 8, 2005 Order merging the Fort Ashby Public Service District and the Frankfort Public Service District for Commission approval. (See, Order filed February 25, 2005).

2. The Mineral County Commission intends to establish one public service district, the Frankfort Public Service District, to serve both geographical areas for both water and sewer. (See, Initial Joint Staff Memorandum filed March 14, 2005).

3. Commission Staff reviewed the proposal and concluded that the proposed merger will result in a more cost-effective operation. In addition, Staff made nine other recommendations, as set forth on Appendix A to this Order. (See, Final Joint Staff Memorandum filed June 7, 2005; Appendix A, attached to this Order).

4. This matter was set for hearing to be held in Wiley Ford, West Virginia, on July 14, 2005. Said Order also provided that the Mineral County Commission give notice of the hearing once. (See, Order dated June 8, 2005).

5. A proper affidavit of publication was submitted reflecting that the Notice of Hearing was published in accordance with the Commission's requirements in News-Tribune, on July 1, 2005. (See, Affidavit of Publication in case file).

6. At the hearing, no one appeared in protest to the Mineral County Commission's petition. (See, Tr., p. 6).

#### CONCLUSION OF LAW

Since the Mineral County Commission has given proper notice of the hearing to be held on July 14, 2005, in accordance with the provisions of West Virginia Code §16-13A-2, and no one appeared at the hearing in protest to the Mineral County Commission's petition, and since Commission Staff has reviewed the proposal and concluded that it was reasonable, the February 8, 2005 Order of the Mineral County Commission, merging the Fort Ashby Public Service District and the Frankfort Public Service District, should be approved, subject to the conditions and recommendations set forth in Appendix A to this Order.

#### ORDER

IT IS, THEREFORE, ORDERED that the February 8, 2005 Order of the Mineral County Commission merging the Fort Ashby Public Service District into the Frankfort Public Service District, be, and the same hereby is, approved, contingent upon the Districts' bondholders granting their consent and approval of the acquisition and merger.

IT IS FURTHER ORDERED that the Mineral County Commission implement the nine (9) recommendations made by Staff in its Final Joint Staff Memorandum of June 7, 2005, as set forth in Appendix A to this Order.

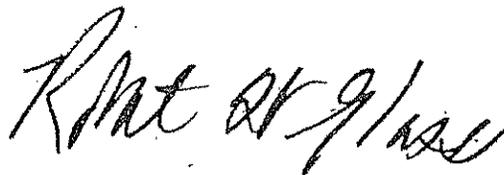
The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

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

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

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's Order by filing an appropriate petition in writing with the Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver operate to make any Administrative Law Judge's Order or Decision the order of the

Commission sooner than five (5) days after approval of such waiver by the Commission.

A handwritten signature in cursive script, appearing to read "Robert W. Glass".

Robert W. Glass  
Administrative Law Judge

RWG:dfs  
050255ab.wpd



MINERAL COUNTY COMMISSION  
CASE NO. 05-0255-PSWD-PCSTAFF RECOMMENDATIONS

(1) The cash assets of the Fort Ashby Public Service District, other than the restricted bond reserve, shall be placed in an interest bearing account for future repairs, replacements and extensions of its water and sewer systems. The accrued interest from this account remains part of the account.

(2) The new Frankfort Public Service District shall adopt the Fort Ashby Public Service District's water and sewer tariffs and continue to charge Fort Ashby customers by these tariffs. The new District shall maintain a separate financial and statistical account of Fort Ashby's water and sewer operations.

(3) After all financial obligations of Fort Ashby are met, any surplus cash shall be deposited into the restricted cash account. This applies to both the water and sewer operations of Fort Ashby.

(4) Approval by the Frankfort Public Service District to acquire the water and sewer assets of the Fort Ashby Public Service District.

(5) Approval by the Frankfort Public Service District to assume the outstanding water and sewer debt of the Fort Ashby Public Service District.

(6) The Frankfort Public Service District and the Fort Ashby Public Service District obtain approval from their bondholders concerning this acquisition. This applies to the water and sewer operations of both Districts.

(7) The existing customers of the Fort Ashby Public Service District continue to pay the rates and charges currently in effect for that District for a period of eighteen (18) months. This applies to both the water and sewer operations of Fort Ashby.

(8) The Frankfort Public Service District apply to the Commission for a rate review eighteen (18) months after the Commission issues a Final Order in this case. This applies to both the water and sewer operations of both Districts.

(9) The Frankfort Public Service District record the amount of \$1,995,324 as the net book value of the Fort Ashby Public Service District's net water utility plant and \$1,340,918 for the net sewer utility plant.

A RESOLUTION AND ORDER RECOMMENDING THE MERGER OF  
FORT ASHBY AND FRANKFORT PUBLIC SERVICE DISTRICTS

RECEIVED

FEB 25 AM 8:51

WHEREAS,

the County Commission of Mineral County created the Fort Ashby Public Service District, a public corporation, on September 12, 1961, for the purpose of constructing, operating and maintaining a water/sewer system for the residents of the community of Fort Ashby and adjacent areas, and

WEST VIRGINIA PUBLIC SERVICE COMMISSION DISTRICT OFFICE

WHEREAS,

the County Commission of Mineral County created the Frankfort Public Service District, a public corporation, on April 15, 1974, for the purpose of constructing, operating and maintaining a water/sewer system for the residents of the Frankfort Taxation District, excluding the area served by the Fort Ashby Public Service District and the incorporated areas of the Town of Carpendale and Town of Ridgeley, and

WHEREAS,

the County Commission did by Resolution and Order adopted on January 11, 2005 propose the merger of the Fort Ashby Public Service District with the Frankfort Public Service District and fixed a date for a public hearing on the proposed merger of said Public Service Districts, and in and by said Resolution and Order did provide all persons residing in or owning or having any interest in property in the area of the proposed merger, an opportunity to appear before the County Commission to be heard for and against the merger of said Districts, and

WHEREAS,

notice of the public hearing was duly given in the manner provided and required by Chapter 16, Article 13A, Section 2 of the West Virginia Code, as amended, and all interested persons have been afforded an opportunity of being heard for and against the merger of said Public Service Districts, and

WHEREAS,

the County Commission, after giving due consideration to public comments received and having previously received letters of support for the proposed merger from the respective Public Service Districts, does now deem it advisable to adopt a Resolution and Order recommending the merger of the Fort Ashby Public Service District with the Frankfort Public Service District.

NOW THEREFORE it is hereby Resolved and Ordered by the County Commission of Mineral County as follows:

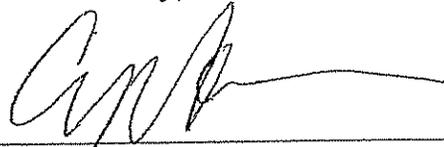
Section 1. That the County Commission finds and recommends that the Fort Ashby Public Service District be merged with the Frankfort Public Service District.

Section 2. That the County Commission finds that the merger of the two districts will allow the consolidation of administrative and billing services; provide for more effective use of staff in performing operation and maintenance responsibilities; and reduce or stabilize operation and maintenance costs for individual customers through more efficient provision of service; enhance the District's ability to pursue capital improvement projects and provide a higher level of service for area residents.

Section 3. That the County Commission shall, at such time as the recommended merger is approved by the West Virginia Public Service Commission, appoint a new board to manage the newly merged Frankfort Public Service District. The board of the District shall be increased to five members, appointed from the respective service areas of the District.

Section 4. That the County Clerk is hereby authorized to forward a certified copy of this Resolution and Order to the Executive Secretary of the West Virginia Public Service Commission pursuant to the provisions of Chapter 16, Article 13A, Section 2 of the West Virginia Code, as amended.

Given under my hand this the 8<sup>th</sup> day of February, 2005.



\_\_\_\_\_  
Cynthia L. Pyles,  
President

Attest:



\_\_\_\_\_  
Isaac A. Alt,  
County Clerk

Mineral County Commission  
PUBLIC HEARING  
Merger of Fort Ashby/Frankfort Public Service District  
February 8, 2005

President Cindy Pyles, Commissioner Janice LaRue and Commissioner Wayne Spiggle were present for the public hearing. Also present were Isaac Alt, Clerk and Debbie Weasenforth, Deputy Clerk.

President Cindy Pyles opened the floor for discussion for and against the merger between Fort Ashby and Frankfort Public Service Districts. Craig Etchison, resident of Fort Ashby expressed that he was against the merger stating, "The existing system is being run effectively and economically. The merger would cause more debt." Mr. Etchison questioned the commission if the consent one way or another (for/against) would mean a decision as to who was building the new sewer project and he was assured this hearing was for the decision on the merger only.

At this time, Coordinator Mike Bland read written public comments from:

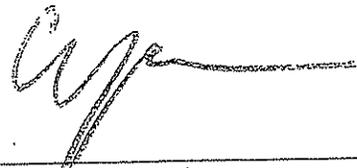
Linda & Gary Durr  
Larry Bower  
Kolin Jan  
Harold Hershberger  
Donald Graham  
David Welker

RECEIVED  
2006 FEB 25 AM 8:51  
WEST VIRGINIA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

Prior to the February 8<sup>th</sup> public hearing, the commission scheduled two public meetings to obtain public comment. The first meeting was held January 24<sup>th</sup> at Frankfort High School; the second was held at the Fort Ashby Volunteer Fire Department on February 3<sup>rd</sup>.

The Commission also received letters of support for the merger from Frankfort and Fort Ashby Public Service District.

With there being no further comments and/or discussion, Commission Wayne Spiggle made a motion to approve the merger of Fort Ashby and Frankfort Public Service District; Commissioner Janice LaRue seconded the motion. Unanimous.



Cynthia Pyles, President  
Mineral County Commission

State of West Virginia, Mineral County, to-wit:  
Be it remembered that on this 8th  
day of February, 2005. The  
aforesaid Public Hearing Minutes was  
presented in the Office of the Clerk of County  
Commission and admitted to record.  
Isaac A. Alt  
Clerk of County Commission

I, as an officer of the News-Tribune, a daily newspaper published at Keyser, Mineral County, West Virginia, hereby certify that the Public Service Commission in the case of Notice of Hearing Mineral County Commission Case 05-0255-PSWD-PC vs. \_\_\_\_\_

a copy whereof is hereto annexed has been published for 1 consecutive day in said NEWS TRIBUNE, the first publication being on the 1st day of, July 2005

Given under my hand at Keyser this 1st day of July, 2005

Randy Lewis  
Publisher

Publisher's Fee  
\$ 19.32

WV PUBLIC SERVICE COMMISSION SECRETARY'S OFFICE

2005 APR 19 PM 3:34

REC-411D

**130 Legal Notices**

**PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON**

CASE NO. 05-0255-PSWD-PC  
MINERAL COUNTY COMMISSION  
Petition for consent and approval of the merger of the Fort Ashby and Frankfort Public Service Districts.

**NOTICE OF HEARING**

On February 25, 2005, the Mineral County Commission filed a petition seeking approval of its February 8, 2005 Order, merging the Fort Ashby Public Service District and the Frankfort Public Service District, in accordance with the provisions of West Virginia Code §16-13A-2.

A hearing is scheduled to be held on this petition at the Wiley Ford Volunteer Fire Department, Spring Street, Wiley Ford, West Virginia, on July 14, 2005, at 9:30 a.m. Any one wishing to protest this petition must appear in person to voice their protest.

**MINERAL COUNTY COMMISSION**

RECEIVED

February 3, 2005

Public Hearing

Proposing the Merger of the Fort Ashby Public Service District with  
The Frankfort Public Service District

2005 FEB 25 AM 9:52

W VA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

CALL TO ORDER: 7:00 PM

MEMBERS PRESENT: President Cindy Pyles, Commissioner Janice LaRue and  
Commissioner Wayne Spiggle. County Clerk, Isaac Alt-County Coordinator, Mike Bland  
and County Clerk Deputy, Debbie Weasenforth

County Coordinator Mike Bland presented a handout of general information to all those  
who attended. There were 29 people who attended the public hearing. Mike explained  
that it had come to the attention of the Commission that the residents of both the Fort  
Ashby Public Service District and the Frankfort Public Service District can be more cost  
effectively served through a common Public Service District Board. The Commission  
issued a resolution and order proposing the merger of the two separate public service  
districts on January 11, 2005.

Coordinator Bland further explained benefits of the merger as follows:

- Would provide for more efficient and cost effective operations
- Would allow the consolidation of administrative and billing services
- More flexibility in scheduling operations and maintenance staff
- Stabilize operations and maintenance cost by expanding the customer base
- The larger district would be more competitive in obtaining State and Federal funds to improve and expand services

All those in attendance of the public hearing were extended the opportunity to speak in a  
public forum to express their opinions either for or against the merger. Several questions  
were asked. Fort Ashby resident Steve Miller expressed that he felt it was unfair that Fort  
Ashby would have to subsidize the system at Frankfort. He acknowledges that he didn't  
know the answer to the current problems but that Fort Ashby had a current sewer system  
that needed fixed. Mr. Miller pointed out that if the merger were approved, their sewer  
rates would double and be close to within the top 10% of those statewide yet county  
wages for citizens do not match the increase.

It was announced that the Commission would be conducting a public hearing on this  
matter on February 8, 2005 from 1:00-2:00 PM in the Mineral County Commission  
Meeting Room. All those in attendance were given a public comment sheet to fill out,  
further expressing their opinions for the Commission to consider and determine the  
feasibility of the merger.

The public hearing was adjourned at 8:45 PM.

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

Be it remembered that on this 3rd

day of February, 2005. The  
going Public Hearing Minutes was

presented in the Office of the Clerk of County  
Commission and admitted to record.

Isaac A. Alt

Clerk of County Commission

Cynthia Pyles-President  
Mineral County Commission

BOOK

24 PAGE 508

1/26/05

**AFFIDAVIT**

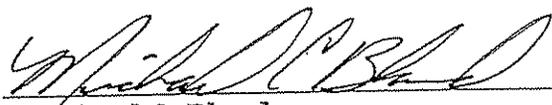
Comes now your Affiant, Michael C. Bland, County Coordinator of Mineral County, West Virginia and after being duly sworn says as follows:

1. That the attached Notice of Public Hearing proposing the merger of the Frankfort and Fort Ashby Public Service Districts was posted at the following locations on January 26, 2005:

- Fort Ashby Post Office
- BB&T Bank, Fort Ashby
- M&T Bank, Fort Ashby
- Fort Ashby Library
- FNB Bank, Fort Ashby
- Mountaineer Mart, Short Gap
- Old Furnace Restaurant, Short Gap
- Old Furnace Store, Short Gap
- Wiley Ford Post Office
- Blankenships Store, Wiley Ford

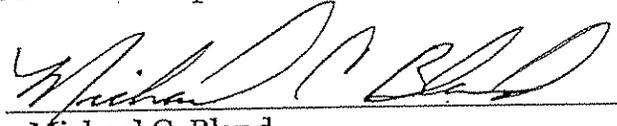
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 2005 FEB 25 AM 8:51  
 W. VA. PUBLIC SERVICE  
 COMMISSION  
 SECRETARY'S OFFICE

Further the Affiant saith not

  
 \_\_\_\_\_  
 Michael C. Bland

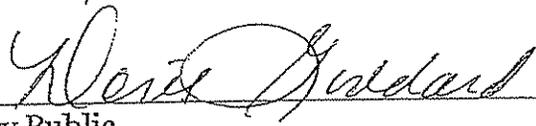
State of West Virginia,  
County of Mineral, to-wit:

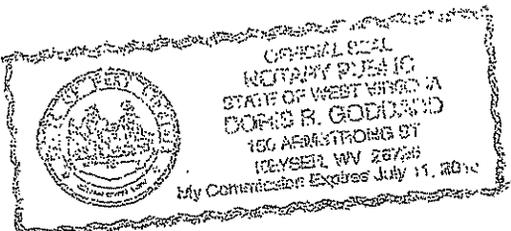
I, Michael C. Bland, named in the foregoing Affidavit, being by me first duly sworn, upon his oath deposes and says that the facts and allegations contained herein are true except so far as they are herein stated to be upon information, he believes them to be true.

  
 \_\_\_\_\_  
 Michael C. Bland

Taken, sworn to and subscribed before me by the said Michael C. Bland, this 23<sup>rd</sup> day of February, 2005.

My Commission Expires: July 11, 2010

  
 \_\_\_\_\_  
 Notary Public



NOTICE OF PUBLIC HEARING ON ACTION OF  
THE MINERAL COUNTY COMMISSION PROPOSING THE MERGER OF  
THE FORT ASHBY PUBLIC SERVICE DISTRICT WITH  
THE FRANKFORT PUBLIC SERVICE DISTRICT  
AS PROVIDED FOR IN CHAPTER 16, ARTICLE 13A  
OF THE WEST VIRGINIA CODE, AS AMENDED

Notice is hereby given that the County Commission of Mineral County, West Virginia, will hold a public hearing on the advisability of merging the Fort Ashby Public Service District with the Frankfort Public Service District, public corporations serving portions of Mineral County, West Virginia. All residents are hereby notified that the Mineral County Commission, upon its own motion, has instituted this action for the purpose of improving and expanding water and/or sewer services to the areas served by the said Districts. The date of creation and respective service areas are as follows:

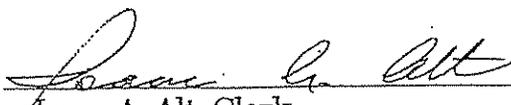
The County Commission of Mineral County created the Fort Ashby Public Service District, a public corporation, on September 12, 1961, for the purpose of constructing, operating and maintaining water/sewer systems for the residents of the community of Fort Ashby and adjacent areas, and

The County Commission of Mineral County created the Frankfort Public Service District, a public corporation, on April 15, 1974, for the purpose of constructing, operating and maintaining water/sewer systems for the residents of the Frankfort Taxation District, excluding the area served by the Fort Ashby Public Service District and the incorporated areas of the Town of Carpendale and the Town of Ridgeley.

Note: The intent of this action is to establish one public service district, the Frankfort Public Service District, to serve both of the above described areas.

You are further advised that all persons residing in or owning or having an interest in property in either the Fort Ashby Public Service District or Frankfort Public Service District shall have the opportunity to be heard for or against the proposed merger. The County Commission shall at that time consider and determine the feasibility of the merger of said Public Service Districts. Said hearing shall be conducted on February 8, 2005 at 1:00 PM, at the County Commission Meeting Room, Mineral County Courthouse, 150 Armstrong Street, Keyser, West Virginia, at that time all parties are advised to be present and to be heard.

Respectfully notified this the 24<sup>th</sup> day of January, 2005.

  
Isaac A. Alt, Clerk  
Mineral County Commission

I, as an officer of the News-Tribune, a daily newspaper published at Keyser, Mineral County, West Virginia, hereby certify that the Notice of Public Hearing in the case of Merger of Fort Ashby and Frankfort Public Service vs. Districts

a copy whereof is hereto annexed has been published for 1 consecutive day

in said NEWS TRIBUNE, the first publication being on the 24th day of, January 2005

Given under my hand at Keyser this 24th day of January, 2005

*R. A. ...*

NOTICE OF PUBLIC HEARING

On Action of the Mineral County Commission Proposing the Merger of The Fort Ashby Public Service District with the Frankfort Public Service District as Provided for the Chapter 16, Article 13A of the

West Virginia Code, As Amended

Notice is hereby given that the County Commission of Mineral County, West Virginia, will hold a public hearing on the advisability of merging the Fort Ashby Public Service District with the Frankfort Public Service District, public corporations serving portions of Mineral County, West Virginia. All residents are hereby notified that the Mineral County Commission upon its own motion, has instituted this action for the purpose of improving and expanding water and/or sewer services to the areas served by the said Districts. The date of creation and respective service areas are as follows:

The County Commission of Mineral County created the Fort Ashby Public Service District, a public corporation, on September 12, 1961, for the purpose of constructing, operating and maintaining water/sewer systems for the residents of the community of Fort Ashby and adjacent areas, and

The County Commission of Mineral County created the Frankfort Public Service District, a public corporation, on April 15, 1974, for the purpose of constructing, operating and maintaining water/sewer systems for the residents of the Frankfort Taxation Dis-

RECEIVED

2005 FEB 25 AM 8:51

W. VA. PUBLIC SERVICE COMMISSION SECRETARY'S OFFICE

1/24/05

RECEIVED

January 24, 2005

Public Hearing

Proposing the Merger of the Fort Ashby Public Service District with  
The Frankfort Public Service District

2005 FEB 25 AM 8:51

WEST VIRGINIA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

CALL TO ORDER: 7:00 PM

MEMBERS PRESENT: President Cindy Pyles, Commissioner Janice LaRue and  
Commissioner Wayne Spiggle, County Clerk, Isaac Alt-County Coordinator, Mike Bland  
and County Clerk Deputy, Debbie Weasenforth

County Coordinator Mike Bland presented a handout of general information to all those  
who attended. There were 18 people who attended the public hearing. Mike explained  
that it had come to the attention of the Commission that the residents of both the Fort  
Ashby Public Service District and the Frankfort Public Service District can be more cost  
effectively served through a common Public Service District Board. The Commission  
issued a resolution and order proposing the merger of the two separate public service  
districts on January 11, 2005.

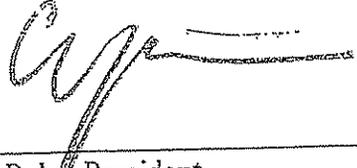
Coordinator Bland further explained benefits of the merger as follows:

- Would provide for more efficient and cost effective operations
- Would allow the consolidation of administrative and billing services
- More flexibility in scheduling operations and maintenance staff
- Stabilize operations and maintenance cost by expanding the customer base
- The larger district would be more competitive in obtaining State and Federal funds to improve and expand services

All those in attendance of the public hearing were extended the opportunity to speak in a  
public forum to express their opinions either for or against the merger. Although several  
questions were asked, no one expressed an interest in speaking openly. It was announced  
that there would be another public hearing on February 3, 2005 at 7:00 PM to be held at  
the Fort Ashby Volunteer Fire Department and the final hearing to be held on February 8,  
2005 at 1:00 PM in the Mineral County Commission Meeting Room. All those in  
attendance were given a public comment sheet to fill out, further expressing their  
opinions for the Commission to consider and determine the feasibility of the merger.

The public hearing adjourned at 7:54 PM.

State of West Virginia, Mineral County, to-wit:  
Be it remembered that on this 24th  
day of January, 2005. The  
foregoing Public Hearing Minutes was  
presented in the Office of the Clerk of County  
Commission and admitted to record.  
Isaac A. Alt  
Clerk of County Commission

  
Cynthia Pyles-President  
Mineral County Commission

FRANKFORT PUBLIC SERVICE DISTRICT  
P.O. BOX 80  
WILEY FORD, WEST VIRGINIA 26767  
PHONE 304-738-9552 FAX 304-738-9552  
OFFICE: RT. 28, KNOBLEY ESTATES

February 9, 2004

Mineral County Commission

Re: Merger or Consolidation of Frankfort and Fort Ashby  
P.S.D.s and acceptance of Regional Sewer System.

Frankfort P.S.D. board members agree that in the best interest of the residents to be served by the proposed Northern Mineral County Regional Sewer System it would improve efficiency and cost effectiveness to combine Fort Ashby and Frankfort P.S.D.s into one P.S.D. employing a knowledgeable engineering manager. It is our recommendation that current employees of both P.S.D.s suffer no loss of jobs or benefits due to this proposed consolidation.

It is further recommended by F.P.S.D. board members that the commission proceed with the facility plan for the above regional sewer system so long as sufficient funding can be obtained to ensure that the monthly average rate for 4500 gallons not exceed \$34.00.

The average rate of \$34.00 is based on two facts: (1) When the commission originally requested a feasibility study, F.P.S.D. said to proceed if anticipated rates would not exceed those of Wiley Ford which went in service in Sept. 2001 with an average monthly rate of \$32.00. (2) We are told that the rate is based on family median income which in turn determines the amount of grants obtainable and that the Wiley Ford rate was based on the 1990 census. The Mineral County family median income from 1990 to 2001 increased only 4.8% which could possibly, if being very liberal, justify an increase of \$1.54 on the Wiley Ford average rate of \$32.00. In addition the city of St. Albans, W.V., among other, put a new system in service in Oct. 2001 with an average monthly rate of \$28.70.

We realize this proposed sewer system is needed, we want it, and nothing short of a national or world holocaust will stop it, but we sincerely request that our county, state, and federal representatives of "we the people" use good judgement and consideration in the allocation of funding to keep the customers monthly bills somewhat affordable, fair and just. The desire is to provide an

environment that people will want to move into rather than move out.

Thank you and may God bless you with wisdom and integrity.

Sincerely,

*Hugh H. Felton*  
TREASURER F.P.S.D.

MHF/bw

cc:

Senator Robert Byrd  
Senator Jay Rockefeller  
Rep. Alan Mollohan  
Gov. Bob Wise  
Senator Jon B. Hunter  
Senator Sarah Menear  
Del. Allan Evans  
Del. Bob Schadler  
De. Jerry Mezzatesta

4/15/74

April 15, 1974

such office, and he is a person of good moral character, and the same is approved.

GEORGE A. HARTMAN-NOTARY APPLICATION--Upon the application of George A. Hartman for appointment as Notary Public in and for the County of Mineral, it was shown to the satisfaction of this court that said applicant is a resident of the County from which he seeks appointment, that he is competent to perform the duties of such office, and he is a person of good moral character, and the same is approved.

ALL EXONERATION, SETTLEMENTS AND APPRAISEMENT WERE APPROVED.

SHEEP CLAIMS-W. M. EISENHOUR--The sheep claim of W. M. Eisnehour was reviewed and upon checking the Assessor's office the sheep had been assessed at the same amount he had turned in. Charles A. Bonar made the motion to pay the amount of \$240.00, seconded by Brooks O. Evans.

ELECTION OFFICIALS--The Republican and Democratic Election officials were presented, reviewed and accepted for the letters to be mailed.

NOTARY CERTIFICATE-FRED M. BOYLES--The Notary Certificate of Fred M. Boules, Upsur County, was approved.

WILLIAM WAGELEY-COMMITTEE FOR R. LEE ALLEN--William Wageley, along with Attorney Charles Smith appeared before the County Court for the Committee Appointment of R. Lee Allen. After discussing and reviewing the matter William Wageley was appointed Committee for R. Lee Allen, bond being in the amount of \$50,000.00.

FRANKFORT PUBLIC SERVICE DISTRICT-CREATION--The County Court this day approved the following Order for the creation of Frankfort Public Service District.

IN THE COUNTY COURT OF MINERAL COUNTY, WEST VIRGINIA

IN THE MATTER OF

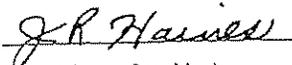
CREATION OF FRANKFORT PUBLIC SERVICE DISTRICT

ORDER

On this the 15th day of April, 1974, at the regular April session of the County Court of Mineral County, West Virginia, this Honorable Court, after first having published notice of a hearing on the creation of a public service district as required by law, and after conducting a hearing thereon on Friday, March 15, 1974, at which time there was no written protest, now determines that such public health, comfort and convenience of such area and does ORDER the creation of the Frankfort Public Service District which is more particularly described as follows:

Beginning at the intersection of the Frankfort-Cabin Run Magisterial District and the North Branch Potomac River thence, northeasterly along river to its intersection with the southern boundary of the town of Ridgeley corporation line, thence east along the corporation line to its intersection with the meanders of the river to its intersection with the Mineral-Hampshire County line, thence, southwesterly along county line to its intersection with the Frankfort-Cabin Run Magisterial District line, thence, northwesterly along magisterial district line to the North Branch Potomac River, the point of beginning, containing approximately 100 square miles.

The district service area excludes the town of Ridgeley and the Fort Ashby Public Service District.

  
J. R. Haines, President

RE: CARL H. JOHNSON--NOTARY BOND--The Notary Bond of Carl H. Johnson, was approved in the amount of \$300.00 with Delsie E. Johnson as his surety.

RE: EDWARD A McGRADY--NOTARY BOND--The Notary Bond of Edward A. McGrady was approved in the amount of \$300.00 with Margaret H. McGrady as his surety.

RE: NORA L. KIMBLE--NOTARY BOND--The Notary Bond of Nora L. Kimble was approved in the amount of \$300.00

7/11/61

RECEIVED

2005 JUL 16 AM 9:17

JULY 11, 1961

W. VA. PUBLIC SERVICE DISTRICT  
SECTION  
SECRETARY'S OFFICE

EXONERATIONS

The court examined the applications for correction of erroneous assessments, and the same are approved.

James L. Bauer	Harry J. or Mary Dawson	Jacob F. Litten
Charles R. Biser	Calvin Flanagan	William R. Perry, Jr.
Clinton Boyce	Richard Fridley	Richard O. Riley
James P. Broome	Paul K. Hoover	Joseph F. Senn
Dice Crites	Claude M. Keplinger	Charles E. Shears

FORT ASHBY PUBLIC SERVICE DISTRICT \*

IN THE COUNTY COURT OF MINERAL COUNTY, WEST VIRGINIA

In Re: CREATION OF A PUBLIC SERVICE DISTRICT

On this the 11th day of July, 1961, at a regular July session of the County Court of Mineral County, West Virginia, there came before this honorable court then sitting for determination the creation of a Public Service District for the area of Fort Ashby in Frankfort District of Mineral County, West Virginia, and the Court then considered the request of interested persons in this area designated as a steering committee for the creation of a Public Service District which request in the form of a report was presented at the regular June session of this said County Court and upon due consideration of this matter the County Court feels that the creation of the Fort Ashby Public Service District will be conducive to the preservation of public health, comfort and convenience of this area.

WHEREFORE, the County Court of Mineral County, West Virginia, of its own motion, duly moved, seconded and approved, and by this order duly adopted does propose the creation of the Fort Ashby Public Service District which will include the general area of the Town of Fort Ashby in Frankfort District of Mineral County, West Virginia, a more particular description as follows:

Beginning at a stake in a field, land owned by Fred Siple; thence S. 30° 18' E. a distance of 2263.00 feet to Patterson Creek, crossing said creek same bearing continued a distance of 944.71 feet, total distance of 3207.71 feet to a fence post in right of way line of W. Va. Secondary Road No. 15; thence with said right-of-way line S. 55° 31' W. a distance of 443.99 feet to a stake by a power pole in said right-of-way line; thence, crossing said W. Va. Secondary Road No. 15 and along the property line of The Board of Education, S. 30° 18' E. a distance of 782.85 feet to a concrete Monument, corner to said Board of Education and in property line of Ralph Barnes and Fred Larsen; thence with said Barnes and Larsen S. 71° 56' W. a distance of 229.64 feet to a hickory tree corner of said Barnes and James Allen; thence with said Barnes and Allen and passing a Swamp Oak on other corner of said Barnes and Allen in said Public Service District line S. 14° 54' E. a distance of 595.68 feet to an eight inch Black Oak in or near the property line of K. H. Esteliff and James Allen; thence S. 28° 21' W. a distance of 1744.00 feet to a stake on a ridge; thence S. 1° 54' W. a distance of 955.65 feet, crossing a deep hollow and ridge to a twenty inch Black Oak on the east side of a ridge; thence S. 62° 11' W. a distance of 402.77 feet to a point on S.W. corner of concrete Headwall of Route W.Va. 28; thence crossing Route 28 and up W.Va. Secondary Route 28/5, S. 64° 27' W. a distance of 557.80 feet to a stake on the west side of said Route 28/5; thence with west side of said Route 28/5 S. 11° 45' W. a distance of 229.00 feet to an eighteen inch Black Walnut; thence leaving said Route 28/5 S. 63° 43' W. a distance of 1102.34 feet to an eighteen inch Black Oak on a knoll; thence, N. 29° 36' W. a distance of 653.99 feet to a fence post corner to Dowden and Riley in Shanholtz line; thence with Dowden, Stallings and Riley line N. 35° 32' W. a distance of 1580.09 feet to an eight inch elm near corner of Stallings and in Riley line; thence across Riley's Land S. 42° 28' W. a distance of 1069.50 feet to a double Thorn Tree in Bower's line; thence with Bower and Riley N. 35° 25' W., crossing Route W.Va. 46 at 530.00 feet, old Mill Race at 1772.00 feet and Patterson Creek at 3448.00 feet, a distance of 3698.69 feet to three Chestnut Oaks growing from one stump; thence N. 34° 55' E. a distance of 2951.85 feet to a 4 inch Elm on a ridge 325 feet more or less northwest of W. B. Helmbick's house; thence N. 43° 29' E. crossing W.Va. Secondary Road No. 28/4, a distance of 1398.27 feet to a fourteen inch Pine on ridge; thence N. 62° 08' E. a distance of 1262.73 feet to an eight inch Hickory Tree; thence S. 85° 01' E., crossing Route W.Va. 28 at the intersection of W.Va. Secondary Route 28/3, a distance of 1517.09 feet to the beginning; containing 1.277 square miles

The County Court does hereby set Tuesday, the 8th day of August, 1961, at the hour of 11:00 a.m. B.D.T. at the Court House in Keyser, Mineral County, West Virginia, for a hearing on the creation of the Fort Ashby Public Service District and does ORDER the Clerk of this Court to publish notice of this hearing in the Mineral Daily News Tribune.

O. A. Harman, President

COLLECTIONS

The County Clerk reports that he has received the following amounts due the County, and the same have been turned over to the Sheriff to be deposited in the General County Fund:

Department of Public Safety; State Police Office Rent for May, 1961	25.00
Treasurer of the United States, Office Rent Internal Revenue June 1961	35.00
County Farm Rental	562.50
City of Keyser, City Prisoners for month of May 1961	29.00

BILLS PAID

The following bills were examined, approved and ordered paid:

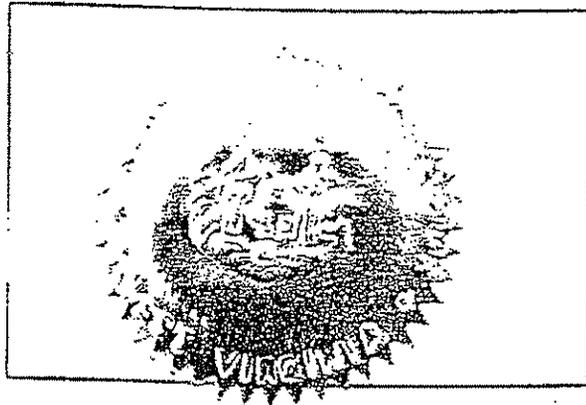
Social Security Contribution Fund	598.47	5960
Harry O. Rogers, Postmaster	40.00	5961
C. and A. Gas Company	48.19	5962
Potomac Light & Power Company	174.85	5963
O. A. Harman	18.00	5964
John H. Bane	18.00	5965
Frank J. Shreve	18.00	5966
The C & P Telephone Co.	163.88	5967

CERTIFIED COPY

STATE OF WEST VIRGINIA

COUNTY OF MINERAL. TO-WIT:

I, Ruby L. Staggs, Clerk of the County Commission of Mineral  
County, Court of Record in and for said County and State, do certify  
that the foregoing is a true, accurate and complete photostatic copy of  
the Proposing Creation of Frankfort Public Service District  
minutes of February 14, 1974.



IN WITNESS WHEREOF,  
I have set my hand  
and the seal of said  
Commission at my  
office in said  
County this 15th day  
of September, 1997

Ruby L. Staggs  
Clerk of the County Commission

By

Lawrence T. Keener



District, for water and sewage. Notice of the date of the hearing, time and place thereof and the description of the area to be served shall be published one (1) time in the Mineral Daily New Tribune at least ten (10) days before the date of hearing and shall be posted in five conspicuous places in Frankfort District.

MUSICAL FESTIVAL--George Barger appeared before the Court on behalf of Charles P. Simpson from Cocharresville, Md. and W. L. Haines to inform the Court that Mr. Simpson would be hold a musical festival on the W. L. Haines Farm, going from Fort Ashby to Patterson Creek, on Memorial Day.

MASTELLAR COAL COMPANY, INDUSTRIAL APPRAISAL TEAM--Upon motion of Charles Bonar and duly seconded by Brooks O. Evans to request the State Tax Commissioner to send the Industrial Appraisal Team to Mineral County to re-appraise the Mastellar Coal Company, Deep Mine, Strip Mine and Typle. This personal property was last appraised in May of 1973 by Mr. Changes and subsequently readjusted by phone conversation with Mineral County Assessor on or about February 1, 1974. Mr. Edward Jordan, in behalf of Mastellar Coal Company appeared before the Board of Review and Equalization on February 14, 1974 to lodge protest to appraisal values of aforementioned Mastellar Coal Co. machinery and equipment.

WALTER A WENNER-DOG SITUATION--Walter A. Wenner appeared before the Court complaining about excess dog situation across New Creek in Willow Avenue section.

SELBY G. JACOBS-JUSTICE OF PEACE--Brooks O. Evans made the motion and duly seconded by J. R. Haines to appoint Selby G. Jacobs, Justice of the Peace for New Creek District to serve until after the General Election in November, 1974.

PRECINCTS BOUNDARIES--The County Court, by Charles A. Bonar and seconded by Brooks O. Evans, passed unanimously to enter an order that the boundaries of the several election precincts and the four (4) new election precincts be located and constituted as provided in an order entered at the Regular Meeting of the County Court held on December 11, 1973 in Order Book 17, at page 80. (See copy of Order in File Envelope, dated February 14, 1974). SEE ORDER OF CHANGING VOTING PRECINCTS BELOW

ARTHUR W. WAYBRIGHT-ASSESSMENT--Mr. Arthur W. Waybright appeared before the County Court regarding his assessment on his home in Elk District. The State of West Virginia had Arthur W. Waybright appraised at 70% of the true and actual value. The Mineral County Court on February 14, 1974 agreed that he should only be assessed on 50% of the true and actual value. Charles Bonar made the motion that he be allowed credit for overpayment for 1973. His 1974 taxes to go back to being assessed at 50% of the appraised value until a State Appraisal can be made.

WASHINGTON'S BIRTHDAY HOLIDAY--Permission was granted to allow all offices in the Court House to be closed on Saturday, February 16, 1974 in observance of Washington's Birthday along with Monday, February 18, 1974. The next regular meeting of the Court to be held on March 12, 1974.

ORDER: On this 14th day of February 1974, the Court being in Regular Session pursuant to a call made and published according to law wherein said notice stipulated among other matters to be considered by the Court at said Regular Session the said Court also took action and entered an order in regard to changes made in voting precincts in Mineral County.

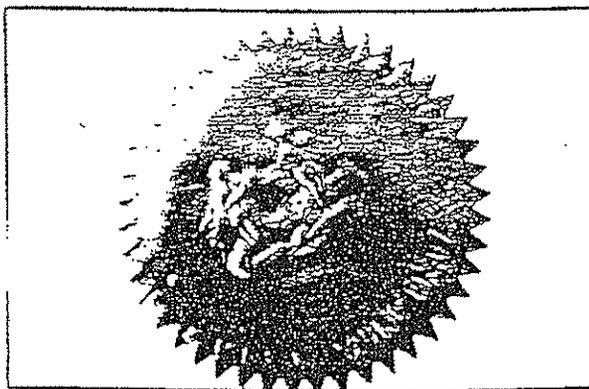
And it appearing to the Court that at a prior session of this Court an order was entered on the 11th day of December, 1973, directing the President of the Court to assemble data concerning the advisability of re-locating and re-establishing the boundary lines of the several voting precincts of Mineral County; also adding new precinct and it further appearing to the Court that on the 11th day of December, 1973, the Court entered an order directing the publishing of all notices as required by the statutes for the purpose of fixing a day at which time the Court would consider the matter of changes in location of the boundaries of the several voting precincts in Mineral County and thereupon entered an order in reference thereto: and it further appearing to the Court that a notice was published according to the provisions of the statutes fixing the 14th day of February, 1974 at the hour of 4 o'clock p.m. as the day and time when the County Court would enter an order re-locating and re-establishing the boundaries of the several voting precincts, also adding four (4) new precincts in Mineral County, that said notice was published in the newspaper of Mineral County

CERTIFIED COPY

STATE OF WEST VIRGINIA

COUNTY OF MINERAL. TO-WIT:

I, Ruby L. Staags, Clerk of the County Commission of Mineral  
County, Court of Record in and for said County and State, do certify  
that the foregoing is a true, accurate and complete photostatic copy of  
the Order Creating Frankfort Public Service District recorded  
in Minutes of April 15, 1974



IN WITNESS WHEREOF,  
I have set my hand  
and the seal of said  
Commission at my  
office in said  
County this 15th day  
of September, 1997

Ruby L. Staags  
Clerk of the County Commission

By Barbara L. Staags

April 15, 1974

such office, and he is a person of good moral character, and the same is approved.

GEORGE A. HARTMAN--NOTARY APPLICATION--Upon the application of George A. Hartman for appointment as Notary Public in and for the County of Mineral, it was shown to the satisfaction of this court that said applicant is a resident of the County from which he seeks appointment, that he is competent to perform the duties of such office, and he is a person of good moral character, and the same is approved.

ALL EXONERATION, SETTLEMENTS AND APPRAISEMENT WERE APPROVED.

SHEEP CLAIMS--W. M. EISENHOUR--The sheep claim of W. M. Eisnehour was reviewed and upon checking the Assessor's office the sheep had been assessed at the same amount he had turned in. Charles A. Bonar made the motion to pay the amount of \$240.00, seconded by Brooks O. Evans.

ELECTION OFFICIALS--The Republican and Democratic Election officials were presented, reviewed and accepted for the letters to be mailed.

NOTARY CERTIFICATE--FRED M. BOYLES--The Notary Certificate of Fred M. Boules, Upsur County, was approved.

WILLIAM WAGELEY--COMMITTEE FOR R. LEE ALLEN--William Wageley, along with Attorney Charles Smith appeared before the County Court for the Committee Appointment of R. Lee Allen. After discussing and reviewing the matter William Wageley was appointed Committee for R. Lee Allen, bond being in the amount of \$50,000.00.

~~REPORT MADE BY COUNTY CLERK~~--The County Court this day approved the following Order for the creation of Frankfort Public Service District.

IN THE COUNTY COURT OF MINERAL COUNTY, WEST VIRGINIA

IN THE MATTER OF

CREATION OF FRANKFORT PUBLIC SERVICE DISTRICT

ORDER

On this the 15th day of April, 1974, at the regular April session of the County Court of Mineral County, West Virginia, this Honorable Court, after first having published notice of a hearing on the creation of a public service district as required by law, and after conducting a hearing thereon on Friday, March 15, 1974, at which time there was no written protest, now determines that such public health, comfort and convenience of such area and does ORDER the creation of the Frankfort Public Service District which is more particularly described as follows:

Beginning at the intersection of the Frankfort-Cabin Run Magisterial District and the North Branch Potomac River thence, northeasterly along river to its intersection with the southern boundary of the town of Ridgeley corporation line, thence east along the corporation line to its intersection with the meanders of the river to its intersection with the Mineral-Hampshire County line, thence, southwesterly along county line to its intersection with the Frankfort-Cabin Run Magisterial District line, thence, northwesterly along magisterial district line to the North Branch Potomac River, the point of beginning, containing approximately 100 square miles.

The district service area excludes the town of Ridgeley and the Fort Ashby Public Service District.

  
J. R. Haines, President

RE: CARL H. JOHNSON--NOTARY BOND--The Notary Bond of Carl H. Johnson, was approved in the amount of \$300.00 with Delsie E. Johnson as his surety.

RE: EDWARD A. McGRADY--NOTARY BOND--The Notary Bond of Edward A. McGrady was approved in the amount of \$300.00 with Margaret H. McGrady as his surety.

RE: NORA L. KIMBLE--NOTARY BOND--The Notary Bond of Nora L. Kimble was approved in the amount of \$300.00 with James L. Kimble as her surety.

RE: CARL R. LUDWICK--NOTARY BOND--The Notary Bond of Carl R. Ludwick was approved in the amount of \$300.00 with Charles O. Ludwick as his surety.

RE: PARK AND RECREATION--AUTHORITY--Mr. Ty Epling with Parks and Recreation met with the Court to discuss how much authority he had to go ahead with the Parks and Recreation Program. The County Court advised him they

Creation of Carpendale Public Service District. Upon motion of Charles L. Logsdon, second by Raymond H. Tasker, and passed by unanimous vote, the following Order was approved for the creation of the Carpendale Public Service District:

O R D E R

IN THE COUNTY COMMISSION OF MINERAL COUNTY, WEST VIRGINIA IN THE MATTER OF

CREATION OF CARPENDALE PUBLIC SERVICE DISTRICT

On this the 13th day of September, 1977 at the regular session of the County Commission of Mineral County, West Virginia, the Honorable Commission, after first having published Notice of a Public Hearing on the creation of a public service district as required by law, and after conducting a hearing thereon on Tuesday, August 30, 1977, at which time there was no written protest, now determines that such public health, comfort and convenience of such area and does ORDER the creation of the Carpendale Public Service District, which is more particularly described as follows:

Beginning at the point of intersection of the West Virginia-Maryland Border and the southern boundary of the Town of Ridgeley; thence in a southeasterly direction following the southerly boundary of the Town of Ridgeley a distance of 1,200 feet, more or less, to a point on top of Knobley Mountain; thence in a southwesterly direction generally following the top of Knobley Mountain, but in a straight line, a distance of 6,100 feet, more or less, to a point on top of Knobley Mountain; thence in a southwesterly direction passing over a high point on Knobley Mountain and crossing the Western Maryland Railroad to a point on the West Virginia-Maryland border; thence following the West Virginia-Maryland border in a generally northeasterly direction to the place of beginning, said boundaries more particularly shown on a map prepared by VIN, Inc., and signed by Allen A. VanHorn, P.E.

The district service area excludes the Frankfort Public Service District, and is created for water and sewage.

D. B. ...  
President

Carpendale Public Service District Commission - Members. The following persons were appointed to serve on the Carpendale Public Service District Commission: Margaret Phillips, President, 6 years, Robert Frye, Vice President, 2 years, and Dorrin Armentrout, Secretary Treasurer, 4 years.

257

BEFORE THE COUNTY COMMISSION OF MINERAL COUNTY, WEST VIRGINIA

RE: Incorporation of the Town of Carpendale

O R D E R

On this the 2nd day of January, 1990, the County Commission of Mineral County, West Virginia, considered the incorporation of the town of Carpendale. Upon the returns being canvassed, the County Commission finds that a majority of the legal votes cast on the question of incorporation of the town or village of Carpendale, were in favor of such incorporation. The County Commission further finds that the residents of Carpendale, this County Commission, and the office of the Clerk of the County Commission have complied with all applicable provisions of the West Virginia Code 8-2-1 et seq.

Upon the matters considered, the County Commission directs the Clerk of said Commission to issue a certificate of incorporation in the form and substance as follows:

It appearing to the court (commission) of Mineral County, West Virginia, that under the provisions of Article Two, Chapter 8 (8-2-1 et seq.), as amended, at an election duly held on the 7th day of November, 1989, a majority of the legal votes cast on the question of incorporation by the qualified voters of the following territory, to wit: BEGINNING at the intersection

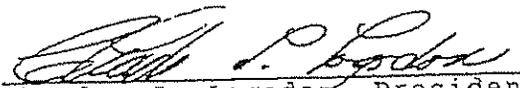
of the North Branch of the Potomac River, the West Virginia state line and southern corporation line of the town of Ridgeley; thence, following the corporation line eastward to the top of Knobley Mountain; thence, following top of ridge of mountain southward to a knob, elevation approximately 1540'; thence, West to the North Branch of the Potomac River opposite an island in river and the West Virginia state line; thence, following the state line down the river to the BEGINNING, were cast in favor of the incorporation of the town or village of Carpendale, in the County of Mineral, bounded as herein set forth; and it appearing to the satisfaction of the court (commission) that all of the provisions of Article Two, Chapter Eight of the Code of West Virginia, as amended, have been complied with by the petitioners for said incorporation, said town or village is hereby declared to be a body corporate, duly authorized to exercise all of the corporate powers conferred upon towns or villages by Chapter Eight, (8-1-1 et seq.) of the Code of West Virginia, as amended, from and after the date of this certificate.

The County Commission of Mineral County further Orders and Directs that Rev. Elmer Sprinkle, Phares L. Hostettler and William D. Thompson are hereby appointed to act as commissioners

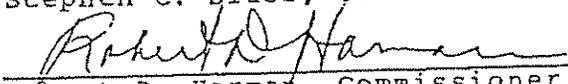
of election of the first election of the officers to be held in  
Carpendale as provided by West Virginia Code 8-5-2 et seq.

Given under our hands this 2nd day of January, 1990.

  
RUBY STAGGS, CLERK  
COUNTY COMMISSION

  
Charles L. Logsdon, President

Stephen C. Sluss, Commissioner

  
Robert D. Harman, Commissioner

EDTA 253 251043

BEFORE THE COUNTY COMMISSION OF MINERAL COUNTY, WEST VIRGINIA

RE: Incorporation of Town of Carpendale

CERTIFICATE OF INCORPORATION

It appearing to the court (commission) of Mineral County, West Virginia, that under the provisions of Article Two, Chapter 8 (8-2-1 et seq.), as amended, at an election duly held on the 7th day of November, 1989, a majority of the legal votes cast on the question of incorporation by the qualified voters of the following territory, to wit: BEGINNING at the intersection of the North Branch of the Potomac River, the West Virginia state line and southern corporation line of the town of Ridgeley; thence, following the corporation line eastward to the top of Knobley Mountain; thence, following top of ridge of mountain southward to a knob, elevation approximately 1540'; thence, West to the North Branch of the Potomac River opposite an island in river and the West Virginia state line; thence, following the state line down the river to the BEGINNING, were cast in favor of the incorporation of the town or village of Carpendale, in the County of Mineral, bounded as herein set forth; and it appearing to the satisfaction of the court (commission) that all of the provisions of Article Two, Chapter Eight of the Code of West Virginia, as amended, have been complied with by the petitioners

for said incorporation, said town or village is hereby declared to be a body corporate, duly authorized to exercise all of the corporate powers conferred upon towns or villages by Chapter Eight, (8-1-1 et seq.) of the Code of West Virginia, as amended, from and after the date of this certificate.

The County Commission of Mineral County further Orders and Directs that Rev. Elmer Sprinkle, Phares L. Hostettler and William D. Thompson are hereby appointed to act as commissioners of election of the first election of the officers to be held in Carpendale as provided by West Virginia Code 8-5-2 et seq.

Given under our hands this 30<sup>th</sup> day of January, 1990.

Walter L. Stagers  
Clerk County Court  
(County Commission)

Charles L. Logsdon  
Charles L. Logsdon, President

Stephen C. Sluss, Commissioner

Robert D. Harman  
Robert D. Harman, Commissioner

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

Be it remembered that on, this 10<sup>th</sup> day of January, 1990  
at 2:21 o'clock P M., the foregoing Court Order  
with the certificate thereto annexed, was presented in the Office of the Clerk of the County Commission and admitted to record.

Walter L. Stagers

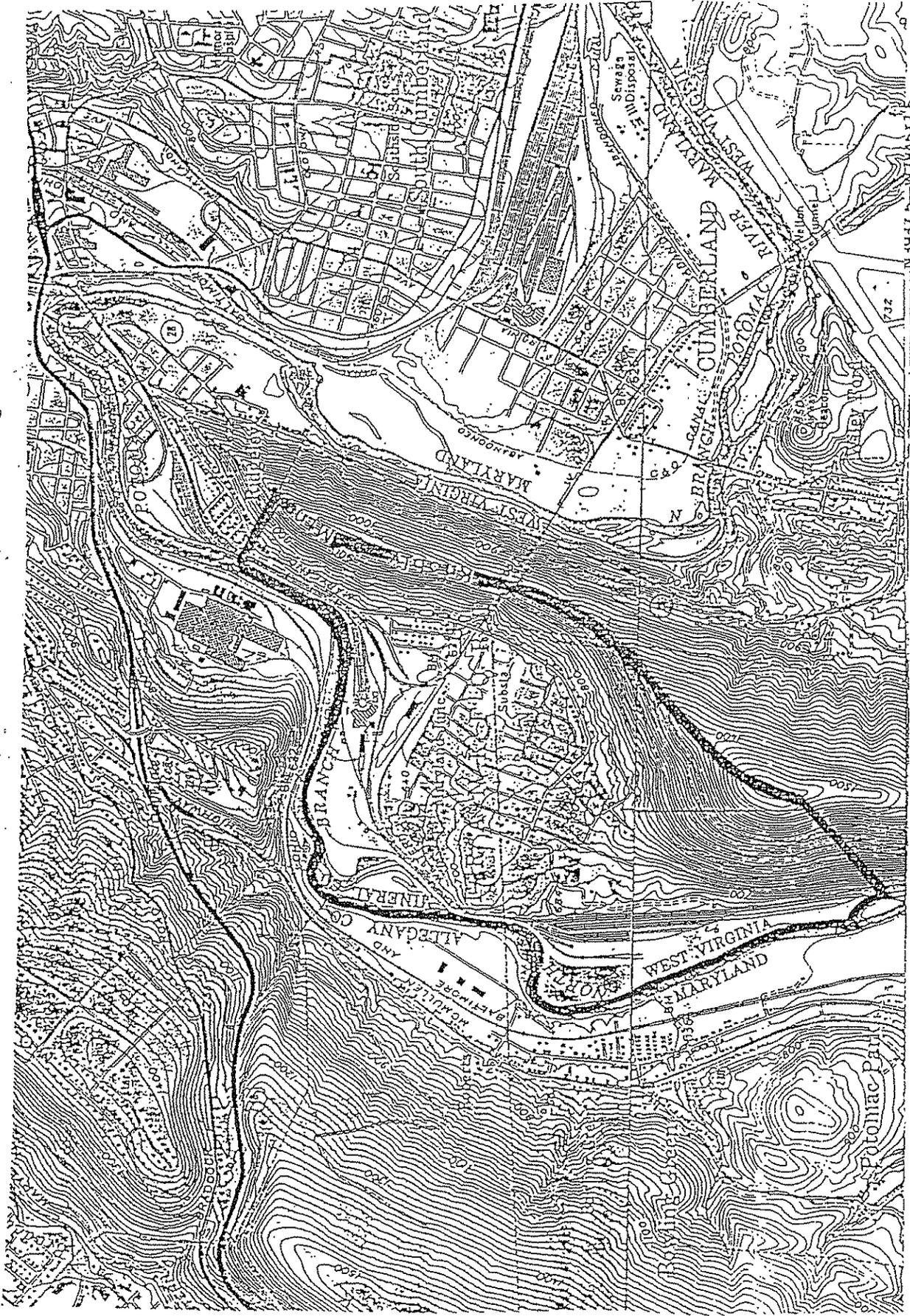
Clerk County Commission

DAYTON & HARRIS INC., SPENCER, W. VA. RE-ORDER NO 92245-89

STAGGERS  
& WEBB  
ATTORNEYS AT LAW  
SER. WY 26726-0674

BOOK 270 PAGE 113

TOWN OF CAKENDALE  
Frankfort District, Mineral County, West Virginia



Scale 1" = 2000'  
Date: August 30, 1989  
VANSCOY ENGINEERING & SURVEYING

MINERAL COUNTY COMMISSION

MINUTES

July 28, 2009, Regular Meeting

A regular meeting of the Mineral County Commission will be held at the Courthouse on Tuesday July 28, 2009 at 4:30 p.m. for the purpose of transacting any business that may come before the Commission.

A complete copy of the agenda is available to interested parties in the County Clerk's Office.

Given under my hand the 23<sup>rd</sup> day of July 2009.

Lauren TP Ellifritz, Clerk  
Mineral County Commission

Pursuant to this notice, which was posted by law, the Mineral County Commission met in regular session July 28, 2009 at 4:30 p.m. in the Commission Room of the Mineral County Courthouse.

**Pledge of Allegiance**

**Devotions:**

County Coordinator Michael Bland gave devotions.

**Members Present:**

Commission President Wayne Spiggle, Commissioner Cindy Pyles, Commissioner Janice LaRue, County Coordinator Michael Bland, County Clerk Lauren Ellifritz, Assessor Rose Ann Maine and Code Enforcement Officer James Endler were in attendance.

**Call to Order:** 4:30 p.m.

**Minutes From Previous Meeting:**

Commissioner Pyles made a motion to approve the minutes from the July 14, 2009 commission meeting with corrections. Commissioner LaRue made a second to the motion. Minutes approved.

**Accounts Payable:**

Commissioner LaRue made a motion to approve the accounts payable as presented. Commissioner Pyles made a second to the motion. Approved as presented.

**Exonerations:** None

**Estates:**

**Appraisements**

Joseph Edmund Duda, Estate	Joseph Michael Duda, Exec
Victor Elmer Layton, Estate	Mary Ellen Layton, Execx
Sandra Kay Dolly, Estate	Marchie L. Dolly, Sr., Admr
George Robert Woods, Estate	Edward L. Woods, Admr
Eleanor Maxine Anderson, Estate	Harold Dean Nofsinger, Exec
Mary M. Morrissey, Estate	Sue Anna Collins, Execx
Theresa C. Shuck, Estate	Jean M. Simpson, Debra A. Grubb, Gerri L. Silvius, Co/Execx

Commissioner Pyles made a motion to approve the Estate Appraisements as presented. Commissioner LaRue made a second to the motion. Unanimously approved.

**Correspondence:**

**The Greater Cumberland Committee (TGCC) – Re: North South Appalachia Corridor**

A letter dated July 17, 2009 from Colleen Peterson, Executive Director of The Greater Cumberland Committee (TGCC), was discussed. TGCC requests that the Mineral County Commission communicate to the Maryland Department of Transportation (MDOT) the value of the North South Appalachia Corridor project and encourage MDOT to support the wise utilization of TIGER funds in Maryland that could successfully complete the replacement of the Keyser-McCoole bridge and the initial environmental impact study. Commissioner Spiggle suggested that the Development Authority prepare the letter for the commission's approval and signing. Commissioners Pyles and LaRue feel that any letter approved and signed by the commission should be prepared by the commission. No one wants to do anything that will jeopardize or delay the building of the Keyser/McCoole Bridge. More information is needed. Commissioner Pyles made a motion to defer this issue until the next commission meeting. Commissioner LaRue made a second to the motion. Motion unanimously approved.

**Allegheny County Board of Commissioners – RE: TIGER Discretionary Grant**

Commissioner Pyles made a motion to defer this issue until the next commission meeting. Commissioner LaRue made a second to the motion. Motion unanimously approved.

**City of Keyser – Appointment to Mineral County Development Authority**

Keyser Mayor William Sonny Rhodes submitted three names for consideration to the Mineral County Development Authority as the City of Keyser's representative. Mr. David Sowers was recommended by the Mayor. At a special meeting of the Keyser City Council, held on July 6, 2009, the Council unanimously voted for Mr. David Sowers as the Council's choice. Commissioner Pyles made a motion to accept the Mayor and Council's choice of Mr. David Sowers as an appointment to the Mineral County Development Authority. Commissioner LaRue made a second to the motion. Motion unanimously passed.

**WV State Auditor – County Commission In-service Training**

The State Auditor's in-service training program for all County Commissioners will be held on August 2-4, 2009 at the Resort at Glade Springs in Daniels, WV. A tentative agenda has been prepared. Correspondence reviewed and ordered filed.

**Curtis Perry – Reference Wind Mill Farms**

In a letter dated July 22, 2009 Curtis Perry asked the commission to start a process of setting forth ordinances, regulations, bonding, impact fees or other plans that have governing authority that support the communities of Mineral County by establishing another taxable resource the wind mill corporations have freely become owner of. He feels we must establish airspace taxes and impact fees. Commissioner Spiggle has already responded to this letter via email and telephone. This was an open letter that was published in the newspaper. Letter discussed and ordered filed.

**Commission Ordered Correspondence:**

**Letter to Corp of Engineers – Reference Hydro Solutions**

This issue will be deferred to the August 25, 2009 meeting.

**Old Business:**

**Status of Statement of Claim – Dougherty**

The claim filed by the Dougherty's in reference to property that was purchased through a writ of execution is still being worked on. The Dougherty's would prefer a clear deed to the property. A final resolution to the situation has not been determined.

**Reimbursement to Heather & Jason Imes**

At the July 14, 2009 Commission Meeting a motion was made and unanimously passed to pay Heather and Jason Imes approximately \$1,000 for reimbursement for a property that they purchased under a writ executed by former Sheriff Gary White. Documentation has now been provided by the Imes Attorney Nelson M. Michael showing the full amount to be \$1,502.60. It is the recommendation of Prosecuting Attorney James W. Courier, Jr. to pay the full amount with a check being issued to Heather Imes and Nelson M. Michael. Since this was previously approved to be paid, there is no objection of the commissioners to pay the full amount due the Imes.

Exotic Entertainment Ordinance

A draft of an Ordinance, Regulating Businesses Offering Exotic Entertainment and Sexually Oriented Materials, was presented for the commissioners review. The issue was previously discussed in executive session and changes were made to the ordinance. The commissioners will review the ordinance and it will be discussed at the August 25, 2009 meeting.

Detention Center

Tabled until the Sheriff is ready to give a report.

911 Organizational Structure

Issue to be discussed in executive session.

**New Business:**

Referral to Planning Commission – Wind Farm Regulations

Commissioner Spiggle prepared a letter to be sent to the Mineral County Planning Commission asking them to look at Wind Farm Regulations. Commissioner Pyles was concerned with giving that Commission something they can't act on. Commissioner Spiggle wants them to review it to decide if it should be added to the comprehensive plan for the county. Commissioner LaRue made a motion that the letter be referred to the Planning Commission for review to determine if it should be added to the comprehensive plan for the County. Commissioner Pyles made a second to the motion. Motion unanimously passed.

Reappointment of Gerald Frantz & Paul Corwell – Frankfort PSD

The current terms, on the Frankfort Public Service District, for Gerald Frantz and Paul Corwell expired on June 30, 2009. It is requested that they be reappointed for another term. Commissioner LaRue made a motion that Gerald Frantz and Paul Corwell be reappointed to the Frankfort Public Service District for an additional term. Commissioner Pyles made a second to the motion. Unanimously approved. The commission expressed their appreciation to both men for doing a fine job. The new terms will expire on June 30, 2015.

Court Security Grant – Grant Agreement & Resolution

The commission has been awarded a \$22,800 Grant from the Division of Criminal Justice Service. A Resolution needs to be adopted to authorize a representative to act on the commission's behalf. Commissioner Pyles made a motion to authorize Wayne C. Spiggle, President of the Mineral County Commission, to act on its behalf to enter into a contractual agreement with the Division of Criminal Justice Service to receive and administer grant funds pursuant to provisions of the Court Security Fund grant program. Commissioner LaRue made a second to the motion. Motion unanimously passed. The Grant will be used to purchase an alarm system, a new door for the Judge's Office and a hand held metal detector.

Region 3 Homeland Security – Grant Award Agreement

Marc Bashoor has been able to secure a Homeland Security Grant for the second year in a row. This years Grant is for \$840,000. A motion is needed to authorize the commission president to sign the Grant papers. Commissioner Pyles made a motion to authorize Wayne C. Spiggle, President of the Mineral County Commission, to act on its behalf to sign documents associated with the Homeland Security Grant. Commissioner LaRue made a second to the motion. Motion unanimously approved.

**County Coordinators Report:** None

**Miscellaneous:** None

**Committee Reports:**

Commissioner LaRue: None

Commissioner Pyles: None

Commissioner Spiggle: Commissioner Spiggle is very concerned about the changes in PEIA. He feels that the Attorney General needs to investigate PEIA for price gouging. PEIA just raised the rate the county pays by 12%. PEIA pays administration fees to three separate entities, Wells Fargo, Aetna and Express Scripts, to administer the plan. PEIA is now telling participants that they can not go out of state, to receive services from doctors

they have been patients of in the past, unless that doctor is on their list. Michael Bland suggested that a letter be sent to the Attorney General stating these concerns.  
County Clerk Lauren Ellifritz: None

**Commission Meeting Dates:**

July 28, 2009	4:30 p.m.	Regular Meeting
August 11, 2009	8:30 a.m.	Staff Meeting
August 11, 2009	9:30 a.m.	Regular Meeting

**Appointments:**

**Senator Bob Williams – Check for Little League**

Before the County Commission Meeting started Senator Bob Williams came to present the commission with a certificate commemorating the approval of \$10,000 from an Economic Development Assistance Grant. The funds are to support Little League and softball activities in Mineral County. The funds will be used to purchase equipment such as portable pitching mounds, bats, safety equipment, batting tees, a batting cage, field drag mats, infield mix, a pitching machine and league organization software.

**5:00 p.m. Mr. Andrew Cohill – Broadband Assessment Grant**

Andrew Cohill, president of Design Nine, Inc., has been hired as part of the Broadband Assessment Grant to look at Mineral County's characteristics, pilot project possibilities, market analysis (demand aggregation), economic impact, financing options, cost estimates (vendor analysis), recommendations and to develop an implementation plan and roadmap. He explained that broadband was not simply Internet access, but that by installing fiber for broadband it would also allow for television, telephone and other services to the public. In order for this plan to qualify for the American Recovery and Reinvestment Act funding it will have to be submitted by October. County residents are asked to fill out a survey that is necessary to gather information for the potential funding. Mona Ridder, Director of the Development Authority, Connie Sutton, Jeff Chamberlin, Rick Welsh, Annette Paxton and Art Hill were also in attendance.

**5:15 p.m. Paul Homan – Re: Water Project**

Mr. Paul Homan and his daughter Gwen Wolford met with the commission to discuss some outstanding issues with the Fountain Public Service District's Burlington Water Project located on their property in Antioch. The issues are not issues that the commission can act on but should be brought before the Fountain PSD. Wayne Oates, President of the Fountain PSD, was present and offered to meet with Mr. Homan anytime that was convenient for him. Mr. Oates provided his contact information to Mr. Homan. A special meeting will be set-up for a time that is convenient for Mr. Homan and Gwen Wolford. Michael Bland and the three members of the Fountain PSD will all try to attend the meeting. Mr. Homan will compile a list of concerns to bring to the meeting.

**5:45 p.m. William Rhodes & Dave Sowers – Re: Abandoned Vehicle Ordinance**

Keyser Mayor William Rhodes, City Councilman Dave Sowers and Keyser's Building Inspector Earl Perrine, came to ask the commission to clean-up their own property if they were going to require county residents to do the same. They sited three unlicensed sheriffs department vehicles parked on a FEMA lot by the jail with no tags on them and one with an expired registration. The Sheriff stated that the vehicles were "left over from the previous administration" and he was considering them for sale as surplus property. He was not aware of the expired registration but he will check into it.

Mr. Sowers and Keyser City Streets Supervisor Jim Hannas took a 1½ hour trip around Keyser looking for unlicensed vehicles and compiling a list of 99 unlicensed vehicles. He has presented a copy of the list to Assessor Rose Ann Maine. Assessor Maine noted that the list did not include names or addresses of the vehicle owners. Names are necessary to assess the vehicle to the proper owner. An unlicensed vehicle must still be assessed. The city officials can check with the Assessor to see if the vehicle is assessed once they obtain the names of the owners. Commissioner Pyles pointed out that Mr. Endler's job is to check for out of state license plates not unlicensed vehicles. A property with more than three unlicensed vehicles is considered a junkyard under WV Law. Those properties should be reported to the WV Department of Highways.

The commission is very willing to work with the City on this or any other issue.

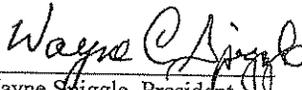
Rose Ann Maine, Craig Fraley, Jim Ender -- Update

Assessor Rose Ann Maine, Sheriff Craig Fraley and Code Enforcement Officer Jim Ender met with the commission to give an update on the program. Progress is being made. Mr. Ender submitted a written report for June 23<sup>rd</sup> thru July 27<sup>th</sup>. The issue of Mr. Ender going on private property was discussed. As long as he is an agent of the Assessor he does have authority to go on private property to do his job. The commission thanked them for coming and giving their report.

Executive Session:

Commissioner Pyles made a motion to go into executive session with Marc Bashoor to discuss a personnel issue at the 911 Center. Commissioner LaRue made a second to the motion. Executive session ended with no action being taken.

Commissioner Pyles made a motion to adjourn the meeting. Commissioner LaRue made a second to the motion. Meeting adjourned.

  
Wayne Spiggle, President  
Mineral County Commission

State of West Virginia, County of Mineral  
I, do hereby certify that the foregoing is a  
true copy of Minutes of July 28, 2009 County Commission  
recorded in book \_\_\_\_\_ Pages \_\_\_\_\_ in Meeting  
the Mineral County Records.  
(seal)      Lauren Ellifritz, Clerk  
Mineral County Commission  
Date 2/3/2010 By: Mary Ann Smith

ORDER

ESTABLISHING THE TERMS OF OFFICE FOR  
THE MEMBERS OF THE FRANKFORT PUBLIC SERVICE DISTRICT

WHEREAS, the Mineral County Commission, hereinafter referred to as the "Commission", entered into an Order on the 8<sup>th</sup> day of February, 2005, merging the Fort Ashby Public Service District and the Frankfort Public Service District, and

WHEREAS, the West Virginia Public Service Commission entered an Order on August 19, 2005 approving the merger of the two public service districts contingent upon the approval of the bondholders for both districts, and

WHEREAS, the Commission's Order merging the two districts provided for expansion of the Frankfort Public Service District from three members to five members, and

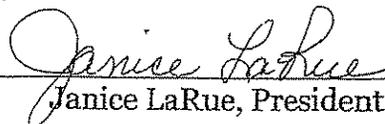
WHEREAS, the Commission, in anticipation of the consent from the bondholders to the merger, did take action to appoint members to the Frankfort Public Service District Board effective July 1, 2007.

NOW THEREFORE BE IT ORDERED that the Mineral County Commission does hereby recognize that the following individuals have been previously appointed to the Board of the Frankfort Public Service District and their terms of office shall be as set forth below:

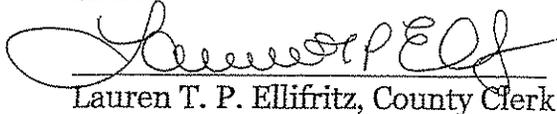
Paul Corwell	July 1, 2007 to June 30, 2009
Gerald Frantz	July 1, 2007 to June 30, 2009
✓Douglas Brelsford	July 1, 2007 to June 30, 2011
✓Douglas Kenney	July 1, 2007 to June 30, 2011
Blane Murray	July 1, 2007 to June 30, 2013

Further, each new appointment or reappointment shall be in compliance with West Virginia Code 16-13A-3.

Entered this the 25<sup>th</sup> day of March, 2008.

  
Janice LaRue, President

Attest:

  
Lauren T. P. Ellifritz, County Clerk

OATH OF OFFICE AND CERTIFICATE

STATE OF WEST VIRGINIA

COUNTY OF MINERAL TO WIT:

I, Paul Corwell, do solemnly swear that

I will support the Constitution of The United States of America and the

Constitution of the State of West Virginia and that I will faithfully

discharge the duties of Frankfort Public Service District Board Member  
for term ending June 30, 2015.

to the best of my skill and judgement SO HELP ME GOD.

Print name and address:

Paul Corwell  
Route 1, Box 205  
Ridgeley, WV 26753

(Signature of affiant) Paul Corwell

Subscribed and sworn to before me, in said County and State, this 8<sup>th</sup>  
day of February, 2010.

Lauren Ellifritz  
Mineral County Clerk

State of West Virginia, Mineral County, to-wit:  
Be fore me, at this day of February, 2010, the  
foregoing Paul Corwell was  
presented to me, Lauren Ellifritz, Clerk of County  
Commission and authorized to record.  
Lauren Ellifritz  
Clerk of County Commission

OATH OF OFFICE AND CERTIFICATE

STATE OF WEST VIRGINIA

COUNTY OF MINERAL TO WIT:

I, Gerald L. Frantz, do solemnly swear that

I will support the Constitution of The United States of America and the

Constitution of the State of West Virginia and that I will faithfully

discharge the duties of Frankfort Public Service District Board Member  
for term ending June 30, 2015.

to the best of my skill and judgement SO HELP ME GOD.

Print name and address:

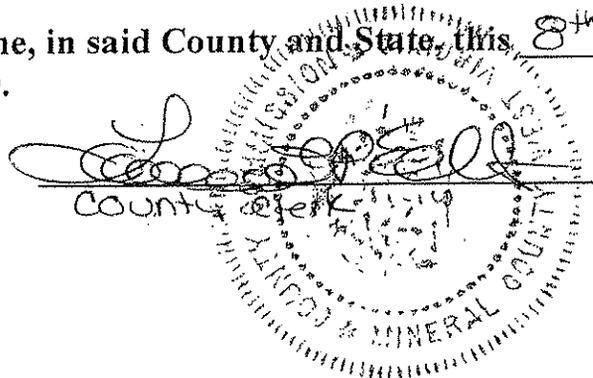
Gerald L. Frantz

Route 2, Box 478-F

Ridgeley, WV 26753

(Signature of affiant) Gerald L. Frantz

Subscribed and sworn to before me, in said County and State, this 8<sup>th</sup>  
day of February, 2010.



State of West Virginia, Mineral County, I will  
do hereby certify that on the  
day of February 2010 the  
for Oath of Gerald L. Frantz  
presented to me as Clerk of County  
Commission, Mineral County, West Virginia.  
Lauren Ellifritz  
Clerk of County Commission

Mineral County Clerk  
OATH OF OFFICE Clerk 04  
Date/Time: 04/01/2008 16:24  
Inst #: 74791  
Book/Page: 4- / 366-  
Recd/Tax: .00 .00

## OATH OF OFFICE AND CERTIFICATE

STATE OF WEST VIRGINIA

COUNTY OF MINERAL TO WIT:

I, A. Blane Murray, do solemnly swear that  
I will support the Constitution of The United States of America and the  
Constitution of the State of West Virginia and that I will faithfully  
discharge the duties of Frankfort Public Service District Board Member  
for term ending June 30, 2013

to the best of my skill and judgement SO HELP ME GOD.

Print name and address:

A. Blane Murray  
Route 2, Box 217  
Ridgeley, WV 26753

(Signature of affiant)

A. Blane Murray

Subscribed and sworn to before me, in said County and State, this 26th  
day of July, 2007.

Lauren T. P. Ellifritz

State of West Virginia, Mineral County, to-wit:  
Be it remembered that on this 1  
day of April, 2008. The  
foregoing John was  
presented in the Office of the Clerk of County  
Commission and admitted to record.  
Lauren T. P. Ellifritz  
Clerk of County Commission JE

*MLP*

Mineral County Clerk  
DATE OF OFFICE Clerk 04  
Date/Time: 04/01/2008 16:26  
Inst #: 74793  
Book/Page: 4 / 360-  
Recd/Tax: .00 .00

## OATH OF OFFICE AND CERTIFICATE

STATE OF WEST VIRGINIA

COUNTY OF MINERAL TO WIT:

I, Douglas Brelsford, do solemnly swear that  
I will support the Constitution of The United States of America and the  
Constitution of the State of West Virginia and that I will faithfully  
discharge the duties of Frankfort Public Service District Board Member  
for term ending June 30, 2011  
to the best of my skill and judgement SO HELP ME GOD.

Print name and address:

Douglas Brelsford  
Route 1, Box 28-0  
Wiley Ford, WV 26767

(Signature of affiant)

Douglas Brelsford

Subscribed and sworn to before me, in said County and State, this 26th  
day of July, 2007.

Lauren T. P. Ellifritz

State of West Virginia, Mineral County, to-wit:  
Be it remembered that on this 1  
day of April 2008, The  
foregoing Beth was  
presented in the Office of the Clerk of County  
Commission and admitted to record.  
Lauren T. P. Ellifritz  
Clerk of County Commission

netB

Mineral County Clerk  
OATH OF OFFICE Clerk 04  
Date/Time: 04/01/2008 16:23  
Trst #: 74790  
Book/Page: 4 / 365  
Recd/Tax: .00 .00

## OATH OF OFFICE AND CERTIFICATE

STATE OF WEST VIRGINIA

COUNTY OF MINERAL TO WIT:

I, Douglas Kenney, do solemnly swear that

I will support the Constitution of The United States of America and the

Constitution of the State of West Virginia and that I will faithfully

discharge the duties of Frankfort Public Service District Board Member  
for term ending June 30, 2011

to the best of my skill and judgement SO HELP ME GOD.

Print name and address:

Douglas Kenney

P.O. Box 434

Fort Ashby, WV 26719

(Signature of affiant) *Douglas Kenney*

Subscribed and sworn to before me, in said County and State, this 26th  
day of July, 2007.

State of West Virginia, Mineral County, to-wit:  
Be it remembered that on this 1  
day of April 2008. The  
foregoing Oath was  
presented in the Office of the Clerk of County  
Commission and admitted to record.  
Lauren T. P. Ellfritz *LTP*  
Clerk of County Commission

RULES OF PROCEDURE  
FRANKFORT PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: FRANKFORT PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District will be located at the intersection of Plum Run Road and Knobley Drive, Short Gap, Mineral County, West Virginia.

Section 3. The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Frankfort Public Service District, and in the center shall be inscribed the Corporate Seal:

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

ARTICLE II

PURPOSE

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

ARTICLE III

MEMBERSHIP

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

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

## ARTICLE IV

### MEETINGS OF THE PUBLIC SERVICE BOARD

Section 1. The members of the Public Service Board of this District shall hold regular monthly meetings on the 2nd Monday of each month, at such place and hour as the members shall determine from time to time. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Public Service Board may be called at any time by the Chairman or by a quorum of the Board.

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

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

### PUBLIC NOTICE OF MEETINGS

Section 4. Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended (1999 Revision), notice of the date, time, place and agenda of all regularly scheduled meetings of such Public Service Board, and the date, time, place and purpose of all special meetings of such Public Service Board, shall be made available, in advance, to the public and news media (except in the event of an emergency requiring immediate action) as follows:

A. Regular Meetings. A notice shall be posted and maintained by the Secretary of the Public Service Board of the Public Service District at the front door or bulletin board of the Mineral County Courthouse and at the front door or bulletin board of the place fixed for regular meetings of the Public Service Board of the date, time and place fixed and entered of record by the Public Service Board for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same locations by the Secretary of the Public Service Board not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the same locations as soon as feasible after such cancellation or postponement has been determined.

B. Special Meetings. A notice shall be posted by the Secretary of the Public Service Board at the front door or bulletin board of the Mineral County Courthouse and at the front door or bulletin board of the place fixed for the regular meetings of the Public Service Board not less than 72 hours before a special meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is

cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

## ARTICLE V

### OFFICERS

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

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

## ARTICLE VI

### DUTIES OF OFFICERS

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

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

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

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

## ARTICLE VII

### AMENDMENTS TO RULES OF PROCEDURE

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

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

Adopted this 10th day of April, 2006.

04/06/06  
306370.00001

I, as an officer of the News-Tribune, a daily newspaper published at Keyser, Mineral County, West Virginia, hereby certify that the Public

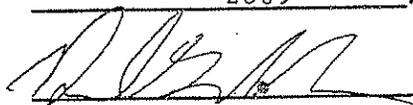
Service Commission  
in the case of Frankfort  
Public Service District  
Case No. 08-2005-PSD-CN

vs. \_\_\_\_\_

a copy whereof is hereto annexed has been published for 1 consecutive day

in said NEWS TRIBUNE, the first publication being on the 9th day of January, 2009.

Given under my hand at Keyser this 9th day of January, 2009.

  
Publisher

Publisher's Fee

\$ 95.62

RECEIVED  
2009 FEB 6 AM 8 49  
W VA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

Filed with the Public Service Commission of West Virginia, in the City of Charleston on the 20th day of November 2008.  
CASE NO. 08-2005-PSD-CN

Frankfort Public Service District  
201 Brooks Street  
Charleston, West Virginia 25302

Application for a Certificate of Convenience and Necessity to construct a sewage treatment system to serve portions of northern Mineral County including the communities of Fort Ashby, Patterson Creek, Lakewood and Plum Run Road.

NOTICE OF FILING

On November 20, 2008, the Frankfort Public Service District ("District") filed an application, duly verified, for a Certificate to construct a sewage system to serve portions of northern Mineral County. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

The Frankfort Public Service District estimates that construction will cost approximately \$18,221,000. It is proposed that the construction will be financed as follows: WV JDC Loan of \$7,249,751; WV JDC Grant of \$2,000,000; US EPA Grant of \$33,500; US EDA Grant of \$1,500,000 and Tax Increment Financing of \$7,437,749.

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

First 2,000 gallons used per month	\$14.00 per 1,000 gallons
All over 2,000 gallons used per month	\$10.00 per 1,000 gallons
MINIMUM MONTHLY BILL for 2,000 gallons of usage	\$28.00 per month
SEWER SERVICE CHARGE (customers with unmetered service)	
Individuals using 500 gallons of usage	\$53.00 per month

MASTERS METER  
Customers having master meters serving multiple residential or commercial units shall be billed a bill equal to the greater of the minimum monthly bill or a 20% multiple of the number of individual units or the amount of sewer service to be provided based on metered water usage.

DELINQUENT PAYMENT PENALTY  
When above bill is not paid in full within twenty (20) days of the due date, ten percent (10%) will be added to the net current amount due. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

ADMINISTRATIVE FEE  
An administrative fee of \$30.00 will be charged to any customer who chooses to make payment of delinquent sewer or water bills at their premises in lieu of continuing service. Such fee shall be in addition to all other amounts owed the utility.

RECONNECTION FEE  
\$300.00 fee to be charged to re-establish service once the supply of water is turned off by the utility.

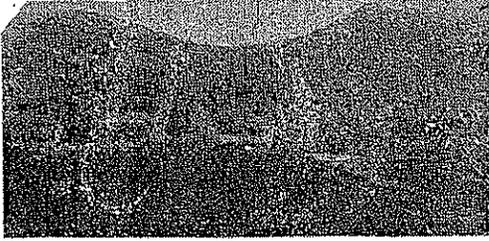
CONNECTION CHARGE  
Pre-construction: \$100  
After construction passes the premises to be served, charge for connection to system: \$300

These rates will apply to all customer types including residential, commercial and industrial. There is not a uniform rate currently existing in the service area. The requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this

Pursuant to §24-2-11, West Virginia Code, IT IS ORDERED that the Frankfort Public Service District give notice of the filing of said application, by publishing a copy of this Order once in a newspaper duly qualified by the Secretary of State, published and of general circulation in Mineral County, making due return to this Commission of proper certification of publication immediately after publication. Any person desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate case, including any associated rate increases or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or intervention. Requests to intervene must comply with the Commission's rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and interventions should be addressed to Sandra Squire, Executive Secretary, P.O. Box 812, Charleston, West Virginia 25302.

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

Sandra Squire  
Executive Secretary



BEHIND THE SADDLE IS THE BIRTHPLACE OF NANCY HANKS,  
MOTHER OF ABRAHAM LINCOLN

# County Commission of Mineral County

150 Armstrong Street  
Keyser, West Virginia 26726

MICHAEL C. BLAND, COUNTY COORDINATOR

PHONE: (304) 788-5921  
(301) 777-0602  
FAX: (304) 788-0768  
TDD: (304) 788-0568

THE COMMISSIONERS

WAYNE C. SPIGGLE, PRESIDENT  
Keyser, West Virginia

CYNTHIA L. PYLES  
Keyser, West Virginia

JANICE LARUE  
Piedmont, West Virginia

February 3, 2009

Ms. Sandra Squire, Director  
Executive Secretary Division  
WV Public Service Commission  
P.O. Box 812  
Charleston, WV 25323

Re: Case No. 08-2005-PSC-CN  
Frankfort Public Service District

Dear Ms. Squire:

Enclosed are thirteen (13) copies of the Notice of Filing for the referenced case.

Please contact me should you require additional information.

Sincerely,

Michael C. Bland,  
County Coordinator

MCB/rlb

Enclosures (13)

RECEIVED  
2009 FEB 6 AM 8 49  
WVA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

I, as an officer of the News-Tribune, a daily newspaper published at Keyser, Mineral County, West Virginia, hereby certify that the Public Service Commission

in the case of Amended Notice of Filing

Frankfort Public Service

vs. \_\_\_\_\_

a copy whereof is hereto annexed has been published for 1 consecutive day

in said NEWS TRIBUNE, the first publication being on the 14th day of February 2009

Given under my hand at Keyser this 14th day of February, 2009

  
Publisher

Publisher's Fee \$ 87.36

RECEIVED  
2009 FEB 27 AM 8 14  
WVA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

Entered by the Public Service Commission of West Virginia in the City of Charleston on the 9th day of February, 2009.

CASE NO. 08-006 PSD ON Frankfort Public Service District, Wyo. Ford, West Virginia 26726

Application for a Certificate of Convenience and Necessity to construct a sewage treatment system to serve portions of northern Mineral County including the communities of Eolia, Ashby, Palatka, Cross, Lakewood and Flom, and road.

AMENDED NOTICE OF FILING

On November 20, 2008, the Frankfort Public Service District filed an application with me for a Certificate of Convenience and Necessity to construct a sewage treatment system to serve portions of northern Mineral County. The application is on file with me and available to public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

The Frankfort Public Service District estimates that construction will cost approximately \$18,221,000. It is proposed that the construction will be financed as follows: WVAIDC loan of \$7,249,761; WVAIDC Grant of \$2,000,000; US EPA grant of \$333,500; US EPA grant of \$1,500,000 and pay increment financing of \$6,937,749.

The District anticipates charging the following sewer rates for service to its customers:

First 2,000 gallons used per month: \$14.00 per 1,000 gallons  
All over 2,000 gallons used per month: \$10.00 per 1,000 gallons

MINIMUM MONTHLY BILL for 2,000 gallons of usage: \$28.00 per month

FLAT RATE CHARGE for customers with unmetered sewer service: Each additional 1,000 gallons of usage: \$5.00 per month

MASTER METERS: Customers having master meters serving multiple residential or commercial units shall be billed a bill equal to the greater of the minimum monthly bill of \$28.00 multiplied by the number of individual units or the amount of sewer service to be charged based on metered water usage.

DELAYED PAYMENT PENALTY: The above tariff is not on all accounts not paid in full within twenty (20) days of the latest payment date. A ten percent (10%) will be added to the next current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

ADMINISTRATIVE FEE: An administrative fee of \$30.00 will be charged to any customer who chooses to make payment of delinquent sewer or water bills at their premises in lieu of discontinuing service. Such fee shall be in addition to all other amounts owed the utility.

RECONNECTION FEE: \$30.00 per service meter to be re-established service on the supply of water is needed by the utility.

CONNECTION CHARGES: Prior to construction of a sewer system, a fee of \$300.00 will be charged for connection to the system. These rates will apply to all customer types including residential, commercial and industrial. There is not a uniform rate of utility within the service area.

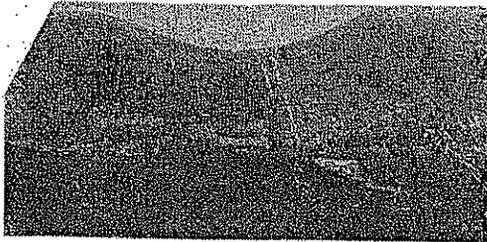
The requested rates and charges are only proposed and are subject to change on basis of changes in the Public Service Commission's review of this filing.

Pursuant to §24-2-11, West Virginia Code, it IS ORDERED that the Frankfort Public District give notice of the filing of its said application by publishing a copy of this order on its daily newspaper published by the Secretary of State published and not generally circulated in Mineral County making due verification of this Commission of proper identification and publication immediately after publication. Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene may affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. All protests or requests for intervention should briefly state the reason for the protest or intervention. Requests for intervention must comply with the Commission's rules of intervention set forth in the Commission's Rules of Practice and Procedure. All protests and interventions should be addressed to Sandra Squire, Executive Secretary, P.O. Box 202, Charleston, West Virginia 25320.

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

FOR THE COMMISSION:

SANDRA SQUIRE  
Executive Secretary



BEHIND THE SADDLE IS THE BIRTHPLACE OF NANCY HANKS,  
MOTHER OF ABRAHAM LINCOLN

# County Commission of Mineral County

150 Armstrong Street  
Keyser, West Virginia 26726

MICHAEL C. BLAND, COUNTY COORDINATOR

PHONE: (304) 788-5921  
(301) 777-0602  
FAX: (304) 788-0768  
TDD: (304) 788-0568

THE COMMISSIONERS

WAYNE C. SPITTLE, PRESIDENT  
Keyser, West Virginia

CYNTHIA L. PYLES  
Keyser, West Virginia

JANICE LARUE  
Piedmont, West Virginia

February 24, 2009

Ms. Sandra Squire, Director  
Executive Secretary Division  
WV Public Service Commission  
P.O. Box 812  
Charleston, WV 25323

RECEIVED  
2009 FEB 27 AM 8 14  
WV VA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

Re: Case No. 08-2005-PSD-CN  
Frankfort Public Service District

Dear Ms. Squire:

Enclosed are thirteen (13) copies of the Amended Notice of Filing for the referenced case which was published in the Mineral Daily News-Tribune on February 14, 2009.

Please contact me should you require additional information.

Sincerely,

Michael C. Bland,  
County Coordinator

MCB/rlb

Enclosures (13)

Frankfort PSD Meeting 1-25-2010

Attendees: Doug Kenney, Jerry Frantz, Doug Brelsford, Blane Murray, Paul Corwell.

Old Business:

1. The commission discussed a start date and funding to bring Guy Kimble on at a part time basis. Jerry will have a plan drafted by the end of this week, January 29<sup>th</sup>, 2010.
2. Jerry Frantz talked to AT&T and was able to get credit on the text message fees charged to Derrick. The board agreed to return any payments made by Derrick. Bonnie Wilson has been written in as the administrator of the AT&T contract.

New Business:

1. Kelly Wagoner asked Doug Kenney to present a request of 1 additional hour per day to be worked giving her 5 - 7 hour days rather than 5 - 6 hour days. The board agreed to keep Kelly's hours at 5 - 6 hour days.
2. The state of West Virginia Public Employees Retirement System ( PERS) has levied a 6% increase from 11% for the total of 17% employer contribution. The increase becomes effective July 2010.
3. Bobbie Reynolds was given a compliment by a customer for extra efforts and his kind disposition during the holidays.
4. Jerry presented findings of the audit of the PSD books performed by Perry & Associates. When the minutes are typed up a statement must be added at the close of the minutes-- "The minutes were read and approved." Add a signature line as well for Blane to sign off on the completeness of the minutes. The PSD was advised to have someone responsible to sign off on the significant purchase orders. A purchase order system was discussed as something to be developed by the new PSD manager. Financial details can be found in the report submitted by Perry & Associates. Jerry Frantz motioned that the audit be accepted as submitted. Doug Kenney seconded. Pending administrative notes & signatures by commission members.
5. Dave Vanscoy submitted an entrance permit for the Wiley Ford Water Project for access to the water storage tank. Permit was signed by Blane Murray.
6. Bonnie sent Mike Bland an invoice that was received by the PSD for services rendered to perform surveys related to Wheeler, Boatman, Whitacre, Snell property easements. The invoice will be paid through the construction funds. Mike Bland will attempt to negotiate the fee which totaled \$6,240.00.
7. Mike Bland submitted a break down of the WV Infrastructure and Jobs Development Council for funding of the FPSD Northern Mineral County Sewer project.
8. Mike Bland submitted the IJDC Ban/Tif application for project funding of the sewer treatment facility for \$6,537,749.00.
9. Mike Bland submitted application for the water rate increase for water utilities for Short

Gap and Fort Ashby. Blane Murray signed and returned to Mike Bland.

10. Mike Bland will ask Craig Miller to evaluate the water line situation developing between the Hall and Wallizer residences off of Alternate 28.
11. Jerry Frantz motioned to keep the officers of the PSD as is for the calendar year 2010. Doug Kenney seconded. Motion passed. God save us all.

Blane Murray--Chairman  
Doug Brelsford--Board member  
Jerry Frantz--Treasurer  
Doug Kenney--Board member  
Paul Corwell--Secretary

12. Dave Vanscoy submitted SOW change #5 for review related to Phase I of the Northern Mineral County Sewer Treatment Project totaling \$767,000.00.

The meeting concluded at 9:30PM.

The minutes were read and approved.

  
Frankfort PSD Officer

FRANKFORT PUBLIC SERVICE DISTRICT  
Sewer Revenue Bonds, Series 2010 A  
(West Virginia Infrastructure Fund)  
and Sewer Bond Anticipation Notes, Series 2010 A  
(West Virginia Infrastructure Fund)

EXCERPT OF MINUTES ON ADOPTION OF BOND RESOLUTIONS,  
SUPPLEMENTAL RESOLUTIONS, DRAW RESOLUTION  
AND SWEEP RESOLUTION

The undersigned SECRETARY of the Public Service Board of Frankfort Public Service District hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Public Service Board:

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The Public Service Board of Frankfort Public Service District met in regular session, pursuant to notice duly posted, on the 8th day of March, 2010, in Mineral County, West Virginia, at the hour of 7:00 p.m.

PRESENT: Paul Corwell  
Blane Murray  
Jerry Frantz  
Doug Kenny

Blane Murray, Chairman, presided, and Paul Corwell, acted as Secretary. The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Chairman presented a proposed Bond Resolution in writing entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF FRANKFORT PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF \$7,249,751 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING

FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Jerry Frantz and seconded by Blane Murray, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Thereupon, the Chairman then presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND) OF FRANKFORT PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

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

Thereupon, the Chairman presented a proposed Bond Resolution in writing entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS,

ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE PUBLIC SEWERAGE FACILITIES OF FRANKFORT PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE FRANKFORT PUBLIC SERVICE DISTRICT OF NOT MORE THAN \$6,537,749 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER BOND ANTICIPATION NOTE, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND), PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH NOTES; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH NOTE; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH NOTE; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Blane Murray and seconded by Doug Kenny, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Thereupon, the Chairman then presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER BOND ANTICIPATION NOTE, SERIES 2010 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE FRANKFORT PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH NOTE AND THE SALE AND DELIVERY OF SUCH NOTE TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE NOTE.

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

Next, the Chairman presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by Paul Corwell and seconded by Doug Kenney, it was unanimously ordered that the said Draw Resolution be adopted.

Next, the Chairman presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Blane Murray and seconded by Jerry Frantz, it was unanimously ordered that the said Sweep Resolution be adopted.

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

[Remainder of Page Intentionally Blank]

CERTIFICATION

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

Dated: March 18, 2010

  
\_\_\_\_\_  
Secretary

**WV MUNICIPAL BOND COMMISSION**

1207 Quarrier Street  
Suite 401  
Charleston, WV 25301  
(304) 558-3971

**NEW ISSUE REPORT FORM**

Date of Report: 18-Mar-10

ISSUE: Frankfort Public Service District  
Sewer Bond Anticipation Notes, Series 2010 A (West Virginia Infrastructure Fund)

ADDRESS: P.O. Box 80, Wiley Ford, West Virginia 26767 COUNTY: Mineral

PURPOSE OF ISSUE:

New Money:   x    
Refunding:       

REFUNDS ISSUE(S) DATED:   NA  

ISSUE DATE:                   3/18/2010

CLOSING DATE:                   18-Mar-10

ISSUE AMOUNT:                   \$6,537,749

RATE:                                   0%

1ST DEBT SERVICE DUE:                   1-Sep-10

1ST PRINCIPAL DUE   1-Sep-10  

1ST DEBT SERVICE AMOUNT   \$6,537,749  

PAYING AGENT:   Municipal Bond Commission  

BOND COUNSEL:

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

UNDERWRITERS COUNSEL

Firm:   Jackson Kelly, PLLC    
Contact:   Samme Gee, Esquire    
Phone:   (304) 340-1318  

CLOSING BANK:

Bank:   First Peoples Community Federal Credit Union    
Contact:   Liz Lark    
Phone:   301.783.3041  

ESCROW TRUSTEE:

Firm:                                     
Contact:                                     
Phone:                                   

KNOWLEDGEABLE ISSUER CONTACT

Contact:   Blane Murray    
Position:   Chairman    
Phone:   304.738.9552  

OTHER:

Agency:   West Virginia    
  Infrastructure Council    
Contact:   Angela Chestnut    
Position:   Director    
Phone:   (304) 558-4607  

DEPOSITS TO MBC AT CLOSE

By:        Wire                    Accrued Interest: \$                     
       Check                    Capitalized Interest: \$                     
                   Reserve Account: \$                     
                   Other: \$                   

REFUNDS & TRANSFERS BY MBC AT CLOSE

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

NOTES:   The Series 2010 A Notes do not have a reserve account.    
    
  

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED:     
TRANSFERS REQUIRED:

FRANKFORT PUBLIC SERVICE DISTRICT

Sewer Bond Anticipation Notes, Series 2010 A  
(West Virginia Infrastructure Fund)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

First Peoples Community Federal Credit Union, Cumberland, Maryland, hereby accepts appointment as Depository Bank in connection with a Note Resolution of Frankfort Public Service District (the "Issuer") enacted by the Issuer on March 8, 2010, and a Supplemental Resolution adopted by the Issuer on March 8, 2010 (collectively, the "Note Legislation"), authorizing issuance of the Issuer's Sewer Bond Anticipation Notes, Series 2010 A (West Virginia Infrastructure Fund), dated March 18, 2010, in the aggregate principal amount of \$6,537,749 (the "Notes"), and agrees to serve as Depository Bank in connection with the Notes, all as set forth in the Notes Legislation.

WITNESS my signature on this 18th day of March, 2010.

FIRST PEOPLES COMMUNITY FEDERAL CREDIT  
UNION

By:   
Its: Authorized Officer

02.18.10  
306370.00003

FRANKFORT PUBLIC SERVICE DISTRICT

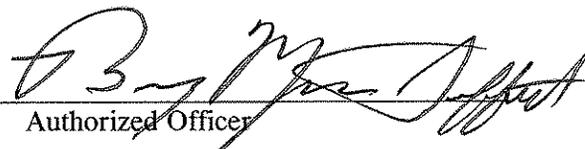
Sewer Bond Anticipation Notes, Series 2010 A  
(West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

The Huntington National Bank, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Frankfort Public Service District Sewer Bond Anticipation Notes, Series 2010 A (West Virginia Infrastructure Fund), dated March 18, 2010, in the aggregate principal amount of \$6,537,749, (the "Series 2010 A Notes"), and agrees to perform all duties of Registrar in connection with the Series 2010 A Notes, all as set forth in the Note Legislation authorizing issuance of the Series 2010 A Notes.

WITNESS my signature on this 18th day of March, 2010.

THE HUNTINGTON NATIONAL BANK

By:   
Its: Authorized Officer

02.18.10  
306370.00003

CH5331912

FRANKFORT PUBLIC SERVICE DISTRICT

Sewer Bond Anticipation Notes, Series 2010 A  
(West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF NOTES

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Note Legislation and Registrar's Agreement providing for the above-captioned Note of the Frankfort Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Sewer Bond Anticipation Note, Series 2010 A (West Virginia Infrastructure Fund), of the Issuer, dated March 18, 2010, in the principal amount of \$6,537,749, numbered R-1, registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 18th day of March, 2010.

THE HUNTINGTON NATIONAL BANK

By:   
Its: Authorized Officer

FRANKFORT PUBLIC SERVICE DISTRICT

Sewer Bond Anticipation Notes, Series 2010 A  
(West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 18t day of March, 2010, by and between the FRANKFORT PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$6,537,749 principal amount of Sewer Bond Anticipation Note, Series 2010 A (West Virginia Infrastructure Fund), dated the date hereof, in fully registered form (the "Series 2010 A Notes"), pursuant to a Note Resolution of the Issuer duly enacted March 8, 2010, and a Supplemental Resolution of the Issuer duly adopted March 8, 2010 (collectively, the "Note 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 Note Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Note Legislation provides for an appointment by the Issuer of a Registrar for the Series 2010 A Notes; and

WHEREAS, the Issuer desires to appoint, and by the Note Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Note Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Series 2010 A Notes, all as set forth in the Note Legislation, such duties including, among other things, the duties to authenticate, register and deliver the Series 2010 A Notes upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Series 2010 A Notes from federal income taxation, in accordance with any rules and regulations promulgated by the United States

Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Note Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Note Legislation, the terms of the Note 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 Note 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: Frankfort Public Service District  
P.O. Box 80  
Wiley Ford, West Virginia 26767  
Attention: Chairman

REGISTRAR: The Huntington National Bank  
One Huntington Square  
Charleston, West Virginia 25301  
Attention: Corporate Trust Department

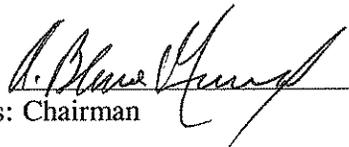
8. The Registrar is hereby requested and authorized to authenticate, register and deliver the Series 2010 A Notes in accordance with the Note Legislation.

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.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

FRANKFORT PUBLIC SERVICE DISTRICT

By:   
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By:   
Its: Authorized Officer

02.18.10  
306370.00003

EXHIBIT A

Note Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See Attached)

Private Financial Group  
P.O. Box 633 - WE3013  
Charleston, West Virginia 25322-0633



STATEMENT OF REGISTRAR'S FEES  
Invoice Date March 18, 2010

**Franklin Public Service District  
Account Number 6089001809**

Franklin Public Service District  
Sewer Bond Anticipation Notes, Series 2010 A  
C/o John C. Stump  
Steptoe & Johnson, PLLC  
P.O. Box 1588  
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

\*\*\*\*\*

FEE CALCULATION FOR March, 2010

\*\*\*\*\*

TOTAL AMOUNT	\$ 500.00
<b>TOTAL DUE</b>	<b><u>\$ 500.00</u></b>

**MAIL CHECK TO:**  
**THE HUNTINGTON NATIONAL BANK**  
**ATTN: BARRY GRIFFITH – WE3013**  
**PO BOX 633**  
**CHARLESTON, WV 25322-0633**

**PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT**

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT  
Barry Morgan Griffith at (304) 348-5035

## John Cole

---

**From:** DEP NPDESEP [DEP.NPDESEP@wv.gov]  
**Sent:** Wednesday, January 28, 2009 11:40 AM  
**To:** frankfortpsdoffice@atlanticbb.net; DEP NPDESEP  
**Cc:** Cochran, Joseph W; jwcole@rkk.com; Dolly, Robin C; Noll, Jeanne; Mills, Rhod B  
**Subject:** Approval for WVR104146, Northern Mineral Co. Reg. Sewer System-Contracts 1,2,3 &4, Mineral Co., 35 Acres  
**Attachments:** EP 14151\_2007\_Construction\_Storm\_Water\_General\_Permit[1].pdf; NOT 14400\_SW\_Cons\_Termination\_notice.doc

A. Blane Murray  
Frankfort PSD  
PO Box 80  
Wiley Ford, WV 26767  
(304) 738-9552

Physical Site Location: Patterson Creek Rd (28/3), Patterson Creek & Fort Ashby

Please be advised that this e-mail constitutes approval for your construction activity and your registration no. is WVR104146. You are now authorized to operate under WV/NPDES General Water Pollution Control Permit No. WV0115924, issued on November 5, 2007, copy attached.

You should carefully read the contents of this General Permit and become familiar with all requirements needed to remain in compliance with your permit. We've also attached a "Notice of Termination" form to be completed and submitted when all disturbed areas are stabilized. You can find the permit and Notice of Termination form via the Internet by visiting Permitting, Division of Water and Waste Management at [www.wvdep.org](http://www.wvdep.org). Your annual permit fee has been assessed as \$1000.00. You will be invoiced by this agency upon the anniversary date of this approval date. Failure to submit the annual fee within ninety (90) days of the due date will render your permit void upon the date you are mailed a certified written notice to that effect. Please be advised that a pro-rated annual permit fee may be assessed upon the completion date and proper stabilization.

Scott G. Mandirola  
Acting Director  
WV DEP-Division of Water & Waste Mgt.  
601 57th St SE  
Charleston, WV 25304-2345  
Phone: (304) 926-0495  
Fax: (304) 926-0496



# CERTIFICATE OF INSURANCE

— THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY —

DATE (MM/DD/YY)

3/9/10

100 Erie Insurance Plaza • Erie, PA 16500

<p><b>NAME AND ADDRESS OF AGENCY</b>  <b>CHANLY - BUSKIRK AGENCY INC</b>          1714 28 AND AIRPORT ROAD          WILEY FORD, WV 26767-0050</p> <p style="text-align: center;">(304)738-9419</p>	<p><b>AGENT'S NO.</b> RE4007</p>	<p><b>COMPANY(IES) AFFORDING COVERAGE</b>          Co.: C ERIE INSURANCE COMPANY          Co.: D ERIE INSURANCE PROPERTY &amp; CASUALTY COMPANY          Co.: E ERIE INSURANCE EXCHANGE          Erie Indemnity Co., Attorney-in-Fact          Co.: F ERIE INSURANCE COMPANY OF NEW YORK          Co.: G FLAGSHIP CITY INSURANCE COMPANY</p>
<p><b>NAME AND MAILING ADDRESS OF INSURED</b>  <b>FRANKFORT PUBLIC SVC DIST</b>          110 BOX 80          WILEY FORD, WV 26767-0080</p>	<p>This Certificate is issued for information purposes only. It does not list, amend, extend, or otherwise alter the terms and conditions of insurance coverage contained in the Policy(ies) indicated below issued by ERIE. The terms and conditions of the Policy(ies) govern the insurance coverage as applied to any given situation.</p> <p>Any party can request a policy and/or Declaration by asking the Insured or the Agent. Limits shown may have been reduced by claims paid.</p>	

**This is to certify that policies, as indicated by the Policy Number below, are in force for the Named Insured at the time that the Certificate is being issued.**

NO.	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS												
D	<input checked="" type="checkbox"/> <b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR  <input type="checkbox"/> <input type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC	Q34 6900002	10/19/09	10/19/10	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td>\$ 1,000,000</td></tr> <tr><td>FIRE DAMAGE (Any One Fire)</td><td>\$ 1,000,000</td></tr> <tr><td>MED EXP (Any One Person)</td><td>\$ EXCL</td></tr> <tr><td>PERSONAL &amp; ADV. INJURY</td><td>\$ 1,000,000</td></tr> <tr><td>GENERAL AGGREGATE</td><td>\$ 1,000,000</td></tr> <tr><td>PRODUCTS-COMP/OP AGG</td><td>\$ 1,000,000</td></tr> </table>	EACH OCCURRENCE	\$ 1,000,000	FIRE DAMAGE (Any One Fire)	\$ 1,000,000	MED EXP (Any One Person)	\$ EXCL	PERSONAL & ADV. INJURY	\$ 1,000,000	GENERAL AGGREGATE	\$ 1,000,000	PRODUCTS-COMP/OP AGG	\$ 1,000,000
EACH OCCURRENCE	\$ 1,000,000																
FIRE DAMAGE (Any One Fire)	\$ 1,000,000																
MED EXP (Any One Person)	\$ EXCL																
PERSONAL & ADV. INJURY	\$ 1,000,000																
GENERAL AGGREGATE	\$ 1,000,000																
PRODUCTS-COMP/OP AGG	\$ 1,000,000																
	<input type="checkbox"/> <b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> "ANY AUTO" (OWNED, HIRED, NON-OWNED) <input type="checkbox"/> OWNED <input type="checkbox"/> HIRED <input type="checkbox"/> NON-OWNED <input type="checkbox"/> GARAGE				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>BODILY INJURY (EACH PERSON)</td><td>\$</td></tr> <tr><td>BODILY INJURY (EACH ACCIDENT)</td><td>\$</td></tr> <tr><td>PROPERTY DAMAGE</td><td>\$</td></tr> <tr><td>BODILY INJURY AND PROPERTY DAMAGE COMBINED</td><td>\$</td></tr> </table>	BODILY INJURY (EACH PERSON)	\$	BODILY INJURY (EACH ACCIDENT)	\$	PROPERTY DAMAGE	\$	BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$				
BODILY INJURY (EACH PERSON)	\$																
BODILY INJURY (EACH ACCIDENT)	\$																
PROPERTY DAMAGE	\$																
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	<input type="checkbox"/> <b>EXCESS LIABILITY</b> <input type="checkbox"/> OCCURRENCE  <input type="checkbox"/> RETENTION \$				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td>\$</td></tr> <tr><td>AGGREGATE</td><td>\$</td></tr> <tr><td></td><td>\$</td></tr> <tr><td></td><td>\$</td></tr> </table>	EACH OCCURRENCE	\$	AGGREGATE	\$		\$		\$				
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	<b>WORKERS COMPENSATION &amp; EMPLOYERS LIABILITY</b>				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td colspan="2" style="text-align: center;"><b>STATUTORY</b></td></tr> <tr><td>BODILY INJURY BY</td><td>ACCIDENT \$ EACH ACCIDENT</td></tr> <tr><td></td><td>DISEASE \$ POLICY LIMIT</td></tr> <tr><td></td><td>DISEASE \$ EACH EMPLOYEE</td></tr> </table>	<b>STATUTORY</b>		BODILY INJURY BY	ACCIDENT \$ EACH ACCIDENT		DISEASE \$ POLICY LIMIT		DISEASE \$ EACH EMPLOYEE				
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D	<b>OTHER</b> ULTRAPLEX	Q42 7850023	6/21/09	6/28/10	1000000												

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENTS/SPECIAL PROVISIONS**

WV WATER DEVELOPMENT AUTHORITY IS ALSO LISTED AS ADDITIONAL INSURED.

**CANCELLATION FOR NON-PAYMENT, CAUSE OR NAMED INSURED'S REQUEST:** When an automobile policy is cancelled, written notice will be mailed to the Certificate Holder. When any of the above described policies (other than automobile) are cancelled before the expiration date thereof, ERIE will endeavor to mail written notice to the Certificate Holder after the decision to cancel. Failure to mail such notice shall impose no obligation or liability of any kind upon ERIE, its Agents or representatives.

**CANCELLATION FOR SPECIAL CONTRACTS:** (If the box is checked, this Certificate involves a special contract and the following cancellation provisions apply) When an automobile policy is cancelled, written notice will be mailed to the Certificate Holder. When any of the above described policies (other than automobile) are cancelled before the expiration date thereof, ERIE will endeavor to mail 30 days written notice to the Certificate Holder after the decision to cancel. Failure to mail such notice shall impose no obligation or liability of any kind upon ERIE, its Agents or representatives.

<p><b>CERTIFICATE HOLDER</b></p> <p>WV WATER DEVELOPMENT AUTHORITY          180 ASSOCIATION DRIVE          CHARLSTON, WV 25311</p>	<p style="text-align: center;"><b>ATTENTION CERTIFICATE HOLDER</b></p> <p>If your firm is a Certificate Holder for other policies of this insured, Certificates of Insurance for these other policies will be forwarded to you as soon as they are processed.</p> <p>AUTHORIZED REPRESENTATIVE</p> <p style="text-align: center;"><i>Inez C. Gelliker</i></p>
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west virginia department of environmental protection

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Division of Water and Waste Management  
601 57<sup>th</sup> Street S.E.  
Charleston, WV 25304  
Phone: (304) 926-0495  
Fax: (304) 926-0496

Joe Manchin III, Governor  
Randy C. Huffman, Cabinet Secretary  
www.wvdep.org

August 3, 2009

Mr. Blane Murray, Chairman  
Frankfort Public Service District  
P.O. Box 80  
Wiley Ford, WV 26767

RE: Frankfort Public Service District  
Phase I Regional Wastewater  
Treatment and Collection System  
SRF No. C-544411-01

Dear Mr. Murray:

The plans and specifications for the above referenced project are hereby approved.

This approval DOES NOT constitute authority to advertise for bids. You will be advised by separate letter from this agency as to when such an advertisement can be initiated.

Please be advised it will be necessary to issue an addendum to the contract documents prior to opening of bids to include the current State and Federal Labor Wage Determinations. This and all addenda and revisions to the contract documents must be telefaxed to this office for approval and issued to plan holders five (5) days prior to bid opening. Failure to submit addenda in a timely manner will automatically nullify approval to open bids. Any addenda issued inside the five (5) day period prior to the bid opening must include an automatic extension to the bid opening date of a minimum of seven (7) days.

If any questions arise, please contact Elbert N. Morton, P.E., at (304) 926-0499, ext.1589.

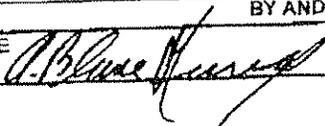
Sincerely,

Mike Johnson, P.E.  
Program Manager  
Clean Water SRF Program

MJ/em

cc: Michael C. Bland, Mineral County Commission  
Rummel, Klepper & Kahl, LLP

Promoting a healthy environment.

	<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  <b>Grant Agreement</b>	ASSISTANCE ID NO.			DATE OF AWARD 12/05/2008	
		PRG	DOC ID	AMEND#		
		XP - 97370801 - 0				MAILING DATE 12/12/2008
		TYPE OF ACTION New				ACH# pend
RECIPIENT TYPE: Special District		PAYEE: Frankfort Public Service District P.O. Box 80 Wiley Ford, WV 26767				
RECIPIENT: Frankfort Public Service District P.O. Box 80 Wiley Ford, WV 26767 EIN: 55-0571925		EPA PROJECT OFFICER Bruce A Smith 1650 Arch Street, 3WP50 Philadelphia, PA 19103-2029 E-Mail: Smith.BruceA@epa.gov Phone: 215-814-5770		EPA GRANT SPECIALIST Hana Jones Grants and Audit Management Branch, 3PM70 E-Mail: Jones.Hana@epa.gov Phone: 215-814-5417		
PROJECT MANAGER Mr. Michael C. Bland P.O. Box 80 Wiley Ford, WV 26767 E-Mail: mbland@mineralcountywv.com Phone: 304-788-5921		PROJECT TITLE AND DESCRIPTION Northern Mineral County Regional Sewer Project Design & construction of a new 0.6 MGD wastewater treatment plant & collection system to serve the Patterson Creek area in Northern Mineral County. The collection system consists of 48,700 linear feet (LF) of 8"-18" gravity sewer lines, 37 simplex & duplex grinder-pumps, 142 manholes, 7,350 LF of 3"-6" force main, & 2 pump stations.				
BUDGET PERIOD 07/05/2008 - 12/31/2010	PROJECT PERIOD 07/05/2008 - 12/31/2010	TOTAL BUDGET PERIOD COST \$1,697,273.00	TOTAL PROJECT PERIOD COST \$1,697,273.00			
<b>NOTICE OF AWARD</b>						
Based on your application dated 01/28/2008, including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA), hereby awards \$933,500. EPA agrees to cost-share <u>55.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$933,500. Such award may be terminated by EPA without further cause if the recipient fails to provide timely affirmation of the award by signing under the Affirmation of Award section and returning all pages of this agreement to the Grants Management Office listed below within 21 days after receipt, or any extension of time, as may be granted by EPA. This agreement is subject to applicable EPA statutory provisions. The applicable regulatory provisions are 40 CFR Chapter 1, Subchapter B, and all terms and conditions of this agreement and any attachments.						
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)			AWARD APPROVAL OFFICE			
ORGANIZATION / ADDRESS US EPA Region 3, 3PM70 1650 Arch Street Philadelphia, PA 19103-2029			ORGANIZATION / ADDRESS U.S. EPA, Region 3 Water Protection Division 3WP00 1650 Arch Street Philadelphia, PA 19103-2029			
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY						
SIGNATURE OF AWARD OFFICIAL Digital signature applied by EPA Award Official		TYPED NAME AND TITLE James W. Newsom, ARA for Policy and Management		DATE 12/05/2008		
<b>AFFIRMATION OF AWARD</b>						
BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION						
SIGNATURE 		TYPED NAME AND TITLE A. Blane Murray, Chairman		DATE 1/26/09		



U.S. DEPARTMENT OF COMMERCE  
Economic Development Administration  
The Curtis Center  
Suite 140 South  
Independence Square West  
Philadelphia, PA 19106-03323

1 MAR 2007

In reply refer to:  
Investment No. 01-01-08444

Mr. A. Blane Murray  
Chairman  
Frankfort Public Service District  
P. O. Box 80  
Wiley Ford, WV a 26767-0080

Dear Mr. Muray:

We are pleased to inform you that the Economic Development Administration (EDA) has approved a Financial Assistance Award in an amount not to exceed \$1,500,000 in response to your application for Federal assistance. This investment will consist of the installation of sewer lines, wastewater treatment system connection and all associated work that will service Northern Mineral County, and specifically, the Fort Ashby Industrial Park, West Virginia.

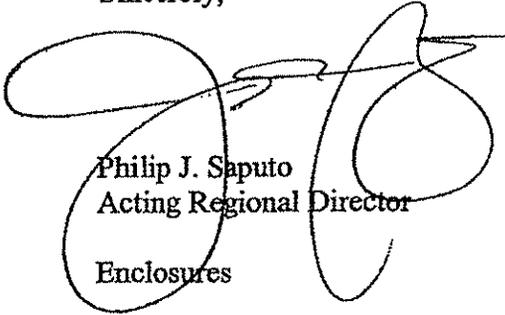
Enclosed are three signed copies of the Financial Assistance Award. Your agreement to the terms and conditions of the award should be indicated by the signature of your principal official on each of the signed copies of the Financial Assistance Award. Two of the executed copies should be returned to the Director, Philadelphia Regional Office, the Curtis Center, Suite 140 South, 601 Walnut Street, Philadelphia, Pennsylvania 19106. If not signed and returned within 30 days of receipt, the Grants Officer may declare the Award null and void.

You are cautioned not to make any commitments in reliance on this award, nor to enter into negotiations relative hereto, until you have carefully reviewed the terms and conditions and have determined that you are in compliance or that you can comply therewith. Any commitments or undertakings entered into prior to obtaining the approval of the Government in accordance with its regulations and requirements will be at your own risk.

President Bush is committed to ensuring that no community or demographic group is excluded from the opportunity to achieve the American dream. The mission of EDA is

to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy. EDA assists states, units of government, and community nonprofit organizations in economically-distressed areas by supporting their regional economic development efforts that emphasize innovation and entrepreneurship as the essential elements of regional and national competitiveness in the worldwide economy.

Sincerely,

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Philip J. Saputo  
Acting Regional Director

Enclosures

**FINANCIAL ASSISTANCE AWARD**

GRANT  COOPERATIVE  
AGREEMENT

ACCOUNTING CODE

RECIPIENT NAME  
Frankfort Public Service District

AWARD NUMBER  
01-01-08444

STREET ADDRESS  
P. O. Box 80

FEDERAL SHARE OF COST  
\$ 1,500,000

CITY, STATE, ZIP CODE  
Wiley Ford, West Virginia 26767-0080

RECIPIENT SHARE OF COST  
\$ 3,184,600

AWARD PERIOD  
From date of approval to 36 months after approval

TOTAL ESTIMATED COST  
\$ 4,684,600

AUTHORITY  
Public Works and Economic Development Act of 1965, as amended, and the Economic Development Reauthorization Act of 2004, P. L. 108-373.

CFDA NO. AND PROJECT TITLE- CFDA 11.300 – Project consists of the installation of sewer lines, wastewater treatment system connection and all associated work that will service Northern Mineral County, and specifically, the Fort Ashby Industrial Park, West Virginia.

This Award approved by the Grants Officer is issued in triplicate and constitutes an obligation of Federal funding. By signing the three documents, the Recipient agrees to comply with the Award provisions checked below and attached. Upon acceptance by the Recipient, two signed Award documents shall be returned to the Grants Officer and the third document shall be retained by the Recipient. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally terminate this Award.

- Economic Development Administration Standard Terms and Conditions Title II Public Works and Development Facilities and Economic Adjustment Construction Components, March 1999.
- Special Award Conditions
- Line Item Budget
- 15 CFR Part 14, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, Other Non-Profit, and Commercial Organizations
- 15 CFR Part 24, Uniform Administrative Requirements for Grants and Agreements to State and Local Governments
- OMB Circular A-21, Cost Principles for Educational Institutions
- OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments
- OMB Circular A-122, Cost Principles for Nonprofit Organizations
- 48 CFR Part 31, Contract Cost Principles and Procedures
- OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations
- Other(s) \_\_\_\_\_

SIGNATURE OF DEPARTMENT OF COMMERCE  
GRANTS OFFICER

TITLE *Acting*  
Regional Director

DATE

3/21/07

TYPED NAME AND SIGNATURE OF AUTHORIZED  
RECIPIENT OFFICIAL

TITLE  
Frankfort Public Service District

DATE

4/9/07

**U. S. DEPARTMENT OF COMMERCE  
ECONOMIC DEVELOPMENT ADMINISTRATION**

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**Special Award Conditions of Financial Assistance Award for Public Works and  
Development Facilities under Section 201 of the Economic Development  
Administration Reauthorization Act of 2004 (P. L. 108-373)**

Page 1 of 3

Award No.: 01-01-08444

**RECIPIENT:** Frankfort Public Service District, West Virginia

**PROJECT SCOPE:** This investment will consist of the installation of sewer lines, wastewater treatment system connection and all associated work that will service Northern Mineral County, and specifically, the Fort Ashby Industrial Park, West Virginia.

**SPECIAL AWARD CONDITIONS**

1. **PROJECT DEVELOPMENT TIME SCHEDULE:** The Recipient agrees to the following Project development time schedule:

Time allowed after receipt of Financial Assistance Award for:

Return of the Affirmed Financial Assistance Award. . . . .	30 days
Start of Construction. . . . .	18 months
Construction Period . . . . .	18 months

Project Closeout - All Project closeout documents, including final financial information and any required program reports, shall be submitted to the Government not more than 90 days after the date the Recipient accepts the completed Project from the contractor(s).

The Recipient shall pursue diligently the development of the Project so as to ensure completion of the Project and sub-mission of closeout documents within this time schedule. Moreover, the Recipient shall notify the Government in writing of any event which could delay substantially the achievement of the Project within the prescribed time limits. The Recipient further acknowledges that failure to meet the development time schedule may result in the Government's taking action to terminate the Award in accordance with the regulations set forth at 13 CFR 305.99(b) and 15 CFR 24.43 (53 Fed. Reg. 8048-9, 8102, March 11, 1988).

2. **GOALS FOR WOMEN AND MINORITIES IN CONSTRUCTION:** Department of Labor regulations set forth in 41 CFR 60-4 establish goals and timetables for participation of minorities and women in the construction industry. These regulations apply to all Federally assisted construction contracts in excess of \$10,000. The Recipient shall comply with these regulations and shall obtain compliance with 41 CFR 60-4 from contractors and subcontractors employed in the completion of the Project by including such notices, clauses and provisions in the Solicitations for Offers or Bids as required by 41 CFR 60-4. The goal for the participation of women in each trade area shall be as follows: From April 1, 1981, until further notice: 6.9 percent. All changes to this goal, as published in the Federal Register in accordance with the Office of Federal Contract Compliance Programs regulations at 41 CFR 60-4.6, or any

successor regulations, shall hereafter be incorporated by reference into these Special Award Conditions. Goals for minority participation shall be as prescribed by Appendix B-80, Federal Register, Volume 45, No. 194, October 3, 1980, or subsequent publications. The Recipient shall include the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" (or cause them to be included, if appropriate) in all Federally assisted contracts and subcontracts. The goals and timetables for minority and female participation may not be less than those published pursuant to 41 CFR 60-4.6.

3. **EXPIRATION OF AVAILABILITY OF GRANT FUNDS:** Because the grant funds for the Project by statute are available until expended, the provisions of Public Law 101-510, enacted November 5, 1990, section 1405, amending sub chapter IV of chapter 15, title 31, U.S.C., are not applicable to the grant for the Project. Therefore, the Project's Standard Terms and Conditions are modified to delete references in Part A, Section 3, of Public Law 101-510.
4. **PERFORMANCE MEASURES:** The grantee agrees to report on program performance measures and program outcomes in such form and at such intervals as may be prescribed by EDA in compliance with the Government Performance and Results Act of 1993. Performance measures and reporting requirements that presently apply to program activities funded by this grant are enclosed for your information, but are subject to change. EDA will advise grantees in writing within a reasonable period prior to the time of submission of the reports in the event that there are any modifications in the performance measures.
5. **REPORTING UNLIQUIDATED OBLIGATIONS:** All Recipients of an EDA grant award of more than \$100,000 whose grant has not been fully disbursed as of the end of each reporting period are required to submit a financial report to EDA annually on the status of unreimbursed obligations. The report will provide information on the amount of allowable project expenses that have been incurred by the Recipient but not claimed for reimbursement as of the end of the reporting period.

The report will be as of September 30 of each year and must be submitted annually until the final grant payment is made by EDA. The report shall be submitted to EDA no later than October 30 of each year. Noncompliance with this requirement will result in the suspension of EDA grant disbursements. Standard Form 269A, Financial Status Report, will be used for this purpose. Instructions for completing and filing the report will be furnished to the Recipient at least 60 days before the report is due.

6. **DELAYED PROGRESS:** If significant construction (as determined by EDA) is not commenced within two years of the approval of the Investment or by the date estimated for start of construction in the investment award (or the expiration of any extension granted in writing by EDA), whichever is later, the EDA award will be automatically suspended and may be terminated if EDA determines, after consultation with the award Recipients, that construction to completion cannot reasonably be expected to proceed promptly and expeditiously.

7. **TITLE OPINION:** Prior to disbursement of funds, the Recipient shall submit to the Regional Office a title opinion from counsel, satisfactory in form and substance to EDA, that it has obtained good and merchantable title, free and clear of all mortgages and foreclosable liens, on all facilities, improvements, land, rights-of-way and easements necessary for the completion and satisfactory operation of the fiber optic cable system, facilities, land and infrastructure improvements assisted through the project. Such title opinion is required under the EDA Standard Terms and Conditions, Part A-Statutory and Executive Order Requirements, Paragraph #7.
8. **ARCHITECT/ENGINEER AGREEMENT:** Prior to the disbursement of funds by EDA; the Recipient shall submit to the Government for approval an Architect/Engineer Agreement that meets the requirements of Section 1 of the EDA publication, "*Requirements for Approval Projects*" as well as the competitive procurement standards of Department of Commerce Regulations at 15 CFR 24.36 or OMB Circular A-110, as applicable. The fee for basic Architect/Engineer services shall be a lump sum or an agreed maximum and no part of the fees for other services shall be based upon a cost-plus-a-percentage-of-cost or cost using a multiplier.
9. **GRANT ADMINISTRATION SERVICES AGREEMENT:** If the Recipient elects to have the grant administration services required for the Project to be performed by persons other than the Recipient's staff, prior approval must be obtained from the Government in order for the cost of such services to be eligible for Federal participation.

Procurement of grant administration services under a professional services contract by negotiation with a single source may be permitted only if it can be demonstrated to the Government's satisfaction that the award of a professional services contract is infeasible under small purchase procedures, sealed bids, or competitive proposals. The procurement of such services shall be governed by regulations at 15 CFR Part 24.36.

An Economic Development District may provide grant administration services for the Recipient provided that the services meet the requirements of EDA regulations at 13 CFR 316.19.
10. **LOCAL SHARE:** In affirming this Award, the Recipient certifies that the non-federal share of Project costs is committed and is available as needed for the Project, that the non-federal share is from sources which can be used as match for the EDA Project, and that the non-federal share will not affect ownership of, or title to, the Project facilities. The Recipient further acknowledges that, prior to the first disbursement of EDA funds, Recipient will be required to provide evidence satisfactory to the Government that all funds necessary to complete the Project are available.
11. **PROTECTION OF CULTURAL RESOURCES:** Prior to approval of plans and specifications, the recipient will provide evidence to EDA that the West Virginia Division of Culture & History (SHPO) has indicated that the requirements of Section 106 of the National Historic Preservation Act are satisfied.

U. S. DEPARTMENT OF COMMERCE  
Economic Development Administration

PUBLIC WORKS PROJECT COST CLASSIFICATIONS

EDA Award No. <u>01-01-08444</u>	State	<u>West Virginia</u>
<u>Cost Classification</u>	<u>Proposed</u>	<u>Approved</u>
Administrative and legal expenses	\$ 97,595	\$ 97,595
Land, structures, rights-of-way, appraisals, etc.	58,575	58,575
Relocation expenses and payments		
Architectural and engineering fees	273,267	253,267
Other architectural and engineering fees		20,000
Project inspection fees	195,191	195,191
Site Work		
Demolition and removal		
Construction	3,556,562	3,556,562
Equipment		
Miscellaneous		
Contingencies	503,410	503,410
<b>TOTAL PROJECT COSTS</b>	<u>\$4,684,600</u>	<u>\$4,684,600</u>

Explanation of Changes:

AE Fees—Consistent with PRO data.

Other AE—Consistent with PRO data.

successor regulations, shall hereafter be incorporated by reference into these Special Award Conditions. Goals for minority participation shall be as prescribed by Appendix B-80, Federal Register, Volume 45, No. 194, October 3, 1980, or subsequent publications. The Recipient shall include the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" (or cause them to be included, if appropriate) in all Federally assisted contracts and subcontracts. The goals and timetables for minority and female participation may not be less than those published pursuant to 41 CFR 60-4.6.

3. **EXPIRATION OF AVAILABILITY OF GRANT FUNDS:** Because the grant funds for the Project by statute are available until expended, the provisions of Public Law 101-510, enacted November 5, 1990, section 1405, amending sub chapter IV of chapter 15, title 31, U.S.C., are not applicable to the grant for the Project. Therefore, the Project's Standard Terms and Conditions are modified to delete references in Part A, Section 3, of Public Law 101-510.
4. **PERFORMANCE MEASURES:** The grantee agrees to report on program performance measures and program outcomes in such form and at such intervals as may be prescribed by EDA in compliance with the Government Performance and Results Act of 1993. Performance measures and reporting requirements that presently apply to program activities funded by this grant are enclosed for your information, but are subject to change. EDA will advise grantees in writing within a reasonable period prior to the time of submission of the reports in the event that there are any modifications in the performance measures.
5. **REPORTING UNLIQUIDATED OBLIGATIONS:** All Recipients of an EDA grant award of more than \$100,000 whose grant has not been fully disbursed as of the end of each reporting period are required to submit a financial report to EDA annually on the status of unreimbursed obligations. The report will provide information on the amount of allowable project expenses that have been incurred by the Recipient but not claimed for reimbursement as of the end of the reporting period.

The report will be as of September 30 of each year and must be submitted annually until the final grant payment is made by EDA. The report shall be submitted to EDA no later than October 30 of each year. Noncompliance with this requirement will result in the suspension of EDA grant disbursements. Standard Form 269A, Financial Status Report, will be used for this purpose. Instructions for completing and filing the report will be furnished to the Recipient at least 60 days before the report is due.

6. **DELAYED PROGRESS:** If significant construction (as determined by EDA) is not commenced within two years of the approval of the Investment or by the date estimated for start of construction in the investment award (or the expiration of any extension granted in writing by EDA), whichever is later, the EDA award will be automatically suspended and may be terminated if EDA determines, after consultation with the award Recipients, that construction to completion cannot reasonably be expected to proceed promptly and expeditiously.

7. **TITLE OPINION:** Prior to disbursement of funds, the Recipient shall submit to the Regional Office a title opinion from counsel, satisfactory in form and substance to EDA, that it has obtained good and merchantable title, free and clear of all mortgages and foreclosable liens, on all facilities, improvements, land, rights-of-way and easements necessary for the completion and satisfactory operation of the fiber optic cable system, facilities, land and infrastructure improvements assisted through the project. Such title opinion is required under the EDA Standard Terms and Conditions, Part A-Statutory and Executive Order Requirements, Paragraph #7.
8. **ARCHITECT/ENGINEER AGREEMENT:** Prior to the disbursement of funds by EDA; the Recipient shall submit to the Government for approval an Architect/Engineer Agreement that meets the requirements of Section 1 of the EDA publication, "*Requirements for Approval Projects*" as well as the competitive procurement standards of Department of Commerce Regulations at 15 CFR 24.36 or OMB Circular A-110, as applicable. The fee for basic Architect/Engineer services shall be a lump sum or an agreed maximum and no part of the fees for other services shall be based upon a cost-plus-a-percentage-of-cost or cost using a multiplier.
9. **GRANT ADMINISTRATION SERVICES AGREEMENT:** If the Recipient elects to have the grant administration services required for the Project to be performed by persons other than the Recipient's staff, prior approval must be obtained from the Government in order for the cost of such services to be eligible for Federal participation.

Procurement of grant administration services under a professional services contract by negotiation with a single source may be permitted only if it can be demonstrated to the Government's satisfaction that the award of a professional services contract is infeasible under small purchase procedures, sealed bids, or competitive proposals. The procurement of such services shall be governed by regulations at 15 CFR Part 24.36.

An Economic Development District may provide grant administration services for the Recipient provided that the services meet the requirements of EDA regulations at 13 CFR 316.19.

10. **LOCAL SHARE:** In affirming this Award, the Recipient certifies that the non-federal share of Project costs is committed and is available as needed for the Project, that the non-federal share is from sources which can be used as match for the EDA Project, and that the non-federal share will not affect ownership of, or title to, the Project facilities. The Recipient further acknowledges that, prior to the first disbursement of EDA funds, Recipient will be required to provide evidence satisfactory to the Government that all funds necessary to complete the Project are available.
11. **PROTECTION OF CULTURAL RESOURCES:** Prior to approval of plans and specifications, the recipient will provide evidence to EDA that the West Virginia Division of Culture & History (SHPO) has indicated that the requirements of Section 106 of the National Historic Preservation Act are satisfied.

**GRANT AGREEMENT**  
(2004S-701a)

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 FRANKFORT 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 \$2,000,000 (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.

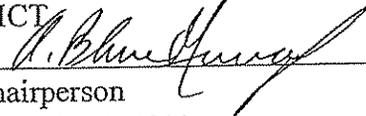
7. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

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.

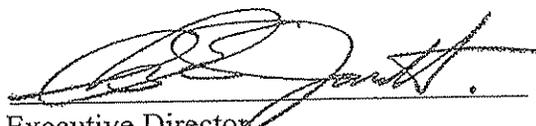
FRANKFORT PUBLIC SERVICE  
DISTRICT

By:   
Its: Chairperson  
Date: March 18, 2010

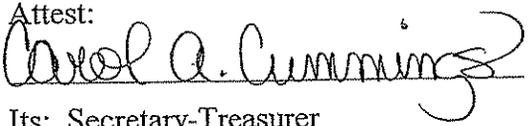
(SEAL)

Attest:   
Its: Secretary

WEST VIRGINIA WATER  
DEVELOPMENT AUTHORITY

By:   
Its: Executive Director  
Date: March 18, 2010

(SEAL)

Attest:   
Its: Secretary-Treasurer

[To Be Placed on Letterhead]

**Exhibit A**

**Wiring Instructions**

\_\_\_\_\_, 20\_\_

**Frankfort Public Service District**

\_\_\_\_\_  
**Keyser, WV 26726**

Payor:	West Virginia Water Development Authority
Source:	Grant Proceeds
Amount:	\$ _____
Date:	_____, 20__
Form:	Electronic Funds Transfer
Payee:	Frankfort Public Service District
Bank:	First Peoples Community Federal Credit Union
Bank Contact:	Liz Lark
Telephone:	(301) 783-3041
Routing No.:	252177121
Account No.:	0001090462
Account Name:	Series 2010 A Bonds Construction Trust Fund

## **Exhibit B**

### **Project Description**

The Project consists of acquisition and construction of improvements and extensions to the existing public sewerage system of the Issuer, consisting of construction of three new interceptors and a treatment plant capable of processing 0.6 million gallons of wastewater per day, and all necessary appurtenances relating thereto, together with all appurtenant facilities



## CLOSING MEMORANDUM

**To:** Financing Team

**From:** John C. Stump, Esquire

**Date:** March 18, 2010

**Re:** Frankfort Public Service District,  
PO Box 80, Wiley Ford, WV 26767  
Sewer Revenue Bonds, Series 2010 A (West Virginia Infrastructure Fund)

### 1. DISBURSEMENTS TO THE FRANKFORT PUBLIC SERVICE DISTRICT

A. Payor: West Virginia Infrastructure Fund  
Source: Series 2010 A Bonds Proceeds  
Amount: \$530,980.25  
Form: Wire  
Payee: Frankfort Public Service District  
ABA #: 252177121  
Account #: 0001090462  
Bank: First Peoples Community Federal Credit Union  
North Liberty Street, Cumberland Maryland  
Contact: Liz Lark 301.783.3041  
Account: Series 2010 A Bonds Construction Trust Fund

### 2. DISBURSEMENTS TO THE MUNICIPAL BOND COMMISSION

A. Payor: West Virginia Infrastructure Fund  
Source: Series 2010 A Bonds Proceed  
Amount: \$143,771.41  
Form: Wire  
Payee: Frankfort Public Service District  
ABA No: 051503394  
Account No: 5270517317  
Bank: BB&T for the benefit of Municipal Bond Commission  
Contact: Sara Boardman, 304.558.3971  
Account: Repay Series 2006 A Bonds

03.04.10  
306370.00003

CH5221748

**FRANKFORT PUBLIC SERVICE DISTRICT  
2004S-791a**

**RESOLUTION APPROVING INVOICES RELATING TO CONSTRUCTION AND OTHER  
SERVICES FOR THE PROPOSED WASTEWATER PROJECT AND  
AUTHORIZING PAYMENT THEREOF,**

WHEREAS, the Frankfort Public Service District has reviewed the invoices attached hereto and incorporated herein by reference relation to the construction of the wastewater Project funded by the Infrastructure and Jobs Development Council (IJDC), US Environmental Protection Agency grant (EPA) and U.S. Economic Development Administration grant (EDA) and find as follows:

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

**NOW, THEREFOR, BE IT RESOLVED** The Frankfort Public Service District by as follows: There is hereby authorized and directed the payment of the attached invoices from the Project Fund as follows:

Vendor	Total	IJDC Loan	IJDC Grant	EDA	EPA	IJDC BAN
Step toe & Johnson	40,000.00	40,000.00	0	0	0	0
Huntington Bank	1,000.00	1,000.00	0	0	0	0
MBC (payoff 2007 A)	143,771.41	143,771.41	0	0	0	0
Huber, Michaels & Co.	11,000.00	11,000.00	0	0	0	0
RK&K	441,302.25	441,302.25	0	0	0	0
John Athey	4,678.00	4,678.00	0	0	0	0
Mineral County Commission	<del>33,000.00</del> - 0 -	<del>33,000.00</del> - 0 -	0	0	0	0
Total	<del>674,751.66</del> 641,751.66	<del>674,751.66</del> 641,751.66	0	0	0	0

641,751.66      641,751.66

**ADOPTED BY** the Frankfort Public Service District, at the meeting held on the 8th day of March, 2010.

By:   
Its: Chairman