GREATER MARION PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2000
(West Virginia SRF Program)

Date of Closing: December 11, 2000

BOND TRANSCRIPT

STEPTOE & JOHNSON

Vincent A. Collins, Esquire
3rd and Main Street
Bank One Center, Sixth Floor
Clarksburg, WV 26302
(304)624-8161
collinva@steptoe-johnson.com

John C. Stump, Esquire
707 Virginia Street, East
Bank One Center, Seventh Floor
Charleston, WV 25326
(304)353-8196
stumpjc@steptoe-johnson.com

GREATER MARION PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program)

BOND TRANSCRIPT

Table of Contents

BASIC DOCUMENTS

1. Bond Resolution
2. Supplemental Resolution
3. Bond Purchase Agreement
4. Public Service Commission Orders
5. Infrastructure and Jobs Development Council Approval
6. Cross-Receipt for Bonds and Bond Proceeds
7. Direction to Authenticate and Deliver Bonds
8. Specimen Series 2000 Bond
9. Financing Statement and Certificate of Filing

OPINIONS OF COUNSEL

10. Approving Opinion of Steptoe & Johnson, Bond Counsel
11. Opinion of Counsel to Issuer
12. Title Opinion

CERTIFICATES

13. General Certificate of Issuer and Attorney

14. Certificate of Engineer, with Schedule Attached

15. Certificate of Certified Public Accountant

16. Certificate as to Use of Proceeds

DOCUMENTS OF THE ISSUER

17. County Commission Orders Creating, Enlarging and Changing Name of District and Public Service Commission Order relating thereto

18. County Commission Orders Appointing Current Boardmembers

19. Oaths of Office of Current Boardmembers

20. Rules of Procedure

21. [RESERVED]

22. Minutes of Current Year Organizational Meeting

23. Minutes on Adoption of Bond Resolution and Supplemental Resolution

24. Municipal Bond Commission New Issue Report

MISCELLANEOUS DOCUMENTS

25. Acceptance by Branch Banking and Trust Company of Appointment as Depository Bank

26. Acceptance by Branch Banking and Trust Company of Duties as Registrar

27. Certificate of Registration of Bonds

28. Registrar's Agreement

29. NPDES Permit

30. Transmission and Treatment Agreement with Town of Worthington

31. Operation and Maintenance Agreement with Town of Worthington

32. Meter Reading Agreement with Town of Monongah

33. Water Service Termination Agreement with Town of Monongah

34. Series 1999 A and Series 1999 B Bonds Resolution and Supplemental Resolution

35. Consent of Prior Bondholders

36. Receipt of The County Commission of Marion County

37. Closing Memorandum

11/13/00
439080/00001

GREATER MARION PUBLIC SERVICE DISTRICT

SEWER REVENUE BONDS, SERIES 2000 (WEST VIRGINIA SRF PROGRAM)

BOND RESOLUTION

Table of Contents

Subject		Page
ARTICLE I		
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS		
Section 1.01	Authority for this Resolution	1
Section 1.02	Findings	1
Section 1.03	Bond Legislation Constitutes Contract	4
Section 1.04	Definitions	4
ARTICLE II		
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT		
Section 2.01	Authorization of Acquisition and Construction of the Project	12
ARTICLE III		
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF BOND PURCHASE AGREEMENT		
Section 3.01	Authorization of Bonds	13
Section 3.02	Terms of Bonds	13
Section 3.03	Execution of Bonds	14
Section 3.04	Authentication and Registration	14
Section 3.05	Negotiability, Transfer and Registration	14
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost	15
Section 3.07	Bonds not to be Indebtedness of the Issuer	15
Section 3.08	Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds	16

Section 3.09	Delivery of Bonds	16
Section 3.10	Form of Bonds	16
	FORM OF SERIES 2000 BOND	17
Section 3.11	Sale of Bonds; Approval and Ratification of Execution of Bond Purchase Agreement	25
Section 3.12	"Amended Schedule" Filing	25

ARTICLE IV
[RESERVED] 26

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01	Establishment of Funds and Accounts with Depository Bank	27
Section 5.02	Establishment of Funds and Accounts with Commission	27
Section 5.03	System Revenues; Flow of Funds	28

ARTICLE VI
BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01	Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds	33
Section 6.02	Disbursements From the Bond Construction Trust Fund	33

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01	General Covenants of the Issuer	35
Section 7.02	Bonds not to be Indebtedness of the Issuer	35
Section 7.03	Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds	35
Section 7.04	Initial Schedule of Rates and Charges	35
Section 7.05	Sale of the System	36
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances	37
Section 7.07	Parity Bonds	37
Section 7.08	Books; Records and Audit	39
Section 7.09	Rates	41
Section 7.10	Operating Budget and Monthly Financial Report	42
Section 7.11	Engineering Services and Operating Personnel	42
Section 7.12	No Competing Franchise	43

Section 7.13	Enforcement of Collections	43
Section 7.14	No Free Services	44
Section 7.15	Insurance and Construction Bonds	44
Section 7.16	Mandatory Connections	46
Section 7.17	Completion and Operation of Project; Permits and Orders	46
Section 7.18	Tax Covenants	47
Section 7.19	Statutory Mortgage Lien	48
Section 7.20	Compliance with Bond Purchase Agreement and Law	48
Section 7.21	Securities Laws Compliance	48
Section 7.22	Contracts; Public Releases	48

ARTICLE VIII
INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01	Investments	50
Section 8.02	Certificate as to Use of Proceeds; Covenants as to Use of Proceeds	50

ARTICLE IX
DEFAULT AND REMEDIES

Section 9.01	Events of Default	52
Section 9.02	Remedies	52
Section 9.03	Appointment of Receiver	53

ARTICLE X
PAYMENT OF BONDS

Section 10.01	Payment of Bonds	55

ARTICLE XI
MISCELLANEOUS

Section 11.01	Amendment or Modification of Bond Legislation	56
Section 11.02	Bond Legislation Constitutes Contract	56
Section 11.03	Severability of Invalid Provisions	56
Section 11.04	Headings, Etc.	56
Section 11.05	Notices	56
Section 11.06	Conflicting Provisions Repealed; Prior Resolutions	57
Section 11.07	Covenant of Due Procedure, Etc.	57
Section 11.08	Public Notice of Proposed Financing	57
Section 11.09	Effective Date	58
	SIGNATURES	58
	CERTIFICATION	59
	EXHIBIT A	60

GREATER MARION PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF GREATER MARION PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $400,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2000 (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF GREATER MARION PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 22C, Article 2 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. Greater Marion Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Marion County of said State.

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain improvements and extensions to the existing public sewerage facilities of the Issuer, consisting of completion of a new vacuum sewage collection system connecting to the existing vacuum system of the Town of Worthington in the communities of Idamay, Carolina and Kelly Town in Marion County, and all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection, transportation, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the existing public sewerage system of the Issuer, the Project and any further additions, betterments and improvements thereto or extensions thereof are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Water Pollution Control Revolving Fund which the Authority administers pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), in the aggregate principal amount of not more than $400,000 (the "Series 2000 Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the SRF Program; interest, if any, upon the Series 2000 Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2000 Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2000 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2000 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 35 years.

F. It is in the best interests of the Issuer that the Series 2000 Bonds be sold to the Authority pursuant to the terms and provisions of the Bond Purchase Agreement (hereinafter defined), by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of the Environment (the "DEP"), in form satisfactory to the parties thereunder, to be approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2000 Bonds as to liens, pledge and source of and security for payment, being the (1) Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated June 23, 1999, issued in the original aggregate principal amount of $400,000 (the "Series 1999 A Bonds"); and (2) Sewer Revenue Bonds, Series 1999 B (West Virginia Infrastructure Fund), dated June 23, 1999, issued in the original aggregate principal amount of $1,700,000 (the "Series 1999 B Bonds"); The Series 1999 A Bonds and the Series 1999 B Bonds are hereinafter collectively referred to as the "Prior Bonds."

The Series 2000 Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2000 Bonds, the Issuer will obtain a certificate of an Independent Certified Public Accountant stating that the parity tests of the Prior Bonds are met and the written consent of the Holders of the Prior Bonds to the issuance of the Series 2000 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no Outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Resolutions.

H. The estimated revenues to be derived in each year following completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, to pay the principal of and interest on the Series 2000 Bonds and the Prior Bonds, and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Bond Purchase Agreement relating to authorization of the acquisition and construction of the Project and operation of the System and issuance of the Series 2000 Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the

time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2000 Bonds or such final order will not be subject to appeal or rehearing.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2000 Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2000 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2000 Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP under the Act.

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

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

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

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

"Bonds" means, collectively, the Series 2000 Bonds, the Prior Bonds and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

"Bond Purchase Agreement" means the Bond Purchase Agreement heretofore entered into, or to be entered into, by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2000 Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2000 Bonds for all or a portion of the proceeds of the Series 2000 Bonds from the Authority.

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

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

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

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

"DEP" means the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment, or any other agency, board or department of the State that succeeds to the functions of the DEP.

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

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

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

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

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

"Grants" means all moneys received by the Issuer on account of any Grant for the Project.

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

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

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

"Investment Property" means:

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

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

"Net Proceeds" means the face amount of the Series 2000 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Reserve Accounts. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2000 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code, that is not a purpose investment.

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

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

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2000 Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Series 1999 A Bonds and the Series 1999 B Bonds, described in Section 1.02G hereof.

"Prior Resolutions" means, collectively, the resolution and supplemental resolution of the Issuer duly adopted June 22, 1999, authorizing the Prior Bonds.

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that, use as a member of the general public shall not be taken into account.

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

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

(a) Government Obligations;

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

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import

Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

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

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by the Prior Resolutions and continued hereby.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2000 Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts of the Series 2000 Bonds and the Prior Bonds.

"Revenue Fund" means the Revenue Fund created by the Prior Resolutions and continued hereby.

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

"Series 1999 A Bonds" means the Issuer's Sewer Revenue Bonds, dated June 23, 1999, described in Section 1.02G hereof.

"Series 1999 B Bonds" means the Issuer's Sewer Revenue Bonds, dated June 23, 1999, described in Section 1.02G hereof.

"Series 2000 Bonds" means the Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), of the Issuer, authorized by this Resolution.

"Series 2000 Bonds Construction Trust Fund" means the Series 2000 Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2000 Bonds Reserve Account" means the Series 2000 Bonds Reserve Account established in the Series 2000 Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2000 Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2000 Bonds in the then current or any succeeding year.

"Series 2000 Bonds Sinking Fund" means the Series 2000 Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2000 Bonds and the Prior Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid under the Bond Purchase Agreement for the Series 2000 Bonds.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 2000 Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2000 Bonds, and not so included, may be included in another Supplemental Resolution.

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

"System" means the complete properties of the Issuer for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired 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.

Additional terms and phrases are defined in this Resolution as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Chairman or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $3,750,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2000 Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and has entered into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Authority and the DEP.

The total cost of the Project is estimated not to exceed $3,750,000, of which approximately $400,000 will be obtained from proceeds of the Series 2000 Bonds, $400,000 was obtained from proceeds of the Series 1999 A Bonds, $1,700,000 was obtained from proceeds of the Series 1999 B Bonds, and $1,250,000 was obtained from a grant by the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia).

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF BOND PURCHASE AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2000 Bonds, funding a reserve account for the Series 2000 Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2000 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the Series 2000 Bonds of the Issuer. The Series 2000 Bonds shall be issued as a single bond, designated "Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program)," in the principal amount of not more than $400,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2000 Bonds remaining after funding of the Series 2000 Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2000 Bonds, if any, shall be deposited in or credited to the Series 2000 Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2000 Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Bond Purchase Agreement. The Series 2000 Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2000 Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2000 Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2000 Bonds. The Series 2000 Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2000 Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2000 Bonds shall cease to be such officer of the Issuer before the Series 2000 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2000 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2000 Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2000 Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2000 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2000 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that such Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2000 Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Series 2000 Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2000 Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2000 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2000 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2000 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2000 Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2000 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2000 Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2000 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2000 Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2000 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2000 Bonds to the original purchasers;

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

D. An executed copy of the Bond Purchase Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2000 Bonds.

Section 3.10. Form of Bonds. The text of the Series 2000 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2000 BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
GREATER MARION PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2000
(WEST VIRGINIA SRF PROGRAM)

No. R-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That GREATER MARION PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Marion County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20 ___, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20____, as set forth on said EXHIBIT B.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Division of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated _____, 2000.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage system

of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public sewerage facilities of the Issuer, the Project and any further improvements and extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 20___, and a Supplemental Resolution duly adopted by the Issuer on _____, 20___ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (1) SEWER REVENUE BONDS, SERIES 1999 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 23, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $400,000 (THE "SERIES 1999 A BONDS"); AND (2) SEWER REVENUE BONDS, SERIES 1999 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JUNE 23, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,700,000 (THE "SERIES 1999 B BONDS"). THE SERIES 1999 A BONDS AND THE SERIES 1999 B BONDS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, unexpended proceeds of the Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2000 Bonds Reserve Account"). Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute 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, if any, hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2000 Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the

Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2000 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, GREATER MARION PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 2000.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000 Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2000.

BRANCH BANKING AND TRUST COMPANY,
as Registrar

_____
Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Bond Purchase Agreement. The Series 2000 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Bond Purchase Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Bond Purchase Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Bond Purchase Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Bond Legislation.

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

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by the Prior Resolutions and continued hereby);

(2) Renewal and Replacement Fund (established by the Prior Resolutions and continued hereby); and

(3) Series 2000 Bonds Construction Trust Fund.

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

(1) Series 1999 A Bonds Sinking Fund (established by the Prior Resolutions);

(2) Within the Series 1999 A Bonds Sinking Fund, the Series 1999 A Bonds Reserve Account (established by the Prior Resolutions);

(3) Series 1999 B Bonds Sinking Fund (established by the Prior Resolutions);

(4) Within the Series 1999 B Bonds Sinking Fund, the Series 1999 B Bonds Reserve Account (established by the Prior Resolutions);

(5) Series 2000 Bonds Sinking Fund; and

(6) Within the Series 2000 Bonds Sinking Fund, the Series 2000 Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Resolutions and this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Prior Resolutions and this Bond Legislation. all moneys 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 Revenue Fund the Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1999 A Bonds Sinking Fund, the amount required by the Prior Resolutions to pay the principal of the Series 1999 A Bonds; (ii) for deposit in the Series 1999 B Bonds Sinking Fund, the amount required by the Prior Resolutions to pay the principal of the Series 1999 B Bonds; and (iii) commencing 3 months prior to the first date of payment of principal of the Series 2000 Bonds, for deposit in the Series 2000 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2000 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 2000 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.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1999 A Bonds Reserve Account and the Series 1999 B Bonds Reserve Account, the amounts required by the Prior Resolutions; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2000 Bonds, if not fully funded upon issuance of the Series 2000 Bonds, for deposit in the Series 2000 Bonds Reserve Account, an amount equal to 1/120th of the Series 2000 Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2000 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 2000 Bonds Reserve Requirement.

(4) The Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund (as previously set forth in the Prior Resolutions and not in addition thereto), transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 2000 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2000 Bonds, as the same shall become due. Moneys in the Series 2000 Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2000 Bonds, as the same shall come due, when other moneys in the Series 2000 Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2000 Bonds Sinking Fund and the Series 2000 Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2000 Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2000 Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2000 Bonds Reserve Account which result in a reduction in the balance of the Series 2000 Bonds Reserve Account to below the Series 2000 Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2000 Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional parity Bonds.

The Issuer shall not be required to make any further payments into the Series 2000 Bonds Sinking Fund or the Series 2000 Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2000 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2000 Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2000 Bonds Sinking Fund and the Series 2000 Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, 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.

Moneys in the Series 2000 Bonds Sinking Fund and the Series 2000 Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2000 Bonds Sinking Fund and the Series 2000 Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2000 Bonds under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve account payments with respect to the Series

2000 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission, the SRF Administrative Fee as set forth in the Schedule Y attached to the Bond Purchase Agreement.

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

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

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

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

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

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

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 2000 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2000 Bonds, there shall first be deposited with the Commission in the Series 2000 Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2000 Bonds, there shall be deposited with the Commission in the Series 2000 Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2000 Bonds Reserve Account.

C. Next, from the proceeds of the Series 2000 Bonds, there shall first be credited to the Series 2000 Bonds Construction Trust Fund and then paid, any and all borrowings made by the Issuer for the purpose of temporarily financing a portion of the costs of the Project, together with interest accrued thereon to the date of such payment.

D. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2000 Bonds, such moneys shall be deposited with the Depository Bank in the Series 2000 Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2000 Bonds.

E. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2000 Bonds shall be applied as directed by the DEP.

Section 6.02. Disbursements From the Bond Construction Trust Fund. A. On or before the Closing Date, the Issuer shall have delivered to the DEP and the Authority a report listing the specific purposes for which the proceeds of the Series 2000 Bonds will be expended and the disbursement procedures for such proceeds, including, if applicable, an estimated monthly draw schedule. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2000 Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP, of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Bond Purchase Agreement, in compliance with the construction schedule, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

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

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

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

B. Pending such application, moneys in the Series 2000 Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2000 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2000 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2000 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2000 Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2000 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2000 Bonds or the interest , if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2000 Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2000 Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges , with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Bond Purchase Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Final Order of the Public Service Commission of West Virginia entered November 8, 2000, in Case No. 98-0474-PSD-CN (Reopened), and such rates are hereby adopted.

So long as the Series 2000 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Bond Purchase Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2000 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, or any part thereof, except as provided in the Prior Resolutions. Additionally, so long as the Series 2000 Bonds are outstanding and except as otherwise required by law or with the written consent of the DEP and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2000 Bonds, immediately be remitted to the Commission for deposit in the Series 2000 Bonds Sinking Fund, and, with the written permission of the DEP and the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2000 Bonds. Any balance remaining after the payment of the Series 2000 Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000,

the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amount required to be paid into said fund by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2000 Bonds. All obligations issued by the Issuer after the issuance of the Series 2000 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2000 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2000 Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2000 Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolutions shall be applicable. Additionally, no Parity Bonds, payable out of the revenues of the System, shall

be issued after the issuance of the Series 2000 Bonds pursuant to this Bond Legislation, except with the prior written consent of the Authority and the DEP under the conditions and in the manner herein provided (unless less restrictive than the provisions of the Prior Resolutions).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2000 Bonds.

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

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

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

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

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent

Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 2000 Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2000 Bonds.

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

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the DEP and the Authority, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the DEP and 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 DEP and the Authority, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

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

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2000 Bonds, and shall mail in each year to any Holder or Holders of the Series 2000 Bonds, requesting the same, an annual report containing the following:

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation, and the status of all said funds and accounts.

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular or any successor thereto and the Single Audit Act or any successor thereto, to the extent legally required, 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 2000 Bonds, and shall submit said report to

the DEP and the Authority, or any other original purchaser of the Series 2000 Bonds. Such audit report submitted to the DEP and the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Bond Purchase Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in EXHIBIT E of the Bond Purchase Agreement or as promulgated from time to time.

Section 7.09. Rates. Prior to the issuance of the Series 2000 Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2000 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series

2000 Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Reserve Accounts and the reserve accounts for obligations on a parity with the Series 2000 Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2000 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2000 Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the DEP and 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 DEP, the Authority and to any Holder of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the DEP, the Authority and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Bond Purchase Agreement, and forward a copy of such report to the DEP and 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 Bond Purchase 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 DEP and

the Authority, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the DEP and the Authority 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 DEP 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 DEP and the Authority and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Bond Purchase Agreement as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed. The Issuer shall at all times provide operation and maintenance of the system in compliance with all state and federal standards.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Bond Purchase Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

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 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the 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 either 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 facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

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 the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2000 Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and

Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Bond Purchase Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

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

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

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

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

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

for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction.

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

Section 7.16. 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 Division 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 Division 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 and Operation of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2000 Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2000 Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2000 Bonds during the term thereof is, under the terms of the Series 2000 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2000 Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2000 Bonds during the term thereof is, under the terms of the Series 2000 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2000 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2000 Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of the portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% or $5,000,000 of the Net Proceeds of the Series 2000 Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2000 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2000 Bonds and the interest thereon including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2000 Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2000 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2000 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holder of the Prior Bonds.

Section 7.20. Compliance with Bond Purchase Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Bond Purchase Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP 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 DEP and the Authority or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

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

Section 7.22. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2000 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2000 Bonds 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 DEP before expending any proceeds of the Series 2000 Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding as being provided by the DEP and the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any ground breaking or dedication of the Project.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01. Investments. Any moneys held as a part of the funds and accounts created by this Bond Legislation other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such moneys 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 moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank, or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 2000 Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2000 Bonds as a condition to issuance of the Series 2000 Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time

to time in effect and applicable to the Series 2000 Bonds as may be necessary in order to maintain the status of the Series 2000 Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2000 Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, the Council or the DEP, as the case may be, from which the proceeds of the Series 2000 Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, the Council or the DEP, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2000 Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2000 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2000 Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2000 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2000 Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

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

(4) If default occurs with respect to the Prior Bonds or the Prior Resolutions.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holder of the Series 2000 Bonds shall be on a parity with the Holder of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the

System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2000 Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2000 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2000 Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2000 Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2000 Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2000 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2000 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2000 Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2000 Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 2000 Bonds.

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

Section 11.05. Notices. All notices to be sent to the Issuer, the Authority or the DEP shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail, postage prepaid, addressed as follows:

ISSUER:

Greater Marion Public Service District
Box 15
Idamay, West Virginia 26576
Attention: Chairperson

AUTHORITY:

Water Development Authority
180 Association Drive
Charleston, West Virginia 25311-1571
Attention: Executive Director

DEP:

West Virginia Division of Environmental Protection
617 1/2 Leon Sullivan Way
Charleston, WV 25301

All notices to be sent to the DEP hereunder, shall also be sent to the Authority.

Section 11.06. Conflicting Provisions Repealed; Prior Resolutions. Except for the Prior Resolutions, all orders or resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control, unless less restrictive, so long as the Prior Bonds are outstanding.

Section 11.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.08. Public Notice of Proposed Financing. Prior to making formal application to the Public Service Commission of West Virginia for a Certificate of Public Convenience and Necessity and adoption of this Resolution, the Secretary of the Governing Body shall have caused to be published in a newspaper of general circulation in

each municipality in Greater Marion Public Service District and within the boundaries of the District, a Class II legal advertisement stating:

(a) The maximum amount of the Series 2000 Bonds to be issued;

(b) The maximum interest rate and terms of the Series 2000 Bonds authorized hereby;

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

(d) The maximum anticipated rates which will be charged by the Issuer; and

(e) The date that the formal application for a certificate of public convenience and necessity is to be filed with the Public Service Commission of West Virginia.

Section 11.09. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 7th day of December, 2000.

Theresa Shaw
Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of GREATER MARION PUBLIC SERVICE DISTRICT on December 7, 2000.

Dated: December 11, 2000.

[SEAL]

Secretary

06/14/00
450260/99001

CL641562.2

EXHIBIT A

Bond Purchase Agreement included in bond transcript as Document 3.

GREATER MARION PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 2000 (West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISIONS, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2000 (WEST VIRGINIA SRF PROGRAM) OF GREATER MARION PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Greater Marion Public Service District (the "Issuer") has duly and officially adopted a bond resolution, effective December 7, 2000 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF GREATER MARION PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $400,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2000 (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH

BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Resolution provides for the issuance of Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), of the Issuer (the "Bonds" or the "Series 2000 Bonds"), in the aggregate principal amount not to exceed $400,000, and has authorized the execution and delivery of the bond purchase agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP") (the "Bond Purchase Agreement"), all in accordance with Chapter 16, Article 13A, and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Resolution it is provided that the form of the Bond Purchase Agreement and the exact principal amount, date, maturity date, redemption provisions, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF GREATER MARION PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered R-1, in the principal amount of $400,000. The Series 2000 Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2031, and shall bear no interest. The principal of the Series 2000 Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2001, and ending September 1, 2031, and in the amounts as set forth in the "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Series 2000 Bonds. The Series 2000 Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the Bond Purchase Agreement, so long as the Authority shall be the registered owner of the Series 2000 Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 1/2% of the principal amount of the Series 2000 Bonds set forth in the "Schedule Y" attached to the Bond Purchase Agreement.

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

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Bond Purchase Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Bond Purchase 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 Bond Purchase Agreement and in the applications to the DEP and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

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

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

Section 6. The Issuer does hereby appoint and designate Branch Banking and Trust Company, Farmington, West Virginia, to serve as Depository Bank under the Bond Resolution.

Section 7. Series 2000 Bonds proceeds in the amount of -0- shall be deposited in the Series 2000 Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2000 Bonds proceeds in the amount of -0- shall be deposited in the Series 2000 Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2000 Bonds shall be deposited in or credited to the Series 2000 Bonds Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs and payment to The County Commission of Marion County (the "County Commission") an amount equal to $49,960 to pay in full the principal of and interest on the loan provided by the County Commission to the Issuer for interim financing of the costs of the Project.

Section 10. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Bonds may be delivered on or about December 11, 2000, to the Authority pursuant to the Bond Purchase Agreement.

Section 11. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 12. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Resolution held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Moneys in the Sinking Fund, including the Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 7th day of December, 2000.

GREATER MARION PUBLIC SERVICE DISTRICT

Theresa Shaw
Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Greater Marion Public Service District on the 7th day of December, 2000.

Dated: December 11, 2000.

[SEAL]

Secretary

11/15/00
439080/00001

SRF-BPA-1
(4/6/00)

BOND PURCHASE AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND BOND PURCHASE AGREEMENT (the "Bond Purchase Agreement"), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), the WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION, a division of the West Virginia Bureau of Environment (the "DEP"), and the local government designated below (the "Local Government").

GREATER MARION PUBLIC SERVICE DISTRICT
(Local Government)

W I T N E S S E T H:

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

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

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

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

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to utilize moneys from the Fund to purchase the bonds of local governments to provide the financing for the acquisition or construction of wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

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

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

WHEREAS, the Local Government is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a wastewater treatment project and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Local Government;

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

WHEREAS, the Local Government has completed and filed with the Authority and DEP an Application for Purchase of Bonds with attachments and exhibits and an Amended Application for Purchase of Bonds also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference;

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and DEP are willing to lend the Local Government the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Government with moneys held in the Fund, subject to the Local Government's satisfaction of certain legal and other requirements of the Program; and

WHEREAS, the Local Government meets the "disadvantaged community" provisions of the SRF Regulations.

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

ARTICLE I

Definitions

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

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

1.3 "Local Act" means the official action of the Local Government required by Section 4.1 hereof, authorizing the Local Bonds.

1.4 "Local Bonds" means the revenue bonds to be issued by the Local Government pursuant to the provisions of the Local Statute, as hereinafter defined, and to be purchased by the Authority with money held in the Fund, all in accordance with the provisions of this Bond Purchase Agreement.

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

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

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

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

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

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

1.11 Additional terms and phrases are defined in this Bond Purchase 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 Local Government by the Consulting Engineers, the DEP and Authority having found, to the extent applicable, that the Project is consistent with the applicable provisions of the Program.

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

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

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

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

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

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

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

2.8 The Local Government shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and DEP and shall verify or have verified such insurance prior to commencement of construction. Until the Project

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

2.9 The Local Government shall provide and maintain competent and adequate engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, DEP and the Local Government at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Government shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

2.10 The Local Government shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Government shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System during the entire term of this Bond Purchase Agreement. The Local Government shall notify DEP in writing of the certified operator employed at the 50% completion stage.

2.11 The Local Government hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority, DEP or other State, federal

or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

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

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

ARTICLE III

Conditions to Purchase of Local Bonds; Issuance of Local Bonds

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

(a) The Local Government shall have delivered to the Authority and DEP a report listing the specific purposes for which the proceeds of the Local Bonds will be expended and the procedures as to the disbursement of bond proceeds, including an estimated monthly draw schedule;

(b) The Local Government shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Bond Purchase Agreement;

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

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

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

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

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

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

(i) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and

DEP shall have received a certificate of the accountant for the Local Government, or such other person or firm experienced in the finances of local governments and satisfactory to the Authority and DEP, to such effect; and

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

3.2 Subject to the terms and provisions of this Bond Purchase Agreement, the rules and regulations promulgated by the Authority and DEP, including the SRF Regulations, 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 purchase the Local Bonds of the Local Government and the Local Government shall issue and sell the Local Bonds to the Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall purchase the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

3.3 The Local Bonds shall be secured and shall be repaid in the manner hereinafter provided in this Bond Purchase Agreement.

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

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for financing of wastewater treatment projects and that the obligation of the Authority to purchase the Local Bonds is subject to the Local Government's fulfilling all of the terms and conditions of this Bond Purchase Agreement on or prior to the Date of Closing and to the requirements of the Program. The Local Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority may purchase the bonds of other local governments set out in the State Project Priority List, as defined in the SRF Regulations. The Local Government further specifically recognizes that all bonds will be purchased in conjunction with the SRF Regulations and with the prior approval of DEP.

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

ARTICLE IV

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

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to purchase the Local Bonds, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Government in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows:

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

(i) to pay Operating Expenses of the System;

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

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

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

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

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

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the net or gross revenues of the System as provided in the Local Act;

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

parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

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

(iv) That, except as otherwise required by State law or the SRF Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole or substantially as a whole, provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

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

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

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

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

construction of the Project, or both, as provided by law and all rights as set forth in Section 5 of the Act;

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

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

(xi) That the Local Government shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and DEP, which report shall include a statement that the Local Government is in compliance with the terms and provisions of the Local Act and this Bond Purchase Agreement and that the Local Government's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

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

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Local Government may authorize redemption of the Local Bonds with 30 days written notice to the Authority;

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

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

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

(xix) That the Local Government shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and DEP 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;

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

(xxi) That the Local Government shall submit all proposed change orders to the DEP for written approval. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds held in "contingency" as set forth in the final Schedule A attached to the certificate of the Consulting

Engineer. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

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

4.2 The Local Bonds shall be secured by the pledge and assignment by the Local Government, as effected by the Local Act, of the fees, charges and other revenues of the Local Government from the System.

4.3 At least five percent (5%) of the proceeds of the Local Bonds will be advanced on the Date of Closing. The remaining proceeds of the Local Bonds shall be advanced by the Authority monthly as required by the Local Government to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Government, the DEP and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the SRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.4 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Local Government. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the SRF Regulations, the Local Government agrees to pay from time to time, if required by the Authority and DEP, the Local Government's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be determined by the Authority and shall include, without limitation, Program expenses, legal fees paid by the Authority and fees paid to the trustee and paying agents for any bonds or notes to be issued by the Authority for contribution to the Fund and the fees and expenses of any corporate trustee for the Fund.

4.6 The obligation of the Authority to purchase the Local Bonds shall be conditioned upon the availability of moneys in the Fund in such amount and on such terms and conditions as, in the sole judgment of the Authority, will enable it to purchase the Local Bonds.

ARTICLE V

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

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

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

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to Section 4.2 hereof, the amount of such default shall bear interest at the interest rate of the installment of the Local Bonds next due, from the date of the default until the date of the payment thereof.

5.4 The Local Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Government, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

ARTICLE VI

Other Agreements of the Local Government

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

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

6.3 The Local Government hereby agrees to repay on or prior to the Date of Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project, provided that such repayment shall not be made from the proceeds of the Local Bonds.

6.4 The Local Government hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Local Government fails to make any such rebates as required, then the Local Government shall pay any and all penalties,

obtain a waiver from the Internal Revenue Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

6.5 Notwithstanding Section 6.4, the Authority and DEP may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local Government to be monitored or cause the rebate calculations for the Local Government to be prepared, in either case at the expense of the Local Government.

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

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

ARTICLE VII

Miscellaneous

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

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

7.3 This Bond Purchase 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 Bond Purchase Agreement.

7.4 No waiver by any party of any term or condition of this Bond Purchase 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 Bond Purchase Agreement.

7.5 This Bond Purchase Agreement supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Local Bonds and constitutes the entire agreement between the parties hereto in respect thereof.

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

7.7 This Bond Purchase Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Government from either the Authority or DEP;

(ii) the end of ninety (90) days after the date of execution hereof by the Authority if the Local Government has failed to deliver the Local Bonds to the Authority;

(iii) termination by the Authority and DEP pursuant to Section 6.2 hereof; or

(iv) payment in full of the principal of and interest on the Local Bonds and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Local Bonds purchased under this Bond Purchase Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the State legislature or otherwise being available to purchase the Local Bonds. In the event funds are not appropriated or otherwise available to purchase all of the Local Bonds, the responsibility of the Authority and DEP to purchase the Local Bonds is terminated; provided further that the obligation of the Local Government to repay the outstanding amount of the Local Bonds is not terminated due to such non-funding on any balance of the Local Bonds. The DEP agrees to use its best efforts to have the amount contemplated under this Bond Purchase Agreement included in its budget. Non-appropriation or non-funding of the Loan shall not be considered an event of default under this Bond Purchase Agreement.

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

GREATER MARION PUBLIC SERVICE DISTRICT
[Name of Local Government]

(SEAL)

By: Theresa Ofaw
Its: Chairman

Attest:

Date: 11-24-00

Samuel J Rizzo
Its Secretary

WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION

By: Allyn L. Turner
Its: Chief, Office of Water Resources

Date: 11-28-00

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: Daniel B. Yankosky
Its: Director

Attest:

Date: November 21, 2000

Barbara B Meadows
Secretary-Treasurer

EXHIBIT A

[Form of Performance Certificate]

[TO BE PROVIDED BY DEP]

EXHIBIT B

[Form of Monthly Financial Report]
[Name of Local Government]
[Name of Bond Issue]
Fiscal Year - __
Report Month: _____

ITEM	CURRENT MONTH	TOTAL YEAR TO DATE	BUDGET YEAR TO DATE	BUDGET YEAR MINUS YEAR TO DATE
1. Gross Revenues Collected				
2. Operating Expenses				
3. Other Bond Debt Payments (including Reserve Account Deposits)				
4. SRF Bond Payments (include Reserve Account Deposits)				
5. Renewal and Replacement Fund Deposit				

Witnesseth my signature this ___ day of _____, _____.

[Name of Local Government]

By: _____
Authorized Officer

Instructions for Completing Monthly Financial Report

1. You will need a copy of the current fiscal year budget adopted by the Local Government to complete Items 1 and 2. In Item 1, provide the amount of actual gross revenues for the current month and the total amount year to date in the respective columns. Divide the budgeted annual gross revenues by 12. For example, if gross revenues of $1,200 are anticipated to be received for the year, each month the base would be increased by $100 (1200/12). This is the incremental amount for the Budget Year to Date column.

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

3. In Item 3, provide the principal, interest and reserve account payments for all the outstanding bonds of the Local Government other than this Bond.

4. In Item 4, provide the principal, interest and reserve account payments for this Bond. You need to call the Municipal Bond Commission for the exact amount of these payments and when they begin.

5. In Item 5, provide the amount deposited into the Renewal and Replacement Fund each month. This amount is equal to 2.5% of gross revenues minus the total reserve account payments included in Items 3 and 4. If gross revenues are $12,000, the Renewal and Replacement Fund should have an amount of $300 (2.5% of $12,000), LESS the amount of all reserve account payments in Items 3 & 4. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Local Government.

6. The Local Government must complete the Monthly Financial Report and forward it to the DEP by the 10th day of each month, commencing on the date contracts are executed for the construction of the Project and for 2 years following the completion of the Project. DEP will notify the Local Government when the Monthly Financial Report no longer needs to be filed.

EXHIBIT C

PAYMENT REQUISITION FORM

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

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

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

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

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

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

Schedule A attached hereto as Exhibit A, and my firm[1] has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof[2], the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Bond Purchase Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

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

_____

By _____

West Virginia License No. __

[SEAL]

---

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

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

EXHIBIT E

SPECIAL CONDITIONS

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

B. AUDIT REQUIREMENT (Supplement to Article IV 4.1 (b) (xi)) - The Local Government that receives $300,000 or more (in federal funds) in a fiscal year must obtain audits in accordance with the Single Audit Act and the applicable OMB Circular or any successor thereto. Financial statement audits are required once all funds have been received by the Local Government.

C. DISMISSAL of the Worthington injunction prior to closing.

EXHIBIT F

[Monthly Payment Form]

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	$_____
Principal	$_____
Total:	$_____
Reserve Account:	$_____

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

[Opinion of Bond Counsel for Local Government]

[To Be Dated as of Date of Closing]

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

West Virginia Division of Environmental Protection
617 Broad Street
Charleston, WV 25301

Ladies and Gentlemen:

We are bond counsel to _____ (the "Local Government"), a _____.

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a bond purchase agreement dated ____, __, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), among the Local Government, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP"), and (ii) the issue of a series of revenue bonds of the Local Government, dated _____, __ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Local Bonds are issued in the principal amount of $_____, in the form of one bond, registered as to principal only to the Authority, with principal payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning _____ 1, ____, and ending ____ 1, ____, all as set forth in the "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Local Bonds.

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

We have also examined the applicable provisions of _____ of the

Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly adopted or enacted by the Local Government on _____, as supplemented by the supplemental resolution duly adopted by the Local Government on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Bond Purchase Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Bond Purchase 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 Bond Purchase Agreement has been duly authorized by and executed on behalf of the Local Government and is a valid and binding special obligation of the Local Government enforceable in accordance with the terms thereof.

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

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

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

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

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

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds	$ 400,000
Purchase Price of Local Bonds	$ 400,000

The Local Bonds shall bear no interest. Commencing December 1, 2001, principal of the Local Bonds is payable quarterly, with an administrative fee of ½%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Local Government shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local Government shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Commission. The Local Government shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

The Local Bonds are fully registered in the name of the Authority as to principal only and the Local Bonds shall grant the Authority a first lien on the net or gross revenues of the Local Government's system as provided in the Local Act.

The Local Government may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and DEP. The Local Government shall request approval from the Authority and DEP in writing of any proposed debt which will be issued by the Local Government on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

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

$400,000 Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated June 23, 1999.

$1,700,000 Sewer Revenue Bonds, Series 1999 B (West Virginia Infrastructure Fund), dated June 23, 1999.

Greater Marion Public Service District (West Virginia)

Loan of $400,000
30 Years, 0% Interest Rate, 0.5% Administrative Fee
Closing Date: December 11, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2001	-	-	-
6/01/2001	-	-	-
9/01/2001	-	-	-
12/01/2001	3,334.00	-	3,334.00
3/01/2002	3,334.00	-	3,334.00
6/01/2002	3,334.00	-	3,334.00
9/01/2002	3,334.00	-	3,334.00
12/01/2002	3,334.00	-	3,334.00
3/01/2003	3,334.00	-	3,334.00
6/01/2003	3,334.00	-	3,334.00
9/01/2003	3,334.00	-	3,334.00
12/01/2003	3,334.00	-	3,334.00
3/01/2004	3,334.00	-	3,334.00
6/01/2004	3,334.00	-	3,334.00
9/01/2004	3,334.00	-	3,334.00
12/01/2004	3,334.00	-	3,334.00
3/01/2005	3,334.00	-	3,334.00
6/01/2005	3,334.00	-	3,334.00
9/01/2005	3,334.00	-	3,334.00
12/01/2005	3,334.00	-	3,334.00
3/01/2006	3,334.00	-	3,334.00
6/01/2006	3,334.00	-	3,334.00
9/01/2006	3,334.00	-	3,334.00
12/01/2006	3,334.00	-	3,334.00
3/01/2007	3,334.00	-	3,334.00
6/01/2007	3,334.00	-	3,334.00
9/01/2007	3,334.00	-	3,334.00
12/01/2007	3,334.00	-	3,334.00
3/01/2008	3,334.00	-	3,334.00
6/01/2008	3,334.00	-	3,334.00
9/01/2008	3,334.00	-	3,334.00
12/01/2008	3,334.00	-	3,334.00
3/01/2009	3,334.00	-	3,334.00
6/01/2009	3,334.00	-	3,334.00
9/01/2009	3,334.00	-	3,334.00
12/01/2009	3,334.00	-	3,334.00
3/01/2010	3,334.00	-	3,334.00
6/01/2010	3,334.00	-	3,334.00
9/01/2010	3,334.00	-	3,334.00
12/01/2010	3,334.00	-	3,334.00
3/01/2011	3,334.00	-	3,334.00
6/01/2011	3,334.00	-	3,334.00
9/01/2011	3,334.00	-	3,334.00
12/01/2011	3,333.00	-	3,333.00
3/01/2012	3,333.00	-	3,333.00
6/01/2012	3,333.00	-	3,333.00

Greater Marion Public Service District (West Virginia)

Loan of $400,000
30 Years, 0% Interest Rate, 0.5% Administrative Fee
Closing Date: December 11, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2012	3,333.00	-	3,333.00
12/01/2012	3,333.00	-	3,333.00
3/01/2013	3,333.00	-	3,333.00
6/01/2013	3,333.00	-	3,333.00
9/01/2013	3,333.00	-	3,333.00
12/01/2013	3,333.00	-	3,333.00
3/01/2014	3,333.00	-	3,333.00
6/01/2014	3,333.00	-	3,333.00
9/01/2014	3,333.00	-	3,333.00
12/01/2014	3,333.00	-	3,333.00
3/01/2015	3,333.00	-	3,333.00
6/01/2015	3,333.00	-	3,333.00
9/01/2015	3,333.00	-	3,333.00
12/01/2015	3,333.00	-	3,333.00
3/01/2016	3,333.00	-	3,333.00
6/01/2016	3,333.00	-	3,333.00
9/01/2016	3,333.00	-	3,333.00
12/01/2016	3,333.00	-	3,333.00
3/01/2017	3,333.00	-	3,333.00
6/01/2017	3,333.00	-	3,333.00
9/01/2017	3,333.00	-	3,333.00
12/01/2017	3,333.00	-	3,333.00
3/01/2018	3,333.00	-	3,333.00
6/01/2018	3,333.00	-	3,333.00
9/01/2018	3,333.00	-	3,333.00
12/01/2018	3,333.00	-	3,333.00
3/01/2019	3,333.00	-	3,333.00
6/01/2019	3,333.00	-	3,333.00
9/01/2019	3,333.00	-	3,333.00
12/01/2019	3,333.00	-	3,333.00
3/01/2020	3,333.00	-	3,333.00
6/01/2020	3,333.00	-	3,333.00
9/01/2020	3,333.00	-	3,333.00
12/01/2020	3,333.00	-	3,333.00
3/01/2021	3,333.00	-	3,333.00
6/01/2021	3,333.00	-	3,333.00
9/01/2021	3,333.00	-	3,333.00
12/01/2021	3,333.00	-	3,333.00
3/01/2022	3,333.00	-	3,333.00
6/01/2022	3,333.00	-	3,333.00
9/01/2022	3,333.00	-	3,333.00
12/01/2022	3,333.00	-	3,333.00
3/01/2023	3,333.00	-	3,333.00
6/01/2023	3,333.00	-	3,333.00
9/01/2023	3,333.00	-	3,333.00
12/01/2023	3,333.00	-	3,333.00

Greater Marion Public Service District (West Virginia)

Loan of $400,000
30 Years, 0% Interest Rate, 0.5% Administrative Fee
Closing Date: December 11, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2024	3,333.00	-	3,333.00
6/01/2024	3,333.00	-	3,333.00
9/01/2024	3,333.00	-	3,333.00
12/01/2024	3,333.00	-	3,333.00
3/01/2025	3,333.00	-	3,333.00
6/01/2025	3,333.00	-	3,333.00
9/01/2025	3,333.00	-	3,333.00
12/01/2025	3,333.00	-	3,333.00
3/01/2026	3,333.00	-	3,333.00
6/01/2026	3,333.00	-	3,333.00
9/01/2026	3,333.00	-	3,333.00
12/01/2026	3,333.00	-	3,333.00
3/01/2027	3,333.00	-	3,333.00
6/01/2027	3,333.00	-	3,333.00
9/01/2027	3,333.00	-	3,333.00
12/01/2027	3,333.00	-	3,333.00
3/01/2028	3,333.00	-	3,333.00
6/01/2028	3,333.00	-	3,333.00
9/01/2028	3,333.00	-	3,333.00
12/01/2028	3,333.00	-	3,333.00
3/01/2029	3,333.00	-	3,333.00
6/01/2029	3,333.00	-	3,333.00
9/01/2029	3,333.00	-	3,333.00
12/01/2029	3,333.00	-	3,333.00
3/01/2030	3,333.00	-	3,333.00
6/01/2030	3,333.00	-	3,333.00
9/01/2030	3,333.00	-	3,333.00
12/01/2030	3,333.00	-	3,333.00
3/01/2031	3,333.00	-	3,333.00
6/01/2031	3,333.00	-	3,333.00
9/01/2031	3,333.00	-	3,333.00
Total	400,000.00	-	400,000.00 *

*Plus $252.08 one-half percent administrative fee paid quarterly.
Total fee paid over the life of the loan is $30,249.60.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
4-18-99

Entered: March 29, 1999

CASE NO. 98-0474-PSD-CN

GREATER MARION PUBLIC SERVICE DISTRICT
Application for a certificate of convenience and necessity to construct a new vacuum sewage collection system connecting to the existing Town of Worthington vacuum system in the communities of Idamay, Carolina and Kelly Town, in Marion County.

RECOMMENDED DECISION

On September 28, 1998, the Idamay Public Service District[1] (Utility) filed an application with the Public Service Commission, pursuant to W.Va. Code §24-2-11, for a certificate of public convenience and necessity to construct a new vacuum sewage collection system in the Communities of Idamay, Carolina and Kelly Town. The project is estimated to cost $3,400,000.

On September 28, 1998, the Commission directed the Utility to publish the Notice of Filing, once, in a newspaper, duly qualified by the Secretary of State, and generally circulated in Marion County. The Notice provided that, if no substantial protests were filed within thirty (30) days, the Commission may waive formal hearing and grant the certificate based upon its review of the evidence submitted with the application.

On October 21, 1998, the Utility filed an affidavit of publication indicating that the Notice of Filing was published on October 3, 1998, in *The Times West Virginian*, a newspaper published and of general circulation in Marion County. No protests were filed with the

---

[1] Given that the Idamay Public Service District's name was changed effective December 20, 1998, to the Greater Marion Public Service District by Commission order in Case No. 98-0801-PSD-PC, the caption in this case will be changed to reflect the current name of the Public Service District.

Commission.

On October 13, 1998, the Commission entered the Commission Referral Order in this proceeding. The Commission established a decision due date of April 26, 1999.

By Procedural Order of December 27, 1999, the matter was set for a hearing on January 19, 1999.[2] The hearing was held as scheduled. David C. Glover, Esquire, appeared on behalf of the Utility. James V. Kelsh, Esquire, appeared on behalf of Staff.

On February 23, 1999, the Utility filed, as a post-hearing exhibit, copies of the resolution of the Carolina Improvement Association which dissolved the Association and turned over all of its utility assets to the Utility. The Utility also filed a copy of the minutes of a special meeting of the Association held on June 11, 1994, in which the Association voted to proceed with the project.

EVIDENCE

Theresa Effaw is the Chairman of the Utility. (Tr. 6). Ms. Effaw has resided in Idamay her entire life. (Tr. 6). The Utility has been fined by the Department of Environmental Protection (DEP) for violating its discharge permits in the past. (Tr. 7). The Utility has tried to make repairs to the system and operate it as best as it could, but it has become impossible to properly maintain the existing system. (Tr. 7). The existing system was installed by Bethlehem Steel when it owned the entire community. (Tr. 7). Bethlehem Steel turned the sewer system over to the Idamay Improvement Association, which was eventually transformed into a public service district. (Tr. 7).

The project will allow the Utility to take on new customers in Carolina and Kelly Town. (Tr. 7). The Utility currently has 214 customers and, after the project, will have approximately 430 customers. (Tr. 8). The project will also allow the Utility to increase its customer base beyond the approximate 430 estimated to be served after completion of the project. (Tr. 32).

Under the new system, average monthly rates for a 4,500 gallon customer will be $29.25. (Tr. 12). The Utility's customers currently pay $4.95 a thousand or $22.28 for a 4,500 gallon customer. (Tr. 13).

The Utility currently operates its own treatment plant. (Tr. 13). If the project is approved, the Utility's sewage will be transported to the Town of Worthington (Town) for treatment. (Tr. 13). The Town will also takeover the operation and maintenance of the Utility's system. (Tr. 13).

The Utility has entered into both an Operation and Maintenance Agreement and a Transmission and Treatment Agreement with the Town. (Tr.

---

[2]The hearing was previously set on two other occasions but moved to accommodate Staff and the Utility.

Public Service Commission
of West Virginia

14; Idamay Ex. No. 4 & 5). The Utility and the Town have agreed to a treatment rate of $1.79 per thousand. (Tr. 22). The treatment rate was developed through the process of negotiation with the assistance of Commission Staff. (Tr. 22, 23).

The Utility has received a $1,250,000 Small Cities Block Grant; a West Virginia Infrastructure loan of $1,700,000, at 0% interest; and a West Virginia State Revolving Fund loan of $400,000 at 1% for twenty (20) years to fund the project. (Tr. 26). The total project cost is estimated to be $3,350,000. (Tr. 27).

The District's boundaries had been increased to include the area which will be served by the project in Case No. 98-0801-PSD-PC. That case also changed the name of Idamay Public Service District to the Greater Marion Public Service District. (See Case No. 98-0801-PSD-PC).

Two old treatment plants will be removed as a result of the project. (Tr. 32). One of the treatment plants is owned by the Utility and the other treatment plant is owned by the Carolina Improvement Association. (Tr. 32, 33).

Howard Hines is the President of the Carolina Improvement Association. (Tr. 35). The Association has a sewer system, community lights, fire hydrants, street cleaning and ditch cleaning. (Tr. 35). The Association has existed since the 1950s. (Tr. 35). The Association was formed to provide community service after the coal company sold the community. (Tr. 36). The Association currently charges a $3.35 monthly flat rate, plus $1.00 per thousand. (Tr. 36).

The Association will not cease to operate, but it will cease to operate a sewer system. (Tr. 36, 37). The Association has five numbers on its board and understands that it will have one member on the Board of the Utility after the project is approved. (Tr. 37).

The Association consistently has had numerous problems with its sewage treatment plant. The aerator broke down recently and it cost $12,000 to get it back into running shape. (Tr. 37). The treatment equipment was placed into service in approximately 1947. (Tr. 37).

The Association consistently has had problems trying to operate the antiquated system since Mr. Hines has been president. (Tr. 38). The Board members actually do a lot of work on the sewer lines themselves, including digging ditches and trying to unstop the lines. (Tr. 38). The project will remove a large burden off the hands of the community. (Tr. 38). The project will also eliminate a foul odor from the treatment plant. (Tr. 39).

The Association is more than happy to get out of the sewer business. (Tr. 39). It is unable to correctly operate the current system because of its poor condition. (Tr. 39).

The Association has a tariff on file with the Public Service Commission and written bylaws. (Tr. 40). The Utility presented as a post-hearing exhibit the resolution by the Association to proceed with

the project which was voted on by the Association. (See Post-hearing exhibit). Mr. Hines did not believe that any more consent from the Association was required because the Association had already approved the project. Mr. Hines has been working on obtaining right-of-ways on the project. (Tr. 42). The plans call for the old Carolina sewer lines to be used for storm water drainage and for the old treatment plant to be torn down. (Tr. 43).

Ingrid Ferrell testified that the current systems operated by both the Utility and the Association are gravity systems. (Tr. 46). The Utility's plans call for the use of a vacuum system in large part because the DEP is encouraging the use of the system because of special funding available for innovative systems. (Tr. 47). This vacuum system requires pits, which will serve either one or two homes. Each pit will then flow into buffer stations, with the effluent then vacuumed to the Town. (Tr. 47). Each pit will cost around $2,000. (Tr. 47). The tap fee after construction for the project is $300. (Tr. 48).

Vacuum systems require a lot more maintenance than the typical gravity system. (Tr. 51). Staff was confident that the Town, which has been operating a vacuum system, would be able to operate the Utility's vacuum system. (Tr. 52). The Town has reasonably operated its own system and its rates are within the range of reasonableness. (Tr. 52).

Part of the project funds will enhance the Town's treatment facility so that it is adequately sized to receive the flow from the Utility. (Tr. 52). The project will increase the Town's capacity from 90,000 gpd to 120,000 gpd. (Staff Ex. 1). Grant funds will be used to increase the Town's treatment plant and the Town will retain ownership of the plant. (Id). The project will demolish both the existing sewage treatment system plants at Idamay and at Carolina. (Tr. 53). The O & M Agreement anticipates that future rate changes will be reviewed and approved by the Public Service Commission. (Tr. 54, 55).

The plans and specifications for the project have been approved by the DEP. (Tr. 57). Staff believes that the plans and specifications are in conformance with the Commission's rules and regulations. (Staff Ex. 1).

The Staff believes that the financial package for the project is favorable. (Tr. 57). It noted that the project is 33% grant funded. (Staff Ex. 1). Written confirmation for all funding has been filed with the Commission. (Staff Ex. 1).

Staff views both the Operation and Maintenance Agreement and the Transmission and Treatment Agreements as reasonable. (Staff Ex. 1).

Both treatment plants have had a lot of difficulties meeting their DEP discharge permits. (Tr. 61). The collection lines for both systems are also deteriorating to the point where they need to be replaced. (Tr. 61). It is cheaper to go ahead and replace the current system and transport the effluent to the Town of Worthington. (Tr. 61). There is currently a lot of inflow and infiltration in the current systems. (Tr. 61).

DISCUSSION

The Utility should be granted a certificate of convenience and necessity. The project will replace two old systems which are beyond repair. The current treatment plants of both the Utility and the Association have frequently been unable to meet the requirements of their discharge permits. The project will also allow additional customers to receive needed sewer service.

The proposed financing is reasonable and should be approved. The financial package includes 33% grant funding as well as loans with no interest and 1% interest.

Both the Transmission and Treatment Agreement and the Operation and Maintenance Agreements are reasonable and should be approved as recommended by Staff.

The proposed tariff should be approved for use upon substantial completion of the project. The Utility should be required to seek Commission approval if there are any changes in the scope of the project or any modifications to the financing of the project.

FINDINGS OF FACT

1. On September 28, 1998, the Idamay Public Service District filed an application with the Public Service Commission, pursuant to W.Va. Code §24-2-11, for a certificate of public convenience and necessity to construct a new vacuum sewage collection system in the Communities of Idamay, Carolina and Kelly Town. (See application).

2. On September 28, 1998, the Commission directed the Utility to publish the Notice of Filing, once, in a newspaper, duly qualified by the Secretary of State, and generally circulated in Marion County. (See Commission order).

3. On October 21, 1998, the Utility filed an affidavit of publication indicating that the Notice of Filing was published on October 3, 1998, in *The Times West Virginian*, a newspaper published and of general circulation in Marion County. (See affidavit).

4. No protests were filed with the Commission. (See Commission file generally).

5. On February 23, 1999, the Utility filed copies of the resolution of the Carolina Improvement Association which dissolved the Association and turned over all of its utility assets to the Utility. The Utility also filed a copy of the minutes of a special meeting of the Association held on June 11, 1994, in which the Association voted to proceed with the project. (See post-hearing exhibit).

6. The Utility has been fined by the DEP for violating its discharge permits in the past. (Tr. 7).

7. The Utility has tried to make repairs to the system and operate

Public Service Commission
of West Virginia
Charleston

it as best it could, but it has become impossible to properly maintain the existing system. (Tr. 7).

8. The existing system was installed by Bethlehem Steel when it owned the entire community. (Tr. 7). Bethlehem Steel turned the sewer system over to the Idamay Improvement Association which was eventually transformed into a public service district. (Tr. 7).

9. The project will allow the Utility to take on new customers in Carolina and Kelly Town. (Tr. 7). The Utility currently has 214 customers and, after the project, will have approximately 430 customers. (Tr. 8). The project will also allow the Utility to increase its customer base beyond the approximate 430 estimated to be served after completion of the project. (Tr. 32).

10. Under the new system, monthly average rates for a 4,500 gallon customer will be $29.25. (Tr. 12). The Utility's customers currently pay $4.95 a thousand or $22.28 for a 4,500 gallon customer. (Tr. 13). Customers of the Association currently pay a $3.35 monthly flat rate and $1.00 per thousand or $7.85 for a 4,500 gallon customer. (Tr. 36).

11. If the project is approved, the Utility's sewage will be transported to the Town of Worthington for treatment. (Tr. 13). The Town will also take over the operation and maintenance of the Utility's system. (Tr. 13).

12. The Utility has entered into both an Operation and Maintenance Agreement and a Transmission and Treatment Agreement with the Town. (Tr. 14; Idamay Exhibit No. 4; Idamay Exhibit No. 5). The Utility and the Town have agreed to a treatment rate of $1.79 per thousand. (Tr. 22). The treatment rate was developed through the process of negotiation with the assistance of Commission Staff. (Tr. 22, 23).

13. The Utility has received a $1,250,000 Small Cities Block Grant; a West Virginia Infrastructure loan of $1,700,000, at 0% interest; and a West Virginia State Revolving Fund loan of $400,000 at 1% for twenty (20) years to fund the project. (Tr. 26).

14. The total project cost is estimated to be $3,350,000. (Tr. 27).

15. The District's boundaries have been increased to include the area which will be served by the project. (See Case No. 98-0801-PSD-PC).

16. Two old treatment plants will be removed as a result of the project. (Tr. 32). One of the treatment plants is owned by Idamay and the other treatment plant is owned by the Carolina Improvement Association. (Tr. 32, 33).

17. The Carolina Improvement Association will not cease to operate, but it will cease to operate a sewer system. (Tr. 37).

18. The Carolina Improvement Association has had numerous problems with its sewage treatment plant. (Tr. 38). Its aerator broke down

recently and it cost $12,000 to get it back into running shape. (Tr. 37). The treatment equipment was placed into service in approximately 1947. (Tr. 37).

19. The project will also eliminate a foul odor that comes from the Carolina treatment plant. (Tr. 39).

20. The Association is unable to correctly operate the current system because of its poor condition. (Tr. 39).

21. The Association voted to proceed with the project at a special meeting held on June 11, 1994. (See Post-hearing exhibit).

22. The plans call for the old Carolina sewer lines to be used for storm water drainage and for the old treatment plant to be torn down. (Tr. 43).

23. The current systems operated by both the Utility and the Association are gravity systems. (Tr. 46). The Utility's plans call for the use of a vacuum system in large part because the DEP is encouraging the use of the system because of special funding available for innovative systems. (Tr. 47). This vacuum system requires pits, which will serve either one or two homes. Each pit will then flow into buffer stations, with the effluent then vacuumed to the Town. (Tr. 47). Each pit will cost around $2,000. (Tr. 47). The tap fee after construction for the project is $300. (Tr. 48).

24. Vacuum systems require a lot more maintenance than the typical gravity system. (Tr. 51). Staff was confident that the Town, which has been operating a vacuum system, would be able to operate the Utility's vacuum system. (Tr. 52). The Town has reasonably operated its own system and its rates are within the range of reasonableness. (Tr. 52).

25. Part of the project funds will enhance the Town's treatment facility so that it is adequately sized to receive the flow from the Utility. (Tr. 52). The project will increase the Town's capacity from 90,000 gpd to 120,000 gpd. (Staff Ex. 1). Grant funds will be used to increase the Town's treatment plant and the Town will retain ownership of the plant. (Id).

26. The project will demolish both the existing sewage treatment system plants at Idamay and at Carolina. (Tr. 53). Both treatment plants have had a lot of difficulties meeting their DEP discharge permits. (Tr. 61).

27. The O & M Agreement anticipates that future rate changes will be reviewed and approved by the Public Service Commission. (Tr. 54, 55).

28. The plans and specifications for the project have been approved by the DEP. (Tr. 57). Staff believes that the plans and specifications are in conformance with the Commission's rules and regulations. (Staff Ex. 1).

29. Written confirmation for all funding has been filed with the

Public Service Commission
of West Virginia
Charleston

Commission. (Staff Ex. 1).

30. Staff views both the Operation and Maintenance Agreement and the Transmission and Treatment Agreements as reasonable. (Staff Ex. 1).

31. The collection lines for both systems are also deteriorating to the point where they need to be replaced. (Tr. 61). It is cheaper to go ahead and replace the current system and transport the effluent to the Town of Worthington. (Tr. 61). There is currently a lot of inflow and infiltration in the current systems. (Tr. 61).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the project.

2. The Utility's proposed financing for the project is reasonable and should be approved.

3. The Utility's application for a certificate of convenience and necessity should be approved.

4. The Utility should be required to seek Commission approval if the project's scope or proposed financing is modified.

5. The Transmission and Treatment Agreement entered into between the Utility and the Town is reasonable and should be approved.

6. The Operation and Maintenance Agreement entered into between the Utility and the Town is reasonable and should be approved.

7. The proposed tariff should be approved for the Utility to use upon substantial completion of the project.

ORDER

IT IS, THEREFORE, ORDERED that the application filed on September 28, 1998, by the Idamay Public Service District (now Greater Marion Public Service District), for a certificate of convenience and necessity to construct a wastewater collection system to provide service to the Communities of Idamay, Carolina and Kelly Town, be, and hereby is, granted.

IT IS FURTHER ORDERED that the proposed financing for the project, consisting of a $1,250,000 Small Cities Block Grant; a West Virginia Infrastructure loan of $1,700,000, at 0% interest; and a West Virginia State Revolving Fund loan of $400,000 at 1% for twenty (20) years be, and hereby is, approved.

IT IS FURTHER ORDERED that, if the scope or the financing of the project change for any reason, the Utility is hereby required to seek Commission approval before commencing construction.

IT IS FURTHER ORDERED that the Transmission and Treatment Agreement

and the Operation and Maintenance Agreement (Idamay Exhibits 4, 5 and 6) hereby are approved.

IT IS FURTHER ORDERED that the attached rates be, and hereby are, approved for use upon substantial completion of the project. The District shall file an original and at least five copies of the approved rates with the Public Service Commission within ten days of first use.

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.

K. A. George

Keith A. George
Administrative Law Judge

KAG:jas
980474AB.WPD

GREATER MARION PUBLIC SERVICE DISTRICT
CASE NO. 98-0474-PSD-CN
APPROVED RATES

Applicable in entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATES

First	5,000 gallons	$6.50 per 1,000 gallons
Next	15,000 gallons	$6.00 per 1,000 gallons
Next	30,000 gallons	$5.50 per 1,000 gallons
Next	30,000 gallons	$5.00 per 1,000 gallons

MINIMUM MONTHLY BILL for 3,000 gallons $19.50 per month

TAP FEE $300.00

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE DISTRICT'S SANITARY SYSTEM

APPLICABILITY

Wherever the District has discovered that a customer's roof drain, downspout, storm sewer or similar facilities conducting surface water have been connected to the District's sewer system and such a customer has failed to take appropriate action within thirty (30) days of receipt of a demand by the District in accordance with the Rule and Regulations of the Public Service Commission to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

S = A x R x .006233 x C
S - the surcharge in dollars
A - the area under roof and/or the area of any other water collecting surface connected to the sanitary sewer, in square feet.
R - the measured monthly rainfall in inches.
.006233 - a conversion factor to change inches of rain x square feet of surface to thousand of gallons of water
C - the District's approved rate per thousand gallons of metered water usage

The District shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or

Public Service Commission
of West Virginia
Charleston

surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system. The surcharge shall be calculated and imposed for each month the condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

INCREMENTAL COST OF WATER PRODUCED

$1.80 per M gallons. To be charged for all water billed in excess of the customer's historical usage when the bill reflects unusual consumption which is attributed to eligible leakage on the customer's side of the meter.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 27th day of September, 2000.

CASE NO. 98-0474-PSD-CN

GREATER MARION PUBLIC SERVICE DISTRICT,
a public utility.

Application for a certificate of convenience and necessity to construct a new vacuum sewage collection system connecting to the existing Town of Worthington vacuum system in the communities of Idamay, Carolina and Kelly Town, in Marion County.

COMMISSION ORDER

On March 29, 1999, a Recommended Decision, (Final Order April 18, 1999), was entered granting the certificate application filed on September 28, 1998, by the Greater Marion Public Service District, (District), for a certificate of convenience and necessity to construct a waste water collection system to provide service to the communities of Idamay, Carolina, and Kelly Town. The Order also approved the proposed financing for the project consisting of a $1,250,000 Small Cities Block Grant; a West Virginia Infrastructure loan of $1,700,000, at 0% interest; and a West Virginia State Revolving Fund loan of $400,000 at 1% interest for twenty (20) years. The Order directed the District to seek Commission approval if the scope or financing of the project changed for any reason. The Recommended Decision also attached a set of approved rates for use upon substantial completion of the project. Finally, the Recommended Decision approved the Transmission and Treatment Agreement and the Operation and Maintenance Agreement as filed by the District.

On June 13, 2000, the District filed a "Petition to Reopen Certificate Case to Grant Emergency Relief" (Petition). The Petition stated that construction of the system was ongoing and that as customers were added to the collection system, their sewage was being transported to the Town of Worthington and treated. The District stated that treatment by Worthington is causing the District to incur costs for each customer connected. The District's Petition noted that the Recommended Decision of March 29, 1999, did not allow the District to charge new rates until the system was substantially complete. Thus, the

District argued it was unable to charge customers the new rates even though customers were connected to the system and that such situation was causing serious financial harm to the District. The District requested the Recommended Decision be modified to allow the District to charge its new rates to a particular customer when that customer connects to the system and the sewage is being treated by Worthington.

By letter filed July 20, 2000, the District noted that on July 19, 2000, a hearing was held before Judge Fred L. Fox, II, Circuit Judge of Marion County, regarding the Town of Worthington's application for a temporary injunction enjoining the connection of any new customers to the system of the District. Judge Fox granted the temporary injunction and set a hearing on the permanent injunction for August 30, 2000. The District noted that all of the main lines had been constructed in Idamay, Carolina, and Kelly Town and that presently there are 297 connected new customers in Carolina and Kelly Town with an anticipated customer base of 411 to 430 customers once the Idamay customers are connected. The District argued that such proportion constitutes substantial completion of the project and, accordingly, the District should be authorized to charge its new rates.

Commission Staff filed its "Initial Joint Staff Memorandum" on July 21, 2000, wherein Staff recommended the Commission enter an interim order authorizing the District to charge the previously approved rates to customers in the communities of Carolina and Kelly Town. Staff additionally noted that the District was seeking additional funding to pay for the replacement of service lines, and as such additional funding was not within the scope of the District's original project, Staff averred that such modification would require Commission approval.

On August 21, 2000, the District filed a letter to inform the Commission that it had obtained an additional loan commitment from West Virginia State Revolving Fund. The District stated that in the near future it would request a reopening of this proceeding for processing of its rate case and for approval of the construction of the lateral sewer lines.

On August 22, 2000, the District filed a "Petition to Reopen Certificate Case" (Petition II). Therein the District noted that the existing customer lateral sewer lines in the Carolina and Idamay areas of the District's system were very old, in poor condition, leaked, and in some instances down spouts were connected to the laterals. As the new system required a bare minimum of inflow and infiltration to work properly, a decision was made to replace the customer laterals to ensure as tight a system as possible. The District requested a waiver of the requirements of Rule 5.2 of the Commission's Rules and Regulations for the Government of Sewer Utilities with respect to the construction of the laterals.

Public Service Commission
of West Virginia
Charleston

Petition II further stated that in order to complete the construction of lateral sewer lines to the remaining customers, additional project funding was needed. To that end, the District had obtained a loan commitment from the West Virginia State Revolving Fund in the amount of $400,000 to be used to construct the lateral sewer lines. The SRF loan is a thirty (30) year loan at a 0% interest rate. The Petition also noted that as a result of additional borrowing a rate increase was necessary.

On September 5, 2000, Staff filed a "Further Joint Staff Memorandum." Staff recommended the Commission enter an interim order in this case granting the petition to reopen, immediately authorize the District to charge the previously approved rates for customers in Kelly Town and Carolina, and refer this matter to the Division of Administrative Law Judges for consideration of changes in the financing and the engineering of the project. Staff also recommended that the District be directed to publish its proposed rates.

On September 21, 2000, Staff filed its "Final Joint Staff Memorandum." Therein, Staff recommended:

> The Commission should enter an order in this case (1) granting the petition to reopen, (2) authorizing the District to commence charging the previously approved rates for the communities of Carolina and Kelly Town, (3) directing the District to publish the Staff recommended rates, (4) granting the District a modification of Sewer Rule 5.2.2 to permit the District to own the service laterals, and (5) referring this case to the Division of Administrative Law Judges. While Staff also recommends that the Commission approve the financing for the service laterals and the Staff recommended rates, the Commission should wait to do so until after the period for filing protests to the Staff proposed rates has expired and a hearing has been held, if necessary, to address any protests or interventions.

DISCUSSION

The Commission will grant the petition to reopen this matter in order to address the multitude of issues that have arisen.

The March 29, 1999, Recommended Decision ordered approval of rates for use upon substantial completion of the project. Presently, 297 customers are connected to the system out of an estimated customer base of approximately 411 to 430. The effluent of those 297 customers is currently being treated by the Town of Worthington. Furthermore, there now

Public Service Commission
of West Virginia
Charleston

exists a temporary injunction, issued by the Circuit Court of Marion County, against the connection of additional customers to the system. Staff, in its September 21, 2000, Final Joint Staff Memorandum averred the injunction stems from the District's difficulty in paying the Town of Worthington. Clearly, with the introduction of the injunction it becomes impossible for the District to substantially complete this project. In order to break this logjam, the Commission shall permit the District to begin charging the rates approved in the March 29, 1999, Recommended Decision to those customers who have been connected to the system .

The "Proposed and Staff Recommended Rates," as contained in the attached publication notice, are designed to cover those costs resulting from the additional funding requirements. The Commission shall direct publication of these rates and shall refer the question of approval of the additional funding as well as the associated rates to the Division of Administrative Law Judges.

The District is requesting a modification of Sewer Rule 5.2.2. That Rule reads as follows:

> The customer shall install and maintain that portion of the service line from the end of the utility's portion into the premises served.

Commission Staff was unaware of previous cases where utility ownership of customer service lines had been requested or permitted. In the present case, the District claims a Sewer Rule 1.6.2 hardship in that replacement of the customer service laterals is required in order to provide economic and safe service and because the District's funding source requires the District retain ownership of all property purchased with its funds. However, as described in the "Final Joint Staff Memorandum," the District plans to own the customer service laterals of only 387 of the estimated customer base of 411 to 430. As the District will own the customer service laterals of 387 of its customers, presumably the District will also be responsible for maintaining and replacing those lines in the future as needed. The question remains as to the status of the customer service laterals of the remaining 24 to 43 customers. It appears that they will be responsible for maintenance and replacement of not only their own customer service laterals but also, through the rates they will pay for service, the maintenance and replacement of the customer service laterals of their neighbors. The Commission will also refer this issue to the Division of Administrative Law Judges for further inquiry.

FINDINGS OF FACT

1. On March 29, 1999, a Recommended Decision, (Final Order April 18, 1999), was entered granting the certificate application filed on September 28, 1998, by the Greater Marion Public Service District, (District), for a certificate of convenience and necessity to construct a waste water collection system to provide service to the communities of Idamay, Carolina, and Kelly Town. The Order also approved the proposed financing for the project consisting of a $1,250,000 Small Cities Block Grant; a West Virginia Infrastructure loan of $1,700,000, at 0% interest; and a West Virginia State Revolving Fund loan of $400,000 at 1% interest for twenty (20) years.

2. On June 13, 2000, the District filed a "Petition to Reopen Certificate Case to Grant Emergency Relief" stating that construction of the system was ongoing and that as customers were added to the collection system, their sewage was being transported to Worthington and treated but that treatment by Worthington is causing the District to incur costs for each customer connected. The District requested the Recommended Decision be modified to allow the District to charge its new rates to a particular customer when that customer connects to the system and the sewage is being treated by Worthington.

3. By letter filed July 20, 2000, the District noted that on July 19, 2000, a temporary injunction was granted by Judge Fred L. Fox, II, Circuit Judge of Marion County, enjoining the connection of any new customers to the system of the District.

4. The District's July 20, 2000, letter also noted that all of the main lines had been constructed in Idamay, Carolina, and Kelly Town, that presently there are 297 connected new customers in Carolina and Kelly Town with an anticipated customer base of 411 to 430 customers once the Idamay customers are connected, and that the District should be authorized to charge its new rates.

5. Commission Staff filed its "Initial Joint Staff Memorandum" on July 21, 2000, recommending the Commission enter an interim order authorizing the District to charge the previously approved rates to customers in the communities of Carolina and Kelly Town.

6. On August 21, 2000, the District filed a letter to inform the Commission that it had obtained a loan commitment from West Virginia State Revolving Fund in the amount of $400,000, for a term of thirty (30) years at 0% interest with a 0.5% administrative fee, to be used to construct the lateral sewer lines necessary to finish its sewer project.

7. On August 22, 2000, the District filed a "Petition to Reopen Certificate Case" (Petition II) requesting a waiver of the requirements of Rule 5.2 of the Commission's Rules and Regulations for the Government of Sewer Utilities with respect to the construction of the

Public Service Commission
of West Virginia

laterals, approval of additional project funding (as described in Finding of Fact Number 6, above), and approval for a rate increase.

8. On September 5, 2000, Staff filed a "Further Joint Staff Memorandum" recommending the Commission enter an interim order in this case granting the petition to reopen, authorize the District to charge the previously approved rates for customers in Kelly Town and Carolina, refer this matter to the Division of Administrative Law Judges for consideration of changes in the financing and the engineering of the project and direct the District to publish its proposed rates.

9. On September 21, 2000, Staff filed its "Final Joint Staff Memorandum." Therein, Staff recommended:

> The Commission should enter an order in this case (1) granting the petition to reopen, (2) authorizing the District to commence charging the previously approved rates for the communities of Carolina and Kelly Town, (3) directing the District to publish the Staff recommended rates, (4) granting the District a modification of Sewer Rule 5.2.2 to permit the District to own the service laterals, and (5) referring this case to the Division of Administrative Law Judges. While Staff also recommends that the Commission approve the financing for the service laterals and the Staff recommended rates, the Commission should wait to do so until after the period for filing protests to the Staff proposed rates has expired and a hearing has been held, if necessary, to address any protests or interventions.

CONCLUSIONS OF LAW

1. It is reasonable for the Commission to grant the petition to reopen this matter in order to address the multitude of issues that have arisen.

2. The Commission shall permit the District to begin charging the rates approved in the March 29, 1999, Recommended Decision to those customers who have been connected to the system.

3. The Commission shall direct the District to publish the"Proposed and Staff Recommended Rates," attached hereto.

4. The Commission shall refer the issue of approval of the additional funding as well as the associated rates to the Division of Administrative Law Judges.

5. The Commission shall refer the question of whether to allow the District's requested waiver of Sewer Rule 5.2.2 to the Division of Administrative Law Judges.

ORDER

IT IS THEREFORE ORDERED that this matter is reopened.

IT IS FURTHER ORDERED that the District begin charging the rates approved in the March 29, 1999, Recommended Decision, to those customers who have been connected to the system.

IT IS FURTHER ORDERED that within thirty (30) days of the date of this Order, the District shall file with the Commission a revised tariff setting forth the new rates and charges as described by the March 29, 1999, Recommended Decision.

IT IS FURTHER ORDERED that the Greater Marion Public Service District shall, as soon as possible, publish the notice of filing, attached hereto as Attachment A, as a Class II legal publication, in a newspaper published and of general circulation in the county where its customers reside.

IT IS FURTHER 0RDERED that the District file affidavits of publication evidencing publication as ordered herein, within ten (10) days of the second publication date.

IT IS FURTHER ORDERED that this proceeding is referred to the Division of Administrative Law Judges for further consideration of the issues outlined in this order as well as other issues which may arise.

IT IS FURTHER ORDERED that the ALJ Division shall render its decision in this matter on or before January 9, 2001.

IT IS FURTHER ORDERED that if the participants desire an extension of the foregoing decision due date, they may seek an extension only upon formal application to the Commission.

Public Service Commission
of West Virginia
Charleston

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

JJW/sg
980474c.wpd

A True Copy, Teste:

Sandra Squire
Executive Secretary

Attachment A

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 98-0474-PSD-CN

GREATER MARION PUBLIC SERVICE DISTRICT,
a public utility.

Application for a certificate of convenience and necessity to construct a new vacuum sewage collection system connecting to the existing Town of Worthington vacuum system in the communities of Idamay, Carolina and Kelly Town, in Marion County.

NOTICE OF PUBLICATION

NOTICE is hereby given that the Greater Marion Public Service District, a public utility, filed with the Public Service Commission of West Virginia on August 23, 2000, a Petition to Reopen its certificate case to, among other things, increase its rates in order to cover additional costs of construction. The additional construction costs are estimated to be $391,500. The District has secured additional funding in the amount of $400,000 from the West Virginia State Revolving Fund. The $400,000 loan is for a term of thirty (30) years at 0% interest.

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

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATES

First	5,000 gallons	$7.18 per 1,000 gallons
Next	15,000 gallons	$6.63 per 1,000 gallons
Next	30,000 gallons	$6.08 per 1,000 gallons

Next 30,000 gallons $5.53 per 1,000 gallons

MINIMUM MONTHLY BILL

$21.54 for 3,000 gallons

TAP FEE

$300.00

DELAYED PAYMENT PENALTY

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

INCREMENTAL COST OF WATER PRODUCED

$1.80 per M gallons. To be charged for all water billed in excess of the customer's historical usage when the bill reflects unusual consumption which is attributed to eligible leakage on the customer's side of the meter.

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE DISTRICT'S SANITARY SYSTEM

APPLICABILITY

Wherever the District has discovered that a customer's roof drain, downspout, storm sewer or similar facilities conducting surface water have been connected to the District's sewer system and such a customer has failed to take appropriate action within thirty (30) days of receipt of a demand by the District in accordance with the Rules and Regulations of the Public Service Commission to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

S =	A x R x .006233 x C
S -	the surcharge in dollars
A -	the area under roof and/or the area of any other water collecting surface connected to the sanitary sewer, in square feet.
R -	the measured monthly rainfall in inches.
.006233 -	a conversion factor to change inches of rain x square feet of surface to thousand of gallons of water
C -	the District's approved rate per thousand gallons of metered water usage

The District shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system. The surcharge shall be calculated and imposed for each month the condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

980474alj110800.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
11-19-00
By Commission Order

Entered: November 8, 2000

CASE NO. 98-0474-PSD-CN (Reopened)

GREATER MARION PUBLIC SERVICE DISTRICT
Application for a certificate of convenience and necessity to construct a new vacuum sewage collection system connecting to the existing Town of Worthington vacuum system in the communities of Idamay, Carolina and Kelly Town.

RECOMMENDED DECISION

By Recommended Decision which went final on April 18, 1999, the Greater Marion Public Service District (Utility) was granted a certificate of public convenience and necessity to construct a new vacuum sewage collection system in Idamay, Carolina and Kelly Town. The Order approved the recommended financing and certain rates to be put into effect upon substantial completion of the project.

On June 13, 2000, the Utility petitioned the Commission to reopen the proceeding and to grant emergency relief. The Utility indicated that its inability to charge the customers already connected to the system the proposed rates has made it difficult to pay treatment costs to the Town of Worthington. The Circuit Court of Marion County granted a temporary injunction enjoining the connection of new customers to the system at the request of the Town of Worthington due to the difficulties. The Utility requested that it be allowed to immediately charge the previously approved rates for all customers connected to the system.

On July 21, 2000, Staff recommended that the Commission immediately authorize the Utility to charge its approved rates for the customers actually connected in Carolina and Kelly Town.

On August 23, 2000, the Utility filed an additional petition to reopen the proceeding. The Utility indicated that it had decided that it needed to replace the existing customers' lateral sewer lines in Carolina and Idamay because the lines were very old and in poor condition. The laterals contained leaks, allowing the ground water to get into the system. The Utility had obtained a loan commitment from the West Virginia State Revolving Fund (SRF) in the amount of $400,000, to be used to construct the lateral sewer lines. The Utility indicated that an increase in rates would be necessary to finance the additional borrowing.

On September 5, 2000, Staff recommended that the Commission enter an Interim Order granting the Petitioner the authority to charge the previously approved rates to customers connected in Kelly Town and Carolina and referring the matter to the Division of Administrative Law Judges.

On September 21, 2000, Staff, once again, recommended that the Commission authorize the Utility to charge the previously approved rates to the communities of Carolina and Kelly Town. Staff also recommended that the Utility be required to publish the Staff-recommended rates and that the Commission grant the Utility's requested waiver of Sewer Rule 5.2.2, to permit the District to own the sewer laterals.

By Commission Order of September 27, 2000, the Commission authorized the Utility to charge its approved rates for customers who have been connected to the system. The Commission required the Utility to publish notice of Staff's proposed rates and referred the matter to the Division of Administrative Law Judges. By Commission Order of October 4, 2000, the Commission established a decision due deadline of March 9, 2001.

On October 5, 2000, the Utility petitioned the Commission to approve interim financing. The Utility indicated that it had obtained a $50,000 loan, at no interest, from the Marion County Commission in order to keep the contractor on site preparing additional laterals. The Utility indicated that the contractor would cease working if additional monies were not made available and that it would not be available for some time to return to the project. The interim financing would be repaid from the proceeds of the SRF loan, already committed to the project. The Utility also indicated that it was essential to complete work before the winter season.

On October 11, 2000, the Utility filed a commitment letter from the Marion County Commission regarding the interim financing. The Utility also filed an affidavit of publication of the Staff-recommended rates which indicated that the notice was published in the Times West Virginian, on September 29 and October 6, 2000.

By Interim Recommended Decision entered October 16, 2000, the Utility's interim financing from the Marion County Commission was approved.

On October 25, 2000, the Utility pointed out that its most recently approved tariff omitted a $25 reconnection charge which had been present in all of the Utility's prior tariffs. The Utility moved that the $25 reconnection charge be re-added to its tariff.

No protests have been filed to the new proposed rates of the Utility.

DISCUSSION

The rates as published by the Utility should be approved for use by the Utility with one addition. The Utility's traditional $25 reconnection charge should be restored to its tariff.

The Utility's modification of the project to allow it to replace and own the service laterals should be approved. The Utility's additional funding in the amount of $400,000 from the SRF for 30 years at 0% interest should be approved. The Utility should be granted a waiver of Sewer Rule 5.2.2 in order for it to replace and own the service laterals.

FINDINGS OF FACT

1. By Recommended Decision which went final on April 18, 1999, the Greater Marion Public Service District was granted a certificate of public convenience and necessity to construct a new vacuum sewage collection system in Idamay, Carolina and Kelly Town. The Order approved the recommended financing and certain rates to be put into effect upon substantial completion of the project. (See Recommended Decision).

2. On June 13, 2000, the Utility petitioned the Commission to reopen the proceeding and requested that it be allowed to immediately charge the previously approved rates for all customers connected to the system. (See June 13, 2000 petition).

3. On July 21, 2000, Staff recommended that the Commission immediately authorize the Utility to charge its approved rates for the customers actually connected in Carolina and Kelly Town. (See July 21, 2000).

4. On August 23, 2000, the Utility filed an additional petition to reopen the proceeding. The Utility indicated that it had decided that it needed to replace the existing customers' lateral sewer lines in Carolina and Idamay because the lines were very old and in poor condition. The laterals contained leaks, allowing the ground water to get into the system. The Utility had obtained a loan commitment from the West Virginia State Revolving Fund (SRF) in the amount of $400,000, to be used to construct the lateral sewer lines. The Utility indicated that an increase in rates would be necessary to finance the additional borrowing. (See August 23, 2000).

5. On September 21, 2000, Staff recommended that the Commission grant the Utility's requested waiver of Sewer Rule 5.2.2, to permit the District to own the sewer laterals; approve the modified project and approve the proposed financing. (See September 21, 2000 Staff recommendation).

6. By Commission Order of September 27, 2000, the Commission authorized the Utility to charge its approved rates for customers who have been connected to the system. The Commission required the Utility to publish notice of Staff's proposed rates and referred the matter to the Division of Administrative Law Judges. (See Commission Order).

7. On October 25, 2000, the Utility pointed out that its most recently approved tariff omitted a $25 reconnection charge which had been present in all of the Utility's prior tariffs. The Utility moved that the $25 reconnection charge be re-added to its tariff. (See October 25, 2000 filing).

8. No protests have been filed to the new proposed rates of the Utility. (See file generally).

CONCLUSIONS OF LAW

1. The rates as published by the Utility should be approved for immediate use by the Utility with one addition. The Utility's traditional $25 reconnection charge should be restored to its tariff.

2. The Utility's modification of the project to allow it to replace and own the service laterals should be approved.

3. The Utility's additional funding in the amount of $400,000 from the SRF for 30 years at 0% interest should be approved.

4. The Utility should be granted a waiver of Sewer Rule 5.2.2 in order for it to replace and own the service laterals.

ORDER

IT IS, THEREFORE, ORDERED that the attached tariff be, and hereby is, approved for use by the Utility immediately for all of its customers who have been connected to the system.

IT IS FURTHER ORDERED that, within thirty (30) days of the date of this order, the Utility shall file with the Commission an original and five copies of a revised tariff setting forth the new rates and charges approved by this Recommended Decision.

IT IS FURTHER ORDERED that the Utility's additional financing of $400,000 from the West Virginia State Revolving Fund for 30 years at 0% interest be, and hereby is, approved.

IT IS FURTHER ORDERED that the Utility's modification to the project of replacing and owning the service laterals be, and hereby is, approved.

IT IS FURTHER ORDERED that the Utility be, and hereby is, granted a waiver of Sewer Rule 5.2.2 to allow it to construct, own and operate the service laterals.

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.

K. A. George

Keith A. George
Administrative Law Judge

KAG:mal
980474ad.wpd

GREATER MARION PUBLIC SERVICE DISTRICT
CASE NO. 98-0474-PSD-CN
APPROVED RATES

APPLICABILITY

Applicable in entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATES

First	5,000 gallons	$7.18 per 1,000 gallons
Next	15,000 gallons	$6.63 per 1,000 gallons
Next	30,000 gallons	$6.08 per 1,000 gallons
Next	30,000 gallons	$5.53 per 1,000 gallons

MINIMUM MONTHLY BILL

$21.54 for 3,000 gallons

TAP FEE

$300.00

RECONNECTION CHARGE

$25.00 per turn-off reconnection

DELAYED PAYMENT PENALTY

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

INCREMENTAL COST OF WATER PRODUCED

$1.80 per M gallons. To be charged for all water billed in excess of the customer's historical usage when the bill reflects unusual consumption which is attributed to eligible leakage on the customer's side of the meter.

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE SURFACE DRAINAGE IS CONNECTED TO THE DISTRICT'S SANITARY SYSTEM

APPLICABILITY

Wherever the District has discovered that a customer's roof drain, downspout, storm sewer or similar facilities conducting surface water have been connected to the District's sewer system and such a customer has failed to take appropriate action within thirty (30) days of receipt of a demand by the District in accordance with the Rules and Regulations of the Public Service Commission to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

Public Service Commission
of West Virginia
Charleston

S = A x R x .006233 x C
S - the surcharge in dollars
A - the area under roof and/or the area of any other water collecting surface connected to the sanitary sewer, in square feet.
R - the measured monthly rainfall in inches.
.006233 - a conversion factor to change inches of rain x square feet of surface to thousand of gallons of water
C - the District's approved rate per thousand gallons of metered water usage

The District shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system. The surcharge shall be calculated and imposed for each month the condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

West Virginia Infrastructure & Jobs Development Council

Public Members:
James D. Williams, Chairman
St. Albans
William J. Harman, PE, Vice Chairman
Grafton
Dwight Calhoun
Petersburg
Tim Rutledge
Gilbert

980 One Valley Square
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Katy Mallory, PE
Executive Secretary

Kmallory@ezwv.com

August 4, 2000

Ms. Theresa Efaw, Chairperson
Greater Marion Public Service District
Box 15
Idamay, West Virginia 26576

Re: Binding Commitment Letter Revision
Wastewater Collection System Project 97S-321

Dear Ms. Efaw:

Reference is hereby made to that Binding Commitment Letter to Greater Marion Public Servcie District (the "District") dated December 19, 1997, from the West Virginia Infrastructure and Jobs Development Council (the "Council") related to funding the District's proposed wastewater collection system project to serve approximately 244 new customers (the "Project"). The Council has reviewed the District's request for revised funding, specifically to permit the District to pursue an additional loan of $400,000 from the Clean Water State Revolving Fund. Upon consideration of the District's request, the Council, at its August 2, 2000 meeting, agreed to revise the previous funding as requested. A revised Schedule A is attached.

Please contact the Division of Environmental Protection (the "DEP") at 558-0641 for specific inforamtion on the steps the District needs to follow to apply for this funding. **Please note that this letter does <u>not</u> constitute funding approval from the DEP.**

Except as expressly amended by this letter, the terms and conditions of the original Binding Commitment shall remain unchanged and in full force and effect.

Please evidence your acceptance of this amendment by executing two originals of this letter and returning one to the Council at the above address and one to the Water Development Authority at 180 Association Drive, Charelston, WV 25311-1571.

OCT-11 00 10:48 FROM:WV INFRASTRUCTURE CO 304-558-4609 TO:304 624 8183 PAGE:02

If the District has any questions regarding this commitment, please contact Katy Mallory at 558-4607.

Sincerely,

James D. Williams

JDW/rc
Attachments

cc: J. Michael Johnson, PE, DEP
Kenneth P. Moran, PE, Thrasher
Debbie Legg, WVDO

NOTE: This letter is sent in triplicate. Please acknowledge the District's acceptance of this amendment and return two copies as instructed.

Greater Marion Public Service District

By: _____

Its: _____

Date: 9-7-00

OCT-11 00 10:48 FROM:WV INFRASTRUCTURE CO 304-558-4609 TO:304 624 8183 PAGE:03

WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL

Greater Marion PSD
Wastewater Collection System Project
97S-321
August 4, 2000

SCHEDULE A - REVISED

A. Approximate Amount: $1,700,000 - Loan

B. Loan:

1.	Interest Rate:	0%
2.	Maturity Date:	40 years from the date of loan closing
3.	Loan Advancement Date(s)	Monthly, upon receipt of proper requisition, and after complete advancement of all other funding except for the Infrastructure Fund grant
4.	Debt Service Commencement Date:	The quarter following completion of construction, which date must be identified prior to loan closing.
5.	Special Conditions (if any)	None

C. Other Funding Sources:

1.	Clean Water State Revolving Fund Loan	$ 400,000 - Original $ 400,000 - Additional Loan (30 years, .5%)
2.	Small Cities Block Grant	$1,250,000

Total Project Cost $ 3,750,000

D. Proposed User rates:

Average: $32.31 / 4500 gallons

GREATER MARION PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 2000 (West Virginia SRF Program)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this 11th day of December, 2000, 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 Greater Marion Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), of the Issuer, in the principal amount of $400,000, numbered R-1 (the "Bonds"), issued as a single, fully registered Bond, and dated December 11, 2000.

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

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of $72,935, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced by the Authority and the West Virginia Division of Environmental Protection to the Issuer as acquisition and construction of the Project progresses.

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Authorized Representative

GREATER MARION PUBLIC SERVICE DISTRICT

Chairman

11/13/00
439080/00001

GREATER MARION PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 2000 (West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

Branch Banking and Trust Company
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

On this 11th day of December, 2000, there are delivered to you herewith:

(1) Bond No. R-1, constituting the entire original issue of Greater Marion Public Service District Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), in the principal amount of $400,000, dated December 11, 2000 (the "Bonds"), executed by the Chairman and Secretary of Greater Marion Public Service District (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Resolution duly adopted by the Issuer on December 7, 2000, and a Supplemental Resolution duly adopted by the Issuer on December 7, 2000 (collectively, the "Bond Legislation");

(2) A copy of the Bond Legislation authorizing the above-captioned Bonds, duly certified by the Secretary of the Issuer;

(3) Executed counterparts of a bond purchase agreement for the Bonds, dated November 21, 2000, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP") (the "Bond Purchase Agreement"); and

(4) An executed opinion of nationally recognized bond counsel regarding the validity of the Bond Purchase Agreement and the Bonds.

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of $72,935, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

GREATER MARION PUBLIC SERVICE DISTRICT

Chairman

11/14/00
439080/00001

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
GREATER MARION PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2000
(WEST VIRGINIA SRF PROGRAM)

No. R-1 $400,000

KNOW ALL MEN BY THESE PRESENTS: That GREATER MARION PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Marion 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 FOUR HUNDRED THOUSAND DOLLARS ($400,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2001, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2001, as set forth on said EXHIBIT B.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Division of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated November 21, 2000.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public sewerage facilities of the Issuer, the Project and any further improvements and extensions thereto are herein called the "System." This Bond is issued under the

authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on December 7, 2000, and a Supplemental Resolution duly adopted by the Issuer on December 7, 2000 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (1) SEWER REVENUE BONDS, SERIES 1999 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 23, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $400,000 (THE "SERIES 1999 A BONDS"); AND (2) SEWER REVENUE BONDS, SERIES 1999 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JUNE 23, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,700,000 (THE "SERIES 1999 B BONDS"). THE SERIES 1999 A BONDS AND THE SERIES 1999 B BONDS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS".

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, unexpended proceeds of the Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2000 Bonds Reserve Account"). Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute 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, if any, hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2000 Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2000 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations

outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, GREATER MARION PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated December 11, 2000.

[SEAL]

SPECIMEN

Chairman

ATTEST:

SPECIMEN

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000 Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: December 11, 2000.

BRANCH BANKING AND TRUST COMPANY,
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$72,935	12/11/00	(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $_____

EXHIBIT B

Greater Marion Public Service District (West Virginia)

Loan of $400,000
30 Years, 0% Interest Rate, 0.5% Administrative Fee
Closing Date: December 11, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2001	-	-	-
6/01/2001	-	-	-
9/01/2001	-	-	-
12/01/2001	3,334.00	-	3,334.00
3/01/2002	3,334.00	-	3,334.00
6/01/2002	3,334.00	-	3,334.00
9/01/2002	3,334.00	-	3,334.00
12/01/2002	3,334.00	-	3,334.00
3/01/2003	3,334.00	-	3,334.00
6/01/2003	3,334.00	-	3,334.00
9/01/2003	3,334.00	-	3,334.00
12/01/2003	3,334.00	-	3,334.00
3/01/2004	3,334.00	-	3,334.00
6/01/2004	3,334.00	-	3,334.00
9/01/2004	3,334.00	-	3,334.00
12/01/2004	3,334.00	-	3,334.00
3/01/2005	3,334.00	-	3,334.00
6/01/2005	3,334.00	-	3,334.00
9/01/2005	3,334.00	-	3,334.00
12/01/2005	3,334.00	-	3,334.00
3/01/2006	3,334.00	-	3,334.00
6/01/2006	3,334.00	-	3,334.00
9/01/2006	3,334.00	-	3,334.00
12/01/2006	3,334.00	-	3,334.00
3/01/2007	3,334.00	-	3,334.00
6/01/2007	3,334.00	-	3,334.00
9/01/2007	3,334.00	-	3,334.00
12/01/2007	3,334.00	-	3,334.00
3/01/2008	3,334.00	-	3,334.00
6/01/2008	3,334.00	-	3,334.00
9/01/2008	3,334.00	-	3,334.00
12/01/2008	3,334.00	-	3,334.00
3/01/2009	3,334.00	-	3,334.00
6/01/2009	3,334.00	-	3,334.00
9/01/2009	3,334.00	-	3,334.00
12/01/2009	3,334.00	-	3,334.00
3/01/2010	3,334.00	-	3,334.00
6/01/2010	3,334.00	-	3,334.00
9/01/2010	3,334.00	-	3,334.00
12/01/2010	3,334.00	-	3,334.00
3/01/2011	3,334.00	-	3,334.00
6/01/2011	3,334.00	-	3,334.00
9/01/2011	3,334.00	-	3,334.00
12/01/2011	3,333.00	-	3,333.00
3/01/2012	3,333.00	-	3,333.00
6/01/2012	3,333.00	-	3,333.00

Greater Marion Public Service District (West Virginia)

Loan of $400,000
30 Years, 0% Interest Rate, 0.5% Administrative Fee
Closing Date: December 11, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2012	3,333.00	-	3,333.00
12/01/2012	3,333.00	-	3,333.00
3/01/2013	3,333.00	-	3,333.00
6/01/2013	3,333.00	-	3,333.00
9/01/2013	3,333.00	-	3,333.00
12/01/2013	3,333.00	-	3,333.00
3/01/2014	3,333.00	-	3,333.00
6/01/2014	3,333.00	-	3,333.00
9/01/2014	3,333.00	-	3,333.00
12/01/2014	3,333.00	-	3,333.00
3/01/2015	3,333.00	-	3,333.00
6/01/2015	3,333.00	-	3,333.00
9/01/2015	3,333.00	-	3,333.00
12/01/2015	3,333.00	-	3,333.00
3/01/2016	3,333.00	-	3,333.00
6/01/2016	3,333.00	-	3,333.00
9/01/2016	3,333.00	-	3,333.00
12/01/2016	3,333.00	-	3,333.00
3/01/2017	3,333.00	-	3,333.00
6/01/2017	3,333.00	-	3,333.00
9/01/2017	3,333.00	-	3,333.00
12/01/2017	3,333.00	-	3,333.00
3/01/2018	3,333.00	-	3,333.00
6/01/2018	3,333.00	-	3,333.00
9/01/2018	3,333.00	-	3,333.00
12/01/2018	3,333.00	-	3,333.00
3/01/2019	3,333.00	-	3,333.00
6/01/2019	3,333.00	-	3,333.00
9/01/2019	3,333.00	-	3,333.00
12/01/2019	3,333.00	-	3,333.00
3/01/2020	3,333.00	-	3,333.00
6/01/2020	3,333.00	-	3,333.00
9/01/2020	3,333.00	-	3,333.00
12/01/2020	3,333.00	-	3,333.00
3/01/2021	3,333.00	-	3,333.00
6/01/2021	3,333.00	-	3,333.00
9/01/2021	3,333.00	-	3,333.00
12/01/2021	3,333.00	-	3,333.00
3/01/2022	3,333.00	-	3,333.00
6/01/2022	3,333.00	-	3,333.00
9/01/2022	3,333.00	-	3,333.00
12/01/2022	3,333.00	-	3,333.00
3/01/2023	3,333.00	-	3,333.00
6/01/2023	3,333.00	-	3,333.00
9/01/2023	3,333.00	-	3,333.00
12/01/2023	3,333.00	-	3,333.00

Greater Marion Public Service District (West Virginia)

Loan of $400,000
30 Years, 0% Interest Rate, 0.5% Administrative Fee
Closing Date: December 11, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2024	3,333.00	-	3,333.00
6/01/2024	3,333.00	-	3,333.00
9/01/2024	3,333.00	-	3,333.00
12/01/2024	3,333.00	-	3,333.00
3/01/2025	3,333.00	-	3,333.00
6/01/2025	3,333.00	-	3,333.00
9/01/2025	3,333.00	-	3,333.00
12/01/2025	3,333.00	-	3,333.00
3/01/2026	3,333.00	-	3,333.00
6/01/2026	3,333.00	-	3,333.00
9/01/2026	3,333.00	-	3,333.00
12/01/2026	3,333.00	-	3,333.00
3/01/2027	3,333.00	-	3,333.00
6/01/2027	3,333.00	-	3,333.00
9/01/2027	3,333.00	-	3,333.00
12/01/2027	3,333.00	-	3,333.00
3/01/2028	3,333.00	-	3,333.00
6/01/2028	3,333.00	-	3,333.00
9/01/2028	3,333.00	-	3,333.00
12/01/2028	3,333.00	-	3,333.00
3/01/2029	3,333.00	-	3,333.00
6/01/2029	3,333.00	-	3,333.00
9/01/2029	3,333.00	-	3,333.00
12/01/2029	3,333.00	-	3,333.00
3/01/2030	3,333.00	-	3,333.00
6/01/2030	3,333.00	-	3,333.00
9/01/2030	3,333.00	-	3,333.00
12/01/2030	3,333.00	-	3,333.00
3/01/2031	3,333.00	-	3,333.00
6/01/2031	3,333.00	-	3,333.00
9/01/2031	3,333.00	-	3,333.00
Total	400,000.00	-	400,000.00 *

*Plus $252.08 one-half percent administrative fee paid quarterly.
Total fee paid over the life of the loan is $30,249.60.

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code: 3 Maturity date (if any): 2031

1 Debtor(s) (Last Name First) and address(es)	2 Secured Party(ies) and address(es)	For Filing Officer (Date, Time, Number and Filing Office)
Greater Marion Public Service District Post Office Box 15 Idamay, West Virginia 26576	West Virginia Water Development Authority 180 Association Drive Charleston, WV 25311	Attachment 0551717

4 This financing statement covers the following types (or items) of property:

- See Schedule I attached hereto and made a part hereof.

00 DEC 11 PM 2:58
WV SEC. OF STATE
FILED

ASSIGNEE OF SECURED PARTY

Check ☒ if covered: ☒ Proceeds of Collateral are also covered ☒ Products of Collateral are also covered No. of additional Sheets presented:

Filed with: Secretary of State of the State of West Virginia

~~Greater Marion Public Service District~~
By Theresa Pace
Signature(s) of Debtor(s)
It's Chairman

~~W. V. Water Development Authority~~
By
Signature(s) of Secured Party(ies)
Director

2 FILING OFFICER COPY - NUMERICAL

SCHEDULE I
TO GREATER MARION PUBLIC SERVICE DISTRICT FINANCING STATEMENT

All Net Revenues from the System; the System; all funds in the Revenue Fund, the Renewal and Replacement Fund, the Series 2000 Bonds Construction Trust Fund, the Series 2000 Bonds Sinking Fund; the Series 2000 Bonds Reserve Account; and all funds therein deposited from time to time; and all proceeds of the foregoing.

For the purposes of this financing statement, these terms are defined as follows:

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

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund created by the Prior Resolution and continued hereby.

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

"Series 2000 Bonds Construction Trust Fund" means the Series 2000 Bonds Construction Trust Fund established by Section 5.01 of the Bond Resolution as described below.

"Series 2000 Bonds Reserve Account" means the Series 2000 Bonds Reserve Account established by Section 5.02 of the Bond Resolution as described below.

"Series 2000 Bonds Sinking Fund" means the Series 2000 Bond Sinking Fund established by Section 5.02 of the Bond Resolution as described below.

"System" means the complete properties of the Issuer for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired for the System from any sources whatsoever.

Other terms used in this Schedule I and not defined herein shall have the meanings ascribed to them in the Bond Resolution authorizing the Greater Marion Public Service District Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), a copy of which is on file and may be inspected at the office of the Secured Party indicated above.

11/14/00
439080/00001

GREATER MARION PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 2000 (West Virginia SRF Program)

CERTIFICATE OF FILING OF
FINANCING STATEMENT - SECRETARY OF STATE

I, KEN HECHLER, Secretary of State of the State of West Virginia, hereby certify that on Dec. 11, 2000, at the hour set forth below, there was filed in my office:

(1) A FINANCING STATEMENT between the Greater Marion Public Service District, as debtor, and West Virginia Water Development Authority, as secured party, filed at the hour of 2:58 p.m. as Financing Statement No. 055717.

[SEAL]

Ken Hechler

Secretary of State of the State of West Virginia

11/14/00
439080/00001

CL648338.1

STEPTOE & JOHNSON

ATTORNEYS AT LAW

BANK ONE CENTER

SIXTH FLOOR

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

FACSIMILE (304) 624-8183

BANK ONE CENTER, SEVENTH FLOOR
P. O. BOX 1588
CHARLESTON, W. VA. 25326-1588
(304) 353-8000
FACSIMILE (304) 353-8180

1000 HAMPTON CENTER
P. O. BOX 1616
MORGANTOWN, W. VA. 26507-1616
(304) 598-8000
FACSIMILE (304) 598-8116

126 EAST BURKE STREET
P. O. BOX 2629
MARTINSBURG, W. VA. 25402-2629
(304) 263-6991
FACSIMILE (304) 262-3541

RILEY BUILDING, FOURTH FLOOR
14TH AND CHAPLINE STREETS
P. O. BOX 150
WHEELING, W. VA. 26003-0020
(304) 233-0000
FACSIMILE (304) 233-0014

THE RIVERS OFFICE PARK
200 STAR AVENUE, SUITE 220
P. O. BOX 628
PARKERSBURG, W. VA. 26102-0628
(304) 422-6463
FACSIMILE (304) 422-6462

ALAN B. MOLLOHAN INNOVATION CENTER
1000 TECHNOLOGY DRIVE
SUITE 2210
FAIRMONT, W. VA. 26554-8824
(304) 368-8000
FACSIMILE (304) 368-8413

WRITER'S DIRECT DIAL NUMBER

December 11, 2000

Greater Marion Public Service District
Sewer Revenue Bonds,
Series 2000 A (West Virginia SRF Program)

Greater Marion Public Service District
Idamay, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Division of
Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Greater Marion Public Service District (the "Issuer"), a public service district, public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $400,000 Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a bond purchase agreement dated November 21, 2000, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2001, and ending September 1, 2031, all as set forth in the "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and

Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on December 7, 2000, as supplemented by a Supplemental Resolution duly adopted by the Issuer on December 7, 2000 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Bond Purchase Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Bond Purchase Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Bond Purchase Agreement when used herein.

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

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

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

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

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program) and Series 1999 B (West Virginia Infrastructure Fund), issued in the respective original aggregate principal amounts of $400,000 and $1,700,000, all in accordance with the terms of the Bonds and the Bond Legislation.

5. The Bonds are, under the Act, exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Bonds, if any, is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

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

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Bond Purchase Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion and the application of equitable remedies in appropriate cases.

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

Very truly yours,

Steptoe & Johnson

STEPTOE & JOHNSON

11/14/00
439080/00001

LAW OFFICES
WATERS, WARNER & HARRIS, PLLC

BOYD L. WARNER
JAMES A. HARRIS
SCOTT E. WILSON
JAMES C. TURNER
G. THOMAS SMITH
D. ANDREW McMUNN
DAVID C. GLOVER

OF COUNSEL
STUART R. WATERS

701 GOFF BUILDING
P. O. BOX 1716
CLARKSBURG, WEST VIRGINIA 26302-1716

TELEPHONE (304) 624-5571
TELECOPIER (304) 624-7228
E-MAIL wwh.atty@citynet.net

December 7, 2000

Greater Marion Public Service District
Sewer Revenue Bonds,
Series 2000 (West Virginia SRF Program)

Greater Marion Public Service District
Idamay, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Division of
Environmental Protection
Charleston, West Virginia

Steptoe & Johnson
Clarksburg, West Virginia

Ladies and Gentlemen:

We are counsel to Greater Marion Public Service District, a public service district, in Marion County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinions of Steptoe & Johnson, as bond counsel, a bond purchase agreement for the Bonds dated November 21, 2000, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection ("DEP") (the "Bond Purchase Agreement"), the Bond Resolution duly adopted by the Issuer on December 7, 2000, as supplemented by the Supplemental Resolution duly adopted by the Issuer on December 7, 2000 (collectively, the "Bond Legislation"), orders of The County Commission of Marion County relating to the Issuer and the appointment of members of the Public Service Board of the Issuer, and other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer (collectively, the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Bond Purchase Agreement when used herein.

We are of the opinion that:

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

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

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

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

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

6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders, certificates and approvals from The County Commission of Marion County, the DEP, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The Issuer has received the Final Orders of the Public Service Commission of West Virginia entered on March 29, 1999, and November 19, 2000, respectively, and the Commission Order entered September 27, 2000, in Case No. 98-0474-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 entered March 29, 1999, and the Commission Order entered September 27, 2000, has expired prior to the date hereof without any appeal. The time for appeal of the Final Order entered November 19, 2000, has not expired prior to the date hereof. However, the parties to such Final Order have stated that they do not intend to appeal such Final Order. Such Final Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to original application.

7. The Issuer has duly published a notice of the acquisition and construction of the Project, the issuance of the Bonds and related matters, as required under Chapter 16, Article 13A,

Section 25 of the West Virginia Code of 1931, as amended, and has duly complied with the provisions thereof.

8. To the best of our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bond Purchase Agreement, the Bond Legislation, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds or the collection or pledge of the Net Revenues therefor.

9. We have ascertained that all successful bidders have made the required provisions for all insurance and payment and performance bonds and verified such insurance policies and bonds for accuracy. Based upon our review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, we are of the opinion that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the Bond Purchase 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,

David C. Stewart

WATERS, WARNER & HARRIS, PLLC

LAW OFFICES
WATERS, WARNER & HARRIS, PLLC

BOYD L. WARNER
JAMES A. HARRIS
SCOTT E. WILSON
JAMES C. TURNER
G. THOMAS SMITH
D. ANDREW McMUNN
DAVID C. GLOVER

OF COUNSEL
STUART R. WATERS

701 GOFF BUILDING
P. O. BOX 1716
CLARKSBURG, WEST VIRGINIA 26302-1716

TELEPHONE (304) 624-5571
TELECOPIER (304) 624-7228
E-MAIL wwh.atty@citynet.net

December 7, 2000

West Virginia Division of Environmental Protection
617 ½ Leon Sullivan Way
Charleston, WV 25301

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

Re: Greater Marion Waste Water Collection
System Project No. 975-321

Ladies and Gentlemen:

This firm represents the Greater Marion Public Service District (hereinafter "District") with regard to the above-referenced Project, and provides this title opinion on behalf of the District to satisfy the requirements of the West Virginia Division of Environmental Protection (hereafter "DEP") with regard to the additional $400,000.00 financing proposed for the Project. As such, please be advised of the following:

1. I am of the opinion that Greater Marion Public Service 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 and the Public Service Commission of West Virginia.

2. The Greater Marion Public Service District has obtained all necessary permits and approvals for the construction of the projects.

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, with respect to the customer lateral service lines required for the Project as set forth in the plan for the Project prepared by Thrasher Engineering, Inc., the consulting engineers for the Project.

4. We have examined the records on file in the Office of the Clerk of the County Commission of Marion County, West Virginia, the county in which the Project is to be located, and in our opinion, the District has acquired legal title or such other estate or interest in all the necessary site components for the Project, including the easements and/or rights of way for the customer lateral service lines which have been acquired to date, which total approximately eighty-seven percent (87%).

5. All deeds or other documents which have been acquired to date by Greater Marion Public Service District, with respect to the customer lateral service lines, have or will be duly recorded in the aforesaid Clerk's office in order to protect the title of the owner and interest of the District.

If you should have any questions regarding this matter or any of the information contained in this letter, please do not hesitate to contact me.

Very truly yours,

David C. Glover

DCG/flr

cc: Samme L. Gee, Esquire
Vincent A. Collins, Esquire
Francesca Tan, Esquire
Katy Mallory, P. E.
Lea Wolfe
Theresa Efaw
Ken Moran

GREATER MARION PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 2000 (West Virginia SRF Program)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Greater Marion Public Service District in Marion County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify in connection with the Issuer's Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), dated the date hereof (the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Resolution of the Issuer duly adopted December 7, 2000, and the Supplemental Resolution duly adopted December 7, 2000 (collectively, the "Bond Legislation").

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

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

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

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2000 Bonds as to liens, pledge and source of and security for payment, being the (1) Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated June 23, 1999, issued in the original aggregate principal amount of $400,000 (the "Series 1999 A Bonds"); and (2) Sewer Revenue Bonds, Series 1999 B (West Virginia Infrastructure Fund), dated June 23, 1999, issued in the original aggregate principal amount of $1,700,000 (the "Series 1999 B Bonds"); The Series 1999 A Bonds and the Series 1999 B Bonds are hereinafter collectively referred to as the "Prior Bonds."

The Series 2000 Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has obtained a certificate of an Independent Certified Public Accountant stating that the parity tests of the Prior Bonds are met and the written consent of the Holders of the Prior Bonds to the issuance of the Series 2000 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no Outstanding bonds or obligations of the Issuer which are

secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Resolutions.

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

Bond Resolution

Supplemental Resolution

Bond Purchase Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

County Commission Orders Creating, Enlarging and Changing Name of District and Public Service Commission Order relating thereto

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Affidavit of Publication on Borrowing

Minutes of Current Year Organizational Meeting

Minutes on Adoption of Bond Resolution and Supplemental Resolution

NPDES Permit

Transmission and Treatment Agreement with Town of Worthington

Operation and Maintenance Agreement with Town of Worthington

Meter Reading Agreement with Town of Monongah

Water Service Termination Agreement with Town of Monongah

Series 1999 A and Series 199 B Bonds Resolution and Supplemental Resolution

Consent of Prior Bondholders

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Greater Marion Public Service District." The Issuer is a public service district and public corporation duly created by The County Commission of Marion County and presently existing under the laws of, and a public corporation and political subdivision of, the State of West Virginia. The governing body of the Issuer is its Public Service Board consisting of 3 duly appointed, qualified and acting members whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
Theresa Efaw	October 25, 1995	July 1, 2001
Blanche Golden	September 29, 1997	July 1, 2003
Sam Rizzo	July 1, 1999	July 1, 2005

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 2000 are as follows:

Chairperson	-	Theresa Efaw
Secretary	-	Sam Rizzo
Treasurer	-	Blanche Golden

The duly appointed and acting counsel to the Issuer is Waters, Warner & Harris, PLLC, in Clarksburg, West Virginia.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition and construction of the Project and the operation and maintenance of the System have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds.

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

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. All insurance for the System required by the Bond Legislation and Bond Purchase Agreement is in full force and effect.

10. BOND PURCHASE AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Bond Purchase Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Bond Purchase 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 Bond Purchase 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 Bond Purchase Agreement not misleading; and (iv) the Issuer is in compliance with all covenants, terms and representations in the Bond Purchase Agreement.

11. RATES: The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on November 19, 2000, in Case No. 98-0474-PSD-CN (Reopened), approving the rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. The time for appeal of such Order has not expired prior to the date hereof. However, the Issuer hereby states that it will not appeal such Order and the other parties to such Order have stated that they do not intend to appeal such Order. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to original application. Such rates and charges will become effective upon completion of the Project.

12. PUBLIC SERVICE COMMISSION ORDERS: The Issuer has received the Final Orders entered March 29, 1999 and November 19, 2000, respectively, and the Commission Order entered September 27, 2000, of the Public Service Commission of

West Virginia, in Case No. 98-0474-PSD-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Final Order entered March 29, 1999, and the Commission Order entered September 27, 2000, has expired prior to the date hereof without any appeal. The time for appeal of the Final Order entered November 19, 2000, has not expired prior to the date hereof. However, the Issuer hereby states that it will not appeal such Final Order and the other parties to such Final Order have stated that they do not intend to appeal such Final Order. Such Final Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to original application.

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

14. BOND PROCEEDS: On the date hereof, the Issuer received $72,935 from the Authority and the DEP, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

15. PUBLICATION OF NOTICE OF BORROWING AND 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, the issuance of the Bonds and 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.

16. SPECIMEN BOND: Delivered concurrently herewith is a true and accurate specimen of the Bonds.

17. 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 Bonds, the Bond Legislation and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

18. CLEAN WATER ACT: The Project as described in the Bond Resolution complies with Sections 208 and 303(e) of the Clean Water Act.

19. 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.

WITNESS our signatures and the official seal of GREATER MARION PUBLIC SERVICE DISTRICT on this 11th day of December, 2000.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
Theresa Efaw	Chairman
Samuel J Rizzo	Secretary
David C. Slaw	Counsel to Issuer

11/15/00
439080/00001

CL648502.1

GREATER MARION PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 2000 (West Virginia SRF Program)

CERTIFICATE OF ENGINEER

I, H. Wood Thrasher, Registered Professional Engineer, West Virginia License No. 9478, of Thrasher Engineering, Inc., in Clarksburg, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain improvements and extensions (the "Project") to the existing public sewerage facilities (the "System") of Greater Marion Public Service District (the "Issuer"), to be constructed primarily in Marion County, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on December 7, 2000 and the Bond Purchase Agreement, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP"), dated November 21, 2000.

2. The Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; and (ii) paying costs of issuance and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and any change orders approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 35 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 Schedule A attached hereto as Exhibit A and in reliance upon the opinion of the Issuer's counsel, Waters, Warner & Harris, PLLC, of even date herewith, all successful bidders have made required provisions for all insurance and payment and

performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has 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; (ix) in reliance upon the certificate of the Issuer's certified public accountant, Gary K. Bennett, CPA, as of the effective date thereof, the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Bond Purchase Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this 11th day of December, 2000.

THRASHER ENGINEERING, INC.

(SEAL)

H. Wood Thrasher, P.E.
West Virginia License No. 9478

11/14/00
439080/00001

SCHEDULE A

NAME OF GOVERNMENTAL AGENCY: Greater Marion Public Service District

ESTIMATED TOTAL COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCING

A. Cost of Project

1.	Construction	$ 305,040	
2.	Technical Services	$	
3.	Legal and Fiscal	$ 15,000	
4.	Administrative	$	
* 5.	Site and Other Lands	$	
** 6.	Fac. Plan/Design or Other Loan Repayment (Specify Type: _____)	$	
7.	Interim Financing Costs	$ 49,960	
8.	Contingency	$ 21,500	
9.	Total of Lines 1 Through 8		$ 391,500

B. Sources of Funds

10.	Federal Grants:[1] _____	$	
	(Specify Sources) _____	$	
11.	State Grants:[1] _____	$	
	(Specify Sources) _____	$	
12.	Other Grants:[1] _____	$	
	(Specify Sources) _____	$	
13.	Any Other Source[2] _____	$	
	(Specify) _____	$	
14.	Total of Lines 10 Through 13		$ 0
15.	Net Proceeds Required from Bond Issue (Line 9 minus Line 14)		$ 391,500

C. Cost of Financing

16.	Capitalized Interest (Construction period plus six months)	$	
17.	Funded Reserve Account:[3]	$	
18.	Other Costs:[4]	$ 8,500	
		$	
19.	Total Cost of Financing (lines 16 - 18)	$ 8,500	
20.	Size of Bond Issue (Line 15 plus Line 19)		$ 400,000

* not allowable for State Revolving Fund Assistance

** WDA loans are not allowable

Signature of Applicant

Date 11-16-00

Signature of Consulting Engineer

Date 11/16/00

GARY K. BENNETT

Certified Public Accountant

317 Cleveland Avenue
Fairmont, WV 26554
Telephone (304) 366-4295
Fax (304) 366-4311

December 11, 2000

Greater Marion Public Service District
Sewer Revenue Bonds,
Series 2000 (West Virginia SRF Program)

Greater Marion Public Service District
Idamay, WV

West Virginia Water Development Authority
Charleston, WV

West Virginia Division of Environmental Protection
Charleston, WV

Ladies and Gentlemen:

Based upon the sewer rates and charges set forth in the Final Order of the Public Service Commission of West Virginia in Case No. 98-0474-PDS-CN (Reopened), entered November 8, 2000, and projected operation and maintenance expenses and anticipated customer usage as furnished to me by Thrasher Engineering, Inc., it is my opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system of the Issuer (the "System"), will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program) (the "Bonds"), to be issued in the original aggregate principal amount of $400,000 to the West Virginia Water Development Authority on the date hereof, and all other obligations secured by or payable from the revenues of the system, on a parity with the Bonds, including the Issuer's Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program) and Series 1999 B (West Virginia Infrastructure Fund) (collectively, the "Prior Bonds"). It is my further opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three succeeding years after the completion of the improvements to be financed by the Bonds, will not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for principal of and interest and the Bonds and the Prior Bonds.

Very truly yours,

Gary K. Bennett
Certified Public Accountant

GREATER MARION PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 2000 (West Virginia SRF Program)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Chairman of the Public Service Board of Greater Marion Public Service District in Marion County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $400,000 Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), of the Issuer, dated December 11, 2000 (the "Bonds" or the "Series 2000 Bonds"), hereby certify as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Resolution duly adopted by the Issuer on December 7, 2000 (the "Bond Resolution"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on December 11, 2000, the date on which the Bonds are being physically delivered in exchange for an initial advance of $72,935 being a portion of the principal amount of the Series 2000 Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Series 2000 Bonds were sold on December 11, 2000, to the Authority, pursuant to a bond purchase agreement dated November 21, 2000, by and among the Issuer, the Authority and the DEP, for an aggregate purchase price of $400,000 (100% of par), at which time, the Issuer received $72,935 from the Authority and the DEP, being the first advance of the principal amount of the Series 2000 Bonds. No accrued interest has been or will be paid on the Series 2000 Bonds. The balance of the principal amount of the Series 2000 Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2000 Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds constituting capitalized interest, if any, and proceeds deposited in the Reserve Account for the Bonds, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before June 1, 2001. The acquisition and construction of the Project is expected to be completed by August 1, 2001.

8. The total cost of the Project financed from the proceeds of the Bonds described below is estimated at $400,000. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 1999 A Bonds	$ 400,000
Proceeds of the Series 1999 B Bonds	1,700,000
Proceeds of Small Cities Block Grant	1,250,000
Proceeds of the Series 2000 Bonds	400,000
Total Sources	$3,750,000

USES

Costs of Acquisition and Construction of the Project	$3,674,290
Fund Series 1999 Bonds Reserve Accounts	-0-
Fund Series 2000 Bonds Reserve Account	-0-
Capitalized Interest on the Bonds	-0-
Pay off County Commission Loan	49,960
Costs of Issuance of Series 1999 Bonds	17,250
Costs of Issuance of Series 2000 Bonds	8,500
Total Uses	$3,750,000

11. Pursuant to Article V of the Bond Resolution, the following special funds or accounts have been created or continued relative to the Series 2000 Bonds:

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Series 2000 Bonds Construction Trust Fund;

(4) Series 1999 A Bonds Sinking Fund;

(5) Within the Series 1999 A Bonds Sinking Fund, the Series 1999 A Bonds Reserve Account;

(6) Series 1999 B Bonds Sinking Fund;

(7) Within the Series 1999 B Bonds Sinking Fund, the Series 1999 B Bonds Reserve Account;

(8) Series 2000 Bonds Sinking Fund;

(9) Within the Series 2000 Bonds Sinking Fund, the Series 2000 Bonds Reserve Account;

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

(1) Series 2000 Bond proceeds in the amount of $-0- will be deposited in the Series 2000 Bonds Sinking Fund as

capitalized interest and applied to payment of interest on the Series 2000 Bonds during acquisition and construction of the Project and for a period not to exceed six months following completion thereof.

(2) Series 2000 Bonds proceeds in the amount of $-0- will be deposited in the Series 2000 Bonds Reserve Account.

(3) The balance of the proceeds of the Series 2000 Bonds will be deposited in the Series 2000 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 2000 Bonds and related costs.

13. Moneys held in the Series 2000 Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2000 Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 2000 Bonds Sinking Fund and Series 2000 Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2000 Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Resolution.

14. 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 7 months of the date hereof.

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

16. With the exception of the amount deposited in the Series 2000 Bonds Sinking Fund for payment of interest, if any, on the Bonds and the amount deposited in the Series 2000 Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 9 months from the date of issuance thereof.

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

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

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

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

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

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

23. The Bonds are not federally guaranteed.

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

25. The Issuer has either (a) funded the Series 2000 Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2000 Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2000 Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 2000 Bonds Reserve Account and the Series 2000 Bonds Sinking Fund will be used solely to pay principal of and interest on each series of the Bonds and will not be available to pay costs of the Project.

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

27. 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.

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

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

WITNESS my signature on this 11th day of December, 2000.

GREATER MARION PUBLIC SERVICE DISTRICT

Theresa Efaw

Chairman

11/16/00
439080/00001

IN THE COUNTY COMMISSION OF MARION COUNTY, WEST VIRGINIA

IN RE: Order Fixing a Date for Hearing on the Creation of the Idamay Public Service District

On the 25th day of February, 1983, at a regular session of the Commission, came James O. Watkins, Jr., attorney at law, representing a group of legal voters and real property owners residing in that territory or area bounded and described as follows:

TRACT NO. 1: All that certain tract, piece or parcel of land, situate, lying and being in Lincoln District, bounded and described as follows:

BEGINNING at a stump at a corner of land now or formerly of Eli Nestor and of land now or formerly of E. L. Morgan, said stump being also the northwesterly corner of land which was conveyed by Michael Bock to said The Consolidation Coal Company by deed dated April 12, 1915, and recorded in said Office in Deed Book No. 203, Page 266, and which is a part of this Tract No. 1; thence, along the line of said land now or formerly of E. L. Morgan, the following five (5) courses and distances: (1) N. 76° 52' E. 638.86 feet; (2) N. 48° 14' E. 259.52 feet; (3) N. 43° 44' E. 275.55 feet; (4) N. 29° 12' E. 177.91 feet; and (5) N. 30° 36' E. 197.41 feet; thence S. 58° 17' E. 153.34 feet; thence N. 10° 58' E. 306.92 feet to a stone at a corner of land now or formerly of C. L. Smith; thence, along the line of said last mentioned land, the following two (2) courses and distances (1) N. 70° 24' E. 279.61 feet and (2) N. 64° 00' E. 312.89 feet; thence S. 20° 38' E. 15.88 feet; thence N. 67° 35' E. 259 feet; thence N. 11° 50' E. 40.68 feet to the line of said land now or formerly of C. L. Smith; thence, along the line of said last mentioned land, the following three (3) courses and distances: (1) N. 64° 00' E. 506.99 feet; (2) N. 71° 45' E. 541.73 feet to a white oak tree; and (3) S. 39° 45' E. 442.12 feet to a post at a corner of land now or formerly of Jerome Hall; thence, along the line of said last mentioned land, S. 56° 43' E. 331.53 feet to a post; thence, partly along the line of said land now or formerly of Jerome Hall and partly along the line of land now or formerly of Rufus Downs, S. 66° 55' E. 1,264.30 feet to a white

ES O. WATKINS, JR.
ATTORNEY AT LAW
P. O. BOX 1109
FAIRMONT, WV 26554
(304) 366-0202

oak stump; thence, along the line of said land now or formerly of Rufus Downs, S. 00° 40' E. 443.28 feet to a corner of land now or formerly of Robert Downs; thence, along the line of said last mentioned land, the following two (2) courses and distances: (1) S. 44° 26' W. 847.44 feet to a stone and (2) S. 63° 25' W. 527.70feet to a stone at a corner of land now or formerly of Ulysses S. Downs; thence, along the line of said last mentioned land, the following five (5) courses and distances: (1) S. 43° 39' W. 279.93 feet to a white oak tree; (2) S. 69° 27' W. 475.20 feet to a chestnut oak stump; (3) S. 26° 35' W. 305.98 feet to a chestnut oak stump; (4) S. 00° 02' W. 469.93 feet; and (5) S. 44° 17' W. 563.60 feet to a stone at a corner of land now or formerly of Enoch M. Snider; thence, along the line of said last mentioned land, the following two (2) courses and distances: (1) S. 43° 40' W. 1,635.14 feet and (2) S. 15° 04' W. 297.89 feet to a point, such point being also the point or place of beginning hereinafter specified in the description of Tract No. 2 of this subdivision B; thence along the line of said Tract No. 2, the following two (2) courses and distances: (1) N. 77° 30' W. 222.05 feet and (2) S. 12° 30' W. 1,238.64 feet; thence N. 39° 36' W. 8.25 feet; thence N. 70° 32' W. 110.93 feet; thence N. 63° 06' W. 127.73 feet; thence N. 75° 54' W. 47.34 feet; thence N. 65° 24' W. 433.91 feet; thence N. 3° 01' E. 405.11 feet; thence N. 70° 19' W. 34.47 feet to a white oak tree stump in the line of land now or formerly of T. F. Morgan; thence, along the line of said last mentioned land, the following three (3) courses and distances: (1) N. 1° 32' W. 1,038.21 feet to a stone; (2) N. 33° 10' W. 159.25 feet to a stone; and (3) N. 6° 57' W. 344.19 feet to a post at a corner of other land now or formerly of T. F. Morgan; thence, along the line of said other land now or formerly of T. F. Morgan, the following four (4) courses and distances: (1) N. 6° 01' E. 319.07 feet to a stone; (2) N. 4° 15' W. 246.51 feet to a black walnut tree; (3) N. 41° 13' W. 230.26 feet to a stone; and (4) N. 3° 26' W. 385.08 feet to a corner of land now or formerly of Robert T. Jones; thence, along the line of said last mentioned land, the following three (3) courses and distances: (1) N. 19° 03' W. 98.04 feet; (2) N. 23° 27' W. 367.10 feet; and (3) N. 39° 16' W. 761.70 feet to a corner of said land now or formerly of Eli Nestor; thence, along the line of said last mentioned land, the following two (2) courses and distances: (1) N. 75° 07' E. 556.45 feet to a chestnut oak tree stump and (2) N. 50° 04' E. 212 feet to the point or place of beginning, containing 359 acres, more or less.

JAMES O. WATKINS, JR.
ATTORNEY AT LAW
P. O. BOX 1108
FAIRMONT, WV 26554
(304) 366-6202

TRACT NO. 2: All that certain tract, piece or parcel of land, situate, lying and being in Lincoln District, bounded and described as follows:

BEGINNING at a point in the line of land now or formerly of Enoch M. Snider at the end of the course described as "S. 15° 04' W. 297.89 feet" in the description of Tract No. 1 of this Subdivision B; thence, along the line of said land now or formerly of Enoch M. Snider, S. 15° 04' W. 1,331.43 feet to the line of land now or formerly of C. W. Davis; thence, along the line of said last mentioned land, N. 67° 09' W. 102.83 feet; thence N. 42° 58' E. 20 feet; thence N. 39° 36' W. 90.74 feet to a corner of said Tract No. 1; thence, along the line of said Tract No. 1, the following two (2) courses and distances: (1) N. 12° 30' E. 1,238.64 feet and (2) S. 77° 30' E. 222.05 feet to the point or place of beginning, containing 5.75 acres, more or less.

A plat or map of said Tracts No. 1 and 2 is recorded in the Office of the Clerk of the County Commission of Marion County, West Virginia, in Deed Book No. 390, Page 335.

Said Tracts No. 1 and 2 include 186 lots of ground situate in the unincorporated Village of Idamay, as shown on that certain plat or map recorded in said Clerk's Office in Deed Book No. 532, Pages 5 and 7, and 8 single family residences in said Village, as shown on that certain plat or map recorded in said Clerk's Office in Deed Book No. 596, Page 427, and presented a petition signed by 71 residents of the above-described area and moved the Commission to fix a date for hearing on the creation of a Public Service District to serve the residents of said area.

Upon consideration whereof, the Commission is of the opinion that a hearing should be held and it is accordingly ADJUDGED, ORDERED and DECREED that a hearing be held to consider the creation of the proposed Public Service District on the

ES O. WATKINS, JR.
ATTORNEY AT LAW
P. O. BOX 1108
FAIRMONT, WV 26554
(304) 366-6202

5th day of April, 1983, at 10:30 o'clock A. M., in the Hearing Room of the County Commission of Marion County.

It is further ORDERED that the Clerk of this Commission cause to be published as a Class I legal advertisement and posted a Notice as provided by West Virginia Code, Chapter 16, Article 13A, Section 2, as amended, fixing the date of said hearing. Publication of said Notice is to be made at least ten (10) days prior to the hearing and is to be in Marion County, West Virginia. Additionally, the Notice shall be posted in at least five (5) conspicuous places in the proposed district at least ten (10) days prior to the hearing. Said Notices shall be substantially as follows:

"NOTICE OF PUBLIC HEARING ON THE ESTABLISHMENT OF THE IDAMAY PUBLIC SERVICE DISTRICT

Notice is hereby given that a legally sufficient Petition has been filed with the Clerk of the County Commission of Marion County, West Virginia, and has been presented to the County Commission of Marion County asking for the creation of a Public Service District within Marion County, West Virginia, for the purpose of constructing or acquiring by purchase or otherwise in the maintenance, operation, improvement and extension of public service properties supplying water and sewage services within said district and also outside said district to the extent permitted by law; to be named "Idamay Public Service District", and having the following described boundaries:

JAMES O. WATKINS, JR.
ATTORNEY AT LAW
P. O. BOX 1108
FAIRMONT, WV 26554
(304) 366-6202

TRACT NO. 1: All that certain tract, piece or parcel of land, situate, lying and being in Lincoln District, bounded and described as follows:

BEGINNING at a stump at a corner of land now or formerly of Eli Nestor and of land now or formerly of E. L. Morgan, said stump being also the northwesterly corner of land which was conveyed by Michael Bock to said The Consolidation Coal Company by deed dated April 12, 1915, and recorded in said Office in Deed Book No. 203, Page 266, and which is a part of this Tract No. 1; thence, along the line of said land now or formerly of E. L. Morgan, the following five (5) courses and distances: (1) N. 76° 52' E. 638.86 feet; (2) N. 48° 14' E. 259.52 feet; (3) N. 43° 44' E. 275.55 feet; (4) N. 29° 12' E. 177.91 feet; and (5) N. 30° 36' E. 197.41 feet; thence S. 58° 17' E. 153.34 feet; thence N. 10° 58' E. 306.92 feet to a stone at a corner of land now or formerly of C. L. Smith; thence, along the line of said last mentioned land, the following two (2) courses and distances (1) N. 70° 24' E. 279.61 feet and (2) N. 64° 00' E. 312.89 feet; thence S. 20° 38' E. 15.88 feet; thence N.67° 35' E. 259 feet; thence N. 11° 50' E. 40.68 feet to the line of said land now or formerly of C. L. Smith; thence, along the line of said last mentioned land, the following three (3) courses and distances: (1) N. 64° 00' E. 506.99 feet; (2) N. 71° 45' E. 541.73 feet to a white oak tree; and (3) S. 39° 45' E. 442.12 feet to a post at a corner of land now or formerly of Jerome Hall; thence, along the line of said last mentioned land, S. 56° 43' E. 331.53 feet to a post; thence, partly along the line of said land now or formerly of Jerome Hall and partly along the line of land now or formerly of Rufus Downs, S. 66° 55' E. 1,264.30 feet to a white oak stump; thence, along the line of said land now or formerly of Rufus Downs, S. 00° 40' E. 443.28 feet to a corner of land now or formerly of Robert Downs; thence, along the line of said last mentioned land, the following two (2) courses and distances: (1) S. 44° 26' W. 847.44 feet to a stone and (2) S. 63° 25' W. 527.70 feet to a stone at a corner of land now or formerly of Ulysses S. Downs; thence, along the line of said last mentioned land, the following five (5) courses and distances: (1) S. 43° 39' W. 279.93 feet to a white oak tree; (2) S. 69° 27' W. 475.20 feet to a chestnut oak stump; (3) S. 26° 35' W. 305.98 feet to a chestnut oak stump; (4) S. 00° 02' W. 469.93 feet; and (5) S. 44° 17' W. 563.60 feet to a stone at a corner of land now or formerly of Enoch M. Snider; thence, along the line of said last mentioned land, the following two (2) courses and distances: (1) S. 43° 40' W. 1,635.14 feet and

S O. WATKINS, JR.
TORNEY AT LAW
. O. BOX 1108
IMONT, WV 25554
(304) 388-6202

(2) S. 15° 04' W. 297.89 feet to a point, such point being also the point or place of beginning hereinafter specified in the description of Tract No. 2 of this subdivision B; thence along the line of said Tract No. 2, the following two (2) courses and distances: (1) N. 77° 30' W. 222.05 feet and (2) S. 12° 30' W. 1,238.64 feet; thence N. 39° 36' W. 8.25 feet; thence N. 70° 32' W. 110.93 feet; thence N. 63° 06' W. 127.73 feet; thence N. 75° 54' W. 47.34 feet; thence N. 65° 24' W. 433.91 feet; thence N. 3° 01' E. 405.11 feet; thence N. 70° 19' W. 34.47 feet to a white oak tree stump in the line of land now or formerly of T. F. Morgan; thence, along the line of said last mentioned land, the following three (3) courses and distances: (1) N. 1° 32' W. 1,038.21 feet to a stone; (2) N. 33° 10' W. 159.25 feet to a stone; and (3) N. 6° 57' W. 344.19 feet to a post at a corner of other land now or formerly of T. F. Morgan; thence, along the line of said other land now or formerly of T. F. Morgan, the following four (4) courses and distances: (1) N. 6° 01' E. 319.07 feet to a stone; (2) N. 4° 15' W. 246.51 feet to a black walnut tree; (3) N. 41° 13' W. 230.26 feet to a stone; and (4) N. 3° 26' W. 385.08 feet to a corner of land now or formerly of Robert T. Jones; thence, along the line of said last mentioned land, the following three (3) courses and distances: (1) N. 19° 03' W. 98.04 feet; (2) N. 23° 27' W. 367.10 feet; and (3) N. 39° 16' W. 761.70 feet to a corner of said land now or formerly of Eli Nestor; thence, along the line of said last mentioned land, the following two (2) courses and distances: (1) N. 75° 07' E. 556.45 feet to a chestnut oak tree stump and (2) N. 50° 04' E. 212 feet to the point or place of beginning, containing 359 acres, more or less.

TRACT NO. 2: All that certain tract, piece or parcel of land, situate, lying and being in Lincoln District, bounded and described as follows:

BEGINNING at a point in the line of land now or formerly of Enoch M. Snider at the end of the course described as "S. 15° 04' W. 297.89 feet" in the description of Tract No. 1 of this Subdivision B; thence, along the line of said land now or formerly of Enoch M. Snider, S. 15° 04' W. 1,331.43 feet to the line of land now or formerly of C. W. Davis; thence, along the line of said last mentioned land, N. 67° 09' W. 102.83 feet; thence N. 42° 58' E. 20 feet; thence N. 39° 36' W. 90.74 feet to a corner of said Tract No. 1; thence, along the line of said Tract No. 1, the following two (2) courses and distances: (1) N. 12° 30' E. 1,238.64 feet and (2) S. 77° 30' E. 222.05 feet to the point or place of beginning, containing 5.75 acres, more or less.

O. WATKINS, JR.
TORNEY AT LAW
. O. BOX 1108
NONT, WV 26554
304) 366-6302

A plat or map of said Tracts No. 1 and 2 is recorded in the Office of the Clerk of the County Commission of Marion County, West Virginia, in Deed Book No. 390, Page 335.

Said Tracts No. 1 and 2 include 186 lots of ground situate in the unincorporated Village of Idamay, as shown on that certain plat or map recorded in said Clerk's Office in Deed Book No. 532, Pages 5 and 7, and 8 single family residences in said Village, as shown on that certain plat or map recorded in said Clerk's Office in Deed Book No. 596, Page 427.

All persons residing in or owning or having any interest in property in said proposed Public Service District are hereby notified that the County Commission of Marion County will conduct a public hearing on the 5th day of April, 1983, at 10:30, A. M., at the Courthouse, Marion County, West Virginia, at which time and place all interested persons may appear before the County Commission and shall have an opportunity to be heard for or against the creation of the proposed Public Service District."

Enter this 25th day of February, 1983.

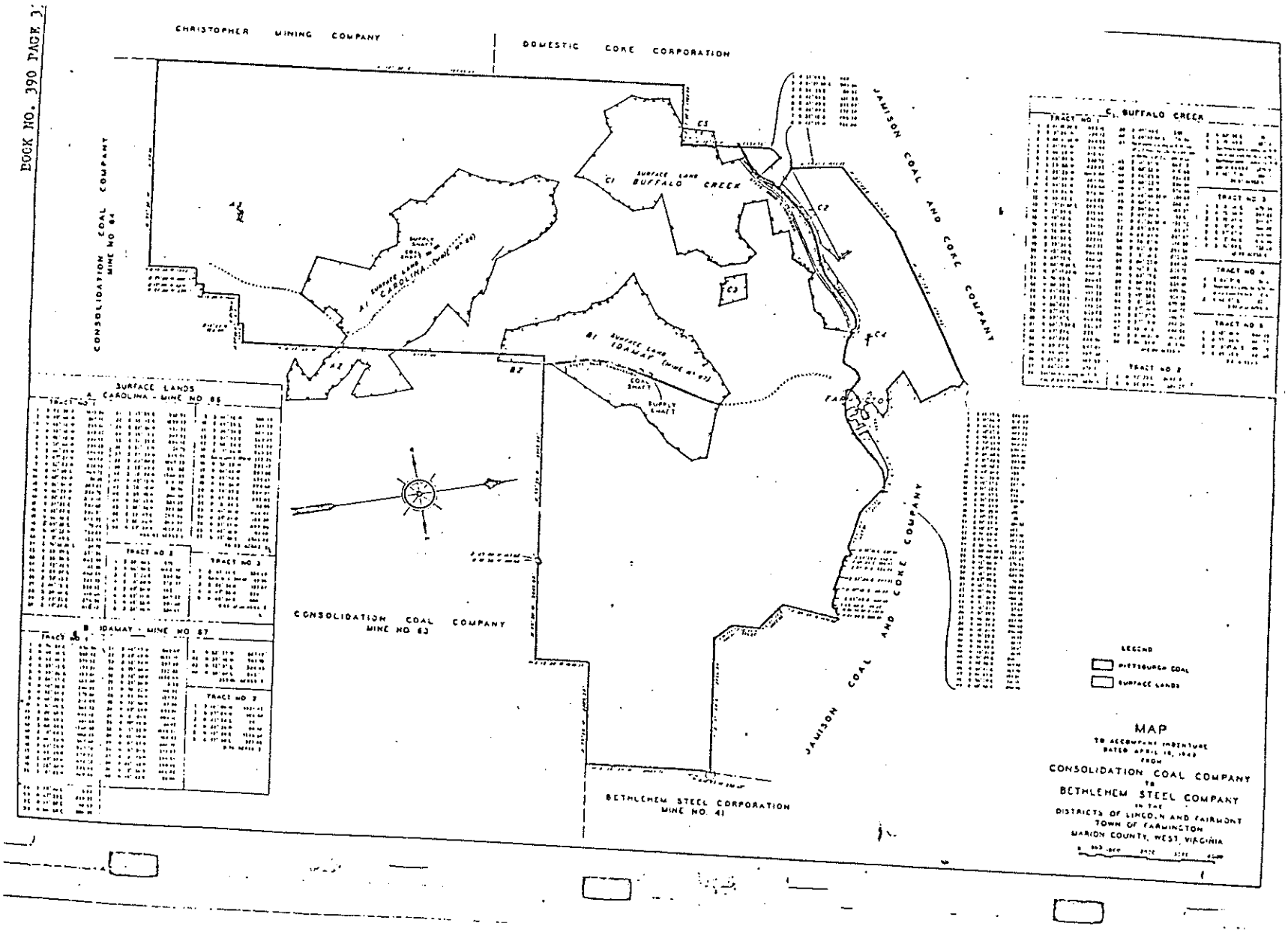
Raymond Prunty

Betty Gill

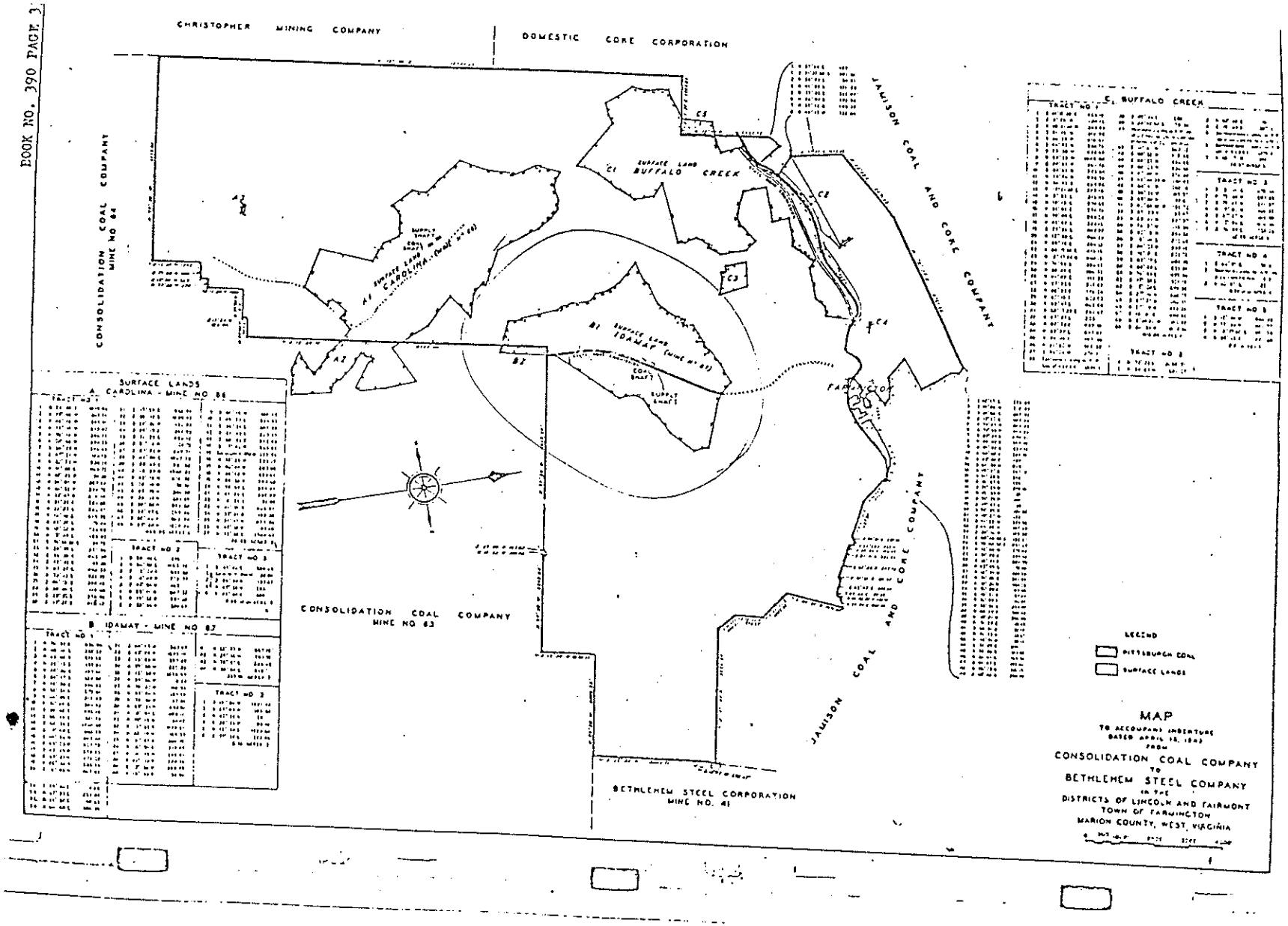
COUNTY COMMISSIONERS OF MARION COUNTY, WEST VIRGINIA

ES O. WATKINS, JR.
ATTORNEY AT LAW
P. O. BOX 1108
FAIRMONT, WV 26554
(304) 366-4202

BOOK NO. 390 PAGE 3



BOOK NO. 390 PAGE 3



RESOLUTION AND ORDER OF THE COUNTY COMMISSION OF MARION COUNTY, WEST VIRGINIA, UPON ITS MOTION AND HEARING, FOR THE CREATION OF A PUBLIC SERVICE DISTRICT TO BE KNOWN AS THE IDAMAY PUBLIC SERVICE DISTRICT

WHEREAS, a petition for the creation of a public service district for the provision of water and sewage services was, on the 25th day of February, 1983, presented to this Commission seeking that a public service district be created pursuant to the authority of Article 13A of Chapter 16 of the West Virginia Code, to be situate in Marion County, West Virginia, and to be known as the Idamay Public Service District; and

WHEREAS, the petition for the creation of said district defined the purpose and authority of said district as being "to construct or acquire by purchase or otherwise and maintain, operate, improve and extend property supplying water and sewage services within such District, and outside such territory to the extent permitted by law";

WHEREAS, this Commission, upon its own motion, has determined that it deems it necessary, feasible and proper to create said district, the territory of which is bounded and described as follows:

> TRACT NO. 1: All that certain tract, piece or parcel of land, situate, lying and being in Lincoln District, bounded and described as follows:
>
> BEGINNING at a stump at a corner of land now or formerly of Eli Nestor and of land now or formerly of E. L. Morgan, said stump being also the northwesterly corner of land which was conveyed by Michael Bock to said The Consolidation Coal Company by deed dated April 12, 1915, and recorded in said Office in Deed Book No. 203, Page 266, and which is a part of this Tract No. 1; thence, along the line of said land now or formerly of E. L. Morgan, the following five (5) courses and distances: (1) N. 76° 52' E. 638.86 feet; (2) N. 48° 14' E. 259.52 feet; (3) N. 43° 44' E. 275.55 feet; (4) N. 29° 12' E. 177.91 feet; and (5) N. 30° 36' E. 197.41 feet; thence S. 58° 17' E. 153.34 feet; thence N. 10° 58' E. 306.92 feet to a stone at a corner of land now

JAMES O. WATKINS, JR.
ATTORNEY AT LAW
P. O. BOX 1108
FAIRMONT, WV 26554
(304) 365-5202

or formerly of C. L. Smith; thence, along the line of said last mentioned land, the following two (2) courses and distances (1) N. 70° 24' E. 279.61 feet and (2) N. 64° 00' E. 312.89 feet; thence S. 20° 38' E. 15.88 feet; thence N. 67° 35' E. 259 feet; thence N. 11° 50' E. 40.68 feet to the line of said land now or formerly of C. L. Smith; thence, along the line of said last mentioned land, the following three (3) courses and distances: (1) N. 64° 00' E. 506.99 feet; (2) N. 71° 45' E. 541.73 feet to a white oak tree; and (3) S. 39° 45' E. 442.12 feet to a post at a corner of land now or formerly of Jerome Hall; thence, along the line of said last mentioned land, S. 56° 43' E. 331.53 feet to a post; thence, partly along the line of said land now or formerly of Jerome Hall and partly along the line of land now or formerly of Rufus Downs, S. 66° 55' E. 1,264.30 feet to a white oak stump; thence, along the line of said land now or formerly of Rufus Downs, S. 00° 40' E. 443.28 feet to a corner of land now or formerly of Robert Downs; thence, along the line of said last mentioned land, the following two (2) courses and distances: (1) S. 44° 26' W. 847.44 feet to a stone and (2) S. 63° 25' W. 527.70 feet to a stone at a corner of land now or formerly of Ulysses S. Downs; thence, along the line of said last mentioned land, the following five (5) courses and distances: (1) S. 43° 39' W. 279.93 feet to a white oak tree; (2) S. 69° 27' W. 475.20 feet to a chestnut oak stump; (3) S. 26° 35' W. 305.98 feet to a chestnut oak stump; (4) S. 00° 02' W. 469.93 feet; and (5) S. 44° 17' W. 563.60 feet to a stone at a corner of land now or formerly of Enoch M. Snider; thence, along the line of said last mentioned land, the following two (2) courses and distances: (1) S. 43° 40' W. 1,635.14 feet and (2) S. 15° 04' W. 297.89 feet to a point, such point being also the point or place of beginning hereinafter specified in the description of Tract No. 2 of this subdivision B; thence along the line of said Tract No. 2, the following two (2) courses and distances: (1) N. 77° 30' W. 222.05 feet and (2) S. 12° 30' W. 1,238.64 feet; thence N. 39° 36' W. 8.25 feet; thence N. 70° 32' W. 110.93 feet; thence N. 63° 06' W. 127.73 feet; thence N. 75° 54' W. 47.34 feet; thence N. 65° 24' W. 433.91 feet; thence N. 3° 01' E. 405.11 feet; thence N. 70° 19' W. 34.47 feet to a white oak tree stump in the line of land now or formerly of T. F. Morgan; thence, along the line of said last mentioned land, the following three (3) courses and distances: (1) N. 1° 32' W. 1,038.21 feet to a stone; (2) N. 33° 10' W. 159.25 feet to a stone; and (3) N. 6° 57' W. 344.19 feet to a post at a corner of other land now or formerly of T. F. Morgan; thence, along the line of said other land now or formerly of T. F. Morgan, the

MES O. WATKINS, JR.
ATTORNEY AT LAW
P. O. BOX 1108
FAIRMONT, WV 26554
(304) 366-6202

following four (4) courses and distances: (1) N. 6° 01' E. 319.07 feet to a stone; (2) N. 4° 15' W. 246.51 feet to a black walnut tree; (3) N. 41° 13' W. 230.26 feet to a stone; and (4) N. 3° 26' W. 385.08 feet to a corner of land now or formerly of Robert T. Jones; thence, along the line of said last mentioned land, the following three (3) courses and distances: (1) N. 19° 03' W. 98.04 feet; (2) N. 23° 27' W. 367.10 feet; and (3) N. 39° 16' W. 761.70 feet to a corner of said land now or formerly of Eli Nestor; thence, along the line of said last mentioned land, the following two (2) courses and distances: (1) N. 75° 07' E. 556.45 feet to a chestnut oak tree stump and (2) N. 50° 04' E. 212 feet to the point or place of beginning, containing 359 acres, more or less.

TRACT NO. 2: All that certain tract, piece or parcel of land, situate, lying and being in Lincoln District, bounded and described as follows:

BEGINNING at a point in the line of land now or formerly of Enoch M. Snider at the end of the course described as "S. 15° 04' W. 297.89 feet" in the description of Tract No. 1 of this Subdivision B; thence, along the line of said land now or formerly of Enoch M. Snider, S. 15° 04' W. 1,331.43 feet to the line of land now or formerly of C. W. Davis; thence, along the line of said last mentioned land, N. 67° 09' W. 102.83 feet; thence N. 42° 58' E. 20 feet; thence N. 39° 36' W. 90.74 feet to a corner of said Tract No. 1; thence, along the line of said Tract No. 1, the following two (2) courses and distances: (1) N. 12° 30' E. 1,238.64 feet and (2) S. 77° 30' E. 222.05 feet to the point or place of beginning, containing 5.75 acres, more or less.

A plat or map of said Tracts No. 1 and 2 is recorded in the Office of the Clerk of the County Commission of Marion County, West Virginia, in Deed Book No. 390, Page 335.

Said Tracts No. 1 and 2 include 186 lots of ground situate in the unincorporated Village of Idamay, as shown on that certain plat or map recorded in said Clerk's Office in Deed Book No. 532, Pages 5 and 7, and 8 single family residences in said Village, as shown on that certain plat or map recorded in said Clerk's Office in Deed Book No. 596, Page 427.

WHEREAS, on the 5th day of April, 1983, not more than forty (40) days nor less than twenty (20) days from this Comm-

JAMES O. WATKINS, JR.
ATTORNEY AT LAW
P. O. BOX 1108
FAIRMONT, WV 26554
(304) 366-6203

ission's said motion, at the hour of 10:30 a.m., this Commission met in the County Courthouse at Fairmont, Marion County, West Virginia, for the purpose of conducting a public hearing on the question of the creation of said district, at which time and place all persons residing in or having an interest in property in said district could have appeared before this County Commission and had an opportunity to be heard for or against the proposed creation and no persons appeared against the proposed creation.

WHEREAS, the Clerk of the County Commission of this County was authorized and directed to, and did so cause notice of such hearing in substantially the form set forth below to be published in the Times-West Virginian, a newspaper of general circulation published in Marion County, West Virginia, at least ten (10) days prior to such hearing. Notice of said hearing was published as a Class I legal advertisement and was substantially as follows:

"NOTICE OF PUBLIC HEARING ON
THE ESTABLISHMENT OF THE
IDAMAY PUBLIC SERVICE DISTRICT

Notice is hereby given that a legally sufficient Petition has been filed with the Clerk of the County Commission of Marion County, West Virginia, and has been presented to the County Commission of Marion County asking for the creation of a Public Service District within Marion County, West Virginia, for the purpose of constructing or acquiring by purchase or otherwise in the maintenance, operation, improvement and extension of public service properties supplying water and sewage services within said district and also outside said district to the extent permitted by law; to be named "Idamay Public Service District", and having the following described boundaries:

JAMES O. WATKINS, JR.
ATTORNEY AT LAW
P. O. BOX 1108
FAIRMONT, WV 26554
(304) 366-6202

TRACT NO. 1: All that certain tract, piece or parcel of land, situate, lying and being in Lincoln District, bounded and described as follows:

BEGINNING at a stump at a corner of land now or formerly of Eli Nestor and of land now or formerly of E. L. Morgan, said stump being also the northwesterly corner of land which was conveyed by Michael Bock to said The Consolidation Coal Company by deed dated April 12, 1915, and recorded in said Office in Deed Book No. 203, Page 266, and which is a part of this Tract No. 1; thence, along the line of said land now or formerly of E. L. Morgan, the following five (5) courses and distances: (1) N. 76° 52' E. 638.86 feet; (2) N. 48° 14' E. 259.52 feet; (3) N. 43° 44' E. 275.55 feet; (4) N. 29° 12' E. 177.91 feet; and (5) N. 30° 36' E. 197.41 feet; thence S. 58° 17' E. 153.34 feet; thence N. 10° 58' E. 306.92 feet to a stone at a corner of land now or formerly of C. L. Smith; thence, along the line of said last mentioned land, the following two (2) courses and distances (1) N. 70° 24' E. 279.61 feet and (2) N. 64° 00' E. 312.89 feet; thence S. 20° 38' E. 15.88 feet; thence N. 67° 35' E. 259 feet; thence N. 11° 50' E. 40.68 feet to the line of said land now or formerly of C. L. Smith; thence, along the line of said last mentioned land, the following three (3) courses and distances: (1) N. 64° 00' E. 506.99 feet; (2) N. 71° 45' E. 541.73 feet to a white oak tree; and (3) S. 39° 45' E. 442.12 feet to a post at a corner of land now or formerly of Jerome Hall; thence, along the line of said last mentioned land, S. 56° 43' E. 331.53 feet to a post; thence, partly along the line of said land now or formerly of Jerome Hall and partly along the line of land now or formerly of Rufus Downs, S. 66° 55' E. 1,264.30 feet to a white oak stump; thence, along the line of said land now or formerly of Rufus Downs, S. 00° 40' E. 443.28 feet to a corner of land now or formerly of Robert Downs; thence, along the line of said last mentioned land, the following two (2) courses and distances: (1) S. 44° 26' W. 847.44 feet to a stone and (2) S. 63° 25' W. 527.70 feet to a stone at a corner of land now or formerly of Ulysses S. Downs; thence, along the line of said last mentioned land, the following five (5) courses and distances: (1) S. 43° 39' W. 279.93 feet to a white oak tree; (2) S. 69° 27' W. 475.20 feet to a chestnut oak stump; (3) S. 26° 35' W. 305.98 feet to a chestnut oak stump; (4) S. 00° 02' W. 469.93 feet; and (5) S. 44° 17' W. 563.60 feet to a stone at a corner of land now or formerly of Enoch M. Snider; thence, along the line of said last mentioned land, the following two (2) courses

JAMES O. WATKINS, JR.
ATTORNEY AT LAW
P. O. BOX 1108
FAIRMONT, WV 26554
(304) 366-6202

and distances: (1) S. 43° 40' W. 1,635.14 feet and (2) S. 15° 04' W. 297.89 feet to a point, such point being also the point or place of beginning hereinafter specified in the description of Tract No. 2 of this subdivision B; thence along the line of said Tract No. 2, the following two (2) courses and distances: (1) N. 77° 30' W. 222.05 feet and (2) S. 12° 30' W. 1,238.64 feet; thence N. 39° 36' W. 8.25 feet; thence N. 70° 32' W. 110.93 feet; thence N. 63° 06' W. 127.73 feet; thence N. 75° 54' W. 47.34 feet; thence N. 65° 24' W. 433.91 feet; thence N. 3° 01' E. 405.11 feet; thence N. 70° 19' W. 34.47 feet to a white oak tree stump in the line of land now or formerly of T. F. Morgan; thence, along the line of said last mentioned land, the following three (3) courses and distances: (1) N. 1° 32' W. 1,038.21 feet to a stone; (2) N. 33° 10' W. 159.25 feet to a stone; and (3) N. 6° 57' W. 344.19 feet to a post at a corner of other land now or formerly of T. F. Morgan; thence, along the line of said other land now or formerly of T. F. Morgan, the following four (4) courses and distances: (1) N. 6° 01' E. 319.07 feet to a stone; (2) N. 4° 15' W. 246.51 feet to a black walnut tree; (3) N. 41° 13' W. 230.26 feet to a stone; and (4) N. 3° 26' W. 385.08 feet to a corner of land now or formerly of Robert T. Jones; thence, along the line of said last mentioned land, the following three (3) courses and distances: (1) N. 19° 03' W. 98.04 feet; (2) N. 23° 27' W. 367.10 feet; and (3) N. 39° 16' W. 761.70 feet to a corner of said land now or formerly of Eli Nestor; thence, along the line of said last mentioned land, the following two (2) courses and distances: (1) N. 75° 07' E. 556.45 feet to a chestnut oak tree stump and (2) N. 50° 04' E. 212 feet to the point or place of beginning, containing 359 acres, more or less.

TRACT NO. 2: All that certain tract, piece or parcel of land, situate, lying and being in Lincoln District, bounded and described as follows:

BEGINNING at a point in the line of land now or formerly of Enoch M. Snider at the end of the course described as "S. 15° 04' W. 297.89 feet" in the description of Tract No. 1 of this Subdivision B; thence, along the line of said land now or formerly of Enoch M. Snider, S. 15° 04' W. 1,331.43 feet to the line of land now or formerly of C. W. Davis; thence, along the line of said last mentioned land, N. 67° 09' W. 102.83 feet; thence N. 42° 58' E. 20 feet; thence N. 39° 36' W. 90.74 feet to a corner of said Tract No. 1; thence, along the line of said Tract No. 1, the following two (2) courses and distances: (1) N. 12° 30' E. 1,238.64 feet and (2) S. 77° 30' E. 222.05 feet to the point or place of beginning, containing 5.75 acres, more or less.

. O. WATKINS, JR.
TORNEY AT LAW
. O. BOX 1108
IMONT, WV 26554
304) 386-6202

A plat or map of said Tracts No. 1 and 2 is recorded in the Office of the Clerk of the County Commission of Marion County, West Virginia, in Deed Book No. 390, Page 335.

Said Tracts No. 1 and 2 include 186 lots of ground situate in the unincorporated Village of Idamay, as shown on that certain plat or map recorded in said Clerk's Office in Deed Book No. 532, Pages 5 and 7, and 8 single family residences in said Village, as shown on that certain plat or map recorded in said Clerk's Office in Deed Book No. 596, Page 427.

All persons residing in or owning or having any interest in property in said proposed Public Service District are hereby notified that the County Commission of Marion County will conduct a public hearing on the 5th day of April, 1983, at 10:30 a.m., at the Courthouse, Marion County, West Virginia, at which time and place any interested persons may appear before the County Commission and shall have an opportunity to be heard for or against the creation of the proposed Public Service District."

WHEREAS, the Clerk of the County Commission of Marion County was directed to and did post or cause to be posted the notice hereinabove set forth in at least five (5) conspicious places within the boundaries in the proposed Public Service District hereinabove set forth. Said notices were posted at least ten (10) days prior to said hearing.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE COUNTY COMMISSION OF MARION COUNTY, WEST VIRGINIA, ALL COMMISSIONERS CONCURRING, UPON ITS OWN MOTION AND PUBLIC HEARING AS FOLLOWS

Section 1 - That it is necessary, feasible and proper that a Public Service District to be known as the Idamay Public

AMES O. WATKINS, JR.
ATTORNEY AT LAW
P. O. BOX 1108
FAIRMONT, WV 26554
(304) 366-6202

Service District, be created pursuant to Article 13A of Chapter 16 of the West Virginia Code and that said district be authorized to construct, or acquire by purchase or otherwise, and maintain, operate, improve and extend properties for supplying both water and sewage services in the following described territory and outside such territory to the extent permitted by law:

TRACT NO. 1: All that certain tract, piece or parcel of land, situate, lying and being in Lincoln District, bounded and described as follows:

BEGINNING at a stump at a corner of land now or formerly of Eli Nestor and of land now or formerly of E. L. Morgan, said stump being also the northwesterly corner of land which was conveyed by Michael Bock to said The Consolidation Coal Company by deed dated April 12, 1915, and recorded in said Office in Deed Book No. 203, Page 266, and which is a part of this Tract No. 1; thence, along the line of said land now or formerly of E. L. Morgan, the following five (5) courses and distances: (1) N. 76° 52' E. 638.86 feet; (2) N. 48° 14' E. 259.52 feet; (3) N. 43° 44' E. 275.55 feet; (4) N. 29° 12' E. 177.91 feet; and (5) N. 30° 36' E. 197.41 feet; thence S. 58° 17' E. 153.34 feet; thence N. 10° 58' E. 306.92 feet to a stone at a corner of land now or formerly of C. L. Smith; thence, along the line of said last mentioned land, the following two (2) courses and distances (1) N. 70° 24' E. 279.61 feet and (2) N. 64° 00' E. 312.89 feet; thence S. 20° 38' E. 15.88 feet; thence N. 67° 35' E. 259 feet; thence N. 11° 50' E. 40.68 feet to the line of said land now or formerly of C. L. Smith; thence, along the line of said last mentioned land, the following three (3) courses and distances: (1) N. 64° 00' E. 506.99 feet; (2) N. 71° 45' E. 541.73 feet to a white oak tree; and (3) S. 39° 45' E. 442.12 feet to a post at a corner of land now or formerly of Jerome Hall; thence, along the line of said last mentioned land, S. 56° 43' E. 331.53 feet to a post; thence, partly along the line of said land now or formerly of Jerome Hall and partly along the line of land now or formerly of Rufus Downs, S. 66° 55' E. 1,264.30 feet to a white oak stump; thence, along the line of said land now or formerly of Rufus Downs, S. 00° 40' E. 443.28 feet to a corner of land now or formerly of Robert Downs; thence, along the line of said last mentioned land, the following two (2) courses and distances: (1) S. 44° 26' W. 847.44 feet to a stone and (2) S. 63° 25' W. 527.70 feet to a stone at a corner of land now or formerly of

ES O. WATKINS, JR.
ATTORNEY AT LAW
P. O. BOX 1108
AIRMONT, WV 25554
(304) 366-6202

Ulysses S. Downs; thence, along the line of said last mentioned land, the following five (5) courses and distances: (1) S. 43° 39' W. 279.93 feet to a white oak tree; (2) S. 69° 27' W. 475.20 feet to a chestnut oak stump; (3) S. 26° 35' W. 305.98 feet to a chestnut oak stump; (4) S. 00° 02' W. 469.93 feet; and (5) S. 44° 17' W. 563.60 feet to a stone at a corner of land now or formerly of Enoch M. Snider; thence, along the line of said last mentioned land, the following two (2) courses and distances: (1) S. 43° 40' W. 1,635.14 feet and (2) S. 15° 04' W. 297.89 feet to a point, such point being also the point or place of beginning hereinafter specified in the description of Tract No. 2 of this subdivision B; thence along the line of said Tract No. 2, the following two (2) courses and distances: (1) N. 77° 30' W. 222.05 feet and (2) S. 12° 30' W. 1,238.64 feet; thence N. 39° 36' W. 8.25 feet; thence N. 70° 32' W. 110.93 feet; thence N. 63° 06' W. 127.73 feet; thence N. 75° 54' W. 47.34 feet; thence N. 65° 24' W. 433.91 feet; thence N. 3° 01' E. 405.11 feet; thence N. 70° 19' W. 34.47 feet to a white oak tree stump in the line of land now or formerly of T. F. Morgan; thence, along the line of said last mentioned land, the following three (3) courses and distances: (1) N. 1° 32' W. 1,038.21 feet to a stone; (2) N. 33° 10' W. 159.25 feet to a stone; and (3) N. 6° 57' W. 344.19 feet to a post at a corner of other land now or formerly of T. F. Morgan; thence, along the line of said other land now or formerly of T. F. Morgan, the following four (4) courses and distances: (1) N. 6° 01' E. 319.07 feet to a stone; (2) N. 4° 15' W. 246.51 feet to a black walnut tree; (3) N. 41° 13' W. 230.26 feet to a stone; and (4) N. 3° 26' W. 385.08 feet to a corner of land now or formerly of Robert T. Jones; thence, along the line of said last mentioned land, the following three (3) courses and distances: (1) N. 19° 03' W. 98.04 feet; (2) N. 23° 27' W. 367.10 feet; and (3) N. 39° 16' W. 761.70 feet to a corner of said land now or formerly of Eli Nestor; thence, along the line of said last mentioned land, the following two (2) courses and distances: (1) N. 75° 07' E. 556.45 feet to a chestnut oak tree stump and (2) N. 50° 04' E. 212 feet to the point or place of beginning, containing 359 acres, more or less.

TRACT NO. 2: All that certain tract, piece or parcel of land, situate, lying and being in Lincoln District, bounded and described as follows:

BEGINNING at a point in the line of land now or formerly of Enoch M. Snider at the end of the course described as "S. 15° 04' W. 297.89 feet" in the description of Tract No. 1 of this Subdivision B; thence, along the line of said land now or formerly of Enoch M. Snider, S. 15° 04' W. 1,331.43 feet to the line of land now or for-

O. WATKINS, JR.
ORNEY AT LAW
O. BOX 1108
IONT, WV 26554
041 366-6202

merly of C. W. Davis; thence, along the line of said last mentioned land, N. 67° 09' W. 102.83 feet; thence N. 42° 58' E. 20 feet; thence N. 39° 36' W. 90.74 feet to a corner of said Tract No. 1; thence, along the line of said Tract No. 1, the following two (2) courses and distances: (1) N. 12° 30' E. 1,238.64 feet and (2) S. 77° 30' E. 222.05 feet to the point or place of beginning, containing 5.75 acres, more or less.

A plat or map of said Tracts No. 1 and 2 is reoorded in the Office of the Clerk of the County Commission of Marion County, West Virginia, in Deed Book No. 390, Page 335.

Said Tracts No. 1 and 2 include 186 lots of ground situate in the unincorporated Village of Idamay, as shown on that certain plat or map recorded in said Clerk's Office in Deed Book No. 532, Pages 5 and 7, and 8 single family residences in said Village, as shown on that certain plat or map recorded in said Clerk's Office in Deed Book No. 596, Page 427.

Section 2 - That said Public Service District shall have all rights and powers granted to public service districts generally by the laws of the State of West Virginia and particularly by Article 13 (a) of Chapter 16 of the Code of West Virginia, 1931, as amended.

Section 3 - That the County Commission of Marion County has determined that the above-described territory is so situated that the construction or acquisition by purchase or otherwise in the maintenance, operation, improvement and extention of the properties supplying both water and sewage services within such territory of said Public Service District will be conducive to the preservation of public health, comfort and convenience of such area.

AMES O. WATKINS, JR.
ATTORNEY AT LAW
P. O. BOX 1108
FAIRMONT, WV 26554
(304) 366-6202

Adopted by the County Commission of Marion County, West Virginia, on the 15th day of ~~April~~, 1983.

President of the County Commission of Marion County, West Virginia

Attest:

Clerk

JAMES O. WATKINS, JR.
ATTORNEY AT LAW
P. O. BOX 1108
FAIRMONT, WV 26554
(304) 366-6202

RESOLUTION OF IDAMAY PUBLIC SERVICE DISTRICT TO CHANGE ITS OFFICIAL NAME TO GREATER MARION PUBLIC SERVICE DISTRICT

At a meeting of the Idamay Public Service District Board held on May ___, 1998, a quorum being then and there present, the following resolution was proposed and adopted:

WHEREAS, the Idamay Public Service District wishes to change its official name to Greater Marion Public Service District; and

WHEREAS the Idamay Public Service District believes it is in the best interest of Idamay Public Service District to change its official name to Greater Marion Public Service District due to the proposed enlargement of the boundaries of the District;

THEREFORE, pursuant to West Virginia Code §16-13A-4, be it resolved that the Idamay Public Service District hereby changes the official name of the District to Greater Marion Public Service District.

Adopted this 9th day of June, 1998.

Theresa Efaw
Chairperson

James J Rizzo
Board Member

Blanche Golden
Board Member

THE COUNTY COMMISSION OF MARION COUNTY, WEST VIRGINIA

RESOLUTION AND ORDER PROPOSING THE ENLARGEMENT AND NAME CHANGE OF IDAMAY PUBLIC SERVICE DISTRICT

WHEREAS, pursuant to Chapter 16, Article 13A, Section 2 of the West Virginia Code of 1931, as amended (the "Act"), The County Commission of Marion County (the "County Commission") has heretofore on May 27, 1998, duly created Idamay Public Service District (the "District");

WHEREAS, the Act provides that a county commission may, on its own motion, by order duly adopted, propose the enlargement of a public service district;

WHEREAS, the County Commission desires to enlarge the existing boundaries of the District to provide sewer services to the residents thereof;

WHEREAS, the County Commission desires to change the name of the District and its expanded area to the Greater Marion Public Service District;

WHEREAS, the County Commission deems it essential and desirable to adopt this resolution and order proposing the enlargement of the District and set forth other matters relating thereto as required by the Act;

NOW, THEREFORE, BE IT, AND IT IS HEREBY, RESOLVED AND ORDERED, BY THE COUNTY COMMISSION OF MARION COUNTY AS FOLLOWS:

1. The County Commission, on its own motion, subject to the written consent and approval of the Public Service Commission of West Virginia, proposes the enlargement of Idamay Public Service District.

2. The territory to be included in the proposed enlargement of the District shall include Carolina Improvement Association in Marion County, but shall exclude the corporate boundaries of the Towns of Worthington, Farmington, Mannington, Monongah, Barrackville, and Fairmont, bounded and described as follows:

A certain tract or parcel of land, situate in Marion County, West Virginia, being more particularly bounded and described as follows:

Beginning at a point, said point being on the common boundary line of Marion County and Harrison County at the intersection of County Route 8;

Thence leaving said County Route 8, and with said common boundary line of Marion County and Harrison County in a westerly direction to a point, said point being at the intersection of said common boundary line of Marion County and Harrison County and Wetzel County;

Thence leaving said Harrison County, and with the common boundary line of Marion County and Wetzel County in a northerly direction crossing U.S. Route 250 to a point, said point being at the intersection of said common boundary line of Marion County and Wetzel County and Monongalia County;

Thence leaving said Wetzel County, and with the common boundary line of Marion County and Monongalia County in an easterly direction to a point, said point being at the intersection of said common boundary line of Marion County and Monongalia County and County Route 14;

Thence leaving said Monongalia County, and with the common district line between Paw Paw District and Mannington District in a southeasterly direction to a point, said point being the intersection of said Paw Paw District and Mannington District and Lincoln District;

Thence leaving said Mannington District and with the common district line between Paw Paw District and Lincoln District in a southeasterly direction to a point, said point being the intersection of said Paw Paw District and Lincoln District and Fairmont District;

Thence leaving said Lincoln District and with the common district line between Paw Paw District and Fairmont District in a southeasterly direction to a point, said point being in the center of the West Fork River and at the intersection of said Paw Paw District and Fairmont district and Winfield District;

Thence leaving said Paw Paw District and with the common district line between Fairmont District and Winfield District and with the West Fork River in a southeasterly direction to a point, said point being on the northerly line of the City of Fairmont;

Thence leaving said Winfield District and said West Fork River and with said line of the City of Fairmont in a southwesterly direction crossing U.S. Route 250 and U.S. Route 19 to a point, said point being in the center of the West Fork River and at the intersection of the common boundary line of Fairmont District and Grant District;

Thence leaving said City of Fairmont and with the

common district line between Fairmont District and Grant District and with the West Fork River in a westerly direction to a point, said point being at the intersection of said common boundary line of Fairmont District and Grant District and the easterly line of the Town of Monongah;

Thence leaving said Fairmont District and with the common district line between Lincoln District and Grant District and with the West Fork River in a westerly direction through the Town of Monongah to a point, said point being at the intersection of said common boundary line of Fairmont District and Grant District and on the common boundary line between Marion County and Harrison County;

Thence leaving said West Fork River and with said common boundary line between Marion County and Harrison County crossing U.S. Route 19 and with County Route 48 in a westerly direction to a point, said point being at the intersection of said County Route 48 and County Route 8;

Thence leaving County Route 48 and with said County Route 8 and common boundary line between Marion County and with said common boundary line between Marion County and Harrison County to the **Place of Beginning** containing 109,393 acres **More or Less,** as shown on a map attached hereto and made a part of this description.

3. The proposed enlargement of the District does not include within its boundaries the territory of any other sewer public service district created under the laws of the State of West Virginia, and there is no city, incorporated town or other municipal corporation included within such boundaries.

4. The purpose of the proposed enlargement shall be to acquire, construct, maintain, operate, improve and extend sewer services and facilities within the above described territory.

5. The County Commisssion proposes to change the name of the expanded public service district from Idamay Public Service District to Greater Marion Public Service District.

6. The County Commission shall hold a hearing on the proposed enlargement of the District at the Marion County Courthouse of the 24th day of June, 1998, at 10:30 a.m., which date is not more that forty (40) days nor less that twenty (20) days from the date hereof. At such hearing, all persons residing in or owning or having any interest in property in the territory to be included within

the boundaries of the proposed enlargement shall have an opportunity to be heard for or against the proposed enlargement and the County commission shall consider and determine the feasibility of the proposed enlargement and shall adopt such resolutions and orders as it shall deem proper in the premises.

7. The Clerk of the County Commission shall cause notice of such hearing and the time and place thereof, including the description of the territory of the proposed enlargement, to be given by publication as a Class 1 legal advertisement if the Times-West Virginian newspaper published and of general circulation in Marion County at least ten (10) days prior to such hearing.

8. The Clerk of the County Commission shall also post in at least five (5) conspicuous places within the proposed enlarged boundaries of the District, a notice containing the same information as is contained in the published notice, and the notices shall be posted not less that ten (10) days before the hearing.

9. This Resolution and Order shall be effective immediately following adoption hereof.

ENTERED this 27th day of May, 1998.

President and Commissioner

Commissioner

Commissioner

ATTEST:

Clerk

AFFIDAVIT OF PUBLICATION

No 000096

State of West Virginia
County of Marion, to wit:

I, Beverly A. Miller, being first duly sworn upon my oath, do dispose and say that I am Legal Clerk of the **TIMES WEST VIRGINIAN** a corporation, publisher of the newspaper entitled the **TIMES WEST VIRGINIAN** an Independent newspaper:

that I have been duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below, that such newspaper is regularly published daily except Saturday and Sunday, for at least fifty weeks during the calendar year, in the Municipality of Fairmont, Marion County, West Virginia; that such newspaper is a newspaper of "general circulation," as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforementioned municipality and Marion County; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial or social nature, and for current happenings, announcements, miscellaneous reading matter, advertisements and other notices.

that the annexed notice of Public Hearing was duly published in said newspaper once day for 1 successive day (Class I), commencing with the issue of the 10 day of June, 1998, and ending with the issue of the 10 day of June, 1998, and was posted at the front door of the Marion County Courthouse on the 10 day of _____ day of June, 1998; that said annexed notice was published on the following dates: June 10, 1998

and the cost of publishing said annexed noticed as aforesaid was $ 121.96.

Beverly A. Miller

Taken, subscribed and sworn to before me in said county this 24 day of June, 1998.

My commission expires Jan 24, 2000.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
Sherry L. Gillett
Notary Public of Marion County, West Virginia
[illegible] Rainey Street
Fairmont, WV 26554
My Commission Expires Jan. 24, 2000

LEGALS

southeasterly direction to a point, said point being in the center of the West Fork River and at the intersection of said Paw Paw District and Fairmont District and Winfield District;
Thence leaving said Paw Paw District and with the common district line between Fairmont District and Winfield District and with the West Fork River in a southeasterly direction to a point, said point being on the northerly line of the City of Fairmont;
Thence leaving said Winfield District and said West Fork River and with said line of the City of Fairmont in a southwesterly direction crossing U.S. Route 250 and U.S. Route 19 to a point, said point, said point being in the center of the West Fork River and at the intersection of the common boundary line of Fairmont District and Grant District;
Thence leaving said City of Fairmont and with the common district line between Fairmont District and Grant District and with the West Fork River in a westerly direction to a point, said point being at the intersection of said common boundary line of Fairmont District and Grant District and the easterly line of the Town of Monongah;
Thence leaving said Fairmont District and with the common district line between Lincoln District and Grant District and with the West Fork River in a westerly direction through the Town of Monongah to a point, said point being at the intersection of said common boundary line of Fairmont District and Grant District and on the common boundary line between Marion County and Harrison County;
Thence leaving said West Fork River and with said common boundary line between Marion County and Harrison County crossing U. S. Route 19 and with County Route 48 in a westerly direction to a point, said pint being at the intersection of said County Route 48 and County Route 8;
Thence leaving County Route 48 and with said County Route 8 and common boundary line between Marion County and with said common boundary line between Marion County and Harrison County to the **Place of Beginning** containing 109, 393 acres **More or Less**, as shown on a map attached hereto and made a part of this description.
Excepting the municipalities and the areas served by Farmington, Mannington, Worthington, Monongah, Barrackville, and Fairmont, as shaded in yellow on the aforementioned map.
All persons residing in or owning or having any interest in property in the proposed enlarged territory of The District are hereby notified that The County Commission of Marion County will conduct a public hearing on the 24th day of June, 1998, at 10:30 a.m. in the Marion County Courthouse at Fairmont, West Virginia, at which hearing all interested persons may appear before the County Commission and shall have an opportunity to be heard for or against the proposed enlargement and name change of the District.

Janice Cosco
Clerk of the
County Commission
of Marion County

NOTICE OF PUBLIC HEARING ON THE ENLARGEMENT AND NAME CHANGE OF IDAMAY PUBLIC SERVICE DISTRICT

Notice is hereby given that The County Commission of Marion County has, on its own motion, by order duly adopted on May 27, 1998, proposed the enlargement of Idamay Public Service District, and to change the name of the expanded public service district from Idamay Public Service District to Greater marion Public Service District.

DESCRIPTION OF PROPOSED IDAMAY PUBLIC SERVICE DISTRICT

A certain tract or parcel of land, situate in Marion County, West Virginia, being more particularly bounded and described as follows:
Beginning at a point, said point being on the common boundary line of Marion County and Harrison County at the intersection of County Route 8;
Thence leaving said County Route 8, and with said common boundary line of Marion County and Harrison County in a westerly direction to a point, said point being at the intersection of said common boundary line of Marion County and Harrison County and Wetzel County;
Thence leaving said Harrison County, and with the common boundary line of Marion County and Wetzel County in a northerly direction crossing U.S. Route 250 to a point, said point being at the intersection of said common boundary line of Marion County and Wetzel County and Monongalia County;
Thence leaving said Wetzel County, and with the common boundary line of Marion County and Monongalia County in an easterly direction to a point, said point being at the intersection of said common boundary line of Marion County and Monongalia County and County Route 14;
Thence leaving said Monongalia County, and with the common district line between Paw Paw District and Mannington District in a southeasterly direction to a point, said point being the intersection of said Paw Paw District and Mannington District and Lincoln District;
Thence leaving said Mannington District and with the common district line between Paw Paw District and Lincoln District in a southeasterly direction to a point, said point being the intersection of said Paw Paw District and Lincoln District and Fairmont District;
Thence leaving said Lincoln District and with the common district line between Paw Paw District and Fairmont District in a

THE COUNTY COMMISSION OF MARION COUNTY, WEST VIRGINIA

FIRST AMENDED
RESOLUTION AND ORDER ENLARGING
IDAMAY PUBLIC SERVICE DISTRICT
AND CHANGING THE NAME TO THE
GREATER MARION PUBLIC SERVICE DISTRICT

WHEREAS, The County Commission of Marion County (the "County Commission") did heretofore, by a Resolution and Order adopted May 27, 1998, fix a date for a hearing on the enlargement of Idamay Public Service District (the"District") for providing sewer services to the residents thereof, and in and by said resolution and order provide that all persons residing in or owning or having any interest in property in the territory to be included within the proposed enlarged boundaries of the District may appear before the County Commission at this hearing and have an opportunity to be heard for or against the proposed enlargement of the District;

WHEREAS, the Clerk of the County Commission has caused notice of this hearing to be given in the manner provided and required by said resolution and order and in accordance with Chapter 16, Article 13A, Section 2 of the West Virginia Code of 1931, as amended (the "Act"), by publication as a Class 1 legal advertisement and by posting in at least five (5) conspicuous places within the proposed enlarged boundaries of the District not less than ten (10) days before the hearing;

WHEREAS, a hearing was held on the proposed enlargement of the District at the Marion County Courthouse on the 24 day of June, 1998, at 10 a.m.;

WHEREAS, at such hearing, all persons residing in or owning or having any interest in property in the territory to be included within the proposed enlarged boundaries of the District were afforded an opportunity to be heard for or against the proposed enlargement;

WHEREAS, the County Commission determines that the enlargement of the District is feasible and that the construction or acquisition by purchase or otherwise and maintenance, operation, improvement and extension of public service properties by the District will be conductive to the preservation of public health, comfort and convenience of the resident of such enlarged territory;

WHEREAS, the County Commission deems it essential and desirable to adopt this resolution and order enlarging the District and set forth other matters

relating thereto as required by the Act;

WHEREAS, the County Commission deems it essential and desirable to change the name of the enlarged Idamay Public Service District to the Greater Marion Public Service District.

NOW, THEREFORE, BE IT, AND IT IS HEREBY, RESOLVED AND ORDERED, BY THE COUNTY COMMISSION OF MARION COUNTY AS FOLLOWS:

1. The County Commission, on its own motion, subject to the written consent and approval of the Public Service Commission of West Virginia, orders the enlargement of Idamay Public Service District.

2. The territory to be included in the enlargement of the District shall include Carolina Improvement Association in Marion County, but shall exclude the corporate boundaries of the municipalities of Worthington, Farmington, Mannington, Monongah, Barrackville, and Fairmont, and the territory is bounded and described as follows:

A certain tract or parcel of land, situate in Marion County, West Virginia, being more particularly bounded and described as follows:

Beginning at a point, said point being on the common boundary line of Marion County and Harrison County at the intersection of County Route 8;

Thence leaving said County Route 8, and with said common boundary line of Marion County and Harrison County in a westerly direction to a point, said point being at the intersection of said common boundary line of Marion County and Harrison County and Wetzel County;

Thence leaving said Harrison County, and with the common boundary line of Marion County and Wetzel County in a northerly direction crossing U.S. Route 250 to a point, said point being at the intersection of said common boundary line of Marion County and Wetzel County and Monongalia County;

Thence leaving said Wetzel County, and with the common boundary line of Marion County and Monongalia County in an easterly direction to a point, said point being at the intersection of said common boundary line of Marion County and Monongalia County and County Route 14;

Thence leaving said Monongalia County, and with the common district line between Paw Paw District and Mannington District in a southeasterly

direction to a point, said point being the intersection of said Paw Paw District and Mannington District and Lincoln District;

Thence leaving said Mannington District and with the common district line between Paw Paw District and Lincoln District in a southeasterly direction to a point, said point being the intersection of said Paw Paw District and Lincoln District and Fairmont District;

Thence leaving said Lincoln District and with the common district line between Paw Paw District and Fairmont District in a southeasterly direction to a point, said point being in the center of the West Fork River and at the intersection of said Paw Paw District and Fairmont District and Winfield District;

Thence leaving said Paw Paw District and with the common district line between Fairmont District and Winfield District and with the West Fork River in a southeasterly direction to a point, said point being on the northerly line of the City of Fairmont;

Thence leaving said Winfield District and said West Fork River and with said line of the City of Fairmont in a southwesterly direction crossing U.S. Route 250 and U.S. Route 19 to a point, said point being in the center of the West Fork River and at the intersection of the common boundary line of Fairmont District and Grant District;

Thence leaving said City of Fairmont and with the common district line between Fairmont District and Grant District and with the West Fork River in a westerly direction to a point, said point being at the intersection of said common boundary line of Fairmont District and Grant District and the easterly line of the Town of Monongah;

Thence leaving said Fairmont District and with the common district line between Lincoln District and Grant District and with the West Fork River in a westerly direction through the Town of Monongah to a point, said point being at the intersection of said common boundary line of Fairmont District and Grant District and on the common boundary line between Marion County and Harrison County;

Thence leaving said West Fork River and with said common boundary line between Marion County and Harrison County crossing U.S. Route 19 and with County Route 48 in a westerly direction to a point, said point being at the intersection of said County Route 48 and County Route 8;

Thence leaving County Route 48 and with said County Route 8 and common boundary line between Marion County and with said common boundary line between Marion County and Harrison County to the **Place of Beginning** containing 109,393 acres **More or Less**, as shown on a map attached hereto and made a part of this description.

3. The enlargement of the District does not include within its boundaries the territory of any other sewer public service district created under the laws of the State of West Virginia, and there is no city, incorporated town or other municipal corporation included within such boundaries.

4. The name of the enlarged public service district shall be changed from the Idamay Public Service District to the Great Marion Public Service District.

5. The District shall be authorized to acquire, construct, maintain operate, improve and extend sewer services and facilities within the above described territory.

6. The Clerk of the County Commission shall cause a certified copy of this Resolution and Order, together with a certified copy of the Resolution and Order proposing the enlargement of the District entered on the Sept. 11, 1998, to be filed with the Executive Secretary of the Public Service Commission of West Virginia within ten (10) days after the entry of this Resolution and Order.

7. This Resolution and Order shall be effective immediately following adoption hereof.

ENTERED this 11th day of Sept., 1998.

President and Commissioner

Commissioner

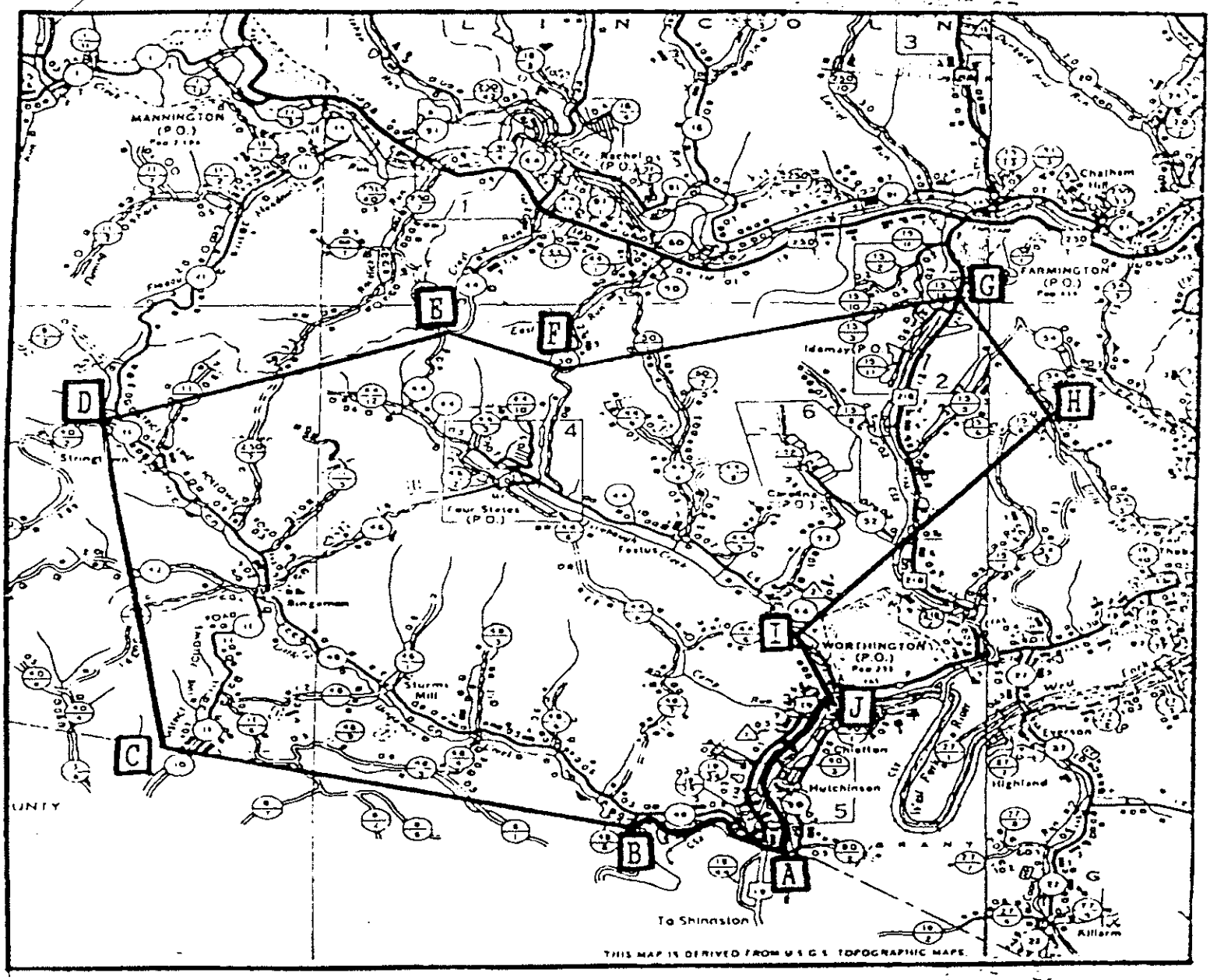
Commissioner

ATTEST:

CASE NO. 98-C801-PSD-PC

MARION COUNTY COMMISSION MAP OF PROPOSED

METES AND BOUNDS OF ENLARGED IDA MAY PUBLIC SERVICE DISTRICT



POINT	BEARING	DISTANCE	
A	LAT 39° 25'54" - LONG 80° 16'29"	AB = 7,500	feet
B	LAT 39° 26'03" - LONG 80° 17'38"	BC = 16,800	feet
C	LAT 39° 26'42" - LONG 80° 21'16"	CD = 15,600	feet
D	LAT 39° 29'17" - LONG 80° 21'39"	DE = 11,800	feet
E	LAT 39° 29'48" - LONG 80° 19'07"	EF = 4,200	feet
F	LAT 39° 29'32" - LONG 80° 18'15"	FG = 13,900	feet
G	LAT 39° 30'06" - LONG 80° 15'15"	GH = 6,600	feet
H	LAT 39° 29'08" - LONG 80° 15'28"	HI = 13,000	feet
I	LAT 39° 27'32" - LONG 80° 16'29"	IJ = 3,200	feet
J	LAT 39° 27'05" - LONG 80° 16'07"	JA = 8,000	feet

PREPARED BY: PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

RECEIVED
98 DEC 22 PM 1:36
PUBLIC SERVICE COMMISSION
LEGAL DIVISION

980801aljl13098.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: November 30, 1998

FINAL
12-20-98

CASE NO. 98-0801-PSD-PC

MARION COUNTY COMMISSION
Petition for consent and approval to enlarge the Idamay Public Service District and to change the name of the expanded district from Idamay Public Service District to Greater Marion Public Service District.

RECOMMENDED DECISION

On July 2, 1998, the Marion County Commission (County Commission) filed a petition with the Public Service Commission for approval to enlarge the boundaries of the Idamay Public Service District (Idamay) and to change the name of the expanded district from Idamay Public Service District to Greater Marion Public Service District.

By Order dated July 27, 1998, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before January 28, 1999.

On September 21, 1998, Staff Attorney Ronald E. Robertson, Jr., filed the Final Joint Staff Memorandum, to which was attached the Final Internal Memorandum prepared by Mr. James Boggess, Utilities Analyst II, Water and Wastewater Division.

Messrs. Robertson and Boggess explained that Idamay was created by the Marion County Commission on February 25, 1983, "to construct or acquire by purchase or otherwise and maintain, operate, improve and extend properties supplying water and sewer services within said District." In Case No. 83-484-S-CN, Idamay was granted a certificate of convenience and necessity to operate a sewerage facility by Recommended Decision entered April 10, 1984, which became final April 30, 1984. Idamay is anticipating prefiling with the Commission a sewer project in which Idamay and neighboring Carolina Improvement Association will abandon their archaic treatment plants and connect with the Town of Worthington's new sewerage treatment plant. The boundary expansion in this case will place the project area within the boundaries of the Idamay Public Service District. The expansion will also encompass the watershed for the area in anticipation of future sewer extensions.

Staff recommended that approval be granted to the Marion County Commission's petition for the boundary expansion and for the name change

and that a hearing be set in this case to complete the requirements of West Virginia Code §16-13A-2.

By Order dated October 15, 1998, this matter was set for a hearing to be held in Room 104, City-County Complex, Fairmont, West Virginia, on November 20, 1998. Said Order also provided that the Marion County Commission give notice of the hearing to be held on November 20, 1998, by publishing a Notice of Hearing once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Marion County.

The hearing was held as scheduled. Mr. Kevin McClung appeared as a representative of the Marion County Commission. Commission Staff was represented by Staff Attorney Ronald E. Robertson, Jr. No one appeared in protest to the application.

A copy of the affidavit of publication was provided at the hearing which reflects that publication was made in accordance with the Commission's requirements.

The Final Joint Staff Memorandum prepared in this case was marked as Staff Exhibit No. 1 and received into evidence.

Since there was no protest to the application, no evidence was received and the case was submitted as unprotested.

FINDINGS OF FACT

1. On July 2, 1998, the Marion County Commission filed a petition seeking approval of the Public Service Commission to enlarge the boundaries of the Idamay Public Service District and to change the name of the expanded District from Idamay Public Service District to Greater Marion Public Service District. (See, petition).

2. On September 21, 1998, Staff Attorney Ronald E. Robertson, Jr., filed the Final Joint Staff Memorandum, to which was attached the Final Internal Memorandum prepared by Mr. James Boggess, Utilities Analyst II, Water and Wastewater Division. Staff recommended that approval be granted to the Marion County Commission's petition for the boundary expansion and the name change and that a hearing be set to complete the requirements of West Virginia Code §16-13A-2. (See Final Joint Staff Memorandum filed September 21, 1998).

3. By Order dated October 15, 1998, this matter was set for a hearing to be held in Room 104, City-County Complex, Fairmont, West Virginia, on November 20, 1998. Said Order also provided that the Marion County Commission give notice of the hearing to be held by publishing a Notice of Hearing once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Marion County. (See, October 15, 1998 Order).

4. The hearing was held as scheduled and, at the hearing, a copy of the affidavit of publication was provided, which reflects that

publication was made in accordance with the Commission's requirements. (See, Tr., p. 3).

5. No one appeared in protest to the application of the Marion County Commission. (See, Tr., p. 4).

CONCLUSION OF LAW

Since the Marion County Commission gave proper notice of the hearing to be held on its petition on November 20, 1998, and no one appeared in protest to the petition, the petition of the Marion County Commission filed on July 2, 1998, to enlarge the boundaries of the Idamay Public Service District and to change the name of the expanded District from Idamay Public Service District to the Greater Marion Public Service District can be approved as unprotested.

ORDER

IT IS, THEREFORE, ORDERED that the Order of the Marion County Commission, enlarging the boundaries of the Idamay Public Service District and changing the name of the expanded District from Idamay Public Service District to the Greater Marion Public Service District, entered on September 11, 1998, be, and the same hereby is, approved.

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

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

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

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

Robert W. Glass
Administrative Law Judge

RWG:mal

Marion County Commission

CECILY M. ENOS
Commissioner and President

JAMES E. SAGO
Commissioner

CODY A. STARCHER
Commissioner

JEFFREY M. BURDOFF
Administrative Assistant to the Commission

Address Correspondence to:
200 JACKSON STREET
FAIRMONT, WEST VIRGINIA 26554
(304) 367-5400
FAX (304) 367-5431

October 25, 1995

Ms. Theresa Efaw
P. O. Box 18
Idamay, West Virginia 26576

Dear Ms. Efaw:

The Marion County Commission acting in regular session on October 25, 1995, reappointed you to the Idamay Public Service District. Your term will expire on July 1, 2001.

The Commission is pleased you have accepted this responsibility to provide service to all the residents of Marion County.

We extend to you our best wishes and full cooperation for a successful tenure.

MARION COUNTY COMMISSION

Cecily M. Enos
CECILY M. ENOS, PRESIDENT

JAMES E. SAGO, COMMISSIONER

CODY A. STARCHER, COMMISSIONER

MCC/sad

CC: Janice Cosco, County Clerk

Marion County Commission

JAMES E. SAGO
Commissioner and President

CILY M. ENOS
Commissioner

CODY A. STARCHER
Commissioner

JEFFREY M. BURDOFF
Administrative Assistant to the Commission

Address Correspondence to:
200 JACKSON STREET
FAIRMONT, WEST VIRGINIA 26554
(304) 367-5400
FAX (304) 367-5431

October 29, 1997

Ms. Blanche Golden
Rt. #1, Box 238B
Farmington, West Virginia 26571

Dear Ms. Golden:

The Marion County Commission acting in regular session on September 29, 1997, reappointed you to the Idamay Public Service District. Your term will expire on July 1, 2003.

The Commission is pleased you have accepted this responsibility to provide service to all the residents of Marion County.

We extend to you our best wishes and full cooperation for a successful tenure.

MARION COUNTY COMMISSION

JAMES E. SAGO, PRESIDENT

CECILY M. ENOS, COMMISSIONER

CODY A. STARCHER, COMMISSIONER

MCC/sad

CC: Janice Cosco, County Clerk

At that time, someone would step down. At present time, Mr. Rizzo is needed for signing checks and contracts, which deal with their project.

Commissioner Sago moved to recess until the County Commission could get the matter resolved.

Let the record note that Fairy Downs, chairperson for the Historical Society and Thomas Koon, President, were present in the courtroom to present a Certificate of Recognition to the County Commission for all of their support they've given to the Historical Museum.

There being no further business to come before the County Commission, they will recess until 11:15 AM today. (9-1-99)

11:15 AM

The Marion County Commission reconvened in regular session.

Commissioner Sago stated that the County Commission had been notified that Paul Maxie Morris, who had been appointed on August 27, 1999, to serve as a member on the Greater Marion Public Service District, has submitted his resignation.

Commissioner Sago moved that the County Commission ***accept*** *the* ***resignation*** *of* ***Paul Maxie Morris***. *Commissioner Enos seconded the motion. President Starcher concurred. The motion carried.*

Commissioner Sago also moved that the County Commission ***reappoint Samuel J. Rizzo*** *to the* ***Greater Marion Public Service District*** *with a term to begin on July 1, 1999 until July 1, 2005. Commissioner Enos seconded the motion. President Starcher concurred. The motion carried.*

There being no further business to come before the County Commission, it is

Ordered that this Commission do now recess until Friday, September 3, 1999, at 10:00 AM.

Cody A Starcher *President*

RECEIVED MAR 1 5 1999

State of West Virginia, SS.:

I, Theresa Efaw, do solemnly swear that I will support the Constitution of the United States, and the Constitution of the State of West Virginia, and I further solemnly swear that I will faithfully and impartially perform the duties of the office of Chairperson for Greater Marion Public Service District

to the best of my skill and judgment. So help me God.

Theresa Efaw

Subscribed and sworn to before me, Janice Cosco, County Clerk,

in and for said county, this 8th day of

March 19 99

Janice Cosco by Donna J Zemonick
Deputy Clerk

41

State of West Virginia, SS.:

I, SAMUEL RIZZO, do solemnly swear that I will support the Constitution of the United States, and the Constitution of the State of West Virginia, and I further solemnly swear that I will faithfully and impartially perform the duties of the office of Board Member of the Greater Marion Public Service District

to the best of my skill and judgment. So help me God.

Samuel Rizzo

Subscribed and sworn to before me, Janice Cosco, Clerk for Marion

County in and for said county, this 8th day of

March 19 99

Janice Cosco By Susan L Garcia
Deputy Clerk

41

State of West Virginia, SS:

I, Blanche Golden, do solemnly swear that I will support the Constitution of the United States, and the Constitution of the State of West Virginia, and I further solemnly swear that I will faithfully and impartially perform the duties of the office of Idamay Public Service District Board

to the best of my skill and judgment. So help me God.

X Blanche Golden

Subscribed and sworn to before me, Janice Cosco, Clerk for Marion County, in and for said county, this 26th day of February 19 99

Janice Cosco By: Susan Kaneza Deputy Clerk

41

State of West Virginia, SS.:

I, SAMUEL RIZZO, do solemnly swear that I will support the Constitution of the United States, and the Constitution of the State of West Virginia, and I further solemnly swear that I will faithfully and impartially perform the duties of the office of Board Member of the Greater Marion Public Service District

to the best of my skill and judgment. So help me God.

Samuel Rizzo

Subscribed and sworn to before me, Janice Cosco, Clerk for Marion County in and for said county, this 8th day of March 19 99

Janice Cosco By Susan Garcia
Deputy Clerk

41

RULES OF PROCEDURE

GREATER MARION WATER PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: GREATER MARION WATER PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District will be located in Idamay, Marion County, West Virginia.

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

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

ARTICLE II

PURPOSE

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

ARTICLE III

MEMBERSHIP

Section 1. The members of the Public Service Board of this District shall be those persons appointed by The County Commission of Marion 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 first Thursday of each month at such place and hour as the members shall determine from time to time. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Public Service Board may be called at any time by the Chairman or by a quorum of the Board.

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

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

PUBLIC NOTICE OF MEETINGS

Section 4. Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended (1999 Revision), notice of the date, time, place and agenda of all regularly scheduled meetings of such Public Service Board, and the date, time, place and purpose of all special meetings of such Public Service Board, shall be made available, in advance, to the public and news media (except in the event of an emergency requiring immediate action) as follows:

A. Regular Meetings. A notice shall be posted and maintained by the Secretary of the Public Service Board of the Public Service District at the front door or bulletin board of the Marion 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 48 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 Marion 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 48 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

ARTICLE V

OFFICERS

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

Section 2. The officers of the Public Service Board shall be elected each year by the members at the first meeting held in such year. The officers so elected shall serve until the next annual

election by the membership and until their successors are duly elected and qualified. Any vacancy occurring among the officers shall be filled by the members of the Public Service Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the following January meeting of the Board when their successors shall be elected hereinabove provided.

ARTICLE VI

DUTIES OF OFFICERS

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

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

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

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

ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

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

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

Adopted this 7th day of December, 2000.

[RESERVED]

Greater Marion P.S.D. Jan 6, 00

Meeting Called to order by Theresa Ofau (CP.)
Present are Sam Rizzo, Blanche Golden, Monty Fike, (Thrasher)
Willis Steel, & Kim Brurly.
Thrasher) (Region 6)

Discussion on Contract 2 for change order 1
Blanche made the motion to accept. Sam
second it. It will increase this contract
By 2,433.93 and increase the days of Calander
days by 45.

We are going up 218 now instead of going
down by Harly's due to the fall of the Rocks.

To approve Reg # 7 Sam made motion to approve
Blanch second it. This is the 5th payment for
both Green River & Michael Inc.

Also I asked Sam & Blanch to remain on the
board Sam as Sec. Blanch as Trea. The both
agreed & all approved. Sam made motion for
me to stay on as Chairperson I accepted Blanch
second it. (This is for the year 2000)

Meeting adjourned - Sam second it.

GREATER MARION PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 2000 (West Virginia SRF Program)

MINUTES ON ADOPTION OF BOND
RESOLUTION AND SUPPLEMENTAL RESOLUTION

The undersigned SECRETARY of the Public Service Board of Greater Marion Public Service District, hereby certify that the following is a true and correct excerpt of the minutes of a special meeting of the said Public Service Board:

*** *** ***

The Public Service Board of Greater Marion Public Service District met in special session, pursuant to notice duly posted, on the 7th day of December, 2000, in Idamay, West Virginia, at the hour of 6:00 p.m.

PRESENT:	Theresa Efaw	-	Chairperson and Member
	Sam Rizzo	-	Secretary and Member
	Blanche Golden	-	Treasurer and Member
ABSENT:	None.		

Theresa Efaw, Chairperson, presided, and Blanche Golden 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 proposed Amended Rules of Procedure for consideration and there was discussion. Thereupon, upon motion duly made and seconded, it was unanimously ordered that the said Amended Rules of Procedure 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 IMPROVEMENTS AND EXTENSIONS

TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF GREATER MARION PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $400,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2000 (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE 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, upon motion duly made and seconded, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Chairman presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISIONS, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2000 (WEST VIRGINIA SRF PROGRAM) OF GREATER MARION PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE BOND PURCHASE 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 and seconded, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

*** *** ***

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

Theresa Chan

Chairman

CERTIFICATION

I hereby certify that the foregoing action of Greater Marion Public Service Board remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 11th day of December, 2000.

Secretary

11/14/00
439080/00001

WV MUNICIPAL BOND COMMISSION
8 Capitol Street
Suite 500, Terminal Building
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: December 11, 2000

(See Reverse for Instructions)

ISSUE: Greater Marion Public Service District Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program)

ADDRESS: Post Office Box 15, Idamay, WV 26576 COUNTY: Marion

PURPOSE OF ISSUE: New Money: X Refunding: ____ REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: December 11, 2000 CLOSING DATE: December 11, 2000

ISSUE AMOUNT: $400,000 RATE: 0%; Administrative Fee: 1/2%

1ST DEBT SERVICE DUE: 12/01/01 1ST PRINCIPAL DUE: 12/01/01

1ST DEBT SERVICE AMOUNT: $3,334 PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Steptoe & Johnson
Contact Person: Vincent A. Collins, Esq.
Phone: 624-8161

UNDERWRITERS COUNSEL: Jackson & Kelly
Contact Person: Samme L. Gee, Esq.
Phone: 340-1318

CLOSING BANK: Branch Banking & Trust Company
Contact Person: Freda Toothman
Phone: 825-6565

ESCROW TRUSTEE: ____
Contact Person: ____
Phone: ____

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Theresa Efaw
Position: Chairman
Phone: 287-7521

OTHER: Division of Environmental Protection
Contact Person: Rosalie Brodersen
Function: Branch Leader
Phone: 558-0637

DEPOSITS TO MBC AT CLOSE:
By: ____ Wire ____ Check

____ Accrued Interest: $____
____ Capitalized Interest: $____
____ Reserve Account: $____
____ Other: ____ $____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire ____ Check ____ IGT

____ To Escrow Trustee: $____
____ To Issuer $____
____ To Cons. Invest. Fund $____
____ To Other: ____ $____

NOTES: ____

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED: ____
TRANSFERS REQUIRED: ____

CL648458.1

GREATER MARION PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 2000 A (West Virginia SRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

Branch Banking and Trust Company, Farmington, West Virginia, hereby accepts appointment as Depository Bank in connection with the Bond Resolution of Greater Marion Public Service District (the "Issuer") adopted December 7, 2000, and the Supplemental Resolution of the Issuer adopted December 7, 2000 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), dated December 11, 2000, issued in the principal amount of $400,000 (the "Bonds"), and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 11th day of December, 2000.

BRANCH BANKING AND TRUST COMPANY

Freda Toothman
Its Financial Center Manager

11/13/00
439080/00001

GREATER MARION PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 2000 A (West Virginia SRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

BRANCH BANKING AND TRUST COMPANY, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Greater Marion Public Service District Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), dated December 11, 2000, issued in the principal amount of $400,000 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 11th day of December, 2000.

BRANCH BANKING AND TRUST COMPANY

Assistant Vice President

11/13/00
439080/00001

GREATER MARION PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 2000 A (West Virginia SRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

BRANCH BANKING AND TRUST COMPANY, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of Greater Marion Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bond, Series 2000 (West Virginia SRF Program), of the Issuer, dated December 11, 2000, in the principal amount of $400,000, numbered R-1, was registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of Branch Banking and Trust Company as Registrar.

WITNESS my signature on this 11th day of December, 2000.

BRANCH BANKING AND TRUST COMPANY

Assistant Vice President

11/13/00
439080/00001

GREATER MARION PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 2000 (West Virginia SRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 11th day of December, 2000, by and between GREATER MARION PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and BRANCH BANKING AND TRUST COMPANY, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $400,000 Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), in fully registered form (the "Bonds"), pursuant to the Bond Resolution of the Issuer duly adopted December 7, 2000, and the Supplemental Resolution of the Issuer duly adopted December 7, 2000 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: Greater Marion Public Service District
P. O. Box 15
Idamay, West Virginia 26576
Attention: Chairman

REGISTRAR: Branch Banking and Trust Company
Post Office Box 1793
300 Summers Street
Charleston, West Virginia 25326
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

9. This document may be executed in one or more counterparts each of which shall be deemed an original and all of which shall constitute but one and the same document.

IN WITNESS WHEREOF, 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.

GREATER MARION PUBLIC SERVICE DISTRICT

Chairman

BRANCH BANKING AND TRUST COMPANY

Assistant Vice President

11/13/00
439080/00001

ISSUER: Greater Marion Public Service District
P. O. Box 15
Idamay, West Virginia 26576
Attention: Chairman

REGISTRAR: Branch Banking and Trust Company
Post Office Box 1793
300 Summers Street
Charleston, West Virginia 25326
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

9. This document may be executed in one or more counterparts each of which shall be deemed an original and all of which shall constitute but one and the same document.

IN WITNESS WHEREOF, 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.

GREATER MARION PUBLIC SERVICE DISTRICT

_____
Chairman

BRANCH BANKING AND TRUST COMPANY

_____
Assistant Vice President

11/13/00
439080/00001

EXHIBIT A

Bond Legislation included in bond transcript as Documents Nos. 1 and 2.

SCHEDULE OF COMPENSATION

(See attached)

BB&T

Branch Banking & Trust Co.

Trust Department
Summers & Lee Street
P.O. Box 1793
Charleston, WV 25326
(304) 348-7081
(800) 336-5450

I N V O I C E

DECEMBER 11, 2000

GREATER MARION PUBLIC WERVICE DISTRICT
ATTN: CHAIRMAN
P O BOX 15
IDAMAY WV 26576

RE: GREATER MARION PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2000
(WV SRF PROGRAM)

ONE TIME FEE FOR SERVICES AS REGISTRAR AND
AUTHENTICATING AGENT..... $250.00

REMIT PAYMENT TO:

BRANCH BANKING AND TRUST CO
ATTN: CHARLOTTE S MORGAN
P O BOX 1793
CHARLESTON WV 25326

WRD 1A-82
Revised 11/97

STATE OF WEST VIRGINIA
DIVISION OF ENVIRONMENTAL PROTECTION
OFFICE OF WATER RESOURCES
1201 GREENBRIER STREET
CHARLESTON, WV 25311

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
WATER POLLUTION CONTROL PERMIT

Permit No.: WV0080764

Subject: Sewage Facilities

Issue Date: February 24, 1999

Effective Date: March 24, 1999

Expiration Date: February 23, 2004

Supersedes: WV/NPDES Permit No. WV0080764 issued July 11, 1984.

Location:	Idamay	Marion	Monongahela
	(City)	**(County)**	**(Drainage Basin)**

Outlets:

Latitude: 39° 29' 24" N
Longitude: 80° 15' 45" W

To whom it may concern:

This is to certify that Idamay PSD
P.O. Box 15
Idamay, WV 26576

is hereby granted a NPDES Water Pollution Control Permit to: operate and maintain an existing 100,000 gallon per day sewage collection and treatment system consisting of 6,030 linear feet of four (4) inch gravity sewer line, 9,475 linear feet of six (6) inch gravity sewer line, 6,565 linear feet of eight (8) inch gravity sewer line, 1,330 linear feet of 12 inch gravity sewer line, 71 manholes, 10 cleanouts, and a 100,000 gpd treatment facility consisting of a 29' diameter aerator/clarifier tank, a 22' diameter primary settling tank, chlorine disinfection, and all necessary appurtenances.

The system is designed to serve a maximum of 600 persons in the Idamay area of the Idamay PSD and discharges treated wastewater to Helen's Fork (approximately 9.0 miles from its mouth) of the West Fork River of the Monongahela River.

(Continued on Page 2)

Also, to acquire, construct, install, operate, and maintain a new sewage collection system consisting of 5,229 linear feet of eight (8) inch gravity sewer line, 15,351 linear feet of six (6) inch gravity sewer line, 13,154 linear feet of four (4) inch gravity sewer line, 11,877 linear feet of eight (8) inch vacuum sewer line, 5,387 linear feet of six (6) inch vacuum sewer line, 17,367 linear feet of four (4) inch vacuum sewer line, various vacuum sewer pits and lifts, 59 manholes, and all other necessary appurtenances.

The new collection system shall serve approximately 429 customers of the Idamay, Kellytown, and Carolina areas of the Idamay PSD and will convey sewage to the Town of Worthington sewage collection and treatment system for ultimate treatment and discharge.

Upon completion of this new collection system the existing treatment plant currently operated by the Idamay PSD shall be shut down and properly abandoned.

This permit is subject to the following terms and conditions:

The information submitted on and with Permit Application No. WV0080764 dated the 11th day of November 1998 along with the plans and specifications approved by the Construction Assistance Branch on the 19th day of January 1999 are all hereby made terms and conditions of this Permit with like effect as if all such permit application information were set forth herein and with other conditions set forth in Sections A, B, C, and Appendix A.

The validity of this permit is contingent upon the payment of the applicable annual permit fee, as required by Chapter 22, Article 11, Section 10 of the Code of West Virginia.

A. Discl. ,e Limitations and Monitoring Requirements

During the period beginning March 24, 1999 **and lasting through midnight** September 24, 2000
the permittee is authorized to discharge from outlet number(s) 001 - Discharge from sewage treatment facilities

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations (Quantity) lbs/day Avg. Monthly	Max. Daily	Other Units (Specify) Avg. Monthly	Max.Daily		Monitoring Requirements Measurement Frequency	Sample Type
Flow	N/A	N/A	0.100	N/A	MGD	Continuous	Measured
Biochemical Oxygen Demand (5-Day)	25.0	50.0	30.0	60.0	mg/l	1/Month	8 Hr Comp
Total Suspended Solids	25.0	50.0	30.0	60.0	mg/l	1/Month	8 Hr Comp
Nitrogen, Ammonia	12.5	25.0	15.0	30.0	mg/l	1/Month	8 Hr Comp
Fecal Coliform			200	400	counts/ 100ml	1/Month	Grab

The pH shall not be less than 6.0 **standard units and not more than** 9.0 **standard units and shall be monitored by grab sampling** monthly.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent BOD_5 sampling shall be collected at a location immediately preceding disinfection. All other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

3. SCHEDULE OF COMPLIANCE

1. **The permittee shall achieve compliance with the provisions for waste treatment and the monitoring requirements specified in this permit in accordance with the following schedule:**

On or before June 24, 1999	Submit the necessary information to obtain approval for the disposal of any solids generated by the wastewater treatment facility.
On or before September 24, 2000	Complete and make operational the new sewage collection system to the Town of Worthington and take the existing Idamay treatment plant out of service.

2. **Reports of compliance or non-compliance with, and progress reports on interim and final requirements contained in the above compliance schedule, shall be postmarked no later than 14 days following each schedule date.**

C. OTHER REQUIREMENTS

1. The herein-described treatment works, structures, electrical and mechanical equipment shall be adequately protected from physical damage by the maximum expected one hundred (100) year flood level and operability be maintained during the twenty-five (25) year flood level.

2. The entire sewage treatment facility shall be adequately protected by fencing.

3. Continuous maintenance and operation of the listed sewage treatment facility shall be performed by or supervised by a certified operator possessing at least a Class II certificate for Waste Water Treatment Plant Operators issued by the State of West Virginia.

4. An instantaneous flow from the sewage disposal system shall not exceed the peak design flow at any given time.

5. The arithmetic mean of values for effluent samples collected in a period of seven (7) consecutive days shall not exceed 45.0 mg/l for BOD_5, 45.0 mg/l for TSS, and 22.5 mg/l for NH_3-N.

6. The arithmetic mean of the effluent values of BOD_5 and TSS discharged during a period of 30 consecutive days shall not exceed 15 percent (%) of the respective arithmetic mean of the influent values for these parameters during the same time period except as specifically authorized by the permitting authority.

7. The permittee shall not accept any new non-domestic discharges without first obtaining approval from the Chief of the Office of Water Resources as provided in Title 47, Series 10, Section 14 of the West Virginia Legislative Rules.

8. If any existing non-domestic discharge causes, or is suspected of causing, interference or pass through (as defined by 40 CFR 403.3) or otherwise violates any provision of 40 CFR 403, the permittee shall notify the Chief of such violation or suspected violation.

9. If any existing non-domestic discharge is identified as being subject to Categorical Pretreatment Standard under 40 CFR Chapter 1, Subchapter N, and the discharge is not regulated by this permit, the permittee shall notify the Chief of such identification.

10. The permittee shall submit each month according to the enclosed format, a Discharge Monitoring Report (DMR) indicating in terms of concentration and/or quantities the values of the constiuents listed in Section A analytically determined to be in the plant effluent (s). Additional information pertaining to effluent monitoring and reporting can be found in Section III of Appendix A.

11. The required DMRs should be received no later than 20 days following the end of the reporting period and be addressed to:

Chief
Office of Water Resources
1201 Greenbrier Street
Charleston, West Virginia 25311-1088
Attention: Engineering Branch

C. OTHER REQUIREMENTS

12. The effluent discharge limitations prescribed in Section A of this permit are based upon previously established discharge load allocation procedures. These effluent discharge limitations shall remain effective during the term of this Permit. However, previous discharge load allocation establishment procedures have been reviewed and it has been determined that an evaluation of these procedures is necessary.

    a) The discharge load allocation presented below is prescribed for the protection of water quality and is issued as a result of revisions made to the previously established discharge load allocation procedures. This discharge load allocation shall be used to establish effluent discharge limitations for the wastewater treatment plant and is presented as follows:

Parameter	Allowable Waste Load (30 day average)
Flow	0.100 MGD
BOD_5	10.0 mg/l
TSS	30.0 mg/l
NH_3-N	2.0 mg/l
Dissolved Oxygen	A minimum of 6.0 mg/l at any given time
Total Residual Chlorine	27.0 µg/l

    b) The permittee shall develop a Plan of Action which evaluates the capability of attaining compliance with the discharge load allocations presented in Section 12.a) above and/or evaluates other alternatives which may be implemented in lieu of providing additional treatment capability.

    c) The Plan of Action shall be submitted with the next permit renewal application which is due 180 days prior to the expiration of this permit. The Plan of Action shall provide a Schedule of Tasks with the objective of attaining compliance with the discharge load allocation presented in Section 12.a) above. This compliance shall be attained prior to the expiration of the next permit.

    d) The Chief shall also implement evaluation and calibration procedures relative to the discharge load allocation methodology revisions. Therefore, the Chief shall reserve the right to require monitoring upstream and downstream of the effluent discharge and/or receiving stream flow data.

13. On or before **June 24, 1999**, the Idamay PSD shall, in conformance with the requirements of Section II.5 of Appendix A of this permit, obtain approval for the disposal of any solids generated by the wastewater treatment facility. This approval shall be afforded in accordance with the provisions of Title 33, Series 2 of the West Virginia Legislative Rules.

14. On or before **September 24, 2000**, the Idamay PSD shall complete and make operational the new sewage collection system, take the existing treatment facility out of service, and properly abandon the facility.

The herein-described activity is to be extended, modified, added to, made, enlarged, acquired, constructed or installed, and operated, used and maintained strictly in accordance with the terms and conditions of this permit, with the plans and specifications submitted with Permit Application No. WV0080764, dated the 11th day of November 1998; with the plan of maintenance and method of operation thereof submitted with such application(s); and with any applicable rules and regulations promulgated by the Environmental Quality Board and the Director of the Division of Environmental Protection.

Failure to comply with the terms and conditions of this permit, with the plans and specifications submitted with Permit Application No. WV0080764, dated the 11th day of November 1998; and with the plan of maintenance and method of operation thereof submitted with such application(s) shall constitute grounds for the revocation or suspension of this permit and for the invocation of all the enforcement procedures set forth in Chapter 22, Article 11, or 15 of the Code of West Virginia.

This permit is issued in accordance with the provisions of Chapter 22, Articles 11 and 12 and/or 15 of the Code of West Virginia and is transferable under the terms of Section 11 of Article 11.

Barbara E Taylor

By:_____
Chief

BST/rb

WRD 2A-82

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

FACILITY NAME Idamay PSD
LOCATION OF FACILITY Idamay, Marion County
PERMIT NUMBER WV0080764 OUTLET NO. 001
WASTELOAD FOR MONTH OF _____ 19 ____

COMMERCIAL LABORATORY NAME _____
COMMERCIAL LABORATORYADDRESS _____
INDIVIDUAL PERFORMING ANALYSIS _____

Parameter		Quantity					Other Units					Measurement Frequency	Sample Type
		Minimum	Avg Monthly	Max Daily	Units	N.E.	Minimum	Avg Monthly	Max Daily	Units	N.E.		
Flow, in conduit or thru treatment plant 50050	Reported									MGD			
	Permit Limitation	N/A	N/A	N/A			N/A	0.100	N/A			Continuous	Measured
BOD, 5-Day (20 Deg. C) 00310	Reported									mg/l			
	Permit Limitation	N/A	25.0	50.0			N/A	30.0	60.0			1/Month	8 Hr. Comp.
Solids, Total Suspended 00530	Reported									mg/l			
	Permit Limitation	N/A	25.0	50.0			N/A	30.0	60.0			1/Month	8 Hr. Comp.
Nitrogen, Ammonia 00610	Reported									mg/l			
	Permit Limitation	N/A	12.5	25.0			N/A	15.0	30.0			1/Month	8 Hr. Comp.
pH 00400	Reported									SU			
	Permit Limitation	*****	*****	*****			6.0	N/A	9.0			1/Month	Grab
Coliform, Fecal General 74055	Reported	MF	--	MPN						cnts/ 100ml			
	Permit Limitation	Circle	Method	Used			N/A	200	400			1/Month	Grab
	Reported												
	Permit Limitation												

Name of Principal Executive Officer	I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.	Date Completed
Title of Officer		Signature of Principal Executive Officer or Authorized Agent

Appendix A

I. MANAGEMENT CONDITIONS:

1. **Duty to Comply**
   a) The permittee must comply with all conditions of this permit. Permit noncompliance constitutes a violation of the CWA and State Act and is grounds for enforcement action; for permit modification, revocation and reissuance, suspension or revocation; or for denial of a permit renewal application.
   b) The permittee shall comply with all effluent standards or prohibitions established under Section 307(a) of the CWA for toxic pollutants within the time provided in the regulations that establish these standards or prohibitions, even if the permit has not yet been modified to incorporate the requirement.
2. **Duty to Reapply**
   If the permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the permittee must apply for a new permit at least 180 days prior to expiration of the permit.
3. **Duty to Mitigate**
   The permittee shall take all reasonable steps to minimize or prevent any discharge in violation of this permit, which has a reasonable likelihood of adversely affecting human health or the environment.
4. **Permit Actions**
   This permit may be modified, revoked and reissued, suspended, or revoked for cause. The filing of a request by the permittee for permit modification, revocation and reissuance, or revocation, or a notification of planned changes or anticipated noncompliance, does not stay any permit condition.
5. **Property Rights**
   This permit does not convey any property rights of any sort or any exclusive privilege.
6. **Signatory Requirements**
   All applications, reports, or information submitted to the Chief shall be signed and certified as required in Title 47, Series 10 , Section 4.6 of the West Virginia Legislative Rules.
7. **Transfers**
   This permit is not transferrable to any person except after notice to the Chief. The Chief may require modification or revocation and reissuance of the permit to change the name of the permittee and incorporate such other requirements as may be necessary. .
8. **Duty to Provide Information**
   The permittee shall furnish to the Chief, within a reasonable specified time, any information which the Chief may request to determine whether cause exists for modifying, revoking and reissuing, suspending, or revoking this permit, or to determine compliance with this permit. The permittee shall also furnish to the Chief, upon request, copies of records required to be kept by this permit.
9. **Other Information**
   Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Chief, it shall promptly submit such facts or information.
10. **Inspection and Entry**
    The permittee shall allow the Chief, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to:
    a) Enter upon the permittee's premises in which an effluent source or activity is located, or where records must be kept under the conditions of this permit;
    b) Have access to and copy at reasonable times, any records that must be kept under the conditions of this permit;
    c) Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit; and
    d) Sample or monitor at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by the State Act, any substances or parameters at any location.
11. **Permit Modification**
    This permit may be modified, suspended, or revoked in whole or in part during its term in accordance with the provisions of Chapter 22-11-12 of the Code of West Virginia.
12. **Water Quality**
    The effluent or effluents covered by this permit are to be of such quality so as not to cause violation of applicable water quality standards adopted by the Environmental Quality Board.
13. **Outlet Markers**
    A permanent marker at the establishment shall be posted in accordance with Title 47, Series 11, Section 9 of the West Virginia Legislative Rules.
14. **Liabilities**
    a) Any person who violates a permit condition implementing sections 301, 302, 306, 307, 308, 318, or 405 of the Clean Water Act is subject to a civil penalty not to exceed $10,000 per day of such violation. Any person who willfully or negligently violates permit conditions implementing sections 301, 302, 306, 307, or 308 of the Clean Water Act is subject to a fine of not less than $2,500 nor more than $25,000 per day of violation, or by imprisonment for not more than 1 year, or both.
    b) Any person who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this permit shall, upon conviction, be punished by a fine of not more than $10,000 per violation, or by imprisonment for not more than 6 months per violation, or by both.
    c) Any person who knowingly makes any false statement, representation, or certification in any record or other document submitted or required to be maintained under this permit, including monitoring reports or reports of compliance or noncompliance shall, upon conviction, be punished by a fine of not more than $10,000 per violation, or by imprisonment for not more than 6 months per violation, or by both.
    d) Nothing in I.14 a), b), and c) shall be construed to limit or prohibit any other authority the Chief may have under the State Water Pollution Control Act, Chapter 22, Article 11.

II. OPERATION AND MAINTENANCE:

1. Proper Operation and Maintenance

The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the conditions of this permit. Proper operation and maintenance also includes adequate laboratory controls, and appropriate quality assurance procedures. Unless otherwise required by Federal or State law, this provision requires the operation of back-up auxiliary facilities or similar systems which are installed by the permittee only when the operation is necessary to achieve compliance with the conditions of the permit. For domestic waste treatment facilities, waste treatment operators as classified by the WV Bureau of Public Health Laws, W. Va. Code Chapter 16-1, will be required except that in circumstances where the domestic waste treatment facility is receiving any type of industrial waste, the Chief may require a more highly skilled operator.

2. Need to Halt or Reduce Activity Not a Defense

It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of the permit.

3. Bypass

a) Definitions
   (1) "Bypass" means the intentional diversion of waste streams from any portion of a treatment facility; and
   (2) "Severe property damage" means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.

b) Bypass not exceeding limitations. The permittee may allow any bypass to occur which does not cause effluent limitations to be exceeded, but only if it also is for essential maintenance to assure efficient operation. These bypasses are not subject to the provision of II.3.c) and II.3.d) of this permit.

c) (1) If the permittee knows in advance of the need for a bypass, it shall submit prior notice, if possible at least ten (10) days before the date of the bypass;
   (2) If the permittee does not know in advance of the need for bypass, notice shall be submitted as required in IV.2.b) of this permit.

d) Prohibition of bypass
   (1) Bypass is permitted only under the following conditions, and the Chief may take enforcement action against a permittee for a bypass, unless;
      (A) Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;
      (B) There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate backup equipment should have been installed in the exercise of reasonable engineering judgement to prevent a bypass which occurred during normal periods of equipment downtime or preventative maintenance; and
      (C) The permittee submitted notices as required under II.3.c) of this permit.
   (2) The Chief may approve an anticipated bypass, after considering its adverse effects, if the Chief determines that it will meet the three conditions listed in II.3.d.(1) of this permit.

4. Upset

a) Definition. "Upset" means an exceptional incident in which there is unintentional and temporary noncompliance with technology-based permit effluent limitations because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventative maintenance, or careless or improper operation.

b) Effect of an upset. An upset constitutes an affirmative defense to an action brought for noncompliance with such technology-based permit effluent limitation if the requirements of II.4.c) are met. No determination made during administrative review of claims that noncompliance was caused by upset, and before an action for noncompliance, is final administrative action subject to judicial review.

c) Conditions necessary for a demonstration of upset. A permittee who wishes to establish the affirmative defense of upset shall demonstrate, through properly signed, contemporaneous operating logs, or other relevant evidence that:
   (1) An upset occurred and that the permittee can identify the cause(s) of the upset;
   (2) The permitted facility was at the time being properly operated;
   (3) The permittee submitted notice of the upset as required in IV.2.b) of this permit.
   (4) The permittee complied with any remedial measures required under I.3. of this permit.

d) Burden of proof. In any enforcement proceeding the permittee seeking to establish the occurrence of an upset has the burden of proof.

5. Removed Substances

Where removed substances are not otherwise covered by the terms and conditions of this permit or other existing permit by the Chief, any solids, sludges, filter backwash or other pollutants (removed in the course of treatment or control of wastewaters) and which are intended for disposal within the State, shall be disposed of only in a manner and at a site subject to the approval by the Chief. If such substances are intended for disposal outside the State or for reuse, i.e., as a material used for making another product, which in turn has another use, the permittee shall notify the Chief in writing of the proposed disposal or use of such substances, the identity of the prospective disposer or users, and the intended place of disposal or use, as appropriate.

III. MONITORING AND REPORTING

1. **Representative Sampling**
   Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.

2. **Reporting**
   a) Permittee shall submit, according to the enclosed format, a Discharge Monitoring Report (DMR) indicating in terms of concentration, and/or quantities, the values of the constituents listed in Part A analytically determined to be in the plant effluent(s). DMR submissions shall be made in accordance with the terms contained in Section C of this permit.
   b) Enter reported average and maximum values under "Quantity" and "Concentration" in the units specified for each parameter, as appropriate.
   c) Specify the number of analyzed samples that exceed the allowable permit conditions in the columns labeled "N.E." (i.e., number exceeding).
   d) Specify frequency of analysis for each parameter as number of analyses/specified period (e.g.,3/month is equivalent to 3 analyses performed every calendar month). If continuous, enter "Cont.". The frequency listed on format is the minimum required.

3. **Test Procedures**
   Samples shall be taken, preserved and analyzed in accordance with the latest edition of 40 CFR Part 136, unless other test procedures have been specified elsewhere in this permit.

4. **Recording of Results**
   For each measurement or sample taken pursuant to the permit, the permittee shall record the following information.
   a) The date, exact place, and time of sampling or measurement;
   b) The date(s) analyses were performed;
   c) The individual(s) who performed the sampling or measurement;
   d) The individual(s) who performed the analyses; if a commercial laboratory is used, the name and address of the laboratory;
   e) The analytical techniques or methods used, and
   f) The results of such analyses. Information not required by the DMR form is not to be submitted to this agency, but is to be retained as required in III.6.

5. **Additional Monitoring by Permittee**
   If the permittee monitors any pollutant at any monitoring point specified in this permit more frequently than required by this permit, using approved test procedures or others as specified in this permit, the results of this monitoring shall be included in the calculation and reporting of the data submitted in the Discharge Monitoring Report Form. Such increased frequency shall also be indicated. Calculations for all limitations which require averaging of measurements shall utilize an arithmetic mean unless otherwise specified in the permit.

6. **Records Retention**
   The permittee shall retain records of all monitoring information, including all calibration and maintenance records and all original chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for the permit, for a period of at least three (3) years from the date of the sample, measurement, report or application. This period may be extended by request of the Chief at any time.

7. **Definitions**
   a) "Daily discharge" means the discharge of a pollutant measured during a calendar day or within any specified period that reasonably represents the calendar day for purposes of sampling. For pollutants with limitations expressed in units of mass, the daily discharge is calculated as the total mass of the pollutant discharged over the day. For pollutants with limitations expressed in other units of measurement, the daily discharge is calculated as the average measurement of the pollutant over the day.
   b) "Average monthly discharge limitation" means the highest allowable average of daily discharges over a calendar month, calculated as the sum of all daily discharges measured during a calendar month divided by the number of daily discharges measured during that month.
   c) "Maximum daily discharge limitation" means the highest allowable daily discharge.
   d) "Composite Sample" is a combination of individual samples obtained at regular intervals over a time period. Either the volume of each individual sample is proportional to discharge flow rates or the sampling interval (for constant volume samples) is proportional to the flow rates over the time period used to produce the composite. The maximum time period between individual samples shall be two hours.
   e) "Grab Sample" is an individual sample collected in less than 15 minutes.
   f) "is" = immersion stabilization - a calibrated device is immersed in the effluent stream until the reading is stabilized.
   g) The "daily average temperature" means the arithmetic average of temperature measurements made on an hourly basis, or the mean value plot of the record of a continuous automated temperature recording instrument, either during a calendar month, or during the operating month if flows are of shorter duration.
   h) The "daily maximum temperature" means the highest arithmetic average of the temperatures observed for any two (2) consecutive hours during a 24 hour day, or during the operating day if flows are of shorter duration.
   i) The "daily average fecal coliform" bacteria is the geometric average of all samples collected during the month.
   j) "Measured Flow" means any method of liquid volume measurement, the accuracy of which has been previously demonstrated in engineering practice, or which a relationship to absolute volume has been obtained.
   k) "Estimate" means to be based on a technical evaluation of the sources contributing to the discharge including, but not limited to pump capabilities, water meters and batch discharge volumes.
   l) "Non-contact cooling water" means the water that is contained in a leak-free system, i.e., no contact with any gas, liquid, or solid other than the container for transport; the water shall have no net poundage addition of any pollutant over intake water levels, exclusive of approved anti-fouling agents.

IV. OTHER REPORTING

1. Reporting Spills and Accidental Discharges

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibilities, liabilities or penalties established pursuant to Title 47, Series 11, Section 2 of the West Virginia Legislative Rules promulgated pursuant to Chapter 22, Article 11.

Attached is a copy of the West Virginia Spill Alert System for use in complying with Title 47, Series 11, Section 2 of the Legislative rules as they pertain to the reporting of spills and accidental discharges.

2. Immediate Reporting

a) The permittee shall report any noncompliance which may endanger health or the environment immediately after becoming aware of the circumstances by using the Agency's designated spill alert telephone number. A written submission shall be provided within five (5) days of the time the permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance, including exact dates and times, and if the noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance.

b) The following shall also be reported immediately:
   (1) Any unanticipated bypass which exceeds any effluent limitation in the permit;
   (2) Any upset which exceeds any effluent limitation in the permit; and
   (3) Violation of a maximum daily discharge limitation for any of the pollutants listed by the Chief in the permit to be reported immediately. This list shall include any toxic pollutant or hazardous substance, or any pollutant specifically identified as the method to control a toxic pollutant or hazardous substance.

c) The Chief may waive the written report on a case-by-case basis if the oral report has been received in accordance with the above.

d) Compliance with the requirements of IV.2 of this section, shall not relieve a person of compliance with Title 47, Series 11, Section 2.

3. Reporting Requirements

a) Planned changes. The permittee shall give notice to the Chief of any planned physical alterations or additions to the permitted facility which may affect the nature or quantity of the discharge. Notice is required when:
   (1) The alteration or addition to a permitted facility may meet one of the criteria for determining whether a facility is a new source in Section 13.7.b of Series 10, Title 47; or
   (2) The alteration or addition could significantly change the nature or increase the quantity of pollutants discharged. This notification applies to pollutants which are subject neither to effluent limitations in the permit, nor to notification requirements under IV.2 of this section.

b) Anticipated noncompliance. The permittee shall give advance notice to the Chief of any planned changes in the permitted facility or activity which many result in noncompliance with permit requirements.

c) In addition to the above reporting requirements, all existing manufacturing, commercial, and silvicultural discharges must notify the Chief in writing as soon as they know or have reason to believe:
   (1) That any activity has occurred or will occur which would result in the discharge, on a routine or frequent basis, or any toxic pollutant which is not limited in the permit, if that discharge will exceed the highest of the following "notification levels":
      (A) One hundred micrograms per liter (100 ug/l);
      (B) Two hundred micrograms per liter (200 ug/l) for acrolein and acrylonitrile; five hundred micrograms per liter (500 ug/l) for 2,4-dinitro phenol; and for 2-methyl 4,6-dinitrophenol; and one milligram per liter (1 mg/l) for antimony;
      (C) Five (5) times the maximum concentration value reported for that pollutant in the permit application in accordance with Section 4.4.b.9 of Series10, Title 47.
      (D) The level established by the Chief in accordance with Section 6.3.g of Series 10, Title 47;
   (2) That any activity has occurred or will occur which would result in any discharge (on a non-routine or infrequent basis) of a toxic which is not limited in the permit, if that discharge will exceed the highest of the following "notification levels":
      (A) Five hundred micrograms per liter (500 ug/l);
      (B) One milligram per liter (1 mg/l) for antimony;
      (C) Ten (10) times the maximum concentration value reported for that pollutant in the permit application in accordance with Section 4.4.b.7 of Series 10, Title 47;
      (D) The level established by the Chief in accordance with Section 6.3.g of Series 10, Title 47.
   (3) That they have begun or expect to begin to use or manufacture as an intermediate or final product or by-product of any toxic pollutant which was not reported in the permit application under Section 4.4.b.9 of Series 10, Title 47 and which will result in the discharge on a routine or frequent basis of that toxic pollutant at levels which exceed five times the detection limit for that pollutant under approved analytical procedure.
   (4) That they have begun or expect to begin to use or manufacture as an intermediate or final product or by-product of any toxic pollutant which was not reported in the permit application under Section 4.4.b.9 of Series 10, Title 47 and which will result in the discharge on a non-routine or infrequent basis of that toxic pollutant at levels which exceed ten times the detection limit for that pollutant under approved analytical procedure.

4. Other Noncompliance

The permittee shall report all instances of noncompliance not reported under the above paragraphs at the time monitoring reports are submitted. The reports shall contain the information listed in IV.2.a). Should other applicable noncompliance reporting be required, these termsand conditions will be found in Section C of this permit.

EMERGENCY RESPONSE SPILL ALERT SYSTEM
WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION

REQUIREMENTS:

Title 47, Series 11, Section 2 of the West Virginia Legislative Rules, Environmental Protection, Water Resources - Waste Management, Effective July 1, 1994.

RESPONSIBILITY FOR REPORTING:

Each and every person who may cause or be responsible for any spill or accidental discharge of pollutants into the waters of the State shall give immediate notification to the Office of Water Resources' Emergency Notification Number, **1-800-642-3074**. Such notification shall set forth insofar as possible and as soon thereafter as practical the time and place of such spill or discharge, type or types and quantity or quantities of the material o materials therein, action or actions taken to stop such spill or discharge and to minimize the polluting effect thereof, the measure or measures taken or to be taken in order to prevent a recurrence of any such spill or discharge and such additional information as may be requested by the Office of Water Resources. This also applies to spills to the waters of the State resulting from accidents to common carriers by highway, rail and water.

It shall be the responsibility of each industrial establishment or other entity discharging directly to a stream t have available the following information pertaining to those substances that are employed or handled in its operation in sufficiently large amounts as to constitute a hazard in case of an accidental spill or discharge into a public stream:

(1) Potential toxicity in water to man, animals and aquatic life;
(2) Details on analytical procedures for the quantitative estimation of such substances in water and
(3) Suggestions on safeguards or other precautionary measures to nullify the toxic effects of a substance once it has gotten into a stream.

Failure to furnish such information as required by Section 14, Article 11, Chapter 22, Code of West Virginia may be punishable under Section 24, Article 11, Chapter 22, and/or Section 22, Article 11, Chapter 22, Code of West Virginia.

It shall be the responsibility of any person who causes or contributes in any way to the spill or accidental discharge of any pollutant or pollutants into State waters to immediately take any and all measures necessary to contain such spill or discharge. It shall further be the responsibility of such person to take any and all measures necessary to clean-up, remove and otherwise render such spill or discharge harmless to the waters of the State.

When the Chief determines it necessary for the effective containment and abatement of spills and accidental discharges, the Chief may require the person or persons responsible for such spill or discharge to monitor affected waters in a manner prescribed by the Chief until the possibility of any adverse effect on the waters of the State no longer exists.

VOLUNTARY REPORTING BY LAW OFFICERS, U. S. COAST GUARD, LOCK MASTERS AND OTHERS:

In cases involving river and highway accidents where the responsible party may or may not be available to report the incident, law officers, U. S. Coast Guard, Lock Masters and other interested person(s) should make the report.

WHO TO CONTACT:
Notify the following number: **1-800-642-3074.**

INFORMATION NEEDED:

- Source of spill or discharge
- Location of incident
- Time of incident
- Material spilled or discharged
- Amount spilled or discharged
- Toxicity of material spilled or discharged
- Personnel at the scene
- Actions initiated
- Shipper/Manufacturer identification
- Railcar/Truck identification number
- Container type

RIGHT OF APPEAL

Notice is hereby given of your right to appeal the terms and conditions of this permit which you are aggrieved by the Environmental Quality Board by filing a NOTICE OF APPEAL on the form prescribed by such Board for this purpose, with the Board, in accordance with the provisions of Section 21, Article 11, Chapter 22 of the Code of West Virginia within thirty (30) days after the date of receipt of the above permit.

DIVISION OF ENVIRONMENTAL PROTECTION
1201 Greenbrier Street
Charleston, WV 25311-1088

CECIL H. UNDERWOOD
GOVERNOR

MICHAEL P. MIANO
DIRECTOR

WV/NPDES Permit No. WV0080764

NOTICE TO PERMITTEES

The 1989 regular session of the West Virginia legislature revised the Water Pollution Control Act, Chapter 20, Article 5A of the West Virginia Code by adding Section 6a (Now, Chapter 22, Article 11, Section 10). This section of the Code requires all holders of a State water pollution control permit or a national pollutant discharge elimination system permit to be assessed an annual permit fee, based upon rules promulgated by the Director of the Division of Environmental Protection. The Director promulgated regulations to this effect and the current regulations have an effective date of July 1, 1993. The regulations establish an annual permit fee based upon the relative potential to degrade the waters of the State which, in most instances, relate to volume of discharge. However, for sewage facilities, the annual permit fee is based upon the number of customers served by the facility. You may contact the Secretary of State's Office, State Capitol Building, Charleston, West Virginia 25305, to obtain a copy of the rules. The reference is Title 47, Legislative Rules of Bureau of Environment, Division of Environmental Protection, Office of Water Resources, Series 26 Water Pollution Control Permit Fee Schedule.

Based upon the volume of discharge for which your facility is currently permitted, the number of customers served by your facility or for the category you fall within, pursuant to Section 7 of Title 47, Series 26, your annual permit fee is **$100**. This fee is due no later than the anniversary date of permit issuance in each year of the term of the permit or in the case of coverage under a general permit, the fee is due no later than the anniversary date of your coverage under the general permit. You will be invoiced by this agency at the appropriate time for the fee. Failure to submit the annual fee within one hundred and eighty(180) days of the due date will render your permit void.

WRD 1A-82
Revised 11/97

STATE OF WEST VIRGINIA
DIVISION OF ENVIRONMENTAL PROTECTION
OFFICE OF WATER RESOURCES
1201 GREENBRIER STREET
CHARLESTON, WV 25311

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
WATER POLLUTION CONTROL PERMIT

Permit No.: WV0080853

Subject: Sewage Facilities

Issue Date: March 9, 1999

Effective Date: April 9, 1999

Expiration Date: March 8, 2004

Supersedes: WV/NPDES Permit No. WV0080853 issued July 20, 1984.

Location:	Carolina	Marion	Monongahela
	(City)	**(County)**	**(Drainage Basin)**

Outlets:

Latitude: 39° 28' 40" N
Longitude: 80° 16' 20" W

To whom it may concern:

This is to certify that Carolina Improvement Association
P.O. Box 56
Carolina, WV 26563

is hereby granted a NPDES Water Pollution Control Permit to: operate and maintain an existing 100,000 gallon per day sewage collection and treatment system consisting of 14,000 linear feet of four (4) inch gravity sewer line, 1,000 linear feet of six (6) inch gravity sewer line, 1,600 linear feet of eight (8) inch gravity sewer line, 800 linear feet of 10 inch gravity sewer line, 1,650 linear feet of 12 inch gravity sewer line, 18 manholes, 12 cleanouts, and a 100,000 gpd treatment facility with chlorine disinfection, and all other necessary appurtenances.

The system is designed to serve a maximum of 600 persons in the Carolina area and discharges treated wastewater to Left Fork (approximately 2.5 miles from its mouth) of Helen's Fork of the West Fork River of the Monongahela River.

(Continued on Page 2)

Upon the completion of a new sewage collection system to be owned and operated by the Idamay PSD to serve the Carolina, Idamay, and Kellyville areas, the existing Carolina treatment plant currently operated by the Carolina Improvement Association shall be shut down and properly abandoned.

This permit is subject to the following terms and conditions:

The information submitted on and with Permit Application No. WV0080853 dated the 11th day of November 1998 are all hereby made terms and conditions of this Permit with like effect as if all such permit application information were set forth herein and with other conditions set forth in Sections A, B, C, and Appendix A.

The validity of this permit is contingent upon the payment of the applicable annual permit fee, as required by Chapter 22, Article 11, Section 10 of the Code of West Virginia.

A. Disc' ge Limitations and Monitoring Requirements

During the period beginning *April 9, 1999* **and lasting through midnight** *October 9, 2000*
the permittee is authorized to discharge from outlet number(s) 001 - Discharge from sewage treatment facilities

Such discharges shall be limited and monitored by the permittee as specified below:

	Discharge Limitations					Monitoring Requirements	
Effluent Characteristic	**(Quantity) lbs/day** Avg. Monthly	Max. Daily	**Other Units (Specify)** Avg. Monthly	Max.Daily		**Measurement Frequency**	**Sample Type**
Flow	N/A	N/A	0.100	N/A	MGD	Continuous	Measured
Biochemical Oxygen Demand (5-Day)	25.0	50.0	30.0	60.0	mg/l	1/Month	8 Hr Comp
Total Suspended Solids	25.0	50.0	30.0	60.0	mg/l	1/Month	8 Hr Comp
Nitrogen, Ammonia	12.5	25.0	15.0	30.0	mg/l	1/Month	8 Hr Comp
Fecal Coliform			200	400	counts/ 100ml	1/Month	Grab

The pH shall not be less than 6.0 **standard units and not more than** 9.0 **standard units and shall be monitored by grab sampling** monthly.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent BOD_5 sampling shall be collected at a location immediately preceding disinfection. All other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

3. SCHEDULE OF COMPLIANCE

1. **The permittee shall achieve compliance with the provisions for waste treatment and the monitoring requirements specified in this permit in accordance with the following schedule:**

On or before June 9, 1999	-	Submit the necessary information to obtain approval for the disposal of any solids generated by the wastewater treatment facility.
On or before October 9, 2000	-	Upon the completion of the new Idamay PSD sewage collection system to the Town of Worthington, the Carolina Improvement Association shall take the existing treatment plant out of service and properly abandon this plant.

2. **Reports of compliance or non-compliance with, and progress reports on interim and final requirements contained in the above compliance schedule, shall be postmarked no later than 14 days following each schedule date.**

C. OTHER REQUIREMENTS

1. The herein-described treatment works, structures, electrical and mechanical equipment shall be adequately protected from physical damage by the maximum expected one hundred (100) year flood level and operability be maintained during the twenty-five (25) year flood level.

2. The entire sewage treatment facility shall be adequately protected by fencing.

3. Continuous maintenance and operation of the listed sewage treatment facility shall be performed by or supervised by a certified operator possessing at least a Class II certificate for Waste Water Treatment Plant Operators issued by the State of West Virginia.

4. An instantaneous flow from the sewage disposal system shall not exceed the peak design flow at any given time.

5. The arithmetic mean of values for effluent samples collected in a period of seven (7) consecutive days shall not exceed 45.0 mg/l for BOD_5, 45.0 mg/l for TSS, and 22.5 mg/l for NH_3-N.

6. The arithmetic mean of the effluent values of BOD_5 and TSS discharged during a period of 30 consecutive days shall not exceed 15 percent (%) of the respective arithmetic mean of the influent values for these parameters during the same time period except as specifically authorized by the permitting authority.

7. The permittee shall not accept any new non-domestic discharges without first obtaining approval from the Chief of the Office of Water Resources as provided in Title 47, Series 10, Section 14 of the West Virginia Legislative Rules.

8. If any existing non-domestic discharge causes, or is suspected of causing, interference or pass through (as defined by 40 CFR 403.3) or otherwise violates any provision of 40 CFR 403, the permittee shall notify the Chief of such violation or suspected violation.

9. If any existing non-domestic discharge is identified as being subject to Categorical Pretreatment Standard under 40 CFR Chapter 1, Subchapter N, and the discharge is not regulated by this permit, the permittee shall notify the Chief of such identification.

10. The permittee shall submit each month according to the enclosed format, a Discharge Monitoring Report (DMR) indicating in terms of concentration and/or quantities the values of the constiuents listed in Section A analytically determined to be in the plant effluent (s). Additional information pertaining to effluent monitoring and reporting can be found in Section III of Appendix A.

11. The required DMRs should be received no later than 20 days following the end of the reporting period and be addressed to:

Chief
Office of Water Resources
1201 Greenbrier Street
Charleston, West Virginia 25311-1088
Attention: Engineering Branch

C. OTHER REQUIREMENTS

12. The effluent discharge limitations prescribed in Section A of this permit are based upon previously established discharge load allocation procedures. These effluent discharge limitations shall remain effective during the term of this Permit. However, previous discharge load allocation establishment procedures have been reviewed and it has been determined that an evaluation of these procedures is necessary.

    a) The discharge load allocation presented below is prescribed for the protection of water quality and is issued as a result of revisions made to the previously established discharge load allocation procedures. This discharge load allocation shall be used to establish effluent discharge limitations for the wastewater treatment plant and is presented as follows:

Parameter	Allowable Waste Load (30 day average)
Flow	0.100 MGD
BOD_5	10.0 mg/l
TSS	30.0 mg/l
NH_3-N	2.0 mg/l
Dissolved Oxygen	A minimum of 6.0 mg/l at any given time
Total Residual Chlorine	27.0 µg/l

    b) The permittee shall develop a Plan of Action which evaluates the capability of attaining compliance with the discharge load allocations presented in Section 12.a) above and/or evaluates other alternatives which may be implemented in lieu of providing additional treatment capability.

    c) The Plan of Action shall be submitted with the next permit renewal application which is due 180 days prior to the expiration of this permit. The Plan of Action shall provide a Schedule of Tasks with the objective of attaining compliance with the discharge load allocation presented in Section 12.a) above. This compliance shall be attained prior to the expiration of the next permit.

    d) The Chief shall also implement evaluation and calibration procedures relative to the discharge load allocation methodology revisions. Therefore, the Chief shall reserve the right to require monitoring upstream and downstream of the effluent discharge and/or receiving stream flow data.

13. On or before **June 9, 1999**, the Carolina Improvement Association shall, in conformance with the requirements of Section II.5 of Appendix A of this permit, obtain approval for the disposal of any solids generated by the wastewater treatment facility. This approval shall be afforded in accordance with the provisions of Title 33, Series 2 of the West Virginia Legislative Rules.

14. On or before **October 9, 2000**, the Carolina Improvement Association shall take the existing treatment facility out of service and properly abandon the facility.

The herein-described activity is to be extended, modified, added to, made, enlarged, acquired, constructed or installed, and operated, used and maintained strictly in accordance with the terms and conditions of this permit, with the plans and specifications submitted with Permit Application No. WV0080853, dated the 11th day of November 1998; with the plan of maintenance and method of operation thereof submitted with such application(s); and with any applicable rules and regulations promulgated by the Environmental Quality Board and the Director of the Division of Environmental Protection.

Failure to comply with the terms and conditions of this permit, with the plans and specifications submitted with Permit Application No. WV0080853, dated the 11th day of November 1998; and with the plan of maintenance and method of operation thereof submitted with such application(s) shall constitute grounds for the revocation or suspension of this permit and for the invocation of all the enforcement procedures set forth in Chapter 22, Article 11, or 15 of the Code of West Virginia.

This permit is issued in accordance with the provisions of Chapter 22, Articles 11 and 12 and/or 15 of the Code of West Virginia and is transferable under the terms of Section 11 of Article 11.

Barbara E Taylor

By:_____
Chief

BST/rb

Appendix A

". MANAGEMENT CONDITIONS:

1. **Duty to Comply**
   a) The permittee must comply with all conditions of this permit. Permit noncompliance constitutes a violation of the CWA and State Act and is grounds for enforcement action; for permit modification, revocation and reissuance, suspension or revocation; or for denial of a permit renewal application.
   b) The permittee shall comply with all effluent standards or prohibitions established under Section 307(a) of the CWA for toxic pollutants within the time provided in the regulations that establish these standards or prohibitions, even if the permit has not yet been modified to incorporate the requirement.
2. **Duty to Reapply**
   If the permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the permittee must apply for a new permit at least 180 days prior to expiration of the permit.
3. **Duty to Mitigate**
   The permittee shall take all reasonable steps to minimize or prevent any discharge in violation of this permit, which has a reasonable likelihood of adversely affecting human health or the environment.
4. **Permit Actions**
   This permit may be modified, revoked and reissued, suspended, or revoked for cause. The filing of a request by the permittee for permit modification, revocation and reissuance, or revocation, or a notification of planned changes or anticipated noncompliance, does not stay any permit condition.
5. **Property Rights**
   This permit does not convey any property rights of any sort or any exclusive privilege.
6. **Signatory Requirements**
   All applications, reports, or information submitted to the Chief shall be signed and certified as required in Title 47, Series 10 , Section 4.6 of the West Virginia Legislative Rules.
7. **Transfers**
   This permit is not transferrable to any person except after notice to the Chief. The Chief may require modification or revocation and reissuance of the permit to change the name of the permittee and incorporate such other requirements as may be necessary. .
8. **Duty to Provide Information**
   The permittee shall furnish to the Chief, within a reasonable specified time, any information which the Chief may request to determine whether cause exists for modifying, revoking and reissuing, suspending, or revoking this permit, or to determine compliance with this permit. The permittee shall also furnish to the Chief, upon request, copies of records required to be kept by this permit.
9. **Other Information**
   Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Chief, it shall promptly submit such facts or information.
10. **Inspection and Entry**
    The permittee shall allow the Chief, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to:
    a) Enter upon the permittee's premises in which an effluent source or activity is located, or where records must be kept under the conditions of this permit;
    b) Have access to and copy at reasonable times, any records that must be kept under the conditions of this permit;
    c) Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit; and
    d) Sample or monitor at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by the State Act, any substances or parameters at any location.
11. **Permit Modification**
    This permit may be modified, suspended, or revoked in whole or in part during its term in accordance with the provisions of Chapter 22-11-12 of the Code of West Virginia.
12. **Water Quality**
    The effluent or effluents covered by this permit are to be of such quality so as not to cause violation of applicable water quality standards adopted by the Environmental Quality Board.
13. **Outlet Markers**
    A permanent marker at the establishment shall be posted in accordance with Title 47, Series 11, Section 9 of the West Virginia Legislative Rules.
14. **Liabilities**
    a) Any person who violates a permit condition implementing sections 301, 302, 306, 307, 308, 318, or 405 of the Clean Water Act is subject to a civil penalty not to exceed $10,000 per day of such violation. Any person who willfully or negligently violates permit conditions implementing sections 301, 302, 306, 307, or 308 of the Clean Water Act is subject to a fine of not less than $2,500 nor more than $25,000 per day of violation, or by imprisonment for not more than 1 year, or both.
    b) Any person who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this permit shall, upon conviction, be punished by a fine of not more than $10,000 per violation, or by imprisonment for not more than 6 months per violation, or by both.
    c) Any person who knowingly makes any false statement, representation, or certification in any record or other document submitted or required to be maintained under this permit, including monitoring reports or reports of compliance or noncompliance shall, upon conviction, be punished by a fine of not more than $10,000 per violation, or by imprisonment for not more than 6 months per violation, or by both.
    d) Nothing in I.14 a), b), and c) shall be construed to limit or prohibit any other authority the Chief may have under the State Water Pollution Control Act, Chapter 22, Article 11.

II. OPERATION AND MAINTENANCE:

1. **Proper Operation and Maintenance**

The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the conditions of this permit. Proper operation and maintenance also includes adequate laboratory controls, and appropriate quality assurance procedures. Unless otherwise required by Federal or State law, this provision requires the operation of back-up auxiliary facilities or similar systems which are installed by the permittee only when the operation is necessary to achieve compliance with the conditions of the permit. For domestic waste treatment facilities, waste treatment operators as classified by the WV Bureau of Public Health Laws, W. Va. Code Chapter 16-1, will be required except that in circumstances where the domestic waste treatment facility is receiving any type of industrial waste, the Chief may require a more highly skilled operator.

2. **Need to Halt or Reduce Activity Not a Defense**

It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of the permit.

3. Bypass

a) Definitions
   (1) "Bypass" means the intentional diversion of waste streams from any portion of a treatment facility; and
   (2) "Severe property damage" means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.

b) Bypass not exceeding limitations. The permittee may allow any bypass to occur which does not cause effluent limitations to be exceeded, but only if it also is for essential maintenance to assure efficient operation. These bypasses are not subject to the provision of II.3.c) and II.3.d) of this permit.

c) (1) If the permittee knows in advance of the need for a bypass, it shall submit prior notice, if possible at least ten (10) days before the date of the bypass;
   (2) If the permittee does not know in advance of the need for bypass, notice shall be submitted as required in IV.2.b) of this permit.

d) Prohibition of bypass
   (1) Bypass is permitted only under the following conditions, and the Chief may take enforcement action against a permittee for a bypass, unless;
      (A) Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;
      (B) There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate backup equipment should have been installed in the exercise of reasonable engineering judgement to prevent a bypass which occurred during normal periods of equipment downtime or preventative maintenance; and
      (C) The permittee submitted notices as required under II.3.c) of this permit.
   (2) The Chief may approve an anticipated bypass, after considering its adverse effects, if the Chief determines that it will meet the three conditions listed in II.3.d.(1) of this permit.

4. Upset

a) Definition. "Upset" means an exceptional incident in which there is unintentional and temporary noncompliance with technology-based permit effluent limitations because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventative maintenance, or careless or improper operation.

b) Effect of an upset. An upset constitutes an affirmative defense to an action brought for noncompliance with such technology-based permit effluent limitation if the requirements of II.4.c) are met. No determination made during administrative review of claims that noncompliance was caused by upset, and before an action for noncompliance, is final administrative action subject to judicial review.

c) Conditions necessary for a demonstration of upset. A permittee who wishes to establish the affirmative defense of upset shall demonstrate, through properly signed, contemporaneous operating logs, or other relevant evidence that:
   (1) An upset occurred and that the permittee can identify the cause(s) of the upset;
   (2) The permitted facility was at the time being properly operated;
   (3) The permittee submitted notice of the upset as required in IV.2.b) of this permit.
   (4) The permittee complied with any remedial measures required under I.3. of this permit.

d) Burden of proof. In any enforcement proceeding the permittee seeking to establish the occurrence of an upset has the burden of proof.

5. **Removed Substances**

Where removed substances are not otherwise covered by the terms and conditions of this permit or other existing permit by the Chief, any solids, sludges, filter backwash or other pollutants (removed in the course of treatment or control of wastewaters) and which are intended for disposal within the State, shall be disposed of only in a manner and at a site subject to the approval by the Chief. If such substances are intended for disposal outside the State or for reuse, i.e., as a material used for making another product, which in turn has another use, the permittee shall notify the Chief in writing of the proposed disposal or use of such substances, the identity of the prospective disposer or users, and the intended place of disposal or use, as appropriate.

III. MONITORING AND REPORTING

1. Representative Sampling

Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.

2. Reporting

a) Permittee shall submit, according to the enclosed format, a Discharge Monitoring Report (DMR) indicating in terms of concentration, and/or quantities, the values of the constituents listed in Part A analytically determined to be in the plant effluent(s). DMR submissions shall be made in accordance with the terms contained in Section C of this permit.

b) Enter reported average and maximum values under "Quantity" and "Concentration" in the units specified for each parameter, as appropriate.

c) Specify the number of analyzed samples that exceed the allowable permit conditions in the columns labeled "N.E." (i.e., number exceeding).

d) Specify frequency of analysis for each parameter as number of analyses/specified period (e.g.,3/month is equivalent to 3 analyses performed every calendar month). If continuous, enter "Cont.". The frequency listed on format is the minimum required.

3. Test Procedures

Samples shall be taken, preserved and analyzed in accordance with the latest edition of 40 CFR Part 136, unless other test procedures have been specified elsewhere in this permit.

4. Recording of Results

For each measurement or sample taken pursuant to the permit, the permittee shall record the following information.

a) The date, exact place, and time of sampling or measurement;

b) The date(s) analyses were performed;

c) The individual(s) who performed the sampling or measurement;

d) The individual(s) who performed the analyses; if a commercial laboratory is used, the name and address of the laboratory;

e) The analytical techniques or methods used, and

f) The results of such analyses. Information not required by the DMR form is not to be submitted to this agency, but is to be retained as required in III.6.

5. Additional Monitoring by Permittee

If the permittee monitors any pollutant at any monitoring point specified in this permit more frequently than required by this permit, using approved test procedures or others as specified in this permit, the results of this monitoring shall be included in the calculation and reporting of the data submitted in the Discharge Monitoring Report Form. Such increased frequency shall also be indicated. Calculations for all limitations which require averaging of measurements shall utilize an arithmetic mean unless otherwise specified in the permit.

6. Records Retention

The permittee shall retain records of all monitoring information, including all calibration and maintenance records and all original chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for the permit, for a period of at least three (3) years from the date of the sample, measurement, report or application. This period may be extended by request of the Chief at any time.

7. Definitions

a) "Daily discharge" means the discharge of a pollutant measured during a calendar day or within any specified period that reasonably represents the calendar day for purposes of sampling. For pollutants with limitations expressed in units of mass, the daily discharge is calculated as the total mass of the pollutant discharged over the day. For pollutants with limitations expressed in other units of measurement, the daily discharge is calculated as the average measurement of the pollutant over the day.

b) "Average monthly discharge limitation" means the highest allowable average of daily discharges over a calendar month, calculated as the sum of all daily discharges measured during a calendar month divided by the number of daily discharges measured during that month.

c) "Maximum daily discharge limitation" means the highest allowable daily discharge.

d) "Composite Sample" is a combination of individual samples obtained at regular intervals over a time period. Either the volume of each individual sample is proportional to discharge flow rates or the sampling interval (for constant volume samples) is proportional to the flow rates over the time period used to produce the composite. The maximum time period between individual samples shall be two hours.

e) "Grab Sample" is an individual sample collected in less than 15 minutes.

f) "is" = immersion stabilization - a calibrated device is immersed in the effluent stream until the reading is stabilized.

g) The "daily average temperature" means the arithmetic average of temperature measurements made on an hourly basis, or the mean value plot of the record of a continuous automated temperature recording instrument, either during a calendar month, or during the operating month if flows are of shorter duration.

h) The "daily maximum temperature" means the highest arithmetic average of the temperatures observed for any two (2) consecutive hours during a 24 hour day, or during the operating day if flows are of shorter duration.

i) The "daily average fecal coliform" bacteria is the geometric average of all samples collected during the month.

j) "Measured Flow" means any method of liquid volume measurement, the accuracy of which has been previously demonstrated in engineering practice, or which a relationship to absolute volume has been obtained.

k) "Estimate" means to be based on a technical evaluation of the sources contributing to the discharge including, but not limited to pump capabilities, water meters and batch discharge volumes.

l) "Non-contact cooling water" means the water that is contained in a leak-free system, i.e., no contact with any gas, liquid, or solid other than the container for transport; the water shall have no net poundage addition of any pollutant over intake water levels, exclusive of approved anti-fouling agents.

IV. OTHER REPORTING

1. Reporting Spills and Accidental Discharges

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibilities, liabilities or penalties established pursuant to Title 47, Series 11, Section 2 of the West Virginia Legislative Rules promulgated pursuant to Chapter 22, Article 11.

Attached is a copy of the West Virginia Spill Alert System for use in complying with Title 47, Series 11, Section 2 of the Legislative rules as they pertain to the reporting of spills and accidental discharges.

2. Immediate Reporting

a) The permittee shall report any noncompliance which may endanger health or the environment immediately after becoming aware of the circumstances by using the Agency's designated spill alert telephone number. A written submission shall be provided within five (5) days of the time the permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance, including exact dates and times, and if the noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance.

b) The following shall also be reported immediately:
   (1) Any unanticipated bypass which exceeds any effluent limitation in the permit;
   (2) Any upset which exceeds any effluent limitation in the permit; and
   (3) Violation of a maximum daily discharge limitation for any of the pollutants listed by the Chief in the permit to be reported immediately. This list shall include any toxic pollutant or hazardous substance, or any pollutant specifically identified as the method to control a toxic pollutant or hazardous substance.

c) The Chief may waive the written report on a case-by-case basis if the oral report has been received in accordance with the above.

d) Compliance with the requirements of IV.2 of this section, shall not relieve a person of compliance with Title 47, Series 11, Section 2.

3. Reporting Requirements

a) Planned changes. The permittee shall give notice to the Chief of any planned physical alterations or additions to the permitted facility which may affect the nature or quantity of the discharge. Notice is required when:
   (1) The alteration or addition to a permitted facility may meet one of the criteria for determining whether a facility is a new source in Section 13.7.b of Series 10, Title 47; or
   (2) The alteration or addition could significantly change the nature or increase the quantity of pollutants discharged. This notification applies to pollutants which are subject neither to effluent limitations in the permit, nor to notification requirements under IV.2 of this section.

b) Anticipated noncompliance. The permittee shall give advance notice to the Chief of any planned changes in the permitted facility or activity which many result in noncompliance with permit requirements.

c) In addition to the above reporting requirements, all existing manufacturing, commercial, and silvicultural discharges must notify the Chief in writing as soon as they know or have reason to believe:
   (1) That any activity has occurred or will occur which would result in the discharge, on a routine or frequent basis, or any toxic pollutant which is not limited in the permit, if that discharge will exceed the highest of the following "notification levels":
      (A) One hundred micrograms per liter (100 ug/l);
      (B) Two hundred micrograms per liter (200 ug/l) for acrolein and acrylonitrile; five hundred micrograms per liter (500 ug/l) for 2,4-dinitro phenol; and for 2-methyl 4,6-dinitrophenol; and one milligram per liter (1 mg/l) for antimony;
      (C) Five (5) times the maximum concentration value reported for that pollutant in the permit application in accordance with Section 4.4.b.9 of Series10, Title 47.
      (D) The level established by the Chief in accordance with Section 6.3.g of Series 10, Title 47;
   (2) That any activity has occurred or will occur which would result in any discharge (on a non-routine or infrequent basis) of a toxic which is not limited in the permit, if that discharge will exceed the highest of the following "notification levels":
      (A) Five hundred micrograms per liter (500 ug/l);
      (B) One milligram per liter (1 mg/l) for antimony;
      (C) Ten (10) times the maximum concentration value reported for that pollutant in the permit application in accordance with Section 4.4.b.7 of Series 10, Title 47;
      (D) The level established by the Chief in accordance with Section 6.3.g of Series 10, Title 47.
   (3) That they have begun or expect to begin to use or manufacture as an intermediate or final product or by-product of any toxic pollutant which was not reported in the permit application under Section 4.4.b.9 of Series 10, Title 47 and which will result in the discharge on a routine or frequent basis of that toxic pollutant at levels which exceed five times the detection limit for that pollutant under approved analytical procedure.
   (4) That they have begun or expect to begin to use or manufacture as an intermediate or final product or by-product of any toxic pollutant which was not reported in the permit application under Section 4.4.b.9 of Series 10, Title 47 and which will result in the discharge on a non-routine or infrequent basis of that toxic pollutant at levels which exceed ten times the detection limit for that pollutant under approved analytical procedure.

4. Other Noncompliance

The permittee shall report all instances of noncompliance not reported under the above paragraphs at the time monitoring reports are submitted. The reports shall contain the information listed in IV.2.a). Should other applicable noncompliance reporting be required, these termsand conditions will be found in Section C of this permit.

STATE OF WEST VIRGINIA

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

FACILITY NAME Carolina Improvement Association
LOCATION OF FACILITY Carolina, Marion County
PERMIT NUMBER WV0080853 OUTLET NO. 001
WASTELOAD FOR MONTH OF _____ 19 ____

COMMERCIAL LABORATORY NAME _____
COMMERCIAL LABORATORYADDRESS _____
INDIVIDUAL PERFORMING ANALYSIS _____

Parameter		Quantity					Other Units					Measurement Frequency	Sample Type
		Minimum	Avg Monthly	Max Daily	Units	N.E.	Minimum	Avg Monthly	Max Daily	Units	N.E.		
Flow, in conduit or thru treatment plant 50050	Reported									MGD			
	Permit Limitation	N/A	N/A	N/A			N/A	0.100	N/A			Continuous	Measured
BOD, 5-Day (20 Deg. C) 00310	Reported									mg/l			
	Permit Limitation	N/A	25.0	50.0			N/A	30.0	60.0			1/Month	8 Hr. Comp.
Solids, Total Suspended 00530	Reported									mg/l			
	Permit Limitation	N/A	25.0	50.0			N/A	30.0	60.0			1/Month	8 Hr. Comp.
Nitrogen, Ammonia 00610	Reported									mg/l			
	Permit Limitation	N/A	12.5	25.0			N/A	15.0	30.0			1/Month	8 Hr. Comp.
pH 00400	Reported									SU			
	Permit Limitation	*****	*****	*****			6.0	N/A	9.0			1/Month	Grab
Coliform, Fecal General 74055	Reported	MF	--	MPN						cnts/ 100ml			
	Permit Limitation	Circle	Method	Used			N/A	200	400			1/Month	Grab
	Reported												
	Permit Limitation												

Name of Principal Executive Officer	I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.	Date Completed
Title of Officer		Signature of Principal Executive Officer or Authorized Agent

EMERGENCY RESPONSE SPILL ALERT SYSTEM
WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION

REQUIREMENTS:

Title 47, Series 11, Section 2 of the West Virginia Legislative Rules, Environmental Protection, Water Resources - Waste Management, Effective July 1, 1994.

RESPONSIBILITY FOR REPORTING:

Each and every person who may cause or be responsible for any spill or accidental discharge of pollutants into the waters of the State shall give immediate notification to the Office of Water Resources' Emergency Notification Number, **1-800-642-3074**. Such notification shall set forth insofar as possible and as soon thereafter as practical the time and place of such spill or discharge, type or types and quantity or quantities of the material or materials therein, action or actions taken to stop such spill or discharge and to minimize the polluting effect thereof, the measure or measures taken or to be taken in order to prevent a recurrence of any such spill or discharge and such additional information as may be requested by the Office of Water Resources. This also applies to spills to the waters of the State resulting from accidents to common carriers by highway, rail and water.

It shall be the responsibility of each industrial establishment or other entity discharging directly to a stream to have available the following information pertaining to those substances that are employed or handled in its operation in sufficiently large amounts as to constitute a hazard in case of an accidental spill or discharge into a public stream:

(1) Potential toxicity in water to man, animals and aquatic life;
(2) Details on analytical procedures for the quantitative estimation of such substances in water and
(3) Suggestions on safeguards or other precautionary measures to nullify the toxic effects of a substance once it has gotten into a stream.

Failure to furnish such information as required by Section 14, Article 11, Chapter 22, Code of West Virginia may be punishable under Section 24, Article 11, Chapter 22, and/or Section 22, Article 11, Chapter 22, Code of West Virginia.

It shall be the responsibility of any person who causes or contributes in any way to the spill or accidental discharge of any pollutant or pollutants into State waters to immediately take any and all measures necessary to contain such spill or discharge. It shall further be the responsibility of such person to take any and all measures necessary to clean-up, remove and otherwise render such spill or discharge harmless to the waters of the State.

When the Chief determines it necessary for the effective containment and abatement of spills and accidental discharges, the Chief may require the person or persons responsible for such spill or discharge to monitor affected waters in a manner prescribed by the Chief until the possibility of any adverse effect on the waters of the State no longer exists.

VOLUNTARY REPORTING BY LAW OFFICERS, U. S. COAST GUARD, LOCK MASTERS AND OTHERS:

In cases involving river and highway accidents where the responsible party may or may not be available to report the incident, law officers, U. S. Coast Guard, Lock Masters and other interested person(s) should make the report.

WHO TO CONTACT:
Notify the following number: **1-800-642-3074**.

INFORMATION NEEDED:

- Source of spill or discharge
- Location of incident
- Time of incident
- Material spilled or discharged
- Amount spilled or discharged
- Toxicity of material spilled or discharged
- Personnel at the scene
- Actions initiated
- Shipper/Manufacturer identification
- Railcar/Truck identification number
- Container type

RIGHT OF APPEAL

Notice is hereby given of your right to appeal the terms and conditions of this permit which you are aggrieved by the Environmental Quality Board by filing a NOTICE OF APPEAL on the form prescribed by such Board for this purpose, with the Board, in accordance with the provisions of Section 21, Article 11, Chapter 22 of the Code of West Virginia within thirty (30) days after the date of receipt of the above permit.

Office of Water Resources
1201 Greenbrier Street
Charleston, WV 25311-1088
Telephone 304-558-4086 or 558-8855
Fax 304-558-5903

West Virginia Division of Environmental Protection

Cecil H. Underwood
Governor

Michael P. Miano
Director

WV/NPDES Permit No. WV0080853

NOTICE TO PERMITTEES

The 1989 regular session of the West Virginia legislature revised the Water Pollution Control Act, Chapter 20, Article 5A of the West Virginia Code by adding Section 6a (Now, Chapter 22, Article 11, Section 10). This section of the Code requires all holders of a State water pollution control permit or a national pollutant discharge elimination system permit to be assessed an annual permit fee, based upon rules promulgated by the Director of the Division of Environmental Protection. The Director promulgated regulations to this effect and the current regulations have an effective date of July 1, 1993. The regulations establish an annual permit fee based upon the relative potential to degrade the waters of the State which, in most instances, relate to volume of discharge. However, for sewage facilities, the annual permit fee is based upon the number of customers served by the facility. You may contact the Secretary of State's Office, State Capitol Building, Charleston, West Virginia 25305, to obtain a copy of the rules. The reference is Title 47, Legislative Rules of Bureau of Environment, Division of Environmental Protection, Office of Water Resources, Series 26 Water Pollution Control Permit Fee Schedule.

Based upon the volume of discharge for which your facility is currently permitted, the number of customers served by your facility or for the category you fall within, pursuant to Section 7 of Title 47, Series 26, your annual permit fee is **$100**. This fee is due no later than the anniversary date of permit issuance in each year of the term of the permit or in the case of coverage under a general permit, the fee is due no later than the anniversary date of your coverage under the general permit. You will be invoiced by this agency at the appropriate time for the fee. Failure to submit the annual fee within one hundred and eighty(180) days of the due date will render your permit void.

WV BUREAU OF ENVIRONMENT
WV DIVISION OF ENVIRONMENTAL PROTECTION
OFFICE OF WATER RESOURCES
INVOICE

WV/NPDES PERMIT OR GENERAL
PERMIT REGISTRATION NO. WV0080853
PERMIT ISSUANCE DATE: July 20, 1984

FACILITY: Carolina Improvement Association

BILLED TO: Mr. Howard Hines
Carolina Improvement Association
P.O. Box 56
Carolina, WV 26563

DATE	DESCRIPTION	TOTAL PRICE
030599	Annual Permit Fee	$ 67.00
	Groundwater Protection Fee	$ 17.00
	Sewage Sludge Management Program Fee (For Land Application)	$ 0.00
	INVOICE TOTAL	$ 84.00

MAKE CHECK PAYABLE TO: WV DIVISION OF ENVIRONMENTAL PROTECTION
OFFICE OF WATER RESOURCES
1201 GREENBRIER ST
CHARLESTON WV 25311-1088
ATTN: Accounting Office

Please include one (1) copy of invoice with payment to insure prompt credit.

If you are a WV governmental agency paying by INTERGOVERNMENTAL TRANSFER (IGT), telephone Chris Reger, (304) 558-3888 or TTY (304) 558-2751 for accounting information.

WV BUREAU OF ENVIRONMENT
WV DIVISION OF ENVIRONMENTAL PROTECTION
OFFICE OF WATER RESOURCES
INVOICE

WV/NPDES PERMIT OR GENERAL
PERMIT REGISTRATION NO. WV0080853
PERMIT ISSUANCE DATE: July 20, 1984

FACILITY: Carolina Improvement Association

BILLED TO: Mr. Howard Hines
Carolina Improvement Association
P.O. Box 56
Carolina, WV 26563

DATE	DESCRIPTION	TOTAL PRICE
030599	Annual Permit Fee	$ 67.00
	Groundwater Protection Fee	$ 17.00
	Sewage Sludge Management Program Fee (For Land Application)	$ 0.00
	INVOICE TOTAL	$ 84.00

MAKE CHECK PAYABLE TO: WV DIVISION OF ENVIRONMENTAL PROTECTION
OFFICE OF WATER RESOURCES
1201 GREENBRIER ST
CHARLESTON WV 25311-1088
ATTN: Accounting Office

Please include one (1) copy of invoice with payment to insure prompt credit.

If you are a WV governmental agency paying by INTERGOVERNMENTAL TRANSFER (IGT), telephone Chris Reger, (304) 558-3888 or TTY (304) 558-2751 for accounting information.

TRANSMISSION AND TREATMENT AGREEMENT

THIS AGREEMENT, made this the 10th day of August, 1998, by and between the TOWN OF WORTHINGTON, Marion County, West Virginia, a municipal corporation, party of the first part, hereinafter designated as "WORTHINGTON" and the IDAMAY PUBLIC SERVICE DISTRICT, Marion County, West Virginia, a statutory public corporation, created in accordance with West Virginia Code, Chapter 24, party of the second part, hereinafter designated as "IDAMAY".

WITNESSETH:

WHEREAS, WORTHINGTON owns and is responsible for the operation of a sanitary sewer system and wastewater treatment plant. Further, IDAMAY intends to construct a combination vacuum and gravity collection system which will initially serve four hundred eighteen (418) customers in the communities of Idamay, Carolina and Kelly Town, in Marion County, West Virginia.

WHEREAS, WORTHINGTON'S Wastewater Treatment Plant and transportation system have an adequate design capacity to handle IDAMAY and WORTHINGTON agrees to reserve an adequate portion of the design capacity for use by WORTHINGTON and IDAMAY subject to the terms set forth herein; and

WHEREAS, IDAMAY desires to connect to the Wastewater Treatment Plant of WORTHINGTON and to be provided with secondary treatment of wastewater delivered to WORTHINGTON'S wastewater treatment plant by IDAMAY; and

NOW, THEREFORE, in consideration of the recitals, the parties do hereby agree

as follows:

1. IDAMAY shall design and cause to be constructed, at their sole cost, a sanitary sewer collection system meeting generally accepted sanitary engineering standards which will collect and transport sewage from within the boundaries of IDAMAY to WORTHINGTON'S wastewater treatment plant.

2. WORTHINGTON shall receive, treat and dispose of the wastewater from IDAMAY at WORTHINGTON'S Wastewater Treatment Plant in such manner, and according to such standards, as are required for a sanitary sewage treatment facility. WORTHINGTON shall maintain responsibility for discharge of treated wastewater in accordance with State and Federal laws and regulations. IDAMAY shall be liable for any fines and/or penalties incurred as a result of discharge violations occurring at WORTHINGTON'S Wastewater Treatment Plant that are a direct result of the introduction of prohibited materials into IDAMAY'S collection system. Prohibited materials shall mean any fluids or substances other than domestic sewage.

3. The rate for treatment of IDAMAY'S wastewater by WORTHINGTON shall be based upon the metered water usage of the customers of IDAMAY as determined by the meter readings conducted by the Town of Monongah and provided to WORTHINGTON by IDAMAY, without cost, on a monthly basis. The fee for transmission and treatment shall be calculated upon a per thousand gallons of metered water usage basis. Said cost of service shall be subject to review and approval by the Public Service Commission of West Virginia. The rate determined by the cost of service will be reflected in WORTHINGTON'S tariff on file with the Public Service Commission of West Virginia. In the event IDAMAY does not bill its customers for sanitary sewage service in a particular month or months, IDAMAY will pay

WORTHINGTON a charge equal to the average monthly amount billed by WORTHINGTON to IDAMAY for prior wastewater treatment and disposal service. The intent of this paragraph is that neither party will subsidize the other's capital or operation expenses and that all parties shall mutually benefit from this Agreement.

4. The parties hereto shall, upon request, provide the other with an annual audit approved by the West Virginia Public Service Commission and related information as may be required.

5. The parties hereto shall meet at least semi-annually, at a mutually agreed upon time and location, to discuss business, rates, communications, complaints, suggestions, etc., between the parties.

6. This Agreement is made by the parties hereto subject to the review and approval of the Public Service Commission of the State of West Virginia and likewise all modifications made to this Agreement and pursuant to these terms shall be subject to the same review and approval. The term of this contract shall be indefinate.

7. For treatment services rendered by WORTHINGTON to IDAMAY under this Agreement, IDAMAY shall, on a monthly basis, make payable to WORTHINGTON on or before the last day of a calendar month all amounts due and owing for the preceding billing period. If payment is not received by WORTHINGTON within the time and in the manner prescribed in the next preceding sentence, a penalty of 10% shall be added to the net amount thereof. IDAMAY agrees that they will bill all its sewer customers on the 10th day of each calendar month for sewer services as based on the next immediately preceding meter reading.

IN WITNESS WHEREOF, the parties hereto have made and executed the aforementioned Transmission and Treatment Agreement by their appropriate officers as of the day and year first above written.

TOWN OF WORTHINGTON

By: Edgar R Burke
Its: CHAIRMAN 7 MAYOR
Address: P.O. BOX 265
WORTHINGTON W.VA. 26591

IDAMAY PUBLIC SERVICE DISTRICT

By: [illegible]
Its: Chairperson
Address: PO Box 15
Idamay, WA 26546-0015

ADDENDUM TO THE TRANSMISSION AND TREATMENT AGREEMENT

The TOWN OF WORTHINGTON and IDAMAY PUBLIC SERVICE DISTRICT hereby agree to incorporate into the previously executed Transmission and Treatment Agreement a transmission and treatment rate of One Dollar Seventy Nine Cents ($1.79) per one thousand (1,000) gallons of metered water usage. In addition, it is hereby agreed that neither party is precluded from petitioning the Public Service Commission for a modification in the rate one (1) year after the effective date of this Agreement.

IN WITNESS WHEREOF, the parties hereto have made and executed this Addendum to the Transmission and Treatment Agreement by their appropriate officers on this the 1st day of February, 1999.

TOWN OF WORTHINGTON

By: [signature]
Its: MAYOR
Address: [illegible]

IDAMAY PUBLIC SERVICE DISTRICT

By: [signature]
Its: Chairperson
Address: P.O. Box 15
Idamay, WV 26576

OPERATION AND MAINTENANCE AGREEMENT

THIS AGREEMENT, made and entered into this 10th day of August, 1998, by and between the Town of Worthington, a municipal corporation, hereinafter referred to as "Worthington" and the Idamay Public Service District, its successors and assigns, a statutory public corporation created in accordance with West Virginia Code Chapter 24, hereinafter referred to as "Idamay".

WITNESSETH

WHEREAS, Worthington shall continue the service of existing customers in their now outlying areas; and

WHEREAS, Worthington is willing to operate and maintain the public service sewage collection facilities of Idamay; and

WHEREAS, Idamay intends to construct a combination vacuum and gravity collection system which will serve approximately 418 customers in the communities of Idamay, Carolina, and Kelly Town, Marion County, West Virginia; and

WHEREAS, Idamay desires that the system be operated and maintained in a cost effective manner that will yield an economical monthly cost per customer. After consideration and study by Worthington, Idamay, the Marion County Commission, the Division of Environmental Protection, and the Public Service Commission, it has been determined that the most cost beneficial method for Idamay to operate and maintain this system is to enter into an Operation and Maintenance Agreement with Worthington to provide operation and maintenance services.

NOW, THEREFORE, it is mutually agreed by and between the parties hereto as

follows:

A. Worthington agrees:

1. To operate and maintain Idamay's vacuum and gravity collection system in conformance and compliance with the U.S. Environmental Protection Agency's (EPA) National Pollution Discharge Elimination System Permit Program and other federal, and local statutes, rules and regulations, present and future.

2. Worthington shall perform service, maintenance and repairs on and for Idamay's sanitary sewer system on an "as needed" and "as requested" basis.

3. Worthington shall perform routine maintenance on Idamay's collection system in accordance with the equipment manufacturer's specifications.

4. Worthington will inspect all hook ups, during and after construction, to the system, according to the specifications outlined by the District.

B. Idamay agrees:

1. To provide to Worthington operation and maintenance manuals, "as built" drawings, manufacturer's literature on all equipment to be serviced, and all other documents pertinent to the management of the utility.

2. To compensate Worthington on a monthly basis for operation and maintenance of the collection system. Such compensation shall be One Thousand Dollars ($1,000.00) per month, and shall include the following services:

a. Worthington shall provide service to the system 24 hours per day, 7 days per week. This includes all call-outs for normal operational problems such as stuck valves or controller malfunctions.

b. All preventive maintenance required on the system to keep it operating in good condition as the manufacturer of the equipment and the specifications suggested in the operation and maintenance manual.

3. Idamay agrees to pay Worthington for all work performed that is not included as preventive maintenance or normal operational problems. Any such work, other than emergency basis, will not be completed without the agreement of both parties. This work shall be billed to Idamay at a reasonable cost for labor, materials, equipment, and other expenses incurred in conjunction with the same.

4. Idamay shall be responsible for keeping all infiltration out of its collection system. Worthington and Idamay will incorporate in their respective tariffs a surcharge to collect monies lost through infiltration which enters the system. In the event either party does not take action to correct the infiltration problem, the Public Service Commission complaint procedure is available to either party.

5. In the event a new pit and/or tap needs to installed in the system, Idamay agrees to pay to Worthington an agreed upon hourly labor rate for labor and equipment. Idamay shall be responsible to reimburse Worthington for the material costs including vacuum pit, valves, pipes, and fittings.

6. Idamay will deliver to Worthington all spare parts that are given to Idamay at the end of construction. These parts shall include any extra pits, valves, and controllers. In the event repairs are necessary on the Idamay system, Worthington will utilize the subject spare parts until they are depleted. In the event repairs are necessary on the Idamay system and no spare parts are available, Worthington will prepare a cost estimate and submit it

to the District for approval for additional materials.

7. Idamay hereby agrees to indemnify and save harmless Worthington from any and all liability arising from the operation of the sewer system by Worthington so long as Worthington exercises a reasonable standard of care in the operation of said system and is not grossly negligent in the operation of the same.

C. In addition to the duties and functions to be provided by Worthington herein as set forth in paragraph A herein above Worthington does further agree to perform the following duties and obligations:

1. Worthington shall manage and operate the aforesaid sanitary sewer system in accordance with and subject to the operating procedures heretofore adopted by Idamay and approved by Worthington.

2. Worthington shall receive, treat, and dispose of the wastewater from Idamay at Worthington's wastewater treatment plant in accordance with a separate agreement executed by both parties. Worthington shall maintain responsibility for discharge of treated wastewater in accordance with state and federal laws and regulations. Idamay shall not be liable for fines or penalties as a result of discharge violations resulting from improper operation of said wastewater treatment plant. However, Idamay shall be liable for any fine and/or penalty incurred as a result of discharge violations occurring at the wastewater treatment plant that are a direct result of the introduction of prohibited materials into Idamay's collection system.

3. Worthington shall invoice Idamay for all services on a monthly basis. This invoice shall include the standard monthly operating fee of One Thousand Dollars ($1,000.00), and all additional charges that are incurred. Idamay shall pay such invoices within

30 days of receipt. Each invoice shall state, in detail, the services performed by Worthington for Idamay, except for the regular monthly service fee. Worthington agrees to keep accurate and complete records relative to all costs incurred and to supply said records to Idamay as requested. In addition, Worthington agrees to keep documentation reflecting preventive maintenance work performed by Worthington on the system.

4. Worthington is empowered to expend funds not exceeding the amount of One Thousand Five Hundred Dollars ($1,500.00) for emergency repairs to Idamay's collection system without the prior approval of Idamay. Idamay shall appoint and empower an authorized representative to authorize emergency expenditures in excess of the aforementioned amount.

5. Worthington is authorized to make service calls and perform necessary repairs or service on Idamay's collection system in response to notification of a need by any resident utilizing Idamay's sanitary sewer system without first clearing such action through a member of Idamay's Board or its employees. Specifically, Worthington is authorized to make any and all emergency repairs subject to the aforementioned restriction in Section C(4) when, in the opinion of Worthington's Sewer Department Manager, an emergency repair is needed. Worthington is not authorized to make service calls or repairs on property not owned by Idamay or covered by Idamay's easements.

6. Worthington hereby agrees to provide its employees Workers' Compensation coverage, Unemployment Security coverage, and maintain any and all other premiums, fees, charges, and taxes required by any governmental entity having jurisdiction over the said sanitary sewer system.

D. In addition to the required duties of Idamay as set forth in paragraph B herein above, Idamay further agrees to perform the following obligations:

1. Idamay does hereby transfer, set over, assign, and delegate to Worthington the responsibility for the maintenance, operation and relevant function pertaining to the treatment and collection of sanitary sewage of the aforementioned system.

2. Idamay agrees to make prompt monthly payments to Worthington for monthly services as herein described.

3. Idamay shall be responsible for obtaining and maintaining all necessary and required licenses and certifications required by all governing entities having jurisdiction over the operation of said sanitary sewer system as may be required and necessary to operate, maintain, and properly manage said system.

E. This agreement shall be subject to and contingent upon the approval by the Public Service Commission of West Virginia. Further, this agreement is subject to any and all proceedings presently existing before the Public Service Commission of West Virginia relative to the operation and rate structure of the respective parties hereto. It is further agreed by the parties hereto that the effective date of this agreement shall be upon completion of the construction of Idamay's collection system and the complete satisfaction that Idamay's collection system is operating as designed and constructed, and that the implementation of the terms and provisions herein shall be conditional upon the aforesaid contingencies relative to the approval of the Public Service Commission of West Virginia.

F. The fees and charges providing the agreed upon services shall be established with the objective that Worthington will receive fair compensation for providing said services and

that neither party will subsidize the other's capital or operation expenses. The intent of this agreement is that both parties shall mutually benefit.

G. The parties hereto shall, upon request, provide the other with financial reports and related information as may be required in conjunction with the respective services rendered by Worthington to Idamay.

H. The parties hereto shall meet, at least semi-annually, at a mutaully agreed upon time and location to discuss business, rates, communications, complaints, suggestions, etc., between the parties. When requested by Idamay, Worthington will report in person to the District regarding operation of the system.

I. The agreement consisting of eight (8) pages constitutes the entire Operation and Maintenance Agreement between Worthington and Idamay and supersedes any and all written and oral understandings. The agreement may only be amended, supplemented, or modified in writing executed by all the parties hereto and approved by the Public Service Commission.

J. Worthington will perform its services in accordance with the terms of this agreement. No other warranty or representation, either expressed or implied, is included or intended in this contract or other reports or proposals.

K. The terms of this contract shall be indefinite. However, the terms hereof, especially the fees established within the contract, shall be reviewed by the parties on an annual basis and adjusted in accordance with inflation, actual costs, and time spent.

IN WITNESS WHEREOF, the parties hereto have made and executed the aforementioned Operation and Maintenance Agreement as of the day and year first written above.

TOWN OF WORTHINGTON

By: Edgar R Bailey
Its: CHAIRMAN & MAYOR
Address: P.O Box 265
WORTHINGTON W.Va. 26591

IDAMAY PUBLIC SERVICE DISTRICT

By: Teresa Gaw
Its: Chairperson
Address: PO Box 15
Idamay, WV 26576-0015

WATER METER READING AGREEMENT BETWEEN GREATER MARION PUBLIC SERVICE DISTRICT AND THE TOWN OF MONONGAH

It is hereby agreed between the parties that the Town of Monongah d/b/a Monongah Water Works will furnish the Greater Marion Public Service District with water meter readings. The parties further agree that the readings will be accepted as received by Greater Marion Public Service District and no reading will be altered without the consent of both parties.

Greater Marion Public Service District hereby agrees to compensate the Town of Monongah d/b/a Monongah Water Works in the amount of $ .20 per customer for the meter reading service.

This agreement will become effective upon execution by both parties and the term of said agreement will be indefinite. This agreement may only be amended, supplemented, or modified in writing, executed by both parties. Any violation of this agreement will void the agreement.

TOWN OF MONONGAH

By: _____

Its: _____

GREATER MARION PUBLIC SERVICE DISTRICT

By: _____

Its: _____

CONTRACT

FOR WATER SERVICE TERMINATION
BY THE TOWN OF MONONGAH
FOR NONPAYMENT OF SEWER CHARGES
FROM IDAMAY PUBLIC SERVICE DISTRICT

This CONTRACT, made as of the 14th day of Sept., 1998, by and between THE TOWN OF MONONGAH (MONONGAH), a municipality in Marion County, State of West Virginia, and IDAMAY PUBLIC SERVICE DISTRICT (IDAMAY), a statutory public corporation in the State of West Virginia.

WITNESSETH THAT:

WHEREAS, the Public Service Commission has authorized IDAMAY to collect sewage in the communities of Idamay, Carolina and Kelly Town and transport it to the Town of Worthington's treatment plant.

WHEREAS, IDAMAY furnishes sewage services to certain of MONONGAH'S water customers in the communities of Idamay, Carolina and Kelly Town.

WHEREAS, the Code of the State of West Virginia §16-13A-9 states that IDAMAY may contract with MONONGAH to terminate water service to customers with delinquent accounts.

WHEREAS, IDAMAY desires to contract with MONONGAH to terminate water service to customers with delinquent sewer accounts.

WHEREAS, IDAMAY will try diligently to induce the customer to comply with its rules and to pay the sewer bill.

WHEREAS, IDAMAY will provide the customer with written notice of termination of water service by MONONGAH within five (5) business days prior to termination.

WHEREAS, IDAMAY agrees to coordinate its scheduling of termination notices and actual turn-offs concurrent with MONONGAH'S schedule of same.

WHEREAS, IDAMAY will request no turn-offs on Friday, Saturday or Sunday or a day prior to a holiday or if any emergency exists. All disconnection will be performed between the hours of 8:00 a.m. and 4:00 p.m.

WHEREAS, IDAMAY shall provide to MONONGAH a copy of the notice to the customer scheduled for water termination.

WHEREAS, IDAMAY shall provide MONONGAH with a written request for

termination of water service for non-payment of sewer charges at least twenty-four (24) hours before the end of the five (5) day notice to the customer.

The water utility shall not be liable for any loss, damage or other claim asserted by the owner or occupant of the premises, the sewer utility's customer, the water utility's customer or any other person or corporation, including the sewer utility, based on or arising out of the termination of such supply of water, and the sewer utility does hereby indemnify and save harmless the water utility, its agents, officers, servants and employees, from any such loss, damages or other claims, including counsel fees and expenses incurred in connection therewith, except to the extent that any such loss, damages or claim, or portion thereof, is finally adjudicated to be the proximate result of the omissions, negligence or willful acts of the water utility, its agents or employees.

WHEREAS, IDAMAY agrees to pay MONONGAH a fee per turn-off/reconnection. IDAMAY shall recover this one-time fee from the customer before reconnection is permitted.

WHEREAS, IDAMAY will allow the customer to enter into a deferred payment agreement prior to termination which will result in continued water service. The terms of the deferred payment agreement are as follows:

Payment of the current bill plus twenty-five percent (25%) of the arrearage per month. A customer who is paying under a deferred payment agreement may have water service terminated without further notice if payment is not made pursuant to the terms of the agreement

WHEREAS, IDAMAY will request reconnection of water service only after payment in full or a deferred payment plan has been agreed to by the customer and MONONGAH will resume water service within eight (8) hours after IDAMAY's request.

WHEREAS, IDAMAY agrees to pay all charges for termination and reconnection within thirty (30) days of receipt of invoice for services performed by MONONGAH.

WHEREAS, it is the intent and purpose of the parties hereto to comply with all regulations and to cooperate with each other, and with the Public Service Commission of West Virginia to reduce and prevent the delinquency of customer payments for sewer service.

WHEREAS, it is the intent and purpose of the parties hereto that this contract supersede the previous water termination contract between the parties.

NOW, THEREFORE, in consideration of these recitals, the parties hereto agree to proceed in cooperation with each other, and to use their best efforts to plan and proceed with sewer charge collection/water discontinuance measures which will accomplish the aforementioned objectives according to the following terms, conditions and considerations:

1) The charges made to IDAMAY by MONONGAH for providing the services contemplated hereunder shall be, in the first instance, established by MONONGAH in accordance with fair cost accounting and allocation principles, the objective being that MONONGAH will recover from IDAMAY its cost incurred in providing the water discontinuance service to IDAMAY. Fees charged by MONONGAH to IDAMAY will be established at $25.00 per turn-off reconnection and will be amended from time to time as necessary pursuant to the provisions of West Virginia Code §24-2, as amended. All such fees, when established in accordance with the procedures promulgated by the Legislature of the State of West Virginia, and of any regulating or other agency or authority having jurisdiction in such matters, shall automatically, upon proper adoption and notice to IDAMAY become an amendment to the CONTRACT without further action by the parties hereto.

2) Approval of CONTRACT and fees: The parties hereto agree that at the appropriate time the West Virginia Public Service Commission of West Virginia will be asked to approve this CONTRACT and fees to be charged by MONONGAH for such services to be charged to IDAMAY to provide monies to pay for such services, it being agreed between the parties hereto that each shall take all legislative and administrative action necessary to comply with the Commission's Order relating thereto, and that all action (including fee increases for the aforementioned water discontinuance services) shall be deemed an amendment to the CONTRACT without further action by the parties hereto.

3) Term of CONTRACT - This contract shall remain in effect until terminated by one (1) of the parties. Each party shall have the right to terminate this agreement upon three (3) months written notice to the other party.

Thereafter, the CONTRACT may be extended by mutual agreement or renegotiated as may be dictated by the then existing needs of the parties hereto.

4) Indemnification - IDAMAY agrees to hold harmless and indemnify the Town of MONONGAH for any claims that arise as a result of the termination of water service.

5) Resolution of Controversy - All matters of controversy which may arise concerning compliance of the parties hereto with the provisions of this CONTRACT shall be resolved as follows: In the event of a controversy pertaining to fees, such matters shall be resolved in accordance with the Rules of the West Virginia Public Service Commission as they may pertain thereto.

IN WITNESS WHEREOF, THE TOWN ~~OF~~ MONONGAH has caused this CONTRACT to be signed on its behalf by [illegible], its Mayor, and its corporate seal to be affixed thereto by [illegible], its recorder, by authority of a resolution of the MONONGAH Town council duly adopted on the 14th day of Sept., 1998, and

IN WITNESS WHEREOF, IDAMAY PUBLIC SERVICE DISTRICT has caused this CONTRACT to be signed by Theresa Efaw, its Chairperson, and its corporate seal to be affixed thereto by [illegible], its Secretary, by authority of a resolution of IDAMAY PUBLIC SERVICE DISTRICT, duly adopted on the 5th day of Nov., 1998.

This CONTRACT is executed in three (3) copies with one (1) copy to each party hereto, each copy of which shall be deemed an original for all purposes.

IDAMAY PUBLIC SERVICE DISTRICT

By: Theresa Efaw
Chairperson

SEAL

ATTEST:

[illegible]
Secretary

THE TOWN OF MONONGAH

By: James Vanderbilt
Mayor

SEAL

ATTEST:

[illegible]
Recorder

GREATER MARION PUBLIC SERVICE DISTRICT

SEWER REVENUE BONDS, SERIES 1999 A (WEST VIRGINIA SRF PROGRAM) AND SERIES 1999 B (WEST VIRGINIA INFRASTRUCTURE FUND)

BOND RESOLUTION

Table of Contents

Subject		Page
ARTICLE I		
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS		
Section 1.01	Authority for this Resolution	1
Section 1.02	Findings	1
Section 1.03	Bond Legislation Constitutes Contract	3
Section 1.04	Definitions	4
ARTICLE II		
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT		
Section 2.01	Authorization of Acquisition and Construction of the Project	12
ARTICLE III		
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT		
Section 3.01	Authorization of Bonds	13
Section 3.02	Terms of Bonds	13
Section 3.03	Execution of Bonds	14
Section 3.04	Authentication and Registration	14
Section 3.05	Negotiability, Transfer and Registration	14
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost	15
Section 3.07	Bonds not to be Indebtedness of the Issuer	15
Section 3.08	Bonds Secured by Pledge of Net Revenues	16
Section 3.09	Delivery of Bonds	16
Section 3.10	Form of Bonds	16
	FORM OF SERIES 1999 A BOND	17

	FORM OF SERIES 1999 B BOND	25
Section 3.11	Sale of Bonds; Approval and Ratification of Execution of Loan Agreement	33
Section 3.12	"Amended Schedule" Filing	33

ARTICLE IV
[RESERVED] 34

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01	Establishment of Funds and Accounts with Depository Bank	35
Section 5.02	Establishment of Funds and Accounts with Commission	35
Section 5.03	System Revenues; Flow of Funds	35

ARTICLE VI
BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01	Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds	41
Section 6.02	Disbursements From the Bond Construction Trust Fund	42

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01	General Covenants of the Issuer	44
Section 7.02	Bonds not to be Indebtedness of the Issuer	44
Section 7.03	Bonds Secured by Pledge of Net Revenues	44
Section 7.04	Initial Schedule of Rates and Charges	44
Section 7.05	Sale of the System	44
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances	45
Section 7.07	Parity Bonds	46
Section 7.08	Books; Records and Audit	48
Section 7.09	Rates	49
Section 7.10	Operating Budget and Monthly Financial Report	50
Section 7.11	Engineering Services and Operating Personnel	51
Section 7.12	No Competing Franchise	51
Section 7.13	Enforcement of Collections	52
Section 7.14	No Free Services	52
Section 7.15	Insurance and Construction Bonds	52
Section 7.16	Mandatory Connections	54
Section 7.17	Completion and Operation of Project; Permits and Orders	55

Section 7.18	Tax Covenants	55
Section 7.19	Statutory Mortgage Lien	56
Section 7.20	Compliance with Loan Agreement and Law	56
Section 7.21	Securities Laws Compliance	56
Section 7.22	Contracts	57

ARTICLE VIII
INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01	Investments	58
Section 8.02	Arbitrage and Tax Exemption	58
Section 8.03	Tax Certificate and Rebate	59

ARTICLE IX
DEFAULT AND REMEDIES

Section 9.01	Events of Default	61
Section 9.02	Remedies	61
Section 9.03	Appointment of Receiver	61

ARTICLE X
PAYMENT OF BONDS

Section 10.01	Payment of Bonds	64

ARTICLE XI
MISCELLANEOUS

Section 11.01	Amendment or Modification of Bond Legislation	65
Section 11.02	Bond Legislation Constitutes Contract	65
Section 11.03	Severability of Invalid Provisions	65
Section 11.04	Headings, Etc.	65
Section 11.05	Conflicting Provisions Repealed	65
Section 11.06	Covenant of Due Procedure, Etc.	66
Section 11.07	Public Notice of Proposed Financing	66
Section 11.08	Effective Date	67
	SIGNATURES	67
	CERTIFICATION	68
	EXHIBIT A	69

GREATER MARION PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF GREATER MARION PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $400,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1999 A (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN $1,700,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1999 B (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 AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF GREATER MARION PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A, Chapter 22C, Article 2 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. Greater Marion Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Marion County of said State.

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain improvements and extensions to the existing public sewerage facilities of the Issuer, consisting of a new vacuum sewage collection system connecting to the existing vacuum system of the Town of Worthington in the communities of Idamay, Carolina and Kelly Town in Marion County, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the Project and any further improvements or extensions thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Water Pollution Control Revolving Fund and the West Virginia Infrastructure Fund pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds in the total aggregate principal amount of not more than $2,100,000 in two series (collectively, the "Series 1999 Bonds"), being the Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), in the aggregate principal amount of not more than $400,000 (the "Series 1999 A Bonds"), and the Sewer Revenue Bonds, Series 1999 B (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $1,700,000 (the "Series 1999 B Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 1999 Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 1999 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the

performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 1999 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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 1999 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment (the "DEP"), and its Series 1999 B Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), both loan agreements in form satisfactory to the respective parties (collectively, the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

G. There are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year following completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest on the Series 1999 Bonds and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 1999 Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 1999 Bonds or such final order will not be subject to appeal or rehearing.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 1999 Bonds by those who shall be the Registered Owners of the

same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 1999 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13A, Chapter 22C, Article 2 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 1999 Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the Council under the Act.

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

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

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

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

"Bonds" means, collectively, the Series 1999 Bonds and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 1999 Bonds for the proceeds or at least a de minimis portion thereof representing the purchase price of the Series 1999 Bonds from the Authority.

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

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

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

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

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

"DEP" means the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment, or any other agency, board or department of the State that succeeds to the functions of the DEP.

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

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

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

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

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

"Grants" means all moneys received by the Issuer on account of any Grant for the Project.

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

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

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

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

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

"Loan Agreement" means, collectively, the respective Loan Agreements heretofore entered, or to be entered, into by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 1999 A Bonds from the Issuer by the Authority, and by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 1999 B Bonds from the Issuer by the Authority, the

forms 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 1999 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Reserve Accounts. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 1999 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 1999 Bonds and is not acquired in order to carry out the governmental purpose of the Series 1999 Bonds.

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

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

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

"Paying Agent" means the Commission or other entity designated as such for the Series 1999 Bonds in the Supplemental Resolution.

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that use as a member of the general public shall not be taken into account.

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

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

(a) Government Obligations;

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

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

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

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 1999 Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts of the Series 1999 Bonds.

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

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

" Series 1999 Bonds" means, collectively, the Series 1999 A Bonds and the Series 1999 B Bonds.

"Series 1999 A Bonds" means the Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), of the Issuer, authorized by this Resolution.

"Series 1999 A Bonds Construction Trust Fund" means the Series 1999 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 1999 A Bonds Reserve Account" means the Series 1999 A Bonds Reserve Account established in the Series 1999 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1999 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 1999 A Bonds in the then current or any succeeding year.

"Series 1999 A Bonds Sinking Fund" means the Series 1999 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 1999 B Bonds" means the Sewer Revenue Bonds, Series 1999 B (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 1999 B Bonds Construction Trust Fund" means the Series 1999 B Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 1999 B Bonds Reserve Account" means the Series 1999 B Bonds Reserve Account established in the Series 1999 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1999 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1999 B Bonds in the then current or any succeeding year.

"Series 1999 B Bonds Sinking Fund" means the Series 1999 B Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 1999 Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid under the Loan Agreement for the Series 1999 A Bonds.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds

of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 1999 Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 1999 Bonds, and not so included, may be included in another Supplemental Resolution.

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

"System" means the complete properties of the Issuer for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired for said 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.

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $3,350,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 1999 Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Authority, the DEP and the Council.

The cost of the Project is estimated to be $3,350,000, of which approximately $400,000 will be obtained from proceeds of the Series 1999 A Bonds, approximately $1,700,000 will be obtained from proceeds of the Series 1999 B Bonds, and approximately $1,250,000 will be obtained from a grant by the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia).

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1999 Bonds, funding a reserve account for the Series 1999 Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 1999 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 1999 Bonds of the Issuer. The Series 1999 Bonds shall be issued in two series, each as a single bond, designated respectively as "Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program)," in the principal amount of not more than $400,000, and "Sewer Revenue Bonds, Series 1999 B (West Virginia Infrastructure Fund)," in the principal amount of not more than $1,700,000, and both shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1999 Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalizing interest on the Series 1999 Bonds, if any, shall be deposited in or credited to the respective Bond Construction Trust Funds established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 1999 Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 1999 Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 1999 Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 1999 Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of each series of the Series 1999 Bonds. The Series 1999 Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal

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

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

Section 3.03. Execution of Bonds. The Series 1999 Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 1999 Bonds shall cease to be such officer of the Issuer before the Series 1999 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 1999 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 1999 Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 1999 Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 1999 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 1999 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that such Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 1999 Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Series 1999 Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 1999 Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 1999 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 1999 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 1999 Bonds shall ever have the right to compel

the exercise of the taxing power of the Issuer, if any, to pay the Series 1999 Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 1999 A Bonds and the Series 1999 B Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 1999 Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 1999 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1999 Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 1999 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 1999 Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 1999 Bonds.

Section 3.10. Form of Bonds. The text of the Series 1999 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 1999 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
GREATER MARION PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 1999 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That GREATER MARION PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Marion County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, as set forth on said EXHIBIT B.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated _____, 199___.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage facilities

of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Resolution duly adopted by the Issuer on _____, 199____, and a Supplemental Resolution duly adopted by the Issuer on _____, 199____ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 1999 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED _____, 199__, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 1999 B BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Series 1999 B Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1999 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute 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, except from said special fund provided from the Net Revenues, the moneys in the Series 1999 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 1999 B Bonds; provided however, that so long as there exists in the Series 1999 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 1999 B Bonds, an amount at least

equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, GREATER MARION PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 199__.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1999 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 199____.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

_____

Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

(FORM OF SERIES 1999 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
GREATER MARION PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 1999 B
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. BR-____ $_____

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

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 199___.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the

"System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Resolution duly adopted by the Issuer on _____, 199____, and a Supplemental Resolution duly adopted by the Issuer on _____, 199____ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 1999 A (WEST VIRGINIA SRF PROGRAM), DATED _____, 199__, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 1999 A BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Series 1999 A Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1999 B Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute 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, except from said special fund provided from the Net Revenues, the moneys in the Series 1999 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 1999 A Bonds; provided however, that so long as there exists in the Series 1999 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 1999 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the

Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, GREATER MARION PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated _____, 199__.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1999 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 199____.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

_____

Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 1999 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the respective Loan Agreements. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule" Filing. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority, the DEP and the Council a schedule in substantially the form attached to the respective Loan Agreements, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Series 1999 A Bonds Construction Trust Fund; and

(4) Series 1999 B Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 1999 A Bonds Sinking Fund;

(2) Within the Series 1999 A Bonds Sinking Fund, the Series 1999 A Bonds Reserve Account;

(3) Series 1999 B Bonds Sinking Fund; and

(4) Within the Series 1999 B Bonds Sinking Fund, the Series 1999 B Bonds Reserve Account.

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

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) commencing 3 months prior to the first date of payment of principal of the Series 1999 A Bonds, for deposit in the Series 1999 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 1999 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 1999 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; and (ii) on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 1999 B Bonds, for deposit in the Series 1999 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 1999 B 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 1999 B 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.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) commencing 3 months prior to the first date of payment of principal of the Series 1999 A Bonds, if not fully funded upon issuance of the Series 1999 A Bonds, for deposit in the Series 1999 A Bonds Reserve Account, an amount equal to 1/120th of the Series 1999 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 1999 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 1999 A Bonds Reserve Requirement; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 1999 B Bonds, if not fully funded upon issuance of the Series 1999 B Bonds, for deposit in the Series 1999 B Bonds Reserve Account, an amount equal to 1/120th of the Series 1999 B Bonds Reserve Requirement;

provided that, no further payments shall be made into the Series 1999 B 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 1999 B Bonds Reserve Requirement.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 1999 A Bonds Sinking Fund and the Series 1999 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 1999 A Bonds and the Series 1999 B Bonds, respectively, as the same shall become due. Moneys in the Series 1999 A Bonds Reserve Account and the Series 1999 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 1999 A Bonds and the Series 1999 B Bonds, respectively, as the same shall come due, when other moneys in the Series 1999 A Bonds Sinking Fund and the Series 1999 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1999 A Bonds Sinking Fund, the Series 1999 A Bonds Reserve Account, the Series 1999 B Bonds Sinking Fund and the Series 1999 B Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the respective Bond Construction Trust Funds, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 1999 A Bonds and the Series 1999 B Bonds, respectively, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 1999 A Bonds Reserve Account or the Series 1999 B Bonds Reserve Account which result in a reduction in the balance therein to below the respective Reserve Requirements shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 1999 Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional parity Bonds.

The Issuer shall not be required to make any further payments into the Series 1999 A Bonds Sinking Fund, the Series 1999 A Bonds Reserve Account, the Series 1999 B Bonds Sinking Fund or the Series 1999 B Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the respective aggregate principal amount of the Series 1999 A Bonds and the Series 1999 B Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 1999 Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1999 A Bonds Sinking Fund, the Series 1999 A Bonds Reserve Account, the Series 1999 B Bonds Sinking Fund and the Series 1999 B Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, 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.

Moneys in the Series 1999 A Bonds Sinking Fund, the Series 1999 A Bonds Reserve Account, the Series 1999 B Bonds Sinking Fund and the Series 1999 B Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1999 A Bonds Sinking Fund, the Series 1999 A Bonds Reserve Account, the Series 1999 B Bonds Sinking Fund and the Series 1999 B Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1999 A Bonds and the Series 1999 B Bonds, respectively, under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 1999 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission the SRF Administrative Fee as set forth in Schedule Y attached to the Loan Agreement for the Series 1999 A Bonds.

C. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement for the Series 1999 A Bonds, and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of such calendar month.

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

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

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

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency

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

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

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 1999 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1999 A Bonds, there shall first be deposited with the Commission in the Series 1999 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1999 A Bonds for the period commencing on the date of issuance of the Series 1999 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. From the proceeds of the Series 1999 B Bonds, there shall first be deposited with the Commission in the Series 1999 B Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1999 B Bonds for the period commencing on the date of issuance of the Series 1999 B Bonds and ending 6 months after the estimated date of completion of construction of the Project.

C. Next, from the proceeds of the Series 1999 A Bonds, there shall be deposited with the Commission in the Series 1999 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 1999 A Bonds Reserve Account.

D. Next, from the proceeds of the Series 1999 B Bonds, there shall be deposited with the Commission in the Series 1999 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 1999 B Bonds Reserve Account.

E. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 1999 A Bonds, such moneys shall be deposited with the Depository Bank in the Series 1999 A Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 1999 A Bonds.

F. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 1999 B Bonds, such moneys shall be deposited with the Depository Bank in the Series 1999 B Bonds Construction Trust Fund and applied solely to payment of

costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 1999 B Bonds.

G. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 1999 A Bonds shall be applied as directed by the DEP and any remaining proceeds of the Series 1999 B Bonds shall be applied as directed by the Council.

Section 6.02. Disbursements From the Bond Construction Trust Fund. A. On or before the Closing Date, the Issuer shall have delivered to the DEP and the Authority a report listing the specific purposes for which the proceeds of the Series 1999 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 1999 A Bonds Construction Trust Fund (except for the costs of issuance of the Series 1999 A Bonds which shall be made upon request of the Issuer) shall be made only after submission to and approval from the DEP, of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement for the Series 1999 A Bonds, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

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

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

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

B. The Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 1999 B Bonds Construction Trust Fund (except for the costs of issuance of the Series 1999 B Bonds which shall be made upon request of the Issuer) shall be made only after submission to and approval from the Council, of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

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

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

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

Pending such application, moneys in the respective Bond Construction Trust Funds shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 1999 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 1999 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1999 Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 1999 Bonds, shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 1999 Bonds or the interest , if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 1999 A Bonds and the Series 1999 B Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the System. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 1999 Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Final Order of the Public Service Commission of West Virginia entered March 29, 1999, in Case No. 98-0474-PSD-CN, and such rates are hereby adopted.

Section 7.05. Sale of the System. So long as the Series 1999 Bonds are outstanding and except as otherwise required by law or with the written consent of the DEP, the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of

the System shall, with respect to the Series 1999 Bonds, immediately be remitted to the Commission for deposit in the Sinking Funds, and, with the written permission of the DEP, the Authority and the Council, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 1999 Bonds. Any balance remaining after the payment of the Series 1999 Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 1999 Bonds. All obligations issued by the Issuer after the issuance of the Series 1999 Bonds and payable from the revenues of

the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 1999 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 1999 Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 1999 Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 1999 Bonds pursuant to this Bond Legislation, except with the prior written consent of the Authority, the DEP and the Council under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1999 Bonds.

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

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

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

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

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

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 1999 Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1999 Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation with respect to the

Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

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

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

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

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

The Issuer shall file with the DEP, the Council, the Authority, or any other original purchaser of the Series 1999 Bonds, and shall mail in each year to any Holder or Holders of the Series 1999 Bonds, requesting the same, an annual report containing the following:

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation, and the status of all said funds and accounts.

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, 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 1999 Bonds, and shall submit said report to the DEP, the Council and the Authority, or any other original purchaser of the Series 1999 Bonds. Such audit report submitted to the DEP, the Authority and the Council shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in EXHIBIT E of the Loan Agreement for the Series 1999 A Bonds or as promulgated from time to time.

Section 7.09. Rates. Prior to the issuance of the Series 1999 Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate

of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 1999 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 1999 Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 1999 A Bonds Reserve Account, the Series 1999 B Bonds Reserve Account and the reserve accounts for obligations on a parity with the Series 1999 Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 1999 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 1999 Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

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

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached

to the respective Loan Agreements, and forward a copy of such report to the DEP, the Authority and the Council by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the DEP, the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the DEP, 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 resident engineering services satisfactory to the DEP, 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 resident engineer shall certify to the DEP, 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 require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Loan Agreement for the Series 1999 A Bonds as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 25% complete and shall retain such a certified operator(s) to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 25% completion stage.

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 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the 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 either 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 facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the

System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

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

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

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

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

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

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

Section 7.16. 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 Division 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 Division 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 and Operation of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has entered into a transmission and treatment agreement with the Town of Worthington (the "Town"), whereby the Town will treat the wastewater of the Issuer delivered to the Town's treatment plant. The Issuer has also entered into an operation and maintenance agreement with the Town, whereby the Town will operate and maintain the System.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia necessary for the acquisition and construction of the Project and the operation of the System.

Section 7.18. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1999 Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 1999 Bonds during the term thereof is, under the terms of the Series 1999 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 1999 Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 1999 Bonds during the term thereof is, under the terms of the Series 1999 Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 1999 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 1999 Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of the portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 1999 Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 1999 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 1999 Bonds and the interest thereon including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 1999 Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 1999 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 1999 Bonds.

Section 7.20. Compliance with Loan Agreement and Law. The Issuer agrees to 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 DEP and 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 DEP, the Authority, the Council or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

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

Section 7.22. Contracts. A. The Issuer shall, simultaneously with the delivery of the Series 1999 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP and the Council for written approval. The Issuer shall obtain the written approval of the DEP and the Council before expending any proceeds of the Series 1999 Bonds held in "contingency" as set forth in the respective Schedules attached to the Loan Agreement. The Issuer shall also obtain the written approval of the DEP and the Council before expending any proceeds of the Series 1999 Bonds made available due to bid or construction or project underruns.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01. Investments. Any moneys held as a part of the funds and accounts created by this Bond Legislation other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such moneys 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 moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank, or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 1999 Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 1999 Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 1999 Bonds which would cause the Series 1999 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take any and all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 1999 Bonds) so that the interest, if

any, on the Series 1999 Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 1999 Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 1999 Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

If the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1999 Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1999 Bonds. In the event of a failure to pay the correct rebate amount, the Issuer will pay, from any lawful sources available therefor, to the United States such amount, plus a penalty equal to 50% of the rebate amount not paid when required to be paid, plus interest on that amount, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for any exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 1999 Bonds subject to rebate. The Issuer shall also furnish the

Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Series 1999 Bonds (as such term "gross proceeds" is defined in the Code).

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 1999 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 1999 Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 1999 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 1999 Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 1999 A Bonds shall be on a parity with the Holders of the Series 1999 B Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and

charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

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

Legislation, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 1999 Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1999 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 1999 Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 1999 Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 1999 Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 1999 Bonds shall be made without the consent in writing of the Registered Owners of the Series 1999 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 1999 Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 1999 Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 1999 Bonds.

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

Section 11.05. Conflicting Provisions Repealed. All orders or resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.07. Public Notice of Proposed Financing. Prior to making formal application to the Public Service Commission of West Virginia for a Certificate of Public Convenience and Necessity and adoption of this Resolution, the Secretary of the Governing Body shall have caused to be published in a newspaper of general circulation in each municipality in Greater Marion Public Service District and within the boundaries of the District, a Class II legal advertisement stating:

(a) The maximum amount of the Series 1999 Bonds to be issued;

(b) The maximum interest rate and terms of the Series 1999 Bonds authorized hereby;

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

(d) The maximum anticipated rates which will be charged by the Issuer; and

(e) The date that the formal application for a certificate of public convenience and necessity is to be filed with the Public Service Commission of West Virginia.

Section 11.08. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 22nd day of June, 1999.

Chairman

Member

Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of GREATER MARION PUBLIC SERVICE DISTRICT on the 22nd day of June, 1999.

Dated: June 23, 1999.

[SEAL]

Samuel J. Pizzo
Secretary

06/16/99
439080/98001

EXHIBIT A

Loan Agreement included in bond transcript as Documents 3 and 4.

GREATER MARION PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 1999 A (West Virginia SRF Program) and
Series 1999 B (West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1999 A (WEST VIRGINIA SRF PROGRAM) AND SEWER REVENUE BONDS, SERIES 1999 B (WEST VIRGINIA INFRASTRUCTURE FUND), OF GREATER MARION PUBLIC SERVICE DISTRICT ; APPROVING AND RATIFYING THE LOAN AGREEMENTS RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Greater Marion Public Service District (the "Issuer"), has duly and officially adopted a bond resolution, effective June 22, 1999 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF GREATER MARION PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $400,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1999 A (WEST VIRGINIA SRF PROGRAM), AND NOT MORE THAN $1,700,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1999 B

(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 AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Resolution provides for the issuance of Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program) and Series 1999 B (West Virginia Infrastructure Fund), of the Issuer (collectively, the "Bonds" and individually, the "Series 1999 A Bonds" and the "Series 1999 B Bonds"), in the respective aggregate principal amounts not to exceed $400,000 and $1,700,000, and has authorized the execution and delivery of the loan agreement relating to the Series 1999 A Bonds, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP") and the loan agreement relating to the Series 1999 B Bonds, by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") (collectively, the "Loan Agreement"), all in accordance with Chapter 16, Article 13A, Chapter 22C, Article 2 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Resolution it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF GREATER MARION PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the following bonds of the Issuer:

A. The Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $400,000. The Series 1999 A Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2021, and shall bear no interest. The principal of the Series 1999 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2001, and ending March 1, 2021, and in the amounts as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 1999 A Bonds. The Series 1999 A Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 1999 A Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 1% of the principal amount of the Series 1999 A Bonds set forth in "Schedule Y" attached to the Loan Agreement.

B. The Sewer Revenue Bonds, Series 1999 B (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $1,700,000. The Series 1999 B Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2039, and shall bear no interest. The principal of the Series 1999 B Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2000, and ending June 1, 2039, and in the amounts as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 1999 B Bonds. The Series 1999 B Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 1999 B Bonds.

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

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

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

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

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

Section 7. Series 1999 A Bonds proceeds in the amount of -0- shall be deposited in the Series 1999 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 1999 A Bonds proceeds in the amount of -0- shall be deposited in the Series 1999 A Bonds Reserve Account.

Section 9. Series 1999 B Bonds proceeds in the amount of -0- shall be deposited in the Series 1999 B Bonds Sinking Fund, as capitalized interest.

Section 10. Series 1999 B Bonds proceeds in the amount of -0- shall be deposited in the Series 1999 B Bonds Reserve Account.

Section 11. The balance of the proceeds of the Series 1999 A Bonds and the Series 1999 B Bonds shall be deposited in or credited to the respective Bond Construction Trust Funds for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 12. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Bonds may be delivered on or about June 23, 1999, to the Authority pursuant to the Loan Agreement.

Section 13. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 14. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Resolution held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Moneys in the Sinking Funds, including the Reserve Accounts therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 15. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations promulgated or to be promulgated thereunder.

Section 16. The Issuer does hereby authorize, approve, ratify and accept the transmission and treatment agreement and the operation and maintenance agreement by and between the Issuer and the Town of Worthington.

Section 17. The Issuer does hereby authorize, approve, ratify and accept the meter reading agreement and the water service termination agreement by and between the Issuer and the Town of Monongah.

Section 18. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 22nd day of June, 1999.

GREATER MARION PUBLIC SERVICE DISTRICT

Theresa Efaw
Chairman

Samuel J Ruzzo
Member

Member

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Greater Marion Public Service District on the 22nd day of June, 1999.

Dated: June 23, 1999.

[SEAL]

Samuel J Rizzo
Secretary

06/16/99
439080/98001

State of West Virginia
WATER DEVELOPMENT AUTHORITY

180 Association Drive, Charleston, WV 25311-1571
(304) 558-3612 - (304) 558-0299 (Fax)
Internet: www.wvwda.org - Email: contact@wvwda.org

December 11, 2000

Greater Marion Public Service District
Sewer Revenue Bonds, Series 2000
(West Virginia SRF Program)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of the certified public accountant of the Issuer, the undersigned duly authorized representative for West Virginia Water Development Authority, the registered owner of the entire outstanding aggregate principal amounts of the Prior Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program) (the "Bonds"), in the original aggregate principal amount of $400,000, by Greater Marion Public Service Commission (the "Issuer"), under the terms of the resolution authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program) and Series 1999 B (West Virginia Infrastructure Fund) (collectively, the "Prior Bonds")

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Barbara B Meadows
Authorized Representative

11/13/00
439080/00001

Greater Marion Public Service District
Sewer Revenue Bonds, Series 2000
(West Virginia SRF Program)

RECEIPT OF PAYMENT

The undersigned duly authorized representative of the Sheriff of Marion County, on behalf of The County Commission of Marion County (the "Commission"), hereby certifies that the Commission has received the sum of $49,960 from Greater Marion Public Service District (the "Issuer").

Dated this 11th day of December, 2000.

THE SHERIFF OF MARION COUNTY

Stephen J. Cross, C.J.D.
Authorized Representative

12/08/00
439080/00001

GREATER MAR PSD CONSTR TRUST FUND (IFC) 06/99
SERIES 1999 B BONDS
P O BOX 15, PH 304-287-7521
IDAMAY, WV 26576-0015

0148
69-328/515

Date 12/11/00

Pay to the Order of Marion County Commission $ 49,960.00

Forty Nine Thousand Nine Hundred Sixty and 00/100 Dollars

Security features included. Details on back.

ONE VALLEY BANK
ROUTE 250 NORTH
FARMINGTON, WV 26571

Theresa Efaw
Samuel J Rizzo MP

For Reimbursement of Loan

⑆051503268⑆ 0003740499⑈ 0148

MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **December 11, 2000**

Re: **Closing Memo - Greater Marion Public Service District Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program)**

---

1. DISBURSEMENTS TO GREATER MARION PUBLIC SERVICE DISTRICT

Payor:	West Virginia Department of Environmental Protection (West Virginia SRF Program)
Amount:	$72,935
Form:	Check
Payee:	Greater Marion Public Service District
Contact:	Rosalie Bordersen

DISBURSEMENTS BY GREATER MARION PUBLIC SERVICE DISTRICT FROM BOND PROCEEDS

Source:	Series 2000 Bond Proceeds (West Virginia SRF Program)
Amount:	$49,960
Form:	Check
Payee:	The County Commission of Marion County
Memo:	Pay-off of Interim Financing

11/14/00
439080/00001