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October 27, 2005

**Jane Lew Public Service District
Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)**

TO PERSONS ON THE ATTACHED DISTRIBUTION LIST:

Enclosed is your copy of the transcript of documentation for the above-referenced bond issue. Please briefly review this transcript before filing it and call me if you have any questions. Thank you for your help and cooperation in successfully concluding this financing.

My best regards.

Very truly yours,

A handwritten signature in black ink, appearing to read 'John C. Stump'.

John C. Stump

JCS/rmc
Enclosure
448300.00002

CH771592.1

**Jane Lew Public Service District
Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)**

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JANE LEW PUBLIC SERVICE DISTRICT

**SEWER REVENUE BONDS, SERIES 2005 A
(WEST VIRGINIA INFRASTRUCTURE FUND)**

DATE OF CLOSING: JULY 19, 2005

BOND TRANSCRIPT

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JANE LEW PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

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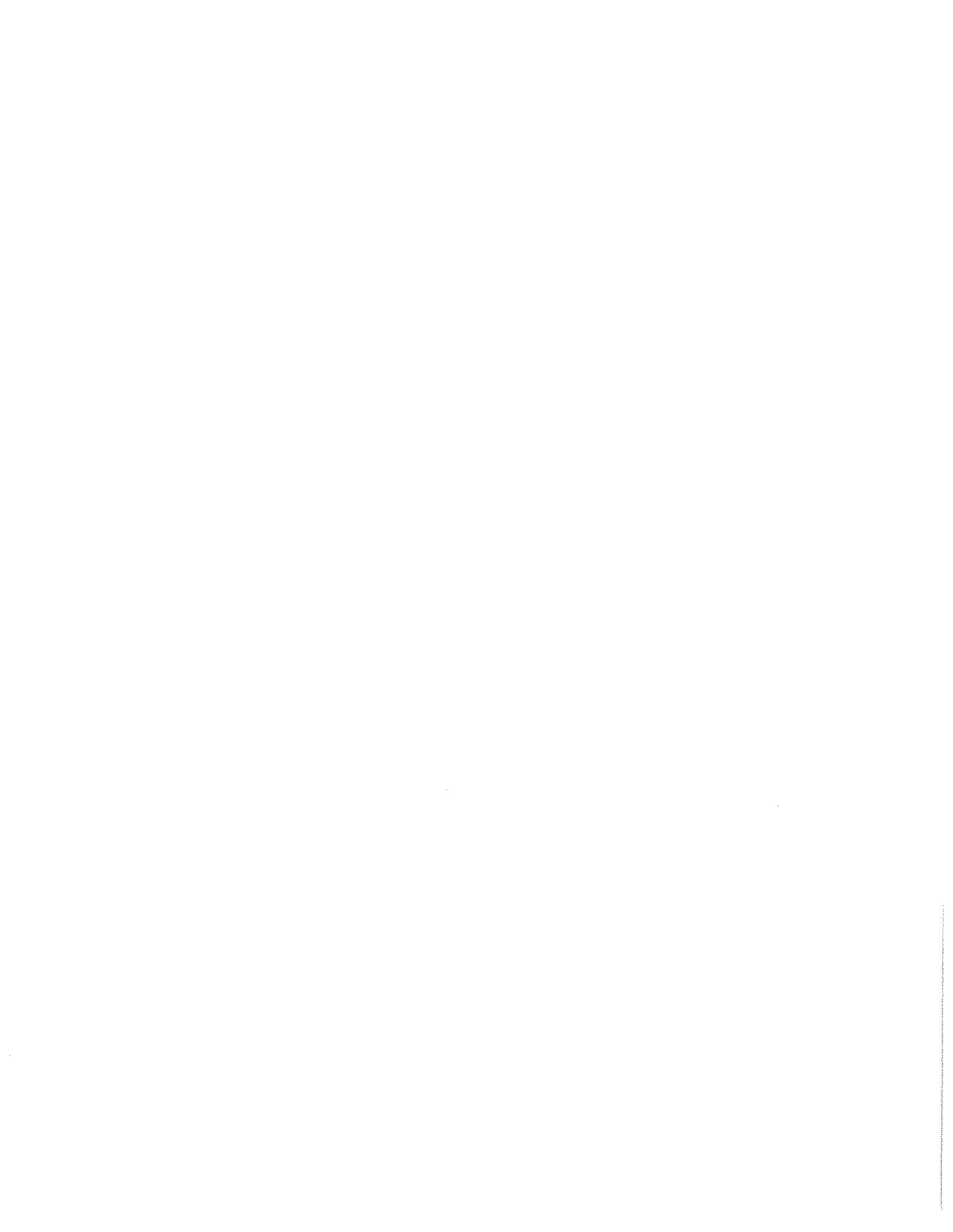
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JANE LEW PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2005 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

BOND RESOLUTION

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JANE LEW PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF JANE LEW PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$959,015 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF JANE LEW
PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

A. Jane Lew Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Lewis and Harrison Counties 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 additions, betterments, improvements and extensions to the existing public sewerage facilities of the Issuer, consisting of the rehabilitation of the existing wastewater collection system in Lewis and Harrison Counties in order to reduce inflow and infiltration, together with all appurtenant facilities (collectively, the "Project"), which constitute public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the existing public sewerage facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Infrastructure Fund pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), in the total aggregate principal amount of not more than \$959,015 (the "Series 2005 A Bonds"), to permanently finance the costs of acquisition and construction of the Project. 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 2005 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2005 A 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, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2005 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2005 A 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 2005 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), in form satisfactory to the respective parties (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

G. There are no outstanding bonds or obligations of the Issuer which will rank on a parity with the Series 2005 A Bonds or are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest, if any, on the Series 2005 A 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 2005 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Project and the financing thereof by the Council and the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2005 A Bonds or such final order will not be subject to appeal.

J. The Project has been reviewed and determined to be technically and financially feasible by the 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 2005 A Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, 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 Bondholders of any and all of such Series 2005 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds, and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13A and Chapter 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 2005 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the Council under the Act.

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

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

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

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

"Bonds" means the Series 2005 A Bonds and, where appropriate, 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 2005 A Bonds for all or a portion of the proceeds of the Series 2005 A Bonds from the Authority.

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

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

"Consulting Engineers" means 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.

"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 monies 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 Jane Lew Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Lewis and Harrison counties, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2005 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Net Proceeds" means the face amount of the Series 2005 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2005 A Bonds Reserve Account. For purposes of the Private

Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2005 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property 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, fees and expenses of the Authority, fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein after 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 canceled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which monies, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2005 A 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 1.02(B) 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.

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

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund created herein.

"Revenue Fund" means the Revenue Fund established herein.

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

"Series 2005 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), authorized to be issued hereby.

"Series 2005 A Bonds Construction Trust Fund" means the Series 2005 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2005 A Bonds Reserve Account" means the Series 2005 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2005 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2005 A Bonds in the then current or any succeeding year.

"Series 2005 A Bonds Sinking Fund" means the Series 2005 A Bonds Sinking Fund established by Section 5.02 hereof.

"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 2005 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2005 A Bonds, and not so included, may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2005 A Bonds, or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account.

"System" means the complete properties of the Issuer for the collection, treatment, purification or disposal of liquid or solid wastes, sewerage or industrial wastes, as presently existing in its entirety or any integral part thereof, and all sewerage facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the sewerage system; and shall also include the Project and any and all extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the sewerage 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 adoption hereof.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender; 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, certificates or other document may be executed 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 not to exceed \$959,015, 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 2005 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and has entered into or will enter into contracts for the acquisition and construction of the Project, in an amount compatible with the financing plan submitted to the Authority and the Council.

The cost of the Project is estimated at not to exceed \$959,015, all of which will be obtained from proceeds of the Series 2005 A Bonds.

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 2005 A Bonds, funding a reserve account for the Series 2005 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2005 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2005 A Bonds of the Issuer. The Series 2005 A Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund)," in the principal amount of not more than \$959,015, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2005 A Bonds remaining after funding of the Series 2005 A Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest on the Series 2005 A Bonds, if any, shall be deposited in or credited to the Series 2005 A Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2005 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2005 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2005 A Bonds, if any, shall be paid by check or draft of the Paying Agent, or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the 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 2005 A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2005 A Bonds. The Series 2005 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2005 A Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2005 A Bonds shall cease to be such officer of the Issuer before the Series 2005 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2005 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2005 A Bonds 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 Bonds, substantially in the forms set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bonds shall be conclusive evidence that such Bonds have been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on the Series 2005 A Bonds 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 2005 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2005 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2005 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2005 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly

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

In all cases in which the privilege of exchanging Series 2005 A 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 canceled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be 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 the Series 2005 A Bonds 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 canceled 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 2005 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 2005 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2005 A 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 2005 A Bonds shall be secured 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 2005 A 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 2005 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2005 A Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 2005 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2005 A Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. An executed copy of the Loan Agreement; and
- E. The unqualified approving opinion of bond counsel on the Series 2005 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2005 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2005 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
JANE LEW PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2005 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this _____ day of _____, 200_, JANE LEW PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Lewis and Harrison Counties 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, 200_, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated _____, 2005.

This Bond is issued (i) to pay 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 (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 2005, and a Supplemental Resolution duly adopted by the Issuer on _____, 2005 (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.

There are no outstanding bonds or obligations of the Issuer which rank on a parity with the Bonds or are secured by revenues or assets of the System.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2005 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2005 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; provided however, that so long as there exists in the Series 2005 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, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

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, JANE LEW 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 as of the date first written above.

[SEAL]

Chairman

ATTEST:

Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 2005 A Bond 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: _____, 2005.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2005 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved and incorporated into this Bond Legislation.

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

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank.

The following special funds or accounts are hereby created 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 2005 A 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 2005 A Bonds Sinking Fund; and
- (2) Series 2005 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A.

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

- (1) The Issuer shall first, each month, pay from the Revenue Fund the Operating Expenses of the System.
- (2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2005 A Bonds, for deposit in the Series 2005 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2005 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 2005 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.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2005 A Bonds, if not fully funded upon issuance of the Series 2005 A Bonds, for deposit in the Series 2005 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2005 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2005 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 2005 A Bonds Reserve Requirement.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund an amount equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Accounts. 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 reinvest in Qualified Investments. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2005 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2005 A Bonds, as the same shall become due. Monies in the Series 2005 A Bonds Reserve Account shall, be used only for the purpose of paying principal of and interest, if any, on the Series 2005 A Bonds, as the same shall come due, when other monies in the Series 2005 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2005 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2005 A Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2005 A Bonds Reserve Account which result in a reduction in the balance therein to below the Series 2005 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2005 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2005 A Bonds Sinking Fund or the Series 2005 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2005 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority 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.

Monies in the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account shall, be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2005 A Bonds, under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2005 A Bonds and

all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

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

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by the Act, such excess shall be considered as surplus revenues (the "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 monies in excess of the maximum amounts insured by FDIC in any of the 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 herein above 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 Series 2005 A Bonds 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 monies received from the sale of the Series 2005 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2005 A Bonds, there shall first be deposited with the Commission in the Series 2005 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 2005 A Bonds for the period commencing on the date of issuance of the Series 2005 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2005 A Bonds, there shall be deposited with the Commission in the Series 2005 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2005 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2005 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2005 A Bonds Construction Trust Fund and applied solely to payment of the costs of the acquisition and construction 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 2005 A Bonds.

D. 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 2005 A Bonds shall be applied as directed by the Council.

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

Except as provided in Section 6.01 hereof, disbursements from the Series 2005 A Bonds Construction Trust Fund shall be made only after submission to and approval from the Council, of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

- (b) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;
- (c) Each of such costs has been otherwise properly incurred; and
- (d) Payment for each of the items proposed is then due and owing.

Pending such application, monies in the Series 2005 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

The Issuer shall expend all proceeds of the Series 2005 A Bonds within 3 years of the date of issuance of the Council's Bonds, the proceeds of which were used to make the loan to the Issuer.

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 2005 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2005 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2005 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2005 A Bond shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2005 A 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 2005 A Bonds shall be secured 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 2005 A 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 Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in and approved by the Final Order of the Public Service Commission of West Virginia entered on July 12, 2004, in case number 04-0139-PSD-CN, and such rates are hereby adopted.

So long as the Series 2005 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2005 A Bonds shall prove to be insufficient to produce the required sums set forth in

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

Section 7.05. Sale of the System. So long as the Series 2005 A Bonds are outstanding and except as otherwise required by law or with the written consent of 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 pay fully all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2005 A Bonds, immediately be remitted to the Commission for deposit in the Series 2005 A Bonds Sinking Fund, and, with the written permission of 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 2005 A Bonds. Any balance remaining after the payment of the Series 2005 A Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine upon consultation with a professional engineer that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amount required to be paid into such account 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, or their duly authorized representatives, 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 for in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2005 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2005 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, and source of and security for payment from such revenues and in all other respects, to the Series 2005 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation 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 2005 A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2005 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and the Council prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants, for the Project 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 2005 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the Council and without complying with the conditions and requirements herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2005 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the design, acquisition or construction of additions extensions, improvements or betterments 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 the improvements to be financed by such Parity Bonds and any increase in rates adopted by the Issuer and approved by the Public Service Commission of West Virginia, the time for appeal of which shall have expired prior to the issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

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

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 2005 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2005 A Bonds.

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

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

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

The Issuer shall 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 Issuer. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting

system which may be installed remote from the direct supervision of the Issuer shall be reported to such agent of the Issuer as the Issuer shall direct.

The Issuer shall file with the Council, the Authority, or any other original purchaser of the Series 2005 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2005 A Bonds, requesting the same, an annual report containing the following:

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants 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 2005 A Bonds, and shall submit said report to the Council and the Authority, or any other original purchaser of the Series 2005 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

necessary to accomplish all of the powers and rights of the Authority and the Council with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2005 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2005 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2005 A Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Series 2005 A Bonds Reserve Account and the reserve accounts for obligations on a parity with the Series 2005 A 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 2005 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2005 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a 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 within 30 days of adoption thereof mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and

maintenance to the Authority and the Council and to any Holder of any Bonds, who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the Council and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

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

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

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

The Issuer shall employ qualified operating personnel properly certified by the State to operate the System during the entire term of the Loan Agreement.

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

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

the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System 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 the water system or the 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 waterworks facilities are not owned by the Issuer, the Issuer shall use diligent efforts to enter into a termination agreement with the provider of such water services, subject to any required approval of such agreements by 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 either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer, 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 2005 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(4) 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.

(5) 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.

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

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

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

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

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.17. Completion and Operation of Project; Permits and Orders. The Issuer shall 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 shall take all steps to properly operate and maintain the System and make the necessary replacements due to normal wear and tear so long as the Series 2005 A Bonds are outstanding.

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 Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2005 A 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 2005 A 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 2005 A Bonds during the term thereof is, under the terms of the Series 2005 A 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 monies 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 2005 A 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 2005 A Bonds during the term thereof is, under the terms of the Series 2005 A 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 monies used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2005 A 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 2005 A 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 that portion of the Project to which such Private Business Use is related, all of the foregoing to 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 2005 A 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 2005 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. If required, the Issuer shall file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2005 A Bonds and the interest, if any, thereon, including, without limitation, the information return required under Section 149(e), if any, of the Code.

E. FURTHER ACTIONS. The Issuer shall take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest, if any, on the Series 2005 A Bonds will be and remain excludable from gross income for federal income tax purposes, and shall 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 2005 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, and shall take effect immediately upon delivery of the Series 2005 A Bonds.

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

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

Section 7.21. Securities Laws Compliance. The Issuer shall 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 2005 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council for written approval. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2005 A 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 Council before expending any proceeds of the Series 2005 A Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENT OF FUNDS; USE OF PROCEEDS

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank, may make any and all investments permitted by this section through its own investment or trust 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 2005 A 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 2005 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to the 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 2005 A Bonds as a condition to issuance of the Series 2005 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2005 A 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 2005 A Bonds which would cause any bonds, the

interest on which is exempt from federal income taxation under Section 103(a) of the Code; issued by the Authority or the Council, as the case may be, from which the proceeds of the Series 2005 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2005 A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2005 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2005 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2005 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2005 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, or Paying Agent, 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 Series 2005 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 Series 2005 A 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 Series 2005 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2005 A Bonds, or the rights of such Registered Owners.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Series 2005 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 do.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the 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 said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2005 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2005 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2005 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2005 A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2005 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2005 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest, if any, 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 excludability of interest, if any, on the Series 2005 A Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the 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 2005 A Bonds.

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

Section 11.05. Conflicting Provisions Repealed. All orders or resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

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 Jane Lew Public Service District and within the boundaries of the District, a Class II legal advertisement stating:

- (a) The maximum amount of the Series 2005 A Bonds to be issued;
- (b) The maximum interest rate and terms of the Series 2005 A 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 14th day of July, 2005.

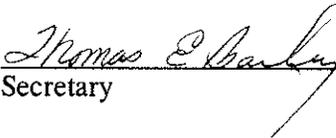
Clare B. Hayes
Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board
of JANE LEW PUBLIC SERVICE DISTRICT on the 14th day of July, 2005.

Dated: July 19, 2005.

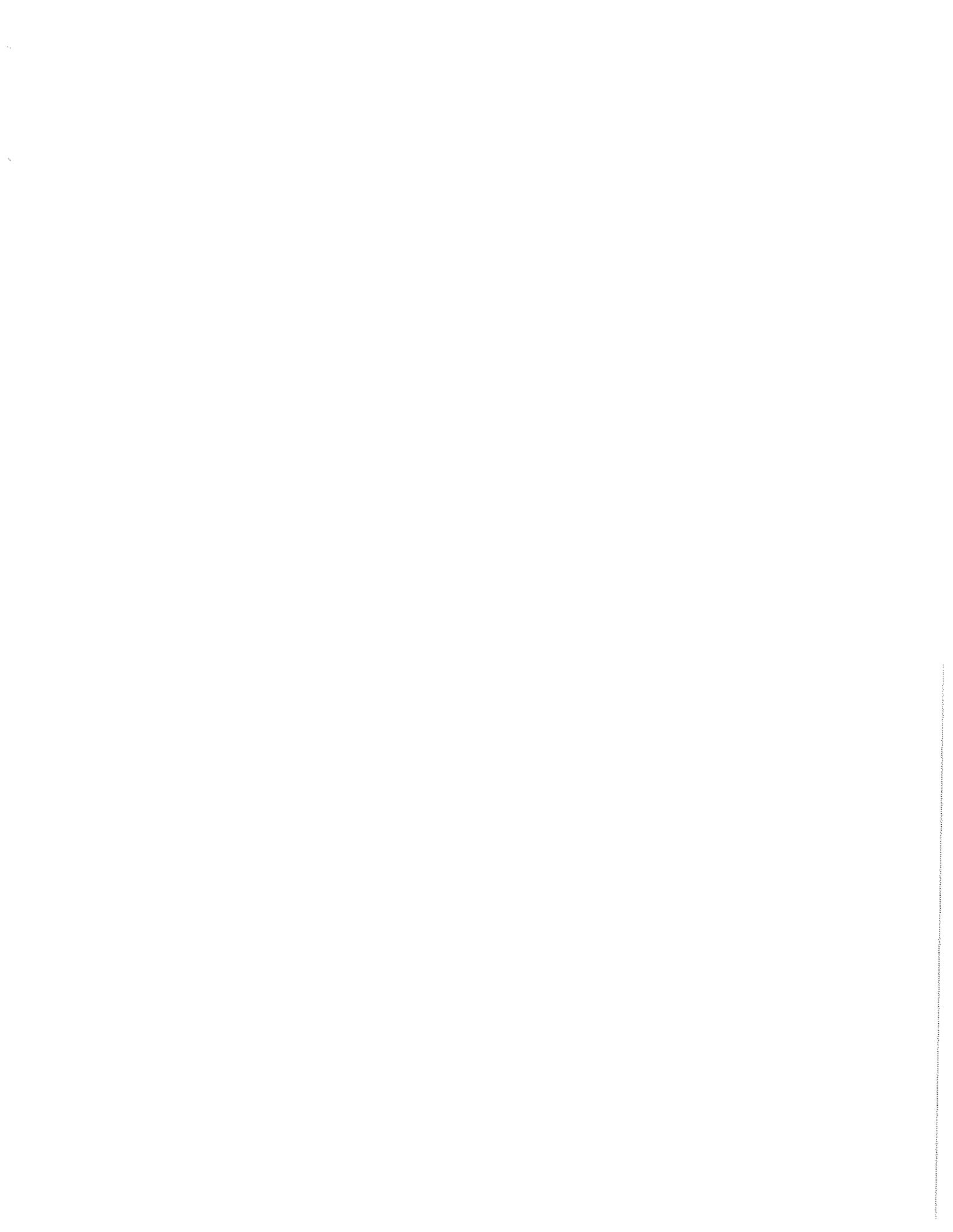
[SEAL]


Secretary

05/12/05
448300.00002

EXHIBIT A

Loan Agreement included in bond transcript as Document 3.



JANE LEW PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(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 PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF JANE LEW PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO THE BONDS; AUTHORIZING AND APPROVING THE SALE OF THE 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 Jane Lew Public Service District (the "Issuer") has duly and officially adopted a bond resolution on July 14, 2005, (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF JANE LEW PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$959,015 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND

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

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

WHEREAS, the Bond Resolution provides for the issuance of Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the Issuer (the "Bonds" or "Series 2005 A Bonds"), in the principal amount not to exceed \$959,015, and has authorized the execution and delivery of the loan agreement relating to the Series 2005 A Bonds (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Resolution it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale prices 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 Series 2005 A 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 JANE LEW 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 2005 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$959,015. The Series 2005 A Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2045, and shall bear no interest. The principal of the Series 2005 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2006, and maturing June 1, 2045, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2005 A Bonds. The Series 2005 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2005 A Bonds.

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

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

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2005 A 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 Series 2005 A Bonds under the Bond Resolution.

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

Section 7. Series 2005 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2005 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2005 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2005 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2005 A Bonds, as advanced from time to time, shall be deposited in or credited to the Series 2005 A Bonds Construction Trust Fund for payment of the costs of the acquisition and construction of the Project, including, without limitation, costs of issuance of the Series 2005 A Bonds and related costs.

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 Series 2005 A Bonds may be delivered on or about July 19, 2005, to the Authority pursuant to the Loan Agreement.

Section 11. The acquisition and construction of the Project and the financing thereof 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 monies in the funds and accounts established by the Bond Resolution held by the Depository Bank until expended, subject to any limitation of the Purchaser with respect of the proceeds of the Bonds, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Monies in the Series 2005 A Bonds Sinking Fund and the Series 2005 A Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 14. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 14th day of July, 2005.

JANE LEW PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

CERTIFICATION

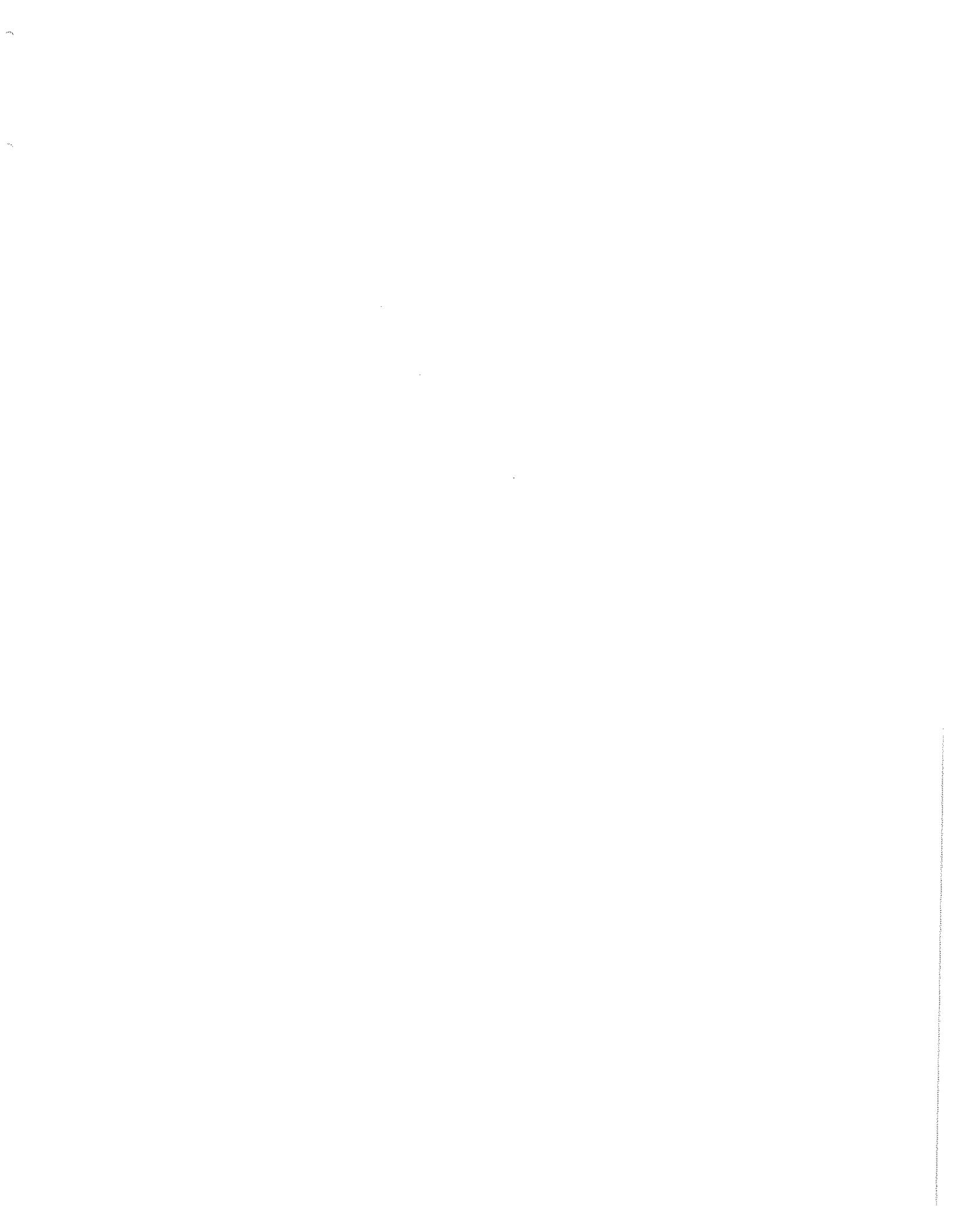
Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Jane Lew Public Service District on this 14th day of July, 2005.

Dated: July 19, 2005.

[SEAL]

Thomas E. Bailey
Secretary

05/12/05
448300.00002



IC-1
(11/01/04)

LOAN AGREEMENT

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

JANE LEW PUBLIC SERVICE DISTRICT
(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

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

as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency, subject to any mortgage lien or other security interest as is provided for in the Local Statute unless a sale or transfer of all or a portion of said property or any interest therein is approved by the Authority and Council.

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

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

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

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

2.8 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Council and the Authority and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System

which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Governmental Agency on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds is outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and Council to make the Loan is subject to the Governmental Agency's fulfillment, to the satisfaction of the Authority and the Council, of each and all of those certain conditions precedent on or before the delivery date

for the Local Bonds, which shall be the date established pursuant to Section 3.4 hereof. Said conditions precedent are as follows:

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

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

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

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

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

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

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

may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority and the Council, to such effect;

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

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

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

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

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

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

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

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

(v) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected

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

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

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

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

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

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

(xi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and the Council, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Governmental Agency's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

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

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

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

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

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

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

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

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

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

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

(xxiv) That the Governmental Agency shall list the funding provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project; and

(xxv) That, unless it qualifies for an exception, the Governmental Agency shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Governmental Agency shall provide the Council and the Authority with a certificate stating that (I) the Governmental Agency will comply with all the requirements of the West Virginia Jobs Act; (II) the Governmental Agency has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (III) the Governmental Agency has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia

Jobs Act or waiver certificates from the West Virginia Division of Labor (“DOL”); and (IV) the Governmental Agency will file with the DOL and the Council copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The monthly requisitions submitted to the Council shall also certify that the Governmental Agency is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

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

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

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

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

4.5 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Governmental Agency. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series, as reflected by Schedule X hereto.

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

ARTICLE V

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

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

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

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

6.1 The Governmental Agency hereby warrants and represents that all information provided to the Authority and the Council in this Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time, and now is, true, correct and complete, and such information does not omit

any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the Loan and receiving the Local Bonds, the Authority and the Council shall have the right to cancel all or any of their obligations under this Loan Agreement if (a) any representation made to the Authority and the Council by the Governmental Agency in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Governmental Agency has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act or this Loan Agreement.

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

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

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

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

ARTICLE VII

Miscellaneous

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

7.2 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be

approved by an official action of the Governmental Agency supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority and the Council.

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

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

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

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

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

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

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

7.10 This Loan Agreement shall terminate upon the earlier of:

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

- (ii) termination by the Authority and the Council pursuant to Section 6.1 hereof; or
- (iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority, acting on behalf of the Council.

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

JANE LEW PUBLIC SERVICE DISTRICT

(SEAL)

By: *Clair B. Hanes*
Its: Chairperson
Date: July 18, 2005

Attest:

Thomas E. Bentley
Its: Secretary

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By: *Daniel B. Gumbert*
Its: Director
Date: July 18, 2005

Attest:

Barbara B. Meadows
Its: Secretary-Treasurer

000832/00466
06/14/05

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

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

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

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

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

set forth in the Schedule B attached hereto as Exhibit A and my firm¹ has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the [DEP/BPH/PSC] and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof,² the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project set forth in the Schedule B attached hereto and approved by the Council; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Costs of Financing" for the Project.

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

[SEAL]

By: _____
West Virginia License No. _____

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

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

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

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

-22-

EXHIBIT C

MONTHLY FINANCIAL REPORT

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

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

 Name of Person Completing Form

 Address

 Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

- Item 1 You will need a copy of the current fiscal year budget adopted by the Governmental Agency to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of \$1,200 are anticipated to be received for the year, each month the base would be increased by \$100 ($\$1,200/12$). This is the incremental amount for the Budget Year-to-Date column.
- Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of \$900 are anticipated to be incurred for the year, each month the base would be increased by \$75 ($\$900/12$). This is the incremental amount for the Budget Year-to-Date column.
- Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Governmental Agency according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.
- Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are \$1,200, then \$30 (2.5% of \$1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Governmental Agency.

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

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest \$_____

Principal \$_____

Total: \$_____

Reserve Account: \$_____

Witness my signature this ___ day of _____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds	<u>\$959,015</u>
Purchase Price of Local Bonds	<u>\$959,015</u>

The Local Bonds shall bear no interest. Commencing September 1, 2006, principal of the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

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

None.

SCHEDULE Y

\$959,015

Jane Low Public Service District

0% Interest Rate, 40 Years

Closing Date: July 19, 2005

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Total P+I
09/01/2005	-	-	-
12/01/2005	-	-	-
03/01/2006	-	-	-
06/01/2006	-	-	-
09/01/2006	6,147.54	-	6,147.54
12/01/2006	6,147.54	-	6,147.54
03/01/2007	6,147.54	-	6,147.54
06/01/2007	6,147.54	-	6,147.54
09/01/2007	6,147.54	-	6,147.54
12/01/2007	6,147.54	-	6,147.54
03/01/2008	6,147.54	-	6,147.54
06/01/2008	6,147.54	-	6,147.54
09/01/2008	6,147.54	-	6,147.54
12/01/2008	6,147.54	-	6,147.54
03/01/2009	6,147.54	-	6,147.54
06/01/2009	6,147.54	-	6,147.54
09/01/2009	6,147.54	-	6,147.54
12/01/2009	6,147.54	-	6,147.54
03/01/2010	6,147.54	-	6,147.54
06/01/2010	6,147.54	-	6,147.54
09/01/2010	6,147.54	-	6,147.54
12/01/2010	6,147.54	-	6,147.54
03/01/2011	6,147.54	-	6,147.54
06/01/2011	6,147.54	-	6,147.54
09/01/2011	6,147.54	-	6,147.54
12/01/2011	6,147.54	-	6,147.54
03/01/2012	6,147.54	-	6,147.54
06/01/2012	6,147.54	-	6,147.54
09/01/2012	6,147.54	-	6,147.54
12/01/2012	6,147.54	-	6,147.54
03/01/2013	6,147.54	-	6,147.54
06/01/2013	6,147.54	-	6,147.54
09/01/2013	6,147.54	-	6,147.54
12/01/2013	6,147.54	-	6,147.54
03/01/2014	6,147.54	-	6,147.54
06/01/2014	6,147.54	-	6,147.54
09/01/2014	6,147.53	-	6,147.53
12/01/2014	6,147.53	-	6,147.53
03/01/2015	6,147.53	-	6,147.53
06/01/2015	6,147.53	-	6,147.53
09/01/2015	6,147.53	-	6,147.53
12/01/2015	6,147.53	-	6,147.53
03/01/2016	6,147.53	-	6,147.53
06/01/2016	6,147.53	-	6,147.53

\$959,015

Jane Lew Public Service District

0% Interest Rate, 40 Years

Closing Date: July 19, 2005

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Total P+I
09/01/2016	6,147.53	-	6,147.53
12/01/2016	6,147.53	-	6,147.53
03/01/2017	6,147.53	-	6,147.53
06/01/2017	6,147.53	-	6,147.53
09/01/2017	6,147.53	-	6,147.53
12/01/2017	6,147.53	-	6,147.53
03/01/2018	6,147.53	-	6,147.53
06/01/2018	6,147.53	-	6,147.53
09/01/2018	6,147.53	-	6,147.53
12/01/2018	6,147.53	-	6,147.53
03/01/2019	6,147.53	-	6,147.53
06/01/2019	6,147.53	-	6,147.53
09/01/2019	6,147.53	-	6,147.53
12/01/2019	6,147.53	-	6,147.53
03/01/2020	6,147.53	-	6,147.53
06/01/2020	6,147.53	-	6,147.53
09/01/2020	6,147.53	-	6,147.53
12/01/2020	6,147.53	-	6,147.53
03/01/2021	6,147.53	-	6,147.53
06/01/2021	6,147.53	-	6,147.53
09/01/2021	6,147.53	-	6,147.53
12/01/2021	6,147.53	-	6,147.53
03/01/2022	6,147.53	-	6,147.53
06/01/2022	6,147.53	-	6,147.53
09/01/2022	6,147.53	-	6,147.53
12/01/2022	6,147.53	-	6,147.53
03/01/2023	6,147.53	-	6,147.53
06/01/2023	6,147.53	-	6,147.53
09/01/2023	6,147.53	-	6,147.53
12/01/2023	6,147.53	-	6,147.53
03/01/2024	6,147.53	-	6,147.53
06/01/2024	6,147.53	-	6,147.53
09/01/2024	6,147.53	-	6,147.53
12/01/2024	6,147.53	-	6,147.53
03/01/2025	6,147.53	-	6,147.53
06/01/2025	6,147.53	-	6,147.53
09/01/2025	6,147.53	-	6,147.53
12/01/2025	6,147.53	-	6,147.53
03/01/2026	6,147.53	-	6,147.53
06/01/2026	6,147.53	-	6,147.53
09/01/2026	6,147.53	-	6,147.53
12/01/2026	6,147.53	-	6,147.53
03/01/2027	6,147.53	-	6,147.53
06/01/2027	6,147.53	-	6,147.53

\$959,015

Jane Lew Public Service District

0% Interest Rate, 40 Years

Closing Date: July 19, 2005

Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Total P+I
09/01/2027	6,147.53	-	6,147.53
12/01/2027	6,147.53	-	6,147.53
03/01/2028	6,147.53	-	6,147.53
06/01/2028	6,147.53	-	6,147.53
09/01/2028	6,147.53	-	6,147.53
12/01/2028	6,147.53	-	6,147.53
03/01/2029	6,147.53	-	6,147.53
06/01/2029	6,147.53	-	6,147.53
09/01/2029	6,147.53	-	6,147.53
12/01/2029	6,147.53	-	6,147.53
03/01/2030	6,147.53	-	6,147.53
06/01/2030	6,147.53	-	6,147.53
09/01/2030	6,147.53	-	6,147.53
12/01/2030	6,147.53	-	6,147.53
03/01/2031	6,147.53	-	6,147.53
06/01/2031	6,147.53	-	6,147.53
09/01/2031	6,147.53	-	6,147.53
12/01/2031	6,147.53	-	6,147.53
03/01/2032	6,147.53	-	6,147.53
06/01/2032	6,147.53	-	6,147.53
09/01/2032	6,147.53	-	6,147.53
12/01/2032	6,147.53	-	6,147.53
03/01/2033	6,147.53	-	6,147.53
06/01/2033	6,147.53	-	6,147.53
09/01/2033	6,147.53	-	6,147.53
12/01/2033	6,147.53	-	6,147.53
03/01/2034	6,147.53	-	6,147.53
06/01/2034	6,147.53	-	6,147.53
09/01/2034	6,147.53	-	6,147.53
12/01/2034	6,147.53	-	6,147.53
03/01/2035	6,147.53	-	6,147.53
06/01/2035	6,147.53	-	6,147.53
09/01/2035	6,147.53	-	6,147.53
12/01/2035	6,147.53	-	6,147.53
03/01/2036	6,147.53	-	6,147.53
06/01/2036	6,147.53	-	6,147.53
09/01/2036	6,147.53	-	6,147.53
12/01/2036	6,147.53	-	6,147.53
03/01/2037	6,147.53	-	6,147.53
06/01/2037	6,147.53	-	6,147.53
09/01/2037	6,147.53	-	6,147.53
12/01/2037	6,147.53	-	6,147.53
03/01/2038	6,147.53	-	6,147.53
06/01/2038	6,147.53	-	6,147.53

\$959,015

Jane Low Public Service District

0% Interest Rate, 40 Years

Closing Date: July 19, 2005

Debt Service Schedule

Part 4 of 4

Date	Principal	Coupon	Total P+I
09/01/2038	6,147.53	-	6,147.53
12/01/2038	6,147.53	-	6,147.53
03/01/2039	6,147.53	-	6,147.53
06/01/2039	6,147.53	-	6,147.53
09/01/2039	6,147.53	-	6,147.53
12/01/2039	6,147.53	-	6,147.53
03/01/2040	6,147.53	-	6,147.53
06/01/2040	6,147.53	-	6,147.53
09/01/2040	6,147.53	-	6,147.53
12/01/2040	6,147.53	-	6,147.53
03/01/2041	6,147.53	-	6,147.53
06/01/2041	6,147.53	-	6,147.53
09/01/2041	6,147.53	-	6,147.53
12/01/2041	6,147.53	-	6,147.53
03/01/2042	6,147.53	-	6,147.53
06/01/2042	6,147.53	-	6,147.53
09/01/2042	6,147.53	-	6,147.53
12/01/2042	6,147.53	-	6,147.53
03/01/2043	6,147.53	-	6,147.53
06/01/2043	6,147.53	-	6,147.53
09/01/2043	6,147.53	-	6,147.53
12/01/2043	6,147.53	-	6,147.53
03/01/2044	6,147.53	-	6,147.53
06/01/2044	6,147.53	-	6,147.53
09/01/2044	6,147.53	-	6,147.53
12/01/2044	6,147.53	-	6,147.53
03/01/2045	6,147.53	-	6,147.53
06/01/2045	6,147.53	-	6,147.53
Total	\$959,015.00	-	\$959,015.00

Yield Statistics

Bond Year Dollars	\$19,654.47
Average Life	20.494 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	8.69E-11
Bond Yield for Arbitrage Purposes	8.69E-11
All Inclusive Cost (AIC)	8.69E-11

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	20.494 Years

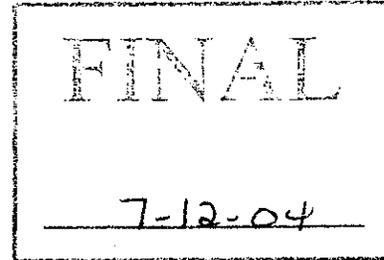
SCHEDULE Z

None.



PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Issued: June 22, 2004



CASE NO. 04-0139-PSD-CN

JANE LEW PUBLIC SERVICE DISTRICT

Application for a certificate of convenience and necessity to rehabilitate the existing collection system to reduce inflow and infiltration.

RECOMMENDED DECISION

On February 5, 2004, Jane Lew Public Service District ("District"), by counsel James V. Kelsh, filed with the Public Service Commission ("Commission") an application for a certificate of convenience and necessity to construct certain additions and improvements to the wastewater collection system in Lewis and Harrison Counties, described as the District's Inflow and Infiltration Correction Project ("Project"). The District further requested that its sewer rates be increased by approximately 16%. Numerous supporting documents were filed.

On February 6, 2004, the Commission ordered the District to publish a Notice of Filing, which required that any protests be filed within thirty days of the date of publication.

On February 18, 2004, the District, by counsel, filed affidavits of publication of the Notice of Filing on February 11, 2004, in The Weston Democrat, published in Lewis County, and February 12, 2004, in The Exponent-Telegram, published in Harrison County.

On March 11, 2004, Staff Attorney Ronald E. Robertson, Jr., filed an Initial Joint Staff Memorandum, with an attached memorandum from Jefferson E. Brady, of the Engineering Division, and Steve Wilson, of the Water and Wastewater Division.

On March 23, 2004, the Commission, by Order, referred this matter to the Division of Administrative Law Judges ("ALJ Division") for decision on or before September 3, 2004.

On May 10, 2004, the undersigned ALJ issued a Procedural Order requiring Staff immediately to file its final memorandum and the District as soon as possible to file an affidavit establishing that it individually had notified its customers of its proposed rates, as required by Rule 10.3.d of the Commission's Rules of Practice and Procedure.

On June 8, 2004, Mr. Robertson filed the Final Joint Staff Memorandum, with an attached memorandum from Mr. Brady and Mr. Wilson. Staff recommended that the application be granted and the project and its funding be approved, and also recommended that the rates be increased across the board by 12.63%.

On June 17, 2004, the District, by counsel, filed a completed "Certificate of Separate Mailing of Notice to Customers of Proposed Change in Rates," stating that such mailing had occurred on March 1, 2004.

DISCUSSION

Staff's recommendations will be adopted. Clarification is needed because Staff erroneously stated in its memorandum that a decision had not been issued in Jane Lew PSD, Case No. 03-1919-PSD-19A. On March 8, 2004, the undersigned ALJ issued a recommended decision not raising the District's sewer rates but increasing its reconnection fee to \$20, its returned check charge to \$25 and its leak adjustment rate to \$0.99 per thousand gallons. Those tariff changes were approved by the Commission in a Commission Order issued June 11, 2004.

FINDINGS OF FACT

1. On February 5, 2004, Jane Lew Public Service District filed with the Public Service Commission an application for a certificate of convenience and necessity to construct certain additions and improvements to the wastewater collection system in Lewis and Harrison Counties, described as the District's Inflow and Infiltration Correction Project. The District further requested that its sewer rates be increased by approximately 16%. Numerous supporting documents were filed. (See application).

2. The project is needed to abate problems with inflow and infiltration ("I&I") at the District's wastewater treatment plant. High levels of I&I have caused wastewater to receive incomplete treatment following heavy rain events, resulting in the illegal depositing of sludge on the bottom of the District's receiving stream, for which Order No. 3998 was entered by the West

Virginia Division of Environmental Protection, requiring the District to comply with its WV/NPDES Permit No. WV0040894. (See application and documents filed therewith; Final Joint Staff Memorandum filed June 8, 2004).

3. The total project cost is estimated at \$750,000, including a construction cost of \$523,358. (See application; Final Joint Staff Memorandum).

4. The project will be funded by a \$750,000 loan from the West Virginia Infrastructure and Jobs Development Council, payable at 0% interest over 40 years. (See application and documents filed therewith; Final Joint Staff Memorandum).

5. The District has received all permits needed for the project, including Permit No. 15,899, issued on January 7, 2004, by the West Virginia Office of Environmental Health Services, with the exceptions of a permit from the Department of Highways and the WVDEP erosion and sediment control permit. (See application and documents filed therewith; Final Joint Staff Memorandum).

6. A "Notice of Filing" was published on February 11, 2004, in The Weston Democrat, published in Lewis County, and on February 12, 2004, in The Exponent-Telegram, published in Harrison County. The District also notified each of its customers on March 1, 2004, that it was seeking a rate increase. No protest was filed. (See February 18 and June 16, 2004 filings; case file generally).

7. Staff recommended that the application be granted and the project and the funding be approved. Staff also recommended that the District's rates be increased across the board by 12.63%, as provided in Appendix A. The District did not object to Staff's recommended rates. (See Final Joint Staff Memorandum; case file generally).

CONCLUSION OF LAW

It is appropriate to grant the application, pursuant to W.Va. Code §§ 16-13A-25 and 24-2-11; to approve the project, subject to receipt of the outstanding permits from the Divisions of Highway and Environmental Protection; and to approve the project's funding and the rates recommended by Commission Staff, as provided at Appendix A hereto, because the public convenience and necessity require the project; the funding is appropriate; the rates will provide revenue sufficient, but not more than sufficient, to cover the District's expenses and debt service requirements; Staff recommended such actions; the District did not object to Staff's recommended rates; and no protests were filed.

ORDER

IT IS, THEREFORE, ORDERED that the application for a certificate of convenience and necessity filed on February 5, 2004, by Jane Lew Public Service District to construct certain additions and improvements to the wastewater collection system in Lewis and Harrison Counties, described as the District's Inflow and Infiltration Correction Project, is granted and the project approved, contingent upon receipt by the District of outstanding permits from the Divisions of Highways and Environmental Protection.

IT IS FURTHER ORDERED that the funding for the project, consisting of a \$750,000 loan from the West Virginia Infrastructure and Jobs Development Council, is approved.

IT IS FURTHER ORDERED that, if there is any change in any of the terms, conditions, scheduling or financing of the project, estimated at \$750,000, Jane Lew Public Service District file with the Public Service Commission a petition for Commission approval of any such revision.

IT IS FURTHER ORDERED that the rates and charges, as provided at Appendix A, are approved, to become effective upon completion of the project.

IT IS FURTHER ORDERED that Jane Lew Public Service District file with the Commission's Tariff Office an original and five (5) copies of its tariff showing the approved tariff changes no later than thirty (30) days after the date on which this decision becomes final.

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

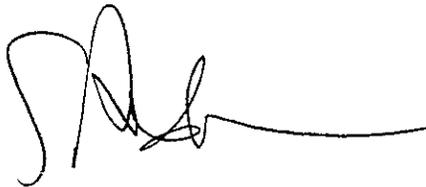
IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this order upon Commission Staff by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary within fifteen (15) days of the date this order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served 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 Executive Secretary. No such waiver will

be effective until approved by order of the Commission, nor shall any such waiver operate to make any Administrative Law Judge's Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.



Sunya Anderson
Administrative Law Judge

SA:s
040139aa.wpd



JANE LEW PUBLIC SERVICE DISTRICT (SEWER)
CASE NO. 04-0139-PSD-CN
APPROVED RATES

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

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

RATES

First	2,000 gallons used per month	\$7.40 per 1,000 gallons
Next	3,000 gallons used per month	\$6.38 per 1,000 gallons
Next	4,000 gallons used per month	\$5.55 per 1,000 gallons
Next	6,000 gallons used per month	\$4.73 per 1,000 gallons
All Over	15,000 gallons used per month	\$4.31 per 1,000 gallons

FLAT RATE CHARGE -

Equivalent of 3,500 gallons of water usage, \$24.36 per month

MINIMUM CHARGE

No bill will be rendered for less than \$14.80 per month which is the equivalent of 2,000 gallons of usage with a 5/8" meter.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

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

A tap fee of \$200.00 will be charged to all customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

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

RECONNECTION FEE

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination is reconnected, a reconnection fee of \$20.00 shall be charged.

LEAK ADJUSTMENT

\$0.99 per 1,000 gallons of water is to be used when the bill reflects unusual water consumption which can be attributed to eligible water leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

**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 13th day of July, 2005.

CASE NO. 04-0139-PSD-CN (Reopened)

JANE LEW PUBLIC SERVICE DISTRICT
Petition to reopen.

COMMISSION ORDER

By Recommended Decision entered on June 22, 2004 (Final July 12, 2004) the Jane Lew Public Service District (District) was granted a certificate of convenience and necessity to construct certain additions and improvements to the wastewater collection system in Lewis and Harrison Counties, contingent upon receipt of outstanding permits from the Division of Highways and Environmental Protection. Funding for the project was also approved, consisting of a \$750,000 West Virginia Infrastructure and Jobs Development Council (WVIJDC) loan. Rates for the District were approved to become effective upon completion of the project.

On June 8, 2005, the District filed a petition to reopen for expedited approval of revised financing and increased rates. Due to a \$169,015 bid overrun, the District stated that it has elected to refrain from invoking any of the deductive alternates and has obtained an increase in the WVIJDC loan commitment. In addition to increased construction costs, the District said its budget has been increased to reflect increased projected costs for legal fees, bond closing and real property right acquisition. The District attached a binding commitment letter for a \$959,015 loan payable over 39 years at 0% interest.

With regard to rates, the District argued that under the Commission's policy it should have a surplus of \$15,574.25 and therefore needs to increase its revenues by \$5,030, or 2.07% over those rates previously recommended by Staff and approved. The District stated that alternatively, in order to generate the surplus, the Commission would need to approve a 2.75% across-the-board increase over the previously approved rates, resulting in a \$6,730.25 increase to revenues. As a third option, the District proposed the

Commission adopt the District's originally proposed rates, which would constitute a 2.97% across-the-board increase.

On June 22, 2005, a copy of the WV/NPDES permit for the District was filed.

On July 8, 2005, Staff filed an Initial and Final Joint Staff Memorandum, noting that given the new total project cost of \$959,015 the new project cost per customer is approximately \$1,710, which is acceptable.

Staff recommended that approval should be granted of the additional \$209,015 WVIJDC loan. Given the change in project cost and funding amount, Staff also recommended an across-the-board increase in rates of 2.97% above the rates approved in the Recommended Decision of June 22, 2004. Staff explained the following:

Staff has prepared and attached a Cash Flow Exhibit . . . which reflects the Staff Recommended figures from the Final Internal Memorandum, dated April 23, 2004, and the adjustments to operating revenues and debt service and reserve related to this reopening. This debt service adjustment results in an increase to the annual payment and reserve requirement of \$4,853 and \$485 respectively. In addition, Staff has also made an adjustment to the cash surplus amount. The current Commission policy is to allow at a minimum at least 1/12 of the annual operation and maintenance expense as a working capital allowance or surplus. The original amount recommended coincided with Technical Staff's annual surplus recommendation. With this revision, the 1/12 amount exceeds the prior recommended surplus amount of \$1,934 and results in a revised annual surplus of approximately \$15,808.

According to Staff, the increase would provide a debt service ratio of 155.84%. Staff stated that the rates should go into effect upon substantial completion of the project. Staff also noted that the District previously published rates that are equal to the Staff revised recommended rates herein. Since such revised rates do not exceed the previously published rates, Staff concluded that no further public notice is necessary. Staff also noted that no protests were filed in response to the previous notice.

DISCUSSION

Upon review of the foregoing, the Commission finds that the District's petition for approval of the revised financing, which consists of the revised WVIJDC loan in an amount of \$959,015 at an interest rate of 0% for a term of 39 years, should be approved.

Further, the Commission notes that the rates proposed by the District and recommended by Staff are those that were previously proposed and published by the District prior to the issuance of the Recommended Decision. The parties have indicated that the increased rates are needed so that the District may operate with a surplus consistent with the Commission's policy, as discussed by Staff. For those reasons, the Commission will approve the Staff-recommended tariff to become effective upon completion of the project. No further publication will be required.

FINDINGS OF FACT

1. By Recommended Decision entered on June 22, 2004 (Final July 12, 2004) the District was granted a certificate of convenience and necessity to construct certain additions and improvements to the wastewater collection system in Lewis and Harrison Counties, contingent upon receipt of outstanding permits from the Division of Highways and Environmental Protection. Funding for the project was also approved, consisting of a \$750,000 WVIJDC loan. Rates for the District were approved to become effective upon completion of the project.

2. On June 8, 2005, the District filed a petition to reopen for expedited approval of revised financing and increased rates.

3. Due to a \$169,015 bid overrun, the District obtained an increase in the WVIJDC loan commitment. Specifically, the District attached to its petition a binding commitment letter for a \$959,015 loan payable over 39 years at 0% interest.

4. With regard to rates, the District argued that it should have a surplus of \$15,574.25 and proposed several alternative methods for generating the surplus. One option proposed by the District was for the Commission to adopt the District's originally proposed rates, which would constitute a 2.97% across-the-board increase.

5. On June 22, 2005, a copy of the WV/NPDES permit for the District was filed.

6. On July 8, 2005, Staff recommended approval of the revised financing, as well as an across-the-board increase in rates of 2.97% above the rates approved in the Recommended Decision of June 22, 2004. Staff stated that the rates should go into effect upon substantial completion of the project.

7. Staff noted that the District previously published rates that are equal to the Staff revised recommended rates herein. Since such revised rates do not exceed the

previously published rates, Staff concluded that no further public notice is necessary. Staff also noted that no protests were filed in response to the previous notice.

CONCLUSIONS OF LAW

1. The District's petition for approval of the revised financing, which consists of the revised WVIJDC loan in an amount of \$959,015 at an interest rate of 0% for a term of 39 years, should be approved.

2. As the increased rates are needed so that the District may operate with a surplus consistent with the Commission's policy, as discussed by Staff, the Staff-recommended tariff should be approved to become effective upon completion of the project.

3. Additional publication of the rates is not necessary as the rates approved herein do not exceed the proposed rates originally published by the District.

ORDER

IT IS, THEREFORE, ORDERED that Jane Lew Public Service District's petition to reopen is hereby granted.

IT IS FURTHER ORDERED that Jane Lew Public Service District's revised financing, which consists of the revised WVIJDC loan in an amount of \$959,015 at an interest rate of 0% for a term of 39 years, is hereby approved.

IT IS FURTHER ORDERED that the Staff-recommended rates and charges, attached hereto as Attachment A, are hereby approved, to become effective upon completion of the project.

IT IS FURTHER ORDERED that the Jane Lew Public Service District notify the Commission, in writing, of the project's completion date and provide a copy of the engineer's "Certificate of Substantial Completion" to Commission Staff, within ten (10) days of the issuance of such.

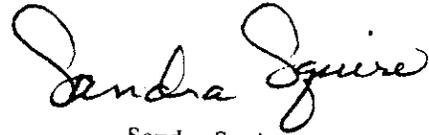
IT IS FURTHER ORDERED that the Jane Lew Public Service District file an original and five copies of the revised tariff, approved herein, with the Commission within ten (10) days of the completion of the project.

IT IS FURTHER ORDERED that in the event of any change to the funding, terms of financing, plans, or scope of the approved project, the Jane Lew Public Service District shall petition the Commission to reopen this proceeding for approval of the same.

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

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

A True Copy, Teste:


Sandra Squire
Executive Secretary

TBS/ljm
040139ca.wpd



JANE LEW PUBLIC SERVICE DISTRICT (SEWER)
CASE NO. 04-0139-PSD-CN(REOPENED)

APPROVED RATES

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

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

(I) RATES

First	2,000 gallons of water used per month	\$7.62 per 1,000 gallons
Next	3,000 gallons of water used per month	\$6.57 per 1,000 gallons
Next	4,000 gallons of water used per month	\$5.72 per 1,000 gallons
Next	6,000 gallons of water used per month	\$4.87 per 1,000 gallons
All Over	15,000 gallons of water used per month	\$4.44 per 1,000 gallons

(I) FLAT RATE CHARGE

Equivalent of 3,500 gallons of water usage, \$25.09 per month

(I) MINIMUM CHARGE

No bill will be rendered for less than \$15.24 per month, which is the equivalent of 2,000 gallons of usage with a 5/8" meter.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

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

A tap fee of \$200.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

JANE LEW PUBLIC SERVICE DISTRICT (SEWER)
CASE NO. 04-0139-PSD-CN(REOPENED)

APPROVED RATES

RETURNED CHECK CHARGE

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

RECONNECTION FEE

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

LEAK ADJUSTMENT

\$0.99 per 1,000 gallons of water is to be used when a bill reflects unusual water consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

(I) indicates increase

JANE LEW PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Chairman of the Public Service Board of Jane Lew Public Service District in Harrison and Lewis Counties, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of \$959,015 Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the Issuer, dated July 19, 2005 (the "Series 2005 A Bonds" or "Bonds"), hereby certify, on this the 19th day of July, 2005, 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 July 14, 2005 (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 July 19, 2005, the date on which the Bonds are being physically delivered in exchange for a portion of the principal amount of the Series 2005 A Bonds (100% par value), and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

5. The Series 2005 A Bonds were sold on July 19, 2005, to the Authority, pursuant to a loan agreement dated July 18, 2005, by and between the Issuer and the Authority, on behalf of the Council, for an aggregate purchase price of \$959,015 (100% of par), at which time, the Issuer received \$132,321 from the Authority and the Council, being a portion of the principal amount of the Series 2005 A Bonds. No accrued interest has been or will be paid on the Series 2005 A Bonds. The balance of the principal amount of the Series 2005 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2005 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage system 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 acquisition and construction of the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2005 A Bonds Reserve Account, 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 acquisition and construction of the Project on or before August, 2006. The acquisition and construction of the Project is expected to be completed by May, 2006.

8. The total cost of the Project financed from the proceeds of the Bonds is estimated at \$959,015. Sources and uses of funds for the Project are as follows:

SOURCES

Gross Proceeds of the Series 2005 A Bonds	\$959,015
Total Sources	<u>\$959,015</u>

USES

Acquisition and Construction of Project	\$945,515
Costs of Issuance	<u>\$ 13,500</u>
Total Uses	<u>\$959,015</u>

9. Pursuant to Article V of the Bond Resolution, the following special funds or accounts have been created or continued relative to the Series 2005 A Bonds:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund;
- (3) Series 2005 A Bonds Construction Trust Fund;
- (4) Series 2005 A Bonds Sinking Fund; and
- (5) Series 2005 A Bonds Reserve Account.

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

As the Issuer receives advances of the monies derived from the sale of the Series 2005 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2005 A Bonds Construction Trust Fund and applied solely to payment of the costs of the acquisition and construction of the Project and the costs of issuance and related costs.

11. Monies held in the Series 2005 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2005 A Bonds and will not be available to meet costs of acquisition and construction of the Project. Monies in the Series 2005 A Bonds Reserve Account will be used only for the purpose of paying principal of and interest, if any, on the Series 2005 A Bonds as the same shall become due, when other monies in the Series 2005 A Bonds Sinking Fund are insufficient therefor. All investment earnings on monies in the Series 2005 A Bonds Sinking Fund and Series 2005 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2005 A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Resolution.

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

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

14. With the exception of the amount deposited in the Series 2005 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the acquisition and construction of the Project within 13 months from the date of issuance thereof.

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

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

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

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

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

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

21. The Bonds are not federally guaranteed.

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

23. The Issuer has either (a) funded the Series 2005 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due, on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2005 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2005 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due, on the Bonds in the then current or any succeeding year. Monies in the Series 2005 A Bonds Reserve Account and the Series 2005 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the acquisition and construction of the Project.

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

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

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

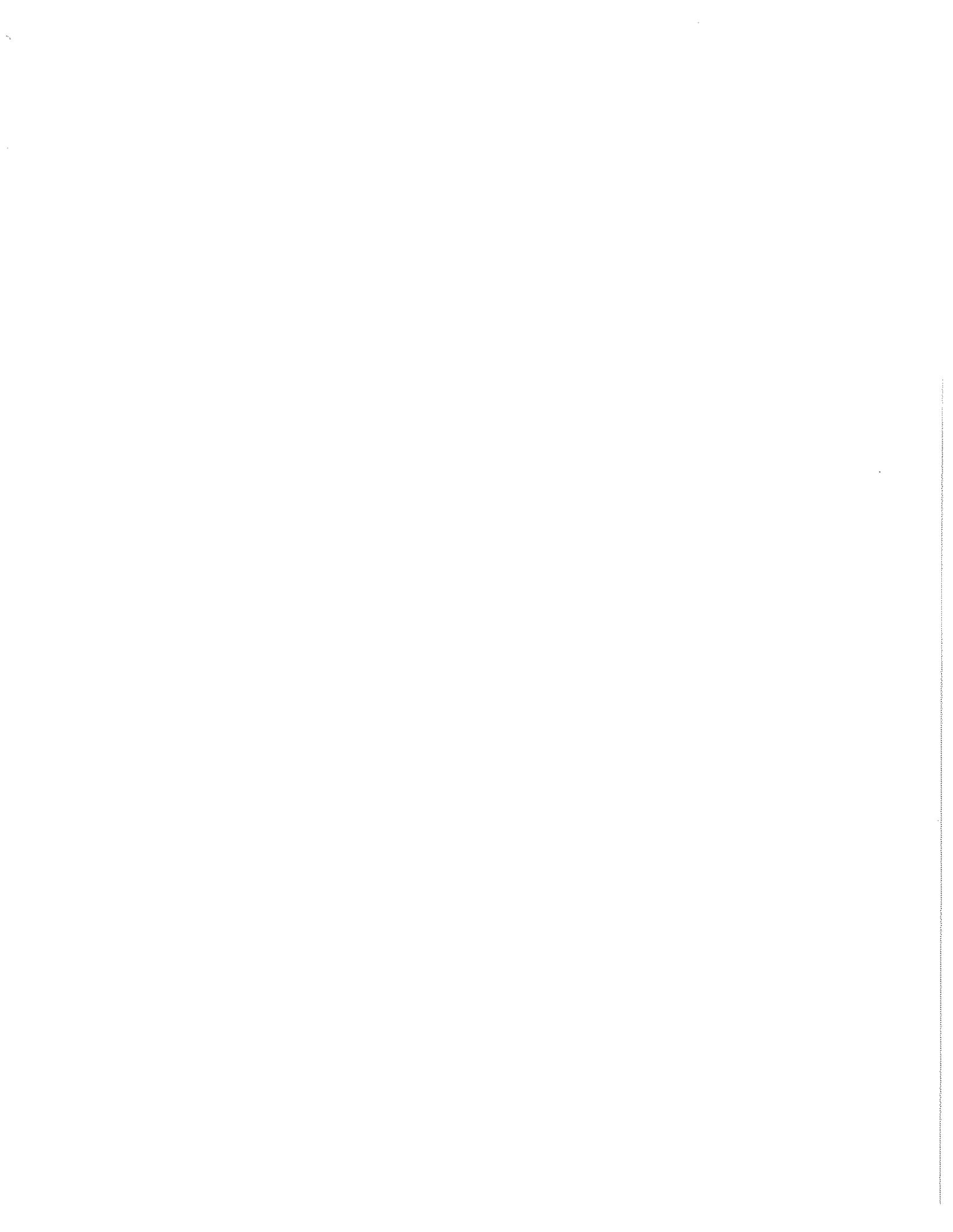
27. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

WITNESS my signature as of the date first written above.

JANE LEW PUBLIC SERVICE DISTRICT

By: *Clair P. Thaw*
Its: Chairman

05/12/05
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West Virginia Infrastructure & Jobs Development Council

Public Members:

Mark Prince, Chairman
Hurricane
Dwight Calhoun, Vice Chairman
Petersburg
C. R. "Rennie" Hill, III
Beckley
Timothy P. Stranko
Morgantown

300 Summers Street, Suite 980
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Katy Mallory, PE

Executive Secretary
Katy.Mallory@verizon.net

May 4, 2005

Elaine Flaxer, Chairperson
Jane Lew Public Service District
P.O. Box 845
Jane Lew, West Virginia 26378

Re: Binding Commitment Letter - Revision
Wastewater Project 2000S-573a

Dear Ms. Flaxer:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The Council reviewed the Jane Lew Public Service District's (the "District") request revised binding commitment to the District for an additional Infrastructure Fund loan of \$74,700 to complete the funding for its wastewater project. At the May 4, 2005 Council meeting the Council voted to revise the binding commitment as shown on the attached revised Schedule A to cover the project bid overrun. All other conditions of the Council's November 6, 2003 binding commitment remain in effect.

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

Sincerely,



Mark Prince

MP/km
Attachments

cc: Mike Johnson, DEP
Ken Moran, Thrasher Engineering, Inc.
Samme Gee, Esq., Jackson Kelly
John Stump, Steptoe & Johnson

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

Jane Lew Public Service District

By: _____

Its: _____

Date: _____

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Jane Lew Public Service District
Wastewater Project 2000S-573-a
Revised - May 4, 2005

SCHEDULE A

- A. Approximate Amount: \$ 824,700 Loan
- B. Loan: \$ 824,700
1. Maturity Date: 40 years from date of closing.
 2. Interest Rate: 0%
 3. Loan Advancement Date(s) Monthly, upon receipt of proper requisition
 4. Debt Service Commencement: The first quarter following completion of construction, which date must be identified prior to closing.
 5. Special Conditions: None

NOTICE: The terms set forth above are subject to change following the receipt of construction bids.

- C. Total Project Cost: \$ 824,700
- D. Proposed Rates: approximately \$30.30 / 4500 gallons

JANE LEW PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the undersigned Chairman of Jane Lew Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 19th day of July, 2005, the Authority received the Jane Lew Public Service District Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), issued in the principal amount of \$959,015, as a single, fully registered Bond, numbered AR-1 and dated July 19, 2005 (the "Bonds").

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

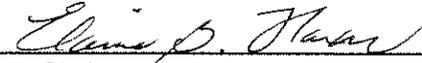
3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of the sum of \$132,321, being a portion of the principal amount of the Series 2005 A Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer by the Authority and the Council as acquisition and construction of the Project progresses.

WITNESS our respective signatures on this 19th day of July, 2005.

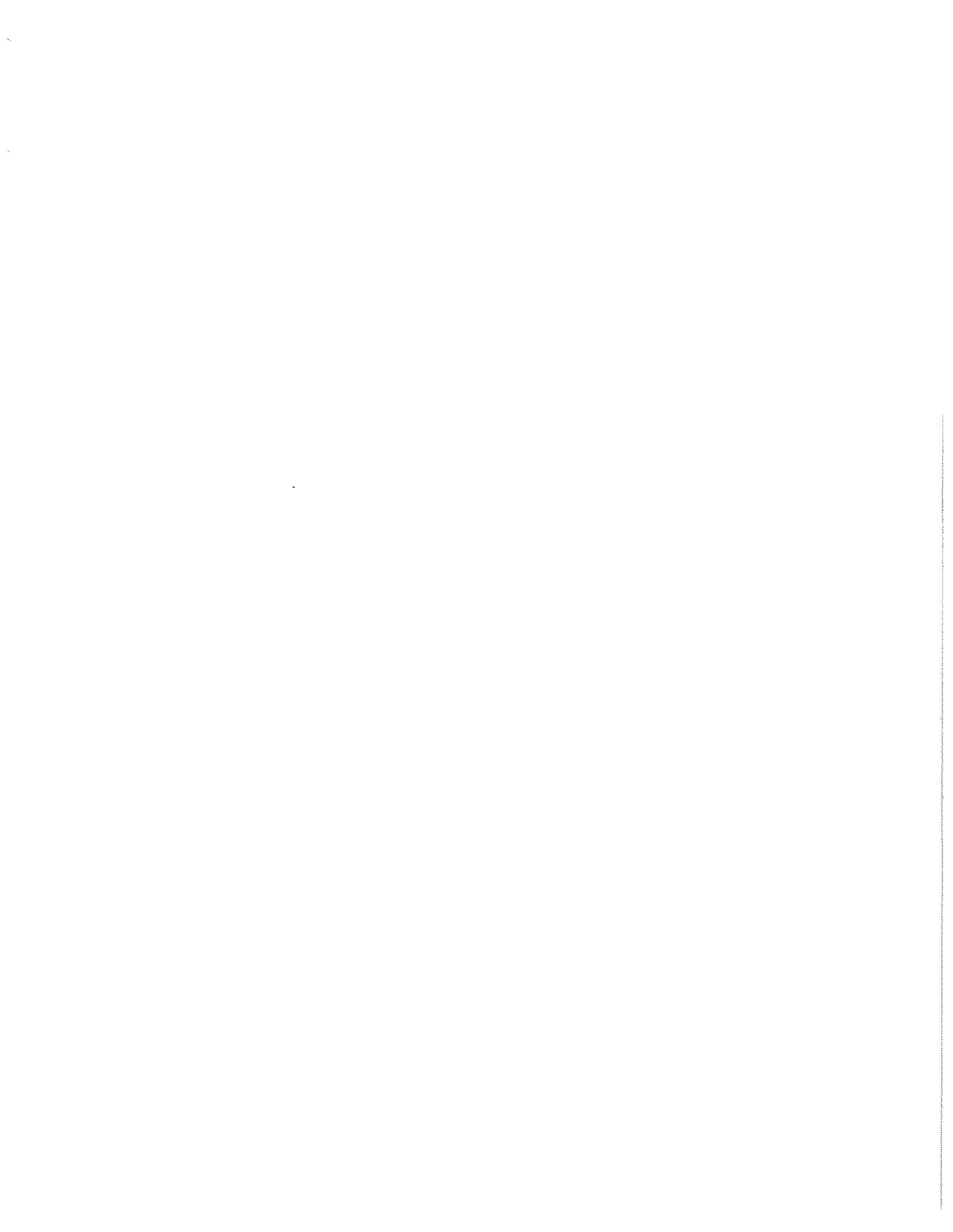
WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: 
Its: Authorized Representative

JANE LEW PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

05/12/05
448300.00002



JANE LEW PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

On this the 19th day of July, 2005, there are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of the Jane Lew Public Service District Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), in the principal amount of \$959,015, dated July 19, 2005 (the "Bonds"), executed by the Chairman and Secretary of Jane Lew Public Service District (the "Issuer"), and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Resolution and a Supplemental Resolution, both duly adopted by the Issuer on July 14, 2005 (the "Bond Legislation");

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

(3) Executed counterparts of the loan agreement dated July 18, 2005, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Loan Agreement"); and

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

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the account of the Issuer of the sum of \$132,321, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

JANE LEW PUBLIC SERVICE
DISTRICT

By: *Elvin B. Jann*
Its: Chairman

05/12/05
448300.00002



SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
JANE LEW PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2005 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$959,015

KNOW ALL MEN BY THESE PRESENTS: That on this the 19th day of July, 2005, JANE LEW PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Lewis and Harrison Counties 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 NINE HUNDRED FIFTY-NINE THOUSAND FIFTEEN DOLLARS (\$959,015), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2006, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated July 18, 2005.

This Bond is issued (i) to pay 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 (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on July 14, 2005, and a Supplemental Resolution duly adopted by the Issuer on July 14, 2005 (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.

There are no outstanding bonds or obligations of the Issuer which rank on a parity with the Bonds or are secured by revenues or assets of the System.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2005 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2005 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; provided however, that so long as there exists in the Series 2005 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, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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, JANE LEW 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 as of the date written above.

[SEAL]


Chairman

ATTEST:

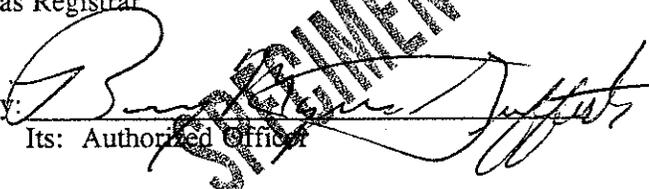

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 2005 A Bond 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: July 19, 2005.

THE HUNTINGTON NATIONAL BANK,
as Registrar

By: 

Its: Authorized Officer

EXHIBIT A
RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$132,321	July 19, 2005	(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		\$	<u> </u>

EXHIBIT B

DEBT SERVICE SCHEDULE

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Total P+I</u>
09/01/2005	-	-	-
12/01/2005	-	-	-
03/01/2006	-	-	-
06/01/2006	-	-	-
09/01/2006	6,147.54	-	6,147.54
12/01/2006	6,147.54	-	6,147.54
03/01/2007	6,147.54	-	6,147.54
06/01/2007	6,147.54	-	6,147.54
09/01/2007	6,147.54	-	6,147.54
12/01/2007	6,147.54	-	6,147.54
03/01/2008	6,147.54	-	6,147.54
06/01/2008	6,147.54	-	6,147.54
09/01/2008	6,147.54	-	6,147.54
12/01/2008	6,147.54	-	6,147.54
03/01/2009	6,147.54	-	6,147.54
06/01/2009	6,147.54	-	6,147.54
09/01/2009	6,147.54	-	6,147.54
12/01/2009	6,147.54	-	6,147.54
03/01/2010	6,147.54	-	6,147.54
06/01/2010	6,147.54	-	6,147.54
09/01/2010	6,147.54	-	6,147.54
12/01/2010	6,147.54	-	6,147.54
03/01/2011	6,147.54	-	6,147.54
06/01/2011	6,147.54	-	6,147.54
09/01/2011	6,147.54	-	6,147.54
12/01/2011	6,147.54	-	6,147.54
03/01/2012	6,147.54	-	6,147.54
06/01/2012	6,147.54	-	6,147.54
09/01/2012	6,147.54	-	6,147.54
12/01/2012	6,147.54	-	6,147.54
03/01/2013	6,147.54	-	6,147.54
06/01/2013	6,147.54	-	6,147.54
09/01/2013	6,147.54	-	6,147.54
12/01/2013	6,147.54	-	6,147.54
03/01/2014	6,147.54	-	6,147.54
06/01/2014	6,147.54	-	6,147.54
09/01/2014	6,147.53	-	6,147.53
12/01/2014	6,147.53	-	6,147.53
03/01/2015	6,147.53	-	6,147.53
06/01/2015	6,147.53	-	6,147.53
09/01/2015	6,147.53	-	6,147.53
12/01/2015	6,147.53	-	6,147.53
03/01/2016	6,147.53	-	6,147.53
06/01/2016	6,147.53	-	6,147.53

Date	Principal	Coupon	Total P+I
09/01/2016	6,147.53	-	6,147.53
12/01/2016	6,147.53	-	6,147.53
03/01/2017	6,147.53	-	6,147.53
06/01/2017	6,147.53	-	6,147.53
09/01/2017	6,147.53	-	6,147.53
12/01/2017	6,147.53	-	6,147.53
03/01/2018	6,147.53	-	6,147.53
06/01/2018	6,147.53	-	6,147.53
09/01/2018	6,147.53	-	6,147.53
12/01/2018	6,147.53	-	6,147.53
03/01/2019	6,147.53	-	6,147.53
06/01/2019	6,147.53	-	6,147.53
09/01/2019	6,147.53	-	6,147.53
12/01/2019	6,147.53	-	6,147.53
03/01/2020	6,147.53	-	6,147.53
06/01/2020	6,147.53	-	6,147.53
09/01/2020	6,147.53	-	6,147.53
12/01/2020	6,147.53	-	6,147.53
03/01/2021	6,147.53	-	6,147.53
06/01/2021	6,147.53	-	6,147.53
09/01/2021	6,147.53	-	6,147.53
12/01/2021	6,147.53	-	6,147.53
03/01/2022	6,147.53	-	6,147.53
06/01/2022	6,147.53	-	6,147.53
09/01/2022	6,147.53	-	6,147.53
12/01/2022	6,147.53	-	6,147.53
03/01/2023	6,147.53	-	6,147.53
06/01/2023	6,147.53	-	6,147.53
09/01/2023	6,147.53	-	6,147.53
12/01/2023	6,147.53	-	6,147.53
03/01/2024	6,147.53	-	6,147.53
06/01/2024	6,147.53	-	6,147.53
09/01/2024	6,147.53	-	6,147.53
12/01/2024	6,147.53	-	6,147.53
03/01/2025	6,147.53	-	6,147.53
06/01/2025	6,147.53	-	6,147.53
09/01/2025	6,147.53	-	6,147.53
12/01/2025	6,147.53	-	6,147.53
03/01/2026	6,147.53	-	6,147.53
06/01/2026	6,147.53	-	6,147.53
09/01/2026	6,147.53	-	6,147.53
12/01/2026	6,147.53	-	6,147.53
03/01/2027	6,147.53	-	6,147.53
06/01/2027	6,147.53	-	6,147.53

Date	Principal	Coupon	Total P+I
09/01/2027	6,147.53	-	6,147.53
12/01/2027	6,147.53	-	6,147.53
03/01/2028	6,147.53	-	6,147.53
06/01/2028	6,147.53	-	6,147.53
09/01/2028	6,147.53	-	6,147.53
12/01/2028	6,147.53	-	6,147.53
03/01/2029	6,147.53	-	6,147.53
06/01/2029	6,147.53	-	6,147.53
09/01/2029	6,147.53	-	6,147.53
12/01/2029	6,147.53	-	6,147.53
03/01/2030	6,147.53	-	6,147.53
06/01/2030	6,147.53	-	6,147.53
09/01/2030	6,147.53	-	6,147.53
12/01/2030	6,147.53	-	6,147.53
03/01/2031	6,147.53	-	6,147.53
06/01/2031	6,147.53	-	6,147.53
09/01/2031	6,147.53	-	6,147.53
12/01/2031	6,147.53	-	6,147.53
03/01/2032	6,147.53	-	6,147.53
06/01/2032	6,147.53	-	6,147.53
09/01/2032	6,147.53	-	6,147.53
12/01/2032	6,147.53	-	6,147.53
03/01/2033	6,147.53	-	6,147.53
06/01/2033	6,147.53	-	6,147.53
09/01/2033	6,147.53	-	6,147.53
12/01/2033	6,147.53	-	6,147.53
03/01/2034	6,147.53	-	6,147.53
06/01/2034	6,147.53	-	6,147.53
09/01/2034	6,147.53	-	6,147.53
12/01/2034	6,147.53	-	6,147.53
03/01/2035	6,147.53	-	6,147.53
06/01/2035	6,147.53	-	6,147.53
09/01/2035	6,147.53	-	6,147.53
12/01/2035	6,147.53	-	6,147.53
03/01/2036	6,147.53	-	6,147.53
06/01/2036	6,147.53	-	6,147.53
09/01/2036	6,147.53	-	6,147.53
12/01/2036	6,147.53	-	6,147.53
03/01/2037	6,147.53	-	6,147.53
06/01/2037	6,147.53	-	6,147.53
09/01/2037	6,147.53	-	6,147.53
12/01/2037	6,147.53	-	6,147.53
03/01/2038	6,147.53	-	6,147.53
06/01/2038	6,147.53	-	6,147.53

Date	Principal	Coupon	Total P+I
09/01/2038	6,147.53	-	6,147.53
12/01/2038	6,147.53	-	6,147.53
03/01/2039	6,147.53	-	6,147.53
06/01/2039	6,147.53	-	6,147.53
09/01/2039	6,147.53	-	6,147.53
12/01/2039	6,147.53	-	6,147.53
03/01/2040	6,147.53	-	6,147.53
06/01/2040	6,147.53	-	6,147.53
09/01/2040	6,147.53	-	6,147.53
12/01/2040	6,147.53	-	6,147.53
03/01/2041	6,147.53	-	6,147.53
06/01/2041	6,147.53	-	6,147.53
09/01/2041	6,147.53	-	6,147.53
12/01/2041	6,147.53	-	6,147.53
03/01/2042	6,147.53	-	6,147.53
06/01/2042	6,147.53	-	6,147.53
09/01/2042	6,147.53	-	6,147.53
12/01/2042	6,147.53	-	6,147.53
03/01/2043	6,147.53	-	6,147.53
06/01/2043	6,147.53	-	6,147.53
09/01/2043	6,147.53	-	6,147.53
12/01/2043	6,147.53	-	6,147.53
03/01/2044	6,147.53	-	6,147.53
06/01/2044	6,147.53	-	6,147.53
09/01/2044	6,147.53	-	6,147.53
12/01/2044	6,147.53	-	6,147.53
03/01/2045	6,147.53	-	6,147.53
06/01/2045	6,147.53	-	6,147.53
Total	\$959,015.00	-	\$959,015.00

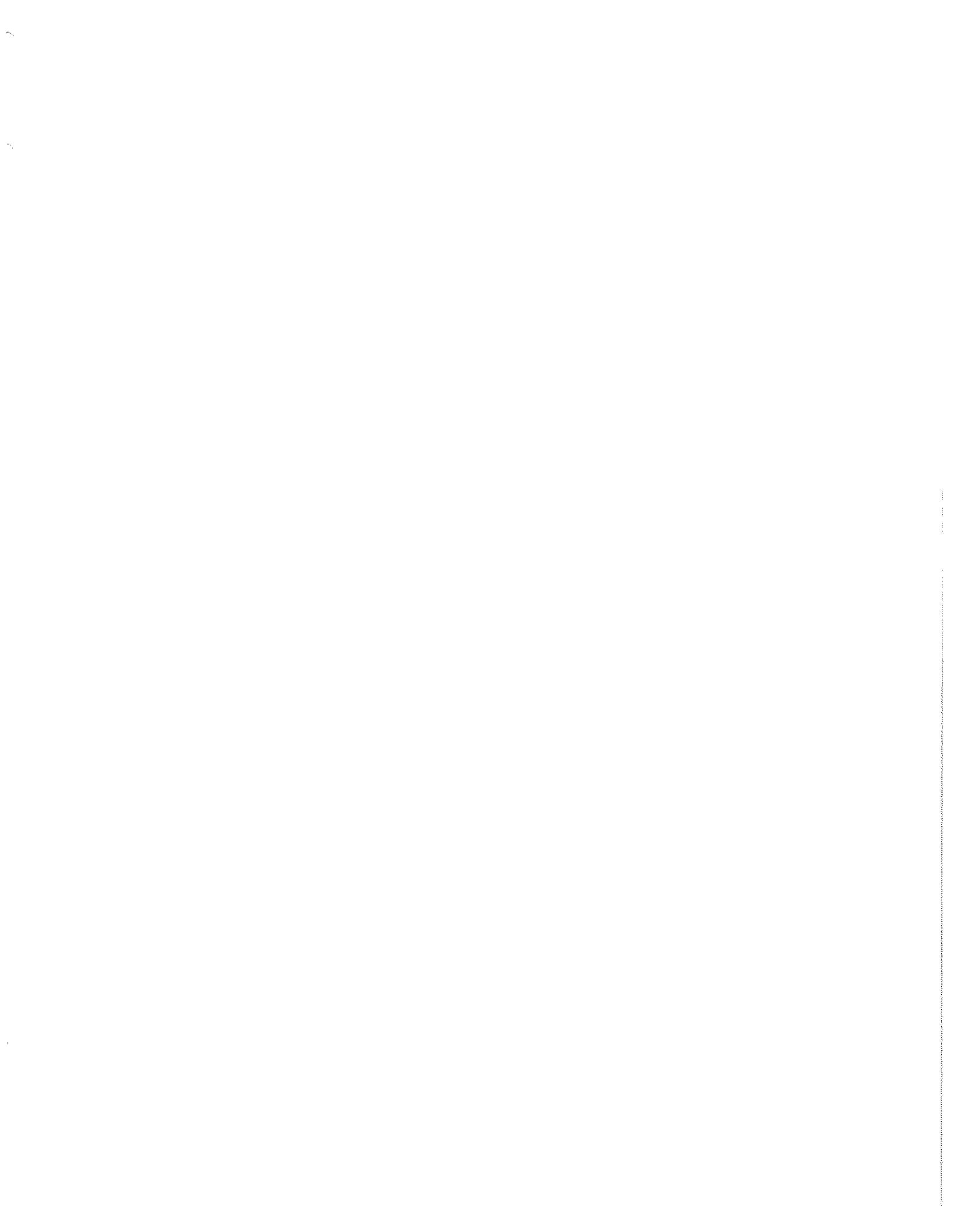
ASSIGNMENT

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:

05/12/05
448300.00002



July 19, 2005

Jane Lew Public Service District
Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

Jane Lew Public Service District
Jane Lew, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs
Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Jane Lew 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 \$959,015 Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated July 18, 2005, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2006, and maturing June 1, 2045, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage system 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 July 14, 2005, as supplemented by a Supplemental Resolution duly adopted by the Issuer on July 14, 2005 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

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

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

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

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, 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 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.

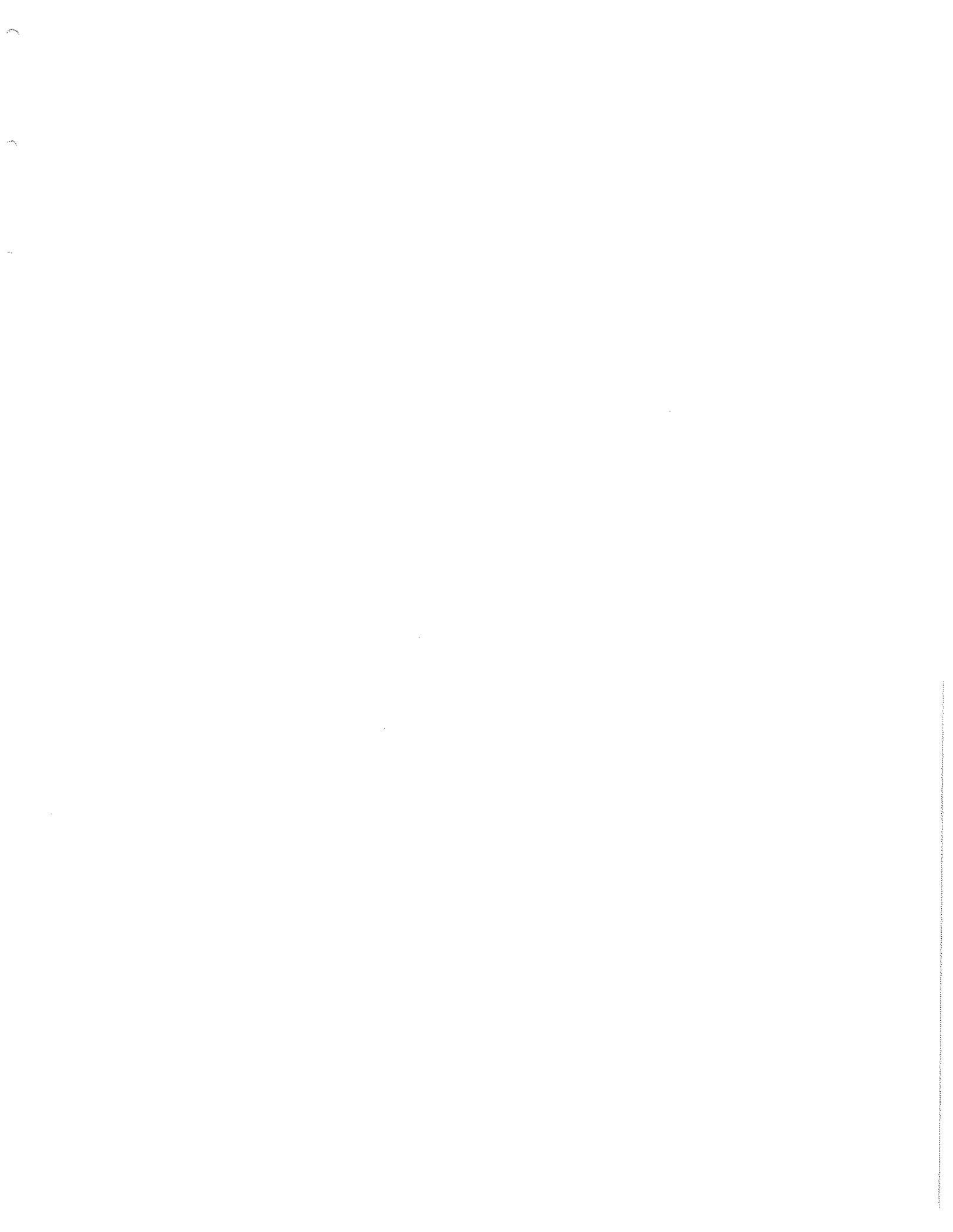
It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws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

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

Very truly yours,



STEPTOE & JOHNSON PLLC



LAW OFFICE OF
JAMES V. KELSH

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July 19, 2005

Jane Lew Public Service District
Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

Jane Lew Public Service District
Jane Lew, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Steptoe & Johnson PLLC
Clarksburg, West Virginia

Ladies and Gentlemen:

I am counsel to Jane Lew Public Service District, a public service district, in Harrison and Lewis counties, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, relating to the above-captioned bonds of the Issuer (the "Bonds"), a loan agreement for the Bonds dated July 18, 2005, including all schedules and exhibits attached thereto, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") (the "Loan Agreement"), the Bond Resolution duly adopted by the Issuer on July 14, 2005, as supplemented by the Supplemental Resolution duly adopted by the Issuer on July 14, 2005 (collectively, the "Resolution"), orders of The County Commission of Lewis 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 Bonds and the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution and the Loan Agreement when used herein.

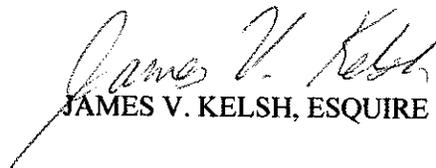
I am of the opinion that:

1. The Issuer is duly created and validly existing as a public service district and as a public corporation and political subdivision of the State of West Virginia.
2. The members and officers of the Public Service Board of the Issuer have been duly, lawfully and properly appointed and elected, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.
3. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority thereto, constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.
4. The Resolution has been duly adopted by the Issuer and is in full force and effect.
5. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement and the Resolution and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any 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, all requisite orders, certificates and approvals from The County Commission of Lewis County, the West Virginia Department of Environmental Protection and the Council, 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 all requisite orders and approvals from the Public Service Commission of West Virginia, including the Final Order entered on July 12, 2004, and the Commission Order entered on July 13, 2005, in Case No. 04-0139-PSD-CN, among other things, granting a certificate of convenience and necessity for the Project, approving the financing for the Project, and approving the rates and charges for the System. The time for appeal of the Final Order has expired prior to the date hereof without any appeal. The time for appeal of the Commission Order has not expired on the date hereof. However, the parties to such Commission Order have stated that they do not intend to appeal such Order, and both Orders remain in full force and effect.
7. To the best of my knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds, the Loan Agreement, the Resolution, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds, the collection of the Gross Revenues or pledge of the Net Revenues for the Bonds.

8. All successful bidders have made the required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Based upon my review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, I am of the opinion that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the Loan Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

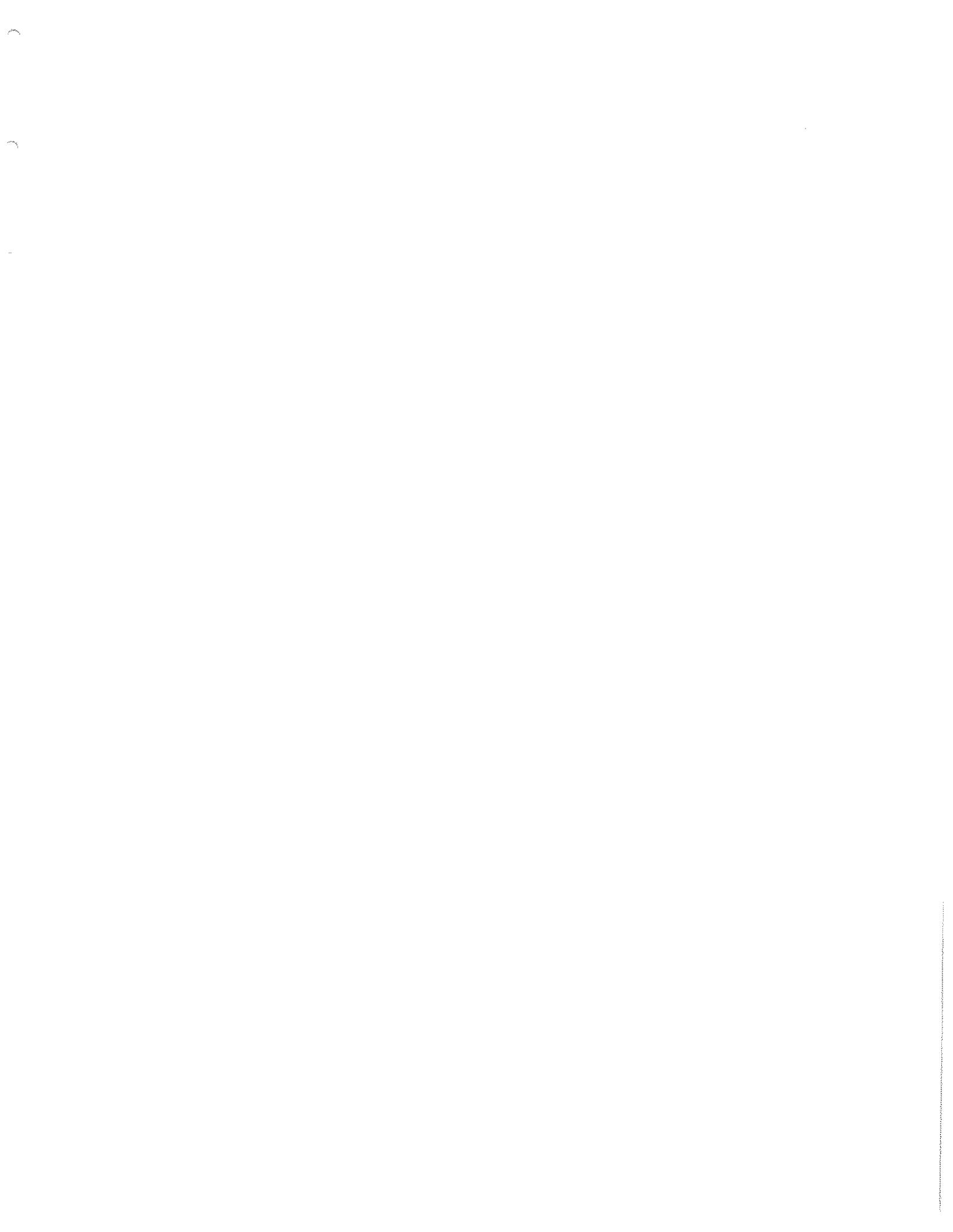
All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Very truly yours,


JAMES V. KELSH, ESQUIRE

05/12/05
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Law Offices of
James W. Lane, Jr.
Woolworth Building
205 Capitol Street, Suite 400
P. O. Box 11806
Charleston, WV 25339
(304) 342-0081 Facsimile (304) 343-3365

July 18, 2005

Jane Lew Public Service District
Post Office Box 845
Jane Lew, West Virginia 26378

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

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

Steptoe & Johnson PLLC
Bank One Center, 7th Floor
Post Office Box 1588
Charleston, WV 25326-1588

Re: Final Title Opinion for Jane Lew Public Service District

Ladies and Gentlemen:

We are counsel to Jane Lew Public Service District (the "Issuer") in connection with a proposed project to rehabilitate the existing collection system to reduce inflow and infiltration (the "Project"). We provide this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council") for the Project. Please be advised of the following:

1. The Issuer is a duly created and validly 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 to construct, operate and maintain the Project as approved by the West Virginia Department of Environmental Protection.

2. The Issuer has obtained all necessary permits and approvals for the construction of the Project.

3. We have investigated and ascertained the location of, and are familiar with the legal description of, the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by 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 Lewis County, West Virginia, the county in which the Project is to be located, and, in our opinion, the Issuer has acquired legal title or such other estate or interest in all of the necessary site components for the Project, including all easements and/or rights of way, with the exception of those listed in Paragraph 5, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

With respect to the lift stations affected by or to be constructed in this project and to follow up on the comments contained in my March 9, 2005 Preliminary Title Opinion, I offer the following:

- Lift Station No. 4: The District has acquired this parcel from Charles D. Cole, II by eminent domain as discussed in paragraph 5 below.
- Lift Station B: The District has obtained this tract of land from the Lewis County Development Company by recorded deed. My title opinion regarding this tract is attached hereto.
- Lift Station No. 1: The District's Project Engineer reports that the District only needs a temporary construction easement from the Charles E. Garten Trust to accomplish the work associated with this lift station,

and the temporary construction easement has been obtained.

Lift Station at Jesse Run and Co. Rte. 7

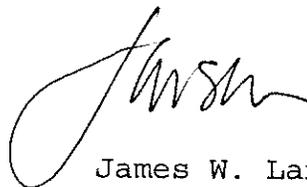
The property necessary for this Lift Station is owned by the W.Va. Department of Transportation, Division of Highways, which has issued the District a permit for the construction and operation of the Lift Station.

5. The following listed properties are to be acquired by eminent domain and the necessary filings have been made in the Office of the Clerk of the Circuit Court of Lewis County, West Virginia, to permit the Issuer a right-of-entry for the purpose of construction, operation and maintenance of the Project on the subject properties. The Issuer's title thereto is defeasible in the event the Issuer does not satisfy any resulting judgment and/or award in the proceedings for acquisition of said properties, and our certification is subject to the following pending litigation:

Name	Tax Max	Parcel
Charles D. Cole	8C	34

6. All deeds, easements and rights of way which have been acquired to date by the Issuer have been duly recorded in the Office of the Clerk of the County Commission of Lewis County to protect the legal title to and interest of the Issuer.

Very truly yours,



James W. Lane, Jr.

Law Offices of
James W. Lane, Jr.
Woolworth Building
205 Capitol Street, Suite 400
P. O. Box 11806
Charleston, WV 25339
(304) 342-0081 Facsimile (304) 343-3365

July 11, 2005

Jane Lew Public Service District
P.O. Box 845
Jane Lew, WV 26378

Premises: Surface To Real Property Situate in the Lewis County Industrial Park, on the Waters of Hackers Creek District, in Hackers's Creek District, Lewis County, West Virginia, Consisting of 2,000 Square Feet as Identified on the Attached Description of Survey

Dear Sir or Madam:

Pursuant to your request, I have conducted a limited examination of the records in the Office of the Clerk of the County Commission of Lewis County, West Virginia, to the above referenced real estate for a period from 1945 to June 24, 2005.

Insofar as such records disclose, and subject to the correctness of the records and the indices thereto, it is my opinion that good and marketable title in fee simple of the surface only to the referenced real estate is vested in the Jane Lew Public Service District which acquired title thereto by deed from the Lewis County Development Company, a corporation, by deed dated May 24, 2005.

My opinion is subject, however, to the following additional matters:

1. The property is assessed in the 2004 landbooks for real property taxes in the Office of the Clerk of the County Commission

of Lewis County, Hackers Creek Rural District, under the assessment for a larger tract, from which the subject tract was conveyed, as follows:

Ticket No. 24965
Account No.
Lewis County Development Company
3.768 Acre Surface Hackers Creek
Tax Map 8D; Parcel 40.6
Class- III
Land - \$61,080
Building - \$338,400
Mineral - \$110
Gross- \$
Total - \$
Tax For ½ Year: Non-Taxable
Total Due \$0.00

The taxes for the year 2004 are non-taxable and do not constitute a lien against the property.

2. Several utility and pipeline easements exist upon the larger parcel of property from which the subject 2,000 acres was conveyed.

a. Right of way conveyed by T.F. Kobelgard to Monongahela West Penn Public Service Company for electric lines by instrument dated November 5, 1956, recorded in the Office of the Clerk of the County Commission of Lewis County, West Virginia, in Deed Book 247, Page 204.

b. Right of way conveyed by Michael F. Mertz, Jr. et ux. to Monongahela Power Company for electric lines by instrument dated June 8, 1962, recorded in the Office of the Clerk of the County Commission of Lewis County, West Virginia, in Deed Book 278, Page 522.

c. Right of way conveyed by Michael F. Mertz, Jr. et ux. to C&P Telephone Company for a buried cable by instrument dated

June 29, 1968, recorded in the Office of the Clerk of the County Commission of Lewis County, West Virginia, in Deed Book 312, Page 136.

d. Right of way conveyed by Lewis County Development Company to Monongahela Power Company for electric lines by instrument dated June 18, 1974, recorded in the Office of the Clerk of the County Commission of Lewis County, West Virginia, in Deed Book 345, Page 197.

e. Right of way conveyed by Lewis County Development Company to Consolidated Gas Supply Corporation for a meter site by instrument dated April 15, 1975, recorded in the Office of the Clerk of the County Commission of Lewis County, West Virginia, in Deed Book 347, Page 237.

f. Right of way conveyed by Lewis County Development Company to Consolidated Gas Supply Corporation for a pipeline by instrument dated April 15, 1975 recorded in the Office of the Clerk of the County Commission of Lewis County, West Virginia, in Deed Book 347, Page 248.

g. Right of way conveyed by Lewis County Development Company to Consolidated Gas Supply Corporation for a pipeline by instrument dated April 15, 1975, recorded in the Office of the Clerk of the County Commission of Lewis County, West Virginia, in Deed Book 347, Page 250.

h. Right of way conveyed by Lewis County Development Company to Pittsburgh Tube Company for a sewer line by instrument dated October 24, 1975, recorded in the Office of the Clerk of the County Commission of Lewis County, West Virginia, in Deed Book 350, Page 253.

i. Right of way conveyed by Lewis County Development Company to Consolidated Gas Supply Corporation for a roadway by instrument dated December 15, 1977, recorded in the Office of the Clerk of the County Commission of Lewis County, West Virginia, in Deed Book 364, Page 208.

j. Right of way conveyed by Lewis County Development Company to Monongahela Power Company for electric lines by instrument dated June 9, 1978, recorded in the Office of the Clerk of the County Commission of Lewis County, West Virginia, in Deed Book 368, Page 594.

k. Right of way conveyed by Lewis County Development Company to Consolidated Gas Supply for a pipeline by instrument dated January 26, 1982, recorded in the Office of the Clerk of the County Commission of Lewis County, West Virginia, in Deed Book 406, Page 598.

l. Right of way conveyed by Lewis County Development Company to West Fork River Public Service District for a waterline by instrument dated October 15, 1985, recorded in the Office of the Clerk of the County Commission of Lewis County, West Virginia, in Deed Book 444, Page 81.

m. Right of way conveyed by Lewis County Development Company to the Jane Lew Water Commission for a water and sewer line by instrument dated July 21, 1986, recorded in the Office of the Clerk of the County Commission of Lewis County, West Virginia, in Deed Book 451, Page 159.

n. Right of way conveyed by Lewis County Development Company to Monongahela Power Company for electric lines by instrument dated September 16, 1987, recorded in the Office of the Clerk of the County Commission of Lewis County, West Virginia, in Deed Book 461, Page 40.

o. Right of way conveyed by Lewis County Development Company to Monongahela Power Company for removal of electric lines by instrument dated December 2, 1987, recorded in the Office of the Clerk of the County Commission of Lewis County, West Virginia, in Deed Book 463, Page 193.

p. Right of way conveyed by Lewis County Development Company to CNG Transportation Corporation for a pipeline by instrument dated May 12, 1989, recorded in the Office of the Clerk of the County Commission of Lewis County, West Virginia, in Deed

Book 475, Page 695.

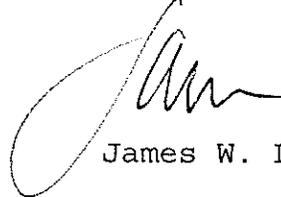
q. Right of way conveyed by Lewis County Development Company to Hope Gas, Inc. for a pipeline by instrument dated February 7, 2000, recorded in the Office of the Clerk of the County Commission of Lewis County, West Virginia, in Deed Book 562, Page 448.

5. The property is subject to statutory liens for unrecorded and inchoate claims or assessments of general contractors, sub-contractors, materialmen, mechanics, laborers, homeowner's association, municipal or local governments and agencies, and public service districts, if any.

10. My title examination did not cover and this opinion letter expressly excludes any liens that are not of record in said Clerk's office. Such unrecorded liens may be created or made pursuant to, among other things, bankruptcy, solvency or environmental rule, regulations and /or laws.

This Title Report is expressly limited to the period above mentioned.

Very truly yours,



James W. Lane, Jr.

JWLjr/ss

JANE LEW PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Jane Lew Public Service District in Harrison and Lewis Counties, West Virginia (the "Issuer") and the undersigned COUNSEL and SPECIAL COUNSEL, hereby certify, on this 19th day of July, 2005, in connection with the Issuer's Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds" or the "Series 2005 A 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 July 14, 2005, and the Supplemental Resolution duly adopted July 14, 2005 (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 Grant proceeds or the Net Revenues, or in any way contesting or affecting the validity of the Bonds or the Grants, 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 monies 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 monies 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 creation and existence of the Issuer, the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

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

There are no outstanding bonds or obligations of the Issuer which rank on a parity with the Bonds or are secured by revenues or assets of the System.

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

Loan Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

County Commission Orders on Creation and Enlargement of District

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

Excerpt of Minutes on Adoption of Bond Resolution and Supplemental Resolution

NPDES Permit

Environmental Health Services Permit

Evidence of Insurance

6. **INCUMBENCY AND OFFICIAL NAME:** The proper corporate title of the Issuer is "Jane Lew Public Service District." The Issuer is a public service district and public corporation duly created by The County Commission of Lewis County and presently existing under the laws of, and a public corporation and political subdivision of, the State of West Virginia. The Issuer operates the System in Lewis and Harrison Counties, West Virginia. The governing body of the Issuer is its Public Service Board consisting of 3 duly appointed, qualified and acting members whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Elaine Flaxer	August 1, 2000	July 31, 2006
Oscar Mills	August 1, 2002	July 31, 2008
Thomas Bailey	August 9, 2004	July 31, 2010

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 2005 are as follows:

Chairman	-	Elaine Flaxer
Secretary	-	Thomas Bailey
Treasurer	-	Tom R. Pitman

The duly appointed and acting local and PSC counsel to the Issuer is James V. Kelsh, Esquire, in Charleston, West Virginia. The duly appointed and acting real estate counsel to the Issuer is James Lane, Esquire, in Charleston, 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. The local counsel makes no representations regarding this paragraph.

8. **MEETINGS, ETC.:** All actions, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the acquisition, construction, operation and financing of the Project and the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A of the 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 Loan Agreement is in full force and effect.

10. **LOAN AGREEMENT:** As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best

knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with all covenants, terms and representations in the Loan Agreement.

11. **RATES:** The Issuer has received the Commission Order of the Public Service Commission of West Virginia entered on July 13, 2005, in Case No. 04-0139-PSD-CN, 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 expired prior to the date hereof without any appeal, and such rates and charges will become effective upon completion of the Project.

12. **PUBLIC SERVICE COMMISSION ORDER:** The Issuer has received the Final Order of the Public Service Commission of West Virginia entered July 12, 2004, and the Commission Order entered on July 13, 2005, in Case No. 04-0139-PSD-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project, approving the financing for the Project and approving the rates and charges of the System. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. The time for appeal of the Commission Order has not expired on the date hereof. However, the parties to such Commission Order have stated that they will not appeal such Order. The Issuer hereby certifies that it will not appeal such Order. Both Orders remain in full force and effect.

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 AR-1, dated the date hereof, by his or her manual signature, and the undersigned Secretary did officially cause the official seal of the Issuer to be affixed upon the Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate, register and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal is also impressed above the signatures appearing on this certificate.

14. **BOND PROCEEDS:** On the date hereof, the Issuer received \$132,321 from the Authority and the Council, being a portion of the principal amount of the Series 2005 A Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

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 Bond.

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

18. **PROCUREMENT OF ENGINEERING SERVICES:** The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Bonds.

19. **COMPLIANCE WITH WEST VIRGINIA JOBS ACT:** Unless it shall hereafter be qualified for an exception, the Issuer shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act"), and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Issuer hereby certifies to the Council and the Authority that (i) the Issuer will comply with all the requirements of the West Virginia Jobs Act; (ii) the Issuer has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (iii) the Issuer has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (iv) the Issuer will file with the DOL and the Council copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The Issuer will also certify in the monthly requisitions submitted to the Council that the Issuer is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

20. **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 JANE LEW PUBLIC SERVICE DISTRICT as of the date first written above.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Elaine D. Thaw

Chairman

Thomas E. Bailey

Secretary

James V. Kesh

Local and PSC Counsel

Special Counsel
[Regarding Paragraph
No. 7 only]

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

[CORPORATE SEAL]

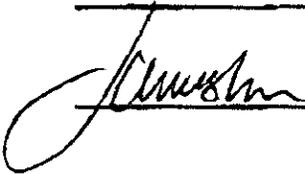
SIGNATURE

OFFICIAL TITLE

Chairman

Secretary

Local and PSC Counsel

 _____

Special Counsel
[Regarding Paragraph
No. 7 only]

05/12/05
448300.00002

JANE LEW PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF ENGINEER

I, H. Wood Thrasher, Registered Professional Engineer, West Virginia License No. 9478, of Thrasher Engineering, Inc., 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 Jane Lew Public Service District (the "Issuer") to be constructed primarily in Harrison and Lewis Counties, West Virginia, which acquisition and construction are being financed 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 July 14, 2005 (the "Resolution"), and the Loan Agreement for the Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated July 18, 2005 (the "Loan Agreement").

2. The Bonds are being issued for the purposes of (i) paying the costs of acquisition and construction of the Project; and (ii) paying costs of issuance and related costs.

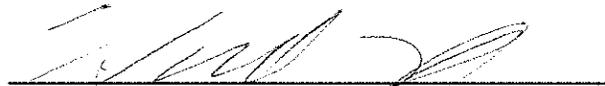
3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Council and the Authority and any change orders approved by the Issuer, the Authority, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least forty years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule B attached hereto as Exhibit A and in reliance upon the opinion of James V. Kelsh, Esquire, of even date herewith, all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the Council and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bids include prices for every item on such bid

forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has 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 Harris & Company, Certified Public Accountants, of even date, as of the effective date thereof, the rates and charges for the System as approved by the Public Service Commission of West Virginia and adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement and the Resolution; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project set forth in Schedule B attached hereto and approved by the Council; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this 19th day of July, 2005.

THRASHER ENGINEERING, INC.

(SEAL)



H. Wood Thrasher, P.E.
West Virginia License No. 9478

05/12/05
448300.00002

SCHEDULE B
JANE LEW SEWER PSD
BANITARY SEWER EXTENSION

FINAL TOTAL COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCING

A. Cost of Project	Total	JDC-LOAN	OTHER
1. Construction			
Contract 1 (Deducts Applied)	681,490.00	472,478.00	209,015.00
2. Technical Services			
a. Basic Engineering	40,700.00	40,700.00	-
b. Inspection	29,000.00	29,000.00	-
c. Special Services	64,000.00	64,000.00	-
3. Legal & Fiscal			
a. Legal	40,000.00	40,000.00	-
b. Accounting	3,500.00	3,500.00	-
4. Sites and Other Lands	30,000.00	30,000.00	-
5. Miscellaneous			
a. Permits, BOH, Admin	23,000.00	23,000.00	-
6. Interim Financing			
7. Construction Contingency (5%)	33,825.00	33,825.00	-
8. Total of Lines 1 through 7	645,515.00	738,500.00	209,015.00
B. Cost of Financing			
9. Capitalized Interest			
10. Other Costs			
a. Bond Counsel	13,000.00	13,000.00	-
b. Bank Registrar Fee	600.00	600.00	-
11. Total Cost of Financing (Lines 9 and 10)	13,500.00	13,500.00	-
12. TOTAL PROJECT COST (line 8 plus line 11)	659,015.00	752,000.00	209,015.00
C. Sources of Funds			
13. Federal Grants			
14. State Grants			
15. Other Grants			
16. TOTAL GRANTS line 13 plus line 14 plus line 15			
17. Size of Bond Issue	959,015.00	750,000.00	209,015.00

Thomas D. Johnson JL-PSD
 GOVERNMENTAL AGENCY

[Signature]
 CONSULTING ENGINEER

DATE: 7-15-05

DATE: 7/15/05

HARRIS & COMPANY

Certified Public Accountants

Buckhannon Office
P.O. Box 732
Buckhannon, WV 26201
(304) 472-1928

Weston Office
235 North River Avenue
Weston, WV 26452
(304) 269-2269

July 19, 2005

Jane Lew Public Service District
Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

Jane Lew Public Service District
Jane Lew, West Virginia

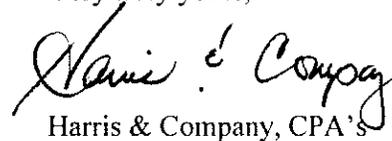
West Virginia Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs
Development Council
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the sewer rates and charges set forth in the Commission Order of the Public Service Commission of West Virginia in Case No. 04-0139-PSD-CN, entered July 13, 2005, the projected operating expenses and the anticipated customer usage as furnished to me by Thrasher Engineering, Inc., Consulting Engineer, it is my opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system (the "System") of Jane Lew Public Service District (the "Issuer"), will provide for all Operating Expenses of the System and will leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund)(the "Series 2005 A Bonds") to be issued on the date hereof.

Very truly yours,


Harris & Company, CPA's

This matter came on again to be heard this 26th day of August, 1958, upon a petition heretofore presented to this Court on the 5th day of August, 1958, petitioning this Court for the establishment of a public service district under the authority of Chapter No. 147, of the Acts of the Legislature, 1953, Regular Session; upon the finding by this Court that said petition was signed by more than one hundred (100) legal voters resident within and owning real property within the limits of such proposed public service district and upon the entry of an order herein setting this matter for hearing this day, but requiring that a notice first be published by the Clerk of this Court, at least once, in a newspaper of general circulation, published within this County, at least ten days prior to this date.

And it appearing to the Court that notice has been duly published in the Weston Independent, a newspaper published in Lewis County, West Virginia, at least once, ten days prior to the date that this Court would, on the 26th day of August, 1958, at 10:00 o'clock A. M. in the County Courthouse in Weston, Lewis County, West Virginia, proceed to take evidence on the proposal to establish the Jane Lew Water Commission and to hear such persons resident within, or owning or having any interest in property, in such proposed public service district, who cared to be heard, for or against the creation of such public service district.

And thereupon, this Court proceeded to hear the evidence of all interested parties for and against the creation of such public service district.

And this Court, after hearing the evidence offered before it, does find and determine that the construction or acquisition, by purchase or otherwise, and maintenance, operation, improvement and extension of public service properties by a public service district to comprise Hackers Creek Magisterial District, as is situate in the Town of Jane Lew and its adjacent and outlying areas, in Lewis County, West Virginia, is feasible and will be conducive to the preservation of the public health, comfort and convenience of students and pupils attending the public schools of the County located within this such area and of the persons residing within such area.

And it further appearing that written protest signed by thirty per cent (30%) or more of the qualified voters registered and residing within said district, has not been filed and this Court, finding no reason against the establishment of a public service district as petitioned for,

IT IS, THEREFORE, ORDERED, that there shall be, and there is, hereby created a public service district to be known as "JANE LEW WATER COMMISSION, a corporation", which shall have existence from this date, and be possessed of all of the rights, powers, duties and obligations granted to and imposed upon it, by the laws of the State of West Virginia, the territorial limits of which shall embrace the territorial limits of the Town of Jane Lew and its adjacent and outlying areas within Hackers Creek Magisterial District of Lewis County, West Virginia, and the powers, duties of such Jane Lew Water Commission shall be vested in and exercised by a public service board.

IT IS FURTHER ORDERED, That the persons named hereafter are hereby appointed as members of the Public Service Board of The Jane Lew Water Commission, who shall serve for the period of time indicated opposite their names and until they resign or the expiration of their respective terms of office and/or thereafter until their successors

SESSION HELD

FRIDAY, SEPTEMBER 26TH, 1958

19

have been appointed as follows:

For a period of two years	DOLPH MUSSER, CHAIRMAN
For a period of four years	J. CARSON WHITE
For a period of six years	HARRY MCWHORTER
For a period of eight years	RUDOLPH KAFER
For a period of ten years	JOHN G. FUNK

But before entering upon his duties as such member of the Board as aforesaid, each of the aforesaid members shall meet at the Office of the Clerk of this Court as soon as practicable hereafter and shall qualify by taking the required oath of office.

It is further ordered that the term of office of each of the members appointed as aforesaid, shall begin as of the first day of August, 1958.

ORDERED, that this Court doth now adjourn until Friday, October 3rd, 1958.

Wazle L. Bennett, President.



State of West Virginia,
County of Lewis, To-Wit:

I, Mary Lou Myers, Clerk of the County Commission of Lewis County, in the State of West Virginia, and as such Clerk having the care and custody of the records of GENERAL ORDERS of said County, do hereby certify that the foregoing is a true and accurate copy OF THE ORDER OF CREATION OF A PUBLIC SERVICE DISTRICT FOR JANE LEW

as the same appears of record in my office in GENERAL ORDER Book 33, Page 104 & 105

In Testimony Whereof, I have hereunto set my hand and affixed the seal of said Commission, at the City of Weston, in said County and State, this 28th day of September, 20 04.

Mary Lou Myers
Clerk of the County Commission of Lewis County, West Virginia by: dw

SESSION HELD

FRIDAY, NOVEMBER 13, 1959.

19

The Johnson-Watson Co., Dayton, Ohio—Charleston, W. Va.—P-2571

Court sat pursuant to adjournment of Friday, November 6, 1959.

PRESENT: The same Court.

The proceedings of this Court on Friday were approved and signed by the President.

IN RE: CORRECTION JANE LEW WATER COMMISSION ORDER ENTERED
SEPTEMBER 26, 1958

This day came the Jane Lew Water Commission, a Public Service District of Lewis County, West Virginia, by its Chairman, Rudolph Kafer and its Counsel, Louis G. Craig, and asked the Court to correct the records of said order creating said Public Service District of said session of this Court held on the 26th day of September, 1958, wherein said order recited said meeting was held on the 26th day of August, 1958 and said notice having been presented on the 5th day of August, 1958.

And it appearing to the Court that said order did incorrectly state the said date of August 26, and August 5th, and that said dated to be in error, it is therefore accordingly ordered that said records be, and said records are hereby corrected by this order to declare said matter was approved on the 26th day of September, 1958 and said petition having been filed herewith on the 5th day of September, 1958.

State of West Virginia,
County of Lewis, To-Wit:

I, Mary Lou Myers, Clerk of the County Commission of Lewis County, in the State of West Virginia, and as such Clerk having the care and custody of the records of General Orders of said County, do hereby certify that the foregoing is a true and accurate copy of the Correction of the Jane Lew Water Commission Order entered September 26, 1958

as the same appears of record in my office in General Order Book 33, Page 458.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of said Commission, at the City of Weston, in said County and State, this 28th day of September, 20 04.

Mary Lou Myers
Clerk of the County Commission of Lewis County, West Virginia By: DW



ORDER APPROVING BOUNDARY EXPANSION
OF THE JANE LEW WATER COMMISSION DISTRICT

A public hearing was held this date, March 19, 2001, 10:00 a.m. prevailing time, at the Lewis County Courthouse, in the Lewis County Commission Office pursuant to WV Code 16-13A-2 for the purpose of public input concerning a proposed boundary extension which would allow the Jane Lew Water Commission, PSD to provide public water service to Sycamore Lick, Berlin Road and Jesse's Run areas of Lewis County. (See attached metes and bounds and Class I legal advertisement.)

No one appeared to speak against the proposed boundary extension. Those present at the hearing in addition to the Lewis County Commission were: Elaine Flaxer and Vernon Lohr representing the Jane Lew Water Commission Board, Larry Wilson, General Manager of the Jane Lew Water Commission, PSD, Tracey Weber III, Attorney for the Jane Lew Water Commission, PSD, Randy Watson of Thrasher Engineering and Frances Carroll, a resident of Jesse's Run.

A question concerning the boundaries of the West Fork River PSD was addressed as follows: The West Fork River PSD was created March 16, 1979, by the Lewis County Commission as a countywide public service district. It became inactive in February 1993, after selling their lines to West Virginia American-Water Company with the Public Service Commission's approval. WFRPSD has remained inactive since that time with no employees and serves no customers. It's boundaries do not infringe upon any other PSD or entity's boundaries since WFRPSD's boundaries are countywide excluding the boundaries of the following: Jane Lew PSD, West Virginia-American Water Company and the Weston Sanitary Board.

Therefore, the County Commission considered and determined the feasibility of the proposed boundary expansion and found said expansion to be conducive to the preservation of public health, comfort and convenience of the area. With no opposition to the proposed boundary expansion of the Jane Lew Water Commission PSD, the Lewis County Commission upon a motion made by Robert J. Conley with motion being duly seconded by Thomas V. Fealy, the Lewis County Commission voted unanimously to approve the aforementioned boundary expansion to the Jane Lew Water Commission PSD which is consistent with the attached metes and bounds which would, in turn, decrease the West Fork River PSD boundary accordingly.

Samuel U. Hicks
Samuel U. Hicks, President

3-19-01
Date

Thomas V. Fealy
Thomas V. Fealy, Commissioner

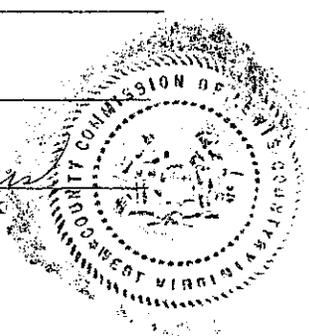
3-19-01
Date

Robert J. Conley
Robert J. Conley, Commissioner

3-19-01
Date

Attest: Mary Lou Myers
Mary Lou Myers, County Clerk

3-19-01
Date

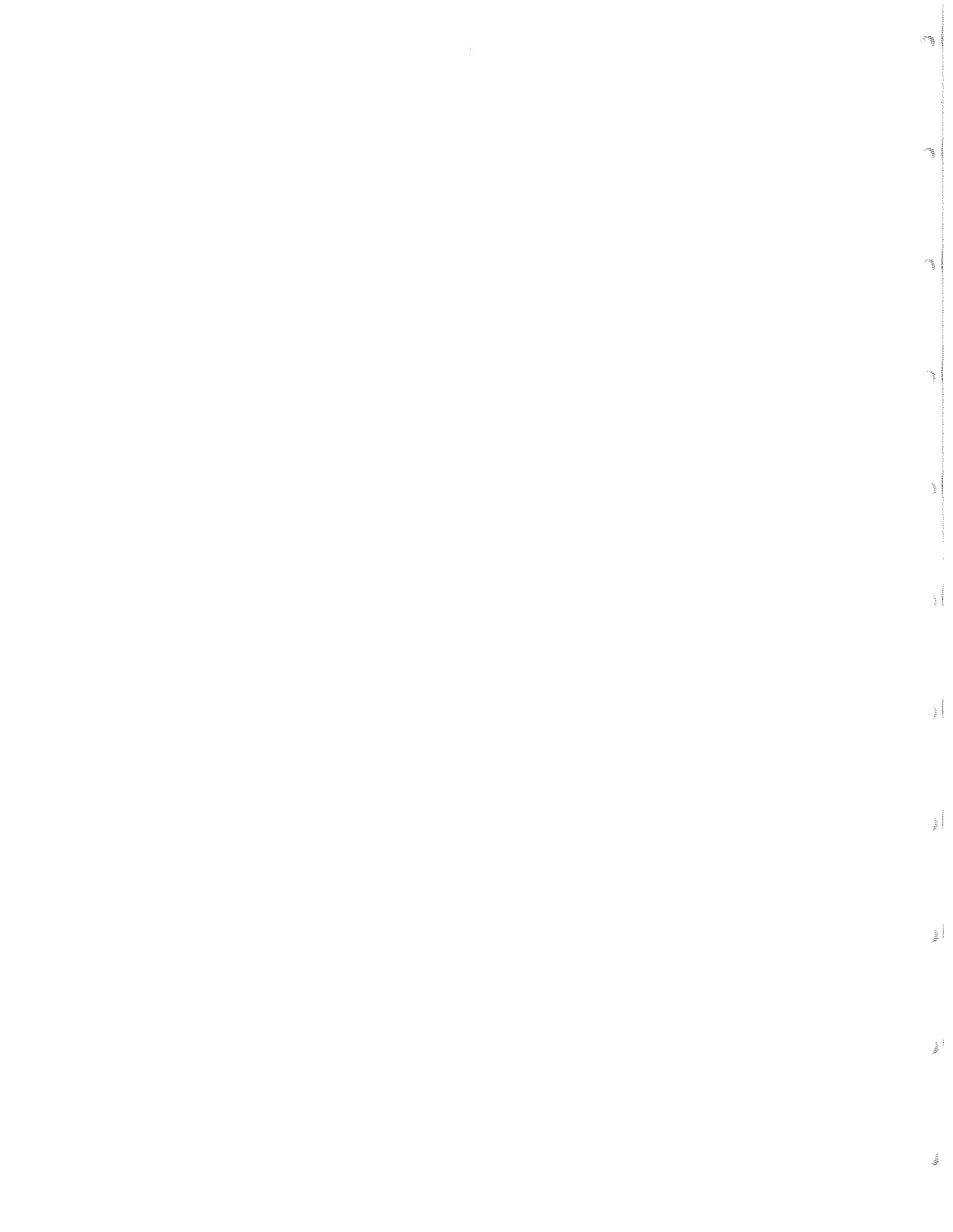




**Jane Lew Public Service District
Proposed 2001 Boundary Extension
Lewis County, West Virginia**

The proposed extended geographical boundaries for the Jane Lew Public Service District are as follows:

“Beginning at point 0 along the Harrison-Lewis County border at the Lewis County Route 3 running southeast 105 degrees (azimuth), a distance of 25,050 feet, to point A at the intersection of the Harrison, Lewis, and Upshur County borders. From point A running southwest 185 degrees along the Lewis-Upshur County border, a distance of 10,500 feet, to point B. From point B running northwest 310 degrees, a distance of 2,250 feet, to point C. From point C running southwest 227 degrees, a distance of 2,300 feet, to point D. From point D running southwest 268 degrees, a distance of 2,100 feet, to point E. From Point E running southwest 266 degrees, a distance of 2,550 feet, to point F. From point F running northwest 285 degrees, a distance of 1,200 feet, to point G. From point G running northwest 323 degrees, a distance of 2,550 feet, to point H. From point H running northwest 271 degrees, a distance of 1,200 feet, to point I. From point I running northeast 3 degrees, a distance of 1,250 feet, to point J. From point J running northwest 297 degrees, a distance of 2,250 feet, to point K. From point K running northwest 355 degrees, a distance of 1,950 feet, to point L. From point L running northwest 301 degrees, a distance of 900 feet, to point M. From point M running southwest 241 degrees, a distance of 2,550 feet, to point N. From point N running northwest 281 degrees, a distance of 1,550 feet, to point O. From point O running northwest 314 degrees, a distance of 1,875 feet, to point P. From point P running southwest 229 degrees, a distance of 900 feet, to point Q. From point Q running southwest 268 degrees, a distance of 1,650 feet, to point R. From point R running southwest 251 degrees, a distance of 2,475 feet, to point S crossing the intersection of Lewis County Route 7 and Lewis County Route 14 “Lifes Run Road” and stopping at bank of Hackers Creek. From point S running northwest along Hackers Creek water edge to the intersection between Hackers Creek and I-79, a distance of 5,250 feet to point T. From point T running northwest 285 degrees, a distance of 3,900 feet, to point U. From point U running northeast 3 degrees, a distance of 450 feet, to point V on the existing Jane Lew PSD border. From point V running northwest 280 degrees, running along existing Jane Lew PSD boundary and crossing US Route 19, a distance of 2,700 feet, to point W. From point W running southwest 224 degrees, a distance of 3,300 feet, to point X. From point X running southwest 228 degrees, a distance of 2,700 feet, to point Y. From point Y running southwest 266 degrees, a distance of 1,875 feet, to point Z. From point Z running northwest 237 degrees, a distance of 2,250 feet, to point AA. From point AA running northwest 278 degrees, a distance of 2,850 feet, to point AB. From point AB running northwest 353 degrees, a distance of 4,500 feet, to point AC. From point AC running northeast 40 degrees, running along the banks of the West Fork River, a distance of 4,950 feet, to point AD. From point AD running southeast 113 degrees, a distance of 4,200 feet, to point AE. From point AE running northeast 83



degrees, a distance of 1,350 feet, to point AF. From point AF running northeast 6 degrees crossing Lewis County Route 8, a distance of 1,275 feet, to point AG. From point AG running northwest 333 degrees, a distance of 2,700 feet, to point AH. From point AH running northeast 15 degrees, a distance 4,500 feet, to point AI on the Lewis-Harrison County Boarder. From point AI running southeast 105 degrees along the existing boundary on the Lewis-Harrison County border and crossing over I-79, a distance of 11,500 feet back to the beginning."

LEGAL ADVERTISEMENT

NOTICE OF PUBLIC HEARING

On February 20, 2001, the Lewis County Commission entered an Order Proposing Boundary Expansion of the Jane Lew Water Commission District which would permit the Jane Lew Water Commission, PSD to provide public water service to Sycamore Lick, Berlin Road, and Jesse's Run area of Lewis County. The proposed boundary expansion to be consistent with the metes and bounds as follows:

**Jane Lew Public Service District
Proposed 2001 Boundary Extension
Lewis County, West Virginia**

The proposed extended geographical boundaries for the Jane Lew Public Service District are as follows:

"Beginning at point O along the Harrison-Lewis County border at the Lewis County Route 3 running southeast 105 degrees (azimuth), a distance of 25,050 feet, to point A at the intersection of the Harrison, Lewis, and Upshur County borders. From point A running southwest 185 degrees along the Lewis-Upshur County border, a distance of 10,500 feet, to point B. From point B running northwest 310 degrees, a distance of 2,250 feet, to point C. From point C running southwest 227 degrees, a distance of 2,300 feet, to point D. From point D running southwest 269 degrees, a distance of 2,100 feet, to point E. From point E running southwest 266 degrees, a distance of 2,550 feet, to point F. From point F running northwest 285 degrees, a distance of 1,200 feet, to point G. From point G running northwest 323 degrees, a distance of 2,550 feet, to point H. From point H running northwest 271 degrees, a distance of 1,200 feet, to point I. From point I running northeast 3 degrees, a distance of 1,250 feet, to point J. From point J running northwest 297 degrees, a distance of 2,250 feet, to point K. From point K running northwest 355 degrees, a distance of 1,950 feet, to point L. From point L running northwest 301 degrees, a distance of 900 feet, to point M. From point M running southwest 241 degrees, a distance of 2,550 feet, to point N. From point N running northwest 281 degrees, a distance of 1,550 feet, to point O. From point O running northwest 314 degrees, a distance of 1,875 feet, to point P. From point P running southwest 229 degrees, a distance of 900 feet, to point Q. From point Q running southwest 268 degrees, a distance of 1,650 feet, to point R. From point R running southwest 251 degrees, a distance of 2,475 feet, to point S crossing the intersection of Lewis County Route 7 and Lewis County Route 14 "Liles Run Road" and stopping at bank of Hackers Creek. From point S running northwest along

The Weston Democrat - Wednesday, February 28, 2001—3D

Hackers Creek water edge to the intersection between Hackers Creek and I-79, a distance of 5,250 feet to point T. From point T running northwest 285 degrees, a distance of 3,900 feet, to point U. From point U running northeast 3 degrees, a distance of 450 feet, to point V on the existing Jane Lew PSD border. From point V running northwest 280 degrees, running along existing Jane Lew PSD boundary and crossing US Route 19, a distance of 2,700 feet, to point W. From point W running southwest 224 degrees, a distance of 3,300 feet, to point X. From point X running southwest 226 degrees, a distance of 2,700 feet, to point Y. From point Y running southwest 268 degrees, a distance of 1,875 feet, to point Z. From point Z running northwest 237 degrees, a distance of 2,250 feet, to point AA. From point AA running northwest 278 degrees, a distance of 2,850 feet, to point AB. From point AB running northwest 353 degrees, a distance of 4,500 feet, to point AC. From point AC running northeast 40 degrees, running along the banks of the West Fork River, a distance of 3,950 feet, to point AD. From point AD running southeast 113 degrees, a distance of 4,200 feet, to point AE. From point AE running northeast 83 degrees, a distance of 1,350 feet, to point AF. From point AF running northeast 6 degrees, crossing Lewis County Route 8, a distance of 1,275 feet, to point AG. From point AG running northwest 333 degrees, a distance of 2,700 feet, to point AH. From point AH running northeast 15 degrees, a distance 4,500 feet, to point AI on the Lewis-Harrison County Boarder. From point AI running southeast 105 degrees along the existing boundary on the Lewis-Harrison County border and crossing over I-79, a distance of 11,500 feet back to the beginning."

Pursuant to WV Code, §18-13A-2, the Lewis County Commission has scheduled a public hearing on the proposed boundary expansion on Monday, March 19, 2001, to be held at the Lewis County Courthouse in the County Commission Office at 10:00 a.m. Anyone wishing to protest the proposed expansion must appear in person at the hearing.

The Plat for said Boundary Expansion is of record in the office of the County Clerk in File Folder A-495.

STATE OF WEST VIRGINIA, CLERK'S OFFICE,
COUNTY COMMISSION, LEWIS COUNTY.

March 19, 2001, 2001

The foregoing Order together with the certificate thereto annexed was this day presented in said office and admitted to record.

ATTEST: Christina M. Myers, CLERK



State of West Virginia,
County of Lewis, Co-Wit:

I, Mary Lou Myers, Clerk of the County Commission of Lewis County, in the State of West Virginia, and as such Clerk having the care and custody of the records of Miscellaneous Records of said County, do hereby certify that the foregoing is a true and accurate copy of the Order approving boundary expansion of the Jane Lew Water Commission District

as the same appears of record in my office in Miscellaneous Record Book
11, Page 259.

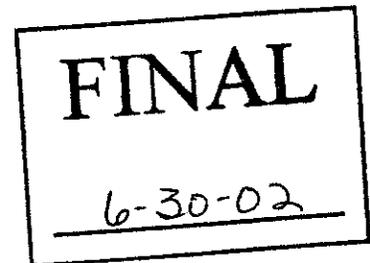
In Testimony Whereof, I have hereunto set my hand and affixed the seal of said Commission, at the City of Weston, in said County and State, this 28th day of September, 20 04.

Mary Lou Myers
Clerk of the County Commission of Lewis County, West Virginia By: sms



PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: June 10, 2002



CASE NO. 01-1607-PWD-PC

LEWIS COUNTY COMMISSION

Petition for consent and approval to decrease the boundary of West Fork River Public Service District and to increase the boundary of Jane Lew Water Commission Public Service District to accommodate water extensions to the area.

RECOMMENDED DECISION

In an Order dated September 12, 2001, the Order of the Lewis County Commission filed March 23, 2001, in Case No. 01-0402-PWD-PC, to expand the boundaries of the Jane Lew Water Commission Public Service District, was approved to become effective on and after the date that the Lewis County Commission either decreased the territory of the West Fork River Public Service District to accommodate the enlargement of the Jane Lew Water Commission Public Service District's boundaries or dissolved the West Fork River Public Service District.

On November 28, 2001, the Lewis County Commission filed an Order decreasing the boundary of the West Fork River Public Service District to accommodate the increase of the Jane Lew Water Commission Public Service District's boundary to provide water extensions to the affected area, pursuant to West Virginia Code §16-13A-2. The County Commission's Order addresses only water service.

On December 4, 2001, Staff Attorney Cassius H. Toon filed an Initial and Final Joint Staff Memorandum, to which was attached the Initial and Final Internal Memorandum prepared by Mr. Scott McNeely, Utility Analyst, Water and Wastewater Division, and Mr. David W. Holley, Technical Analyst-In-Training II, Engineering Division. Since the Lewis County Commission has sufficiently satisfied the requirements set forth in West Virginia Code §16-13A-2, Staff recommended approval of the Order to reduce the boundaries of the West Fork River Public Service District and recommended that the changes be approved subject to the statutorily required hearing.

MSD

By Order dated December 11, 2001, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before June 26, 2002.

On December 19, 2001, Staff Attorney Toon filed a Further Joint Staff Memorandum, to which was attached the Further and Final Internal Memorandum, prepared by Mr. McNeely and Mr. Holley. Staff explained that, in Case No. 01-0402-PWD-PC the Commission approved the increase to the Jane Lew Water Commission Public Service District's boundaries, conditioned upon the Lewis County Commission decreasing the West Fork River Public Service District's boundaries to accommodate that change. The West Fork River Public Service District became inactive in February 1993. The West Fork River Public Service District involves the operation of sewer service also. The Commission Order in Case No. 01-0402-PWD-PC discussed an alternative to the Lewis County Commission decreasing the West Fork River Public Service District's boundary, which was to dissolve the District altogether. Staff has changed its original recommendation and now feels that it is in the best interest of the public to dissolve the West Fork River Public Service District, since it has no employees and provides no water or sewer service. In addition, the Jane Lew Water Commission Public Service District may be expanded to provide sewer service to other areas of the County.

By Order dated January 10, 2002, in light of Staff's recommendation, the Lewis County Commission was directed to advise the Commission, by January 27, 2002, if it wished to go forward with the Lewis County Commission's original Order in this case or if it would take the Staff-recommended action to dissolve the West Fork River Public Service District by enacting a new County Commission Order.

In a letter filed January 17, 2002, the Lewis County Commission advised that it did not wish to dissolve the West Fork River Public Service District but would go forward with the original Order in this case, which would decrease the boundary of the West Fork River Public Service District.

By Order dated February 22, 2002, this matter was set for a hearing to be held in Weston City Building, Council Chambers, Weston, West Virginia, on March 15, 2002. Said Order provided that the Lewis County Commission give notice of the hearing to be held on March 15, 2002, by publishing a copy of a Notice of Hearing, once, in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Lewis County.

The hearing was held as scheduled. The Lewis County Commission was present by its president, Mr. Sam Hicks, and board members, Ms. Shelia Lewis, Mr. Tom Fealy and Mr. Bob Conley. Commission Staff was represented by Staff Attorney Cassius H. Toon. The County Commission presented at the hearing an affidavit of publication of the Notice of Hearing reflecting that publication had been made in accordance with the Commission's requirements. (Tr. p. 3).

EVIDENCE PRESENTED

Mr. Scott McNeely, Utilities Analyst, Water and Wastewater Division, identified for the record Staff Exhibit No. 1, a Further Final Internal Memorandum. Staff recommends that the West Fork River Public Service District be dissolved rather than reduced in size. There is presently in existence the Jane Lew Water Public Service District and another public service district that provides sewer service. Mr. McNeely indicated that, in the event any other water service in the County is needed, these Districts could be expanded. Staff believes that the retention of another district would cause duplication in bookkeeping and make it more expensive to comply with the new federal requirements and the Safe Drinking Water Act. It would be difficult to maintain the federal standards with two districts rather than one district. (See, Tr., pp. 7-8).

Mr. Sam Hicks, the President of the Lewis County Commission, responded that the Lewis County Commission has no objection to the extension of the Jane Lew Water Public Service District to cover that territory which heretofore has been the territory of the West Fork River Public Service District, to the extent necessary for the Jane Lew Public Service District to make its utility extensions. Mr. Hicks commented that the Staff recommendation to abolish, rescind and dissolve the West Fork River Public Service District is not needed. The Lewis County Commission believes that there may develop, in the southern end of Lewis County, a need for water service and the only way to get the water will be to buy it and extend lines from a public service district in southern Upshur County. To provide for this eventuality, the Lewis County Commission feels that it is in the best interest of the people of Lewis County to keep the West Fork River Public Service District on the books, although it is currently inactive. If it becomes necessary to further extend the Jane Lew Public Service District system, the Lewis County Commission could further reduce the West Fork River Public Service District area or territory. Mr. Hicks did not see that the existence of the West Fork River Public Service District is creating any problem in bookkeeping or administration. The West Fork River Public Service District has been totally inoperative for a long time. (Tr., pp. 10-11).

No one appeared in protest to the petition of the Lewis County Commission. (Tr., p. 11). No further evidence was submitted in the case and it was submitted for a decision. No briefs were filed in the case by either party.

DISCUSSION

In 2001, the Lewis County Commission proposed the expansion of the boundaries of the Jane Lew Water Commission Public Service District. At that time, Staff recommended approval and, after the hearing was held and no protest was received, the Order was approved to become effective on and after the date that the Lewis County Commission either decreased the territory of the West Fork River Public Service District to accommodate the enlargement of the Jane Lew Water Commission Public Service District or dissolved the West Fork River Public Service District. Staff has since changed its recommendation and recommended that the West Fork River

Public Service District be dissolved, since it has been inactive for a number of years. The Lewis County Commission elected not to dissolve the West Fork River Public Service District, but to proceed with its petition to decrease the boundaries of the West Fork River Public Service District, to accommodate the increase in the Jane Lew Water Commission Public Service District to provide water extensions in the affected area.

At the hearing, Staff presented its recommendation to dissolve the West Fork River Public Service District, since it has been inactive for eight years. Staff cited duplication of bookkeeping and difficulty in compliance with federal standards as reasons for the dissolution. However, it did not explain how the existence of this district generated either of the cited problems. (Tr. pp. 7-8).

Mr. Sam Hicks, President of the Lewis County Commission explained that the reason that the Lewis County Commission desires to keep the inactive district on the books is that, on the southern end of the county, the Lewis County Commission foresees that there may arise a need to buy water from a public service district in southern Upshur County. If this eventuality occurs, the Lewis County Commission could use the West Fork River Public Service District to acquire this water. (Tr. pp. 10-11).

Since West Virginia Code §16-13A-2 gives county commissions the authority to create, enlarge, reduce, merge, dissolve and/or consolidate public service districts, the Administrative Law Judge believes that, in the absence of a showing that the existence of the West Fork River Public Service District violates a law, rule or regulation, the desires of the Lewis County Commission should be honored and the County Commission Order in this case approved in order to allow it to meet the requirements of the Commission's Order of September 12, 2001. This is particularly true since the County Commission Order of November 28, 2001, was passed specifically to comply with the requirements of the Public Service Commission's Order of September 12, 2001.

FINDINGS OF FACT

1. On November 28, 2001, the Lewis County Commission filed an Order decreasing the boundaries of the West Fork River Public Service District, to accommodate an increase in the Jane Lew Water Commission Public Service District's boundaries to provide water extensions to the affected area. (See, petition filed November 28, 2001).

2. By Public Service Commission Order entered September 12, 2001, the expansion of the Jane Lew Water Commission Public Service District's boundaries was approved to become effective on and after the date that the Lewis County Commission either decreased the territory of the West Fork River Public Service District to accommodate the enlargement of the Jane Lew Water Commission Public Service District or dissolved the West Fork River Public Service District. (See Order dated September 12, 2001).

3. Staff recommended that the Lewis County Commission dissolve the West Fork River Public Service District since it has no employees and

provides no water or sewer service. (See Further Joint Staff Memorandum filed December 19, 2001).

4. The Lewis County Commission elected to proceed with its original petition rather than adopt Staff's recommendation of dissolution of the West Fork River Public Service District. (See letter filed January 17, 2002).

5. At a hearing held on the County Commission's petition, Mr. Sam Hicks, President of the Lewis County Commission, explained that the Lewis County Commission believes that it is in the best interest of the citizens of Lewis County to retain the West Fork River Public Service District, in the event it is necessary for a Lewis County district to purchase water service from an Upshur County utility to serve the southern end of Lewis County. (Tr., pp. 10-11).

6. No one appeared in protest to the petition at the hearing held in this matter on March 15, 2002. (Tr., p. 11).

CONCLUSIONS OF LAW

1. Since the Order of the Lewis County Commission filed on November 28, 2001, decreases the West Fork River Public Service District, this will satisfy the conditions set forth in the Public Service Commission Order of September 12, 2001, which required the Lewis County Commission to either decrease the territory of the West Fork River Public Service District to accommodate the enlargement of the Jane Lew Water Commission Public Service District boundaries or dissolve the West Fork River Public Service District.

2. It is reasonable to allow the West Fork River Public Service District to continue to exist since the Lewis County Commission sees a potential need to use this District to obtain water from a public service district in southern Upshur County and its existence does not appear to violate any law, rules or regulations of the Commission.

ORDER

IT IS, THEREFORE, ORDERED that the Order of the Lewis County Commission of October 22, 2001, to decrease the boundaries of the West Fork River Public Service District to accommodate the increase in the Jane Lew Water Commission Public Service District boundaries to provide water extensions to the affected area, 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:jas:mal
011607ab.wpd

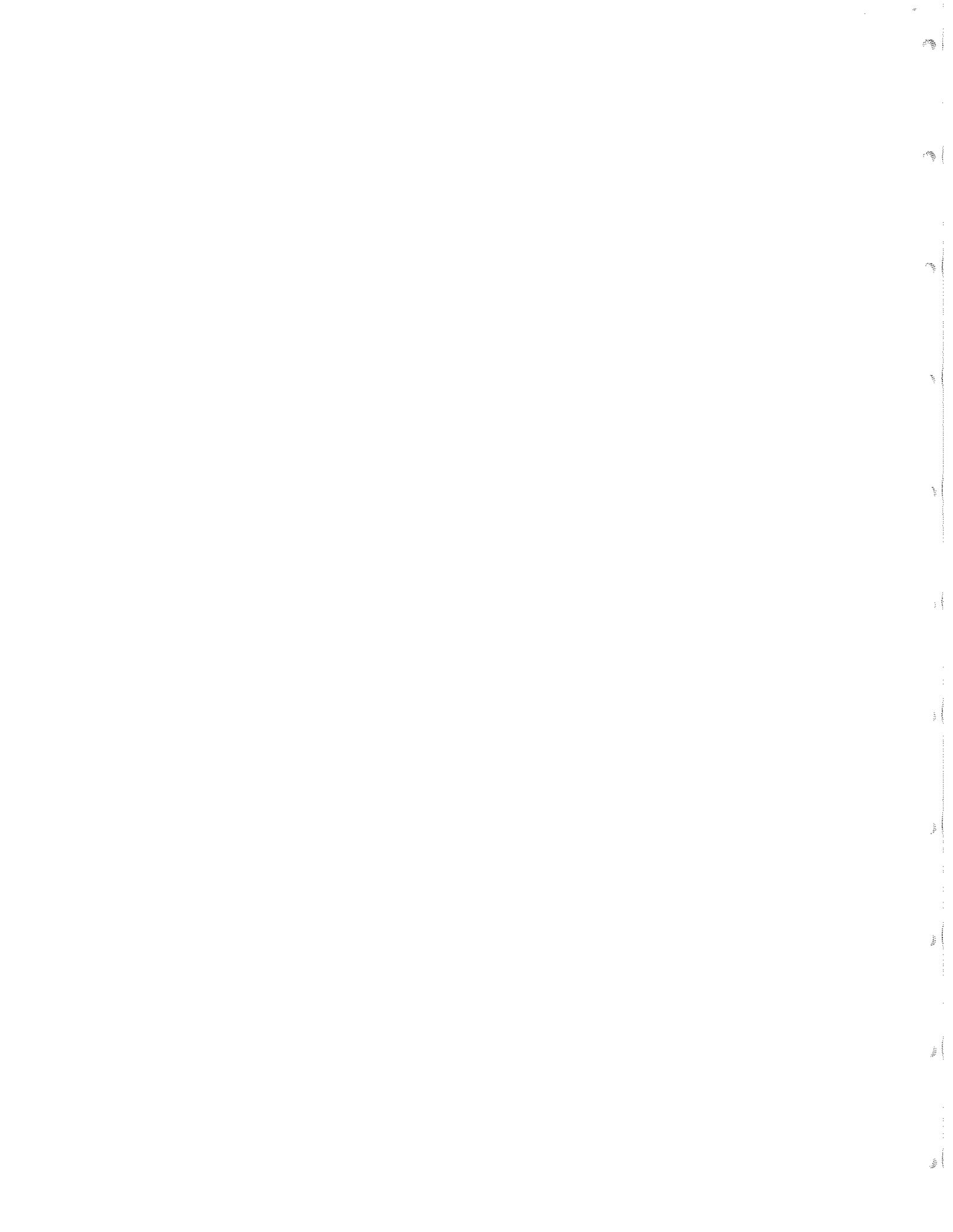
ORDERS --- BOARD OF COMMISSIONERS, LEWIS COUNTY

REGULAR

SESSION HELD: MONDAY, JULY 15, 2002

IN RE: FINAL ORDER RECEIVED FROM PSC
FOR BOUNDARY CHANGE

By notice received from the PSC of Charleston to the Lewis County Commission, it is, therefore, ordered that the Order of the Lewis County Commission of October 22, 2001, to decrease the boundaries of the West Fork PSD to accomodate the increase in the Jane Lew Water Commission PSD boundaries to provide water extension to the affected area, be, and the same hereby is approved.



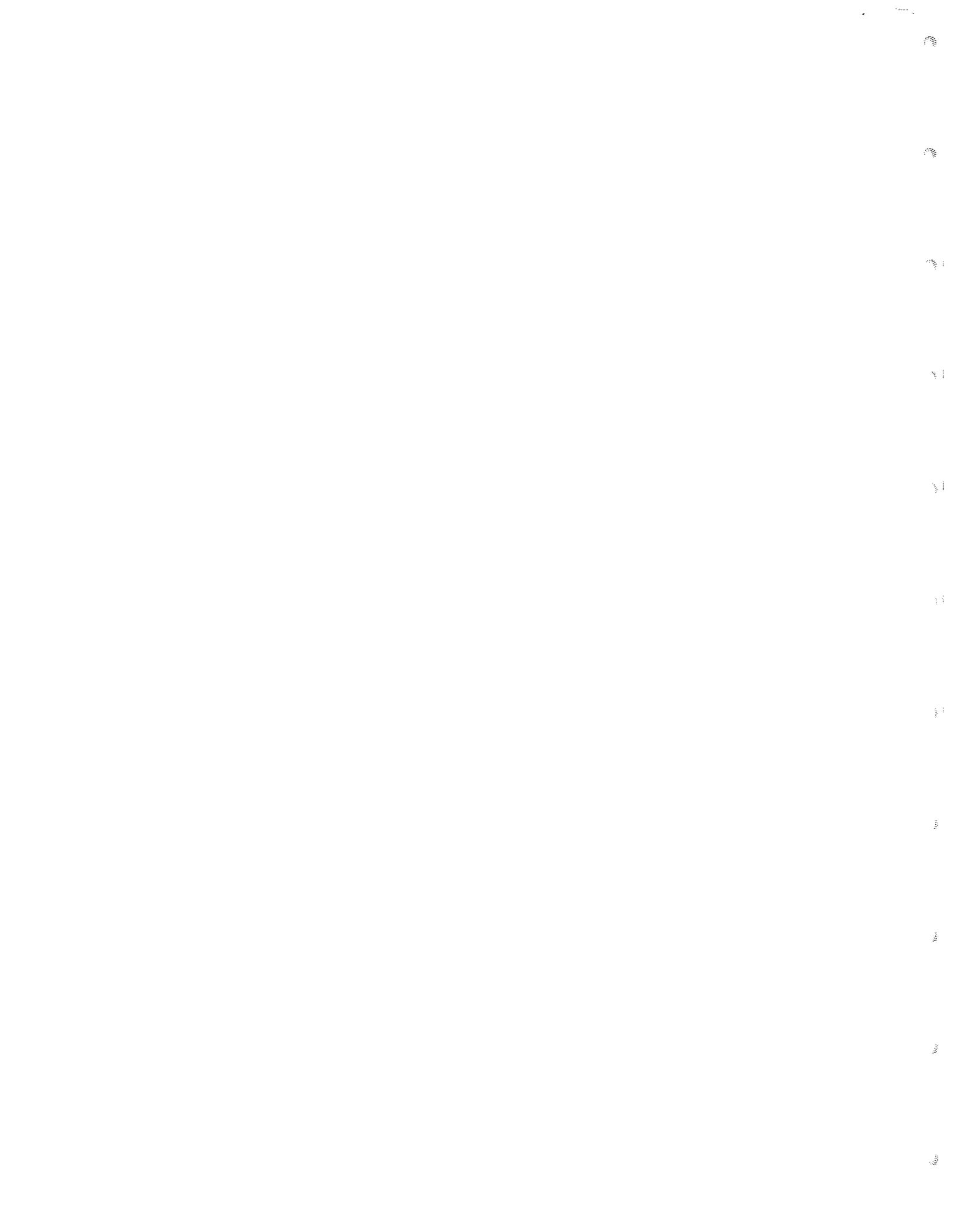
State of West Virginia,
County of Lewis, To-Wit:

I, Mary Lou Myers, Clerk of the County Commission of Lewis County, in the State of West Virginia, and as such Clerk having the care and custody of the records of GENERAL ORDERS of said County, do hereby certify that the foregoing is a true and accurate copy OF THE FINAL ORDER FOR BOUNDARY CHANGE FOR WEST FORK PSD AND JANE LEW WATER COMMISSION PSD

as the same appears of record in my office in GENERAL ORDER Book 57, Page 462.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of said Commission, at the City of Weston, in said County and State, this 28th day of September, 20 04.

Mary Lou Myers
Clerk of the County Commission of by: DW
Lewis County, West Virginia



RESOLUTION OF THE BOARD OF THE
JANE LEW WATER COMMISSION PUBLIC SERVICE DISTRICT
CHANGING THE NAME OF THE DISTRICT TO THE
JANE LEW PUBLIC SERVICE DISTRICT

WHEREAS, the Jane Lew Water Commission Public Service District ("District") is a properly created public service district, entitled to execute all the powers of a public service district pursuant to West Virginia Code Chapter 16, Article 13A;

WHEREAS, the Board of the District is authorized to change the official or corporate name of the District by resolution prior to the issuance of bonds by the District pursuant to West Virginia Code §16-13A-4(f);

WHEREAS, the District has yet to issue any bonds;

WHEREAS, the Board of the District believes it would be advantageous to change the name of the District to the Jane Lew Public Service District, and to create and designate two separate divisions thereto, a water division and a wastewater division, to clarify the services performed by the District;

WHEREAS, West Virginia Code §16-13A-4(f) provides that a change in the name of a public service district becomes effective upon the filing of an authenticated copy of the resolution changing a district's name with the clerk of the county commission and with the Public Service Commission;



NOW, THEREFORE, the Board of the Jane Lew Water Commission Public Service District hereby resolves that the official and corporate name of the District is hereby changed to the Jane Lew Public Service District, which shall include both a water and wastewater division. The Secretary of the District shall cause authenticated copies of this Resolution to be filed with the Clerk of the County Commission of Lewis County and the Public Service Commission of West Virginia.

Oscar R Mills
Oscar R. Mills - Chairman

Vernon W Lohr
Vernon W. Lohr - Vice Chairman

Elaine B. Flaxer
Elaine B. Flaxer - Secretary

LEWIS COUNTY COMMISSION
FEB 24 10 54 AM '03

Adopted this 13th day of February, 2003.

[SEAL]



ATTEST: *Elaine B. Flaxer*
Elaine B. Flaxer - Secretary

Date: *February 13, 2003*

STATE OF WEST VIRGINIA, CLERK'S OFFICE,
COUNTY COMMISSION, LEWIS COUNTY.

February 24th, 2003
The foregoing *Resolution - District Change* ^{*Name*}
together with the certificate thereto
annexed was this day presented in said
office and admitted to record.

ATTEST: *Mary Lou Myers*, CLERK



State of West Virginia,
County of Lewis, Co-Wit:

I, Mary Lou Myers, Clerk of the County Commission of Lewis County, in the State of West Virginia, and as such Clerk having the care and custody of the records of Certificates of Incorporation of said County, do hereby certify that the foregoing is a true and accurate copy of the Resolution of the Board of the Jane Lew Water Commission Public Service District changing the name of the District to the Jane Lew Public Service District

as the same appears of record in my office in Certificate of Incorp. Book
9, Page 51.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of said Commission, at the City of Weston, in said County and State, this 28th day of September, 20 04.

Mary Lou Myers
Clerk of the County Commission of
Lewis County, West Virginia

By: sms



FILE COPY

JAMES V. KELSH, ESQ.

300 Summers St., Ste. 1230
P.O. Box 3713
Charleston, WV 25337-3713
kelshlaw@yahoo.com

Telephone
(304) 343-1654

Facsimile
(304) 343-1657

February 21, 2003

Ms. Sandra Squire
Executive Secretary
Public Service Commission
of West Virginia
201 Brooks Street
Post Office Box 812
Charleston, West Virginia 25323

Re: Notice of Change of Name of Jane Lew
Water Commission Public Service District
to Jane Lew Public Service District

Dear Ms. Squire:

The purpose of this letter is to inform the Commission, consistent with West Virginia Code §16-13A-4(f) that the Board of the Jane Lew Water Commission Public Service District at its meeting on February 13, 2003, adopted the attached authenticated original Resolution changing its name from the Jane Lew Water Commission Public Service District to the Jane Lew Public Service District. Simultaneously with the mailing of this letter to you, the District is sending a letter to the Clerk of the Lewis County Commission informing it of the name change. Pursuant to West Virginia Code §16-13A-4(f), this change of name becomes effective upon the filing of an authenticated copy of this Resolution with the Lewis County Commission and the Public Service Commission of West Virginia. For your information, a copy of the letter to the Lewis County Commission is attached.

Please stamp the extra copy of this letter as received and place it in my box for retrieval. Thank you for your assistance.

Very truly yours,


James V. Kelsh
(WV State Bar No. 6617)

JVK/nal
Enclosure
cc: Larry Wilson
(janelew@squire.itr)



RESOLUTION OF THE BOARD OF THE
JANE LEW WATER COMMISSION PUBLIC SERVICE DISTRICT
CHANGING THE NAME OF THE DISTRICT TO THE
JANE LEW PUBLIC SERVICE DISTRICT

WHEREAS, the Jane Lew Water Commission Public Service District ("District") is a properly created public service district, entitled to execute all the powers of a public service district pursuant to West Virginia Code Chapter 16, Article 13A;

WHEREAS, the Board of the District is authorized to change the official or corporate name of the District by resolution prior to the issuance of bonds by the District pursuant to West Virginia Code §16-13A-4(f);

WHEREAS, the District has yet to issue any bonds;

WHEREAS, the Board of the District believes it would be advantageous to change the name of the District to the Jane Lew Public Service District, and to create and designate two separate divisions thereto, a water division and a wastewater division, to clarify the services performed by the District;

WHEREAS, West Virginia Code §16-13A-4(f) provides that a change in the name of a public service district becomes effective upon the filing of an authenticated copy of the resolution changing a district's name with the clerk of the county commission and with the Public Service Commission;



NOW, THEREFORE, the Board of the Jane Lew Water Commission Public Service District hereby resolves that the official and corporate name of the District is hereby changed to the Jane Lew Public Service District, which shall include both a water and wastewater division. The Secretary of the District shall cause authenticated copies of this Resolution to be filed with the Clerk of the County Commission of Lewis County and the Public Service Commission of West Virginia.

Oscar R. Mills
Oscar R. Mills - Chairman

Vernon W. Lohr
Vernon W. Lohr - Vice Chairman

Elaine B. Flaxer
Elaine B. Flaxer - Secretary

Adopted this 13th day of February, 2003.

[SEAL]

ATTEST: *Elaine B. Flaxer*
Elaine B. Flaxer - Secretary

Date: February 13, 2003



COPY

JAMES V. KELSH, ESQ.

300 Summers St., Ste. 1230
P.O. Box 3713
Charleston, WV 25337-3713
kelshlaw@yahoo.com

Telephone
(304) 343-1654

Facsimile
(304) 343-1657

February 21, 2003

Mary Lou Myers
Lewis County Commission
Post Office Box 466
Weston, West Virginia 26452

Re: Change of name of Jane Lew Water
Commission Public Service District to
the Jane Lew Public Service District

Dear Ms. Myers:

The purpose of this letter is to inform the Lewis County Commission that the Board of the Jane Lew Water Commission Public Service District, at its meeting of February 13, 2003, adopted the attached authenticated original Resolution changing its name from the Jane Lew Water Commission Public Service District to the Jane Lew Public Service District. Pursuant to West Virginia Code §16-13A-4(f), this change of name becomes effective upon the filing of an authenticated copy of this Resolution with the Lewis County Commission and the Public Service Commission of West Virginia. For your information, I attach a copy of the letter which was sent to the Public Service Commission simultaneously with the mailing of this letter.

Please file, record, and index this Resolution in the appropriate record book.

Please stamp the extra copy of this letter as received by your office and return it to me in the enclosed stamped, self-addressed envelope. Thank you for your assistance.

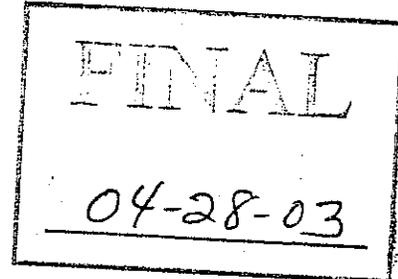
Please do not hesitate to contact me if you have any questions.

Very truly yours,


James V. Kelsh
(WV State Bar No. 6617)

JVK/nal
Enclosure
cc: Larry Wilson
(janelew@lewiscom.tn)



PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTONEntered: April 8, 2003

CASE NO. 03-0269-PWD-NC

JANE LEW PUBLIC SERVICE DISTRICT
Application for name change from
Jane Lew Water Commission Public
Service District to Jane Lew
Public Service District.RECOMMENDED DECISION

On February 21, 2003, Jane Lew Water Commission Public Service District (District) filed a letter informing the Commission that, consistent with the provisions of West Virginia Code §16-13A-4(f) and at a meeting of its Board, the District adopted a Resolution changing its name from Jane Lew Water Commission Public Service District to "Jane Lew Public Service District". An authenticated original Resolution was attached to the letter. Also attached to the letter was a copy of a letter sent to the Clerk of the County Commission of Lewis County informing the Commission of the name change and requesting that a copy of the Resolution, attached thereto, be recorded and indexed in the appropriate record book. The letter concluded by stating that, pursuant to West Virginia Code §16-13A-4(f), the change of name became effective upon the filing of an authenticated copy of the Resolution with the Lewis County Commission and the West Virginia Public Service Commission. The Commission's Executive Secretary's Office proceeded to file and designate the District's letter as an application for Commission approval of a name change and assigned a formal case number to the filing.

On February 27, 2003, counsel for the District, James V. Kelch, Esquire, filed a letter stating his desire to clarify the District's February 21, 2003 filing. Mr. Kelsh stated that the territory of the former Jane Lew Water Commission Public Service District was not changed by the Resolution which was included with the letter filed on February 21, 2003. The letter filed on February 21, 2003, was intended as a change of name filing, pursuant to West Virginia Code §16-13A-4(f), not a change in the territory or a merger of the District pursuant to West Virginia Code §16-13A-2.

West Virginia Code §16-13A-4(f) provides, in relevant part, that "[a]t any time prior to the issuance of bonds as hereinafter provided, the board [of the public service district] may by resolution change the official or corporate name of the public service district and the change is effective from the filing of an authenticated copy of such resolution with the clerk of the county commission of each county in which the territory embraced within such district or any part thereof is located



and with the Public Service Commission." Because the District had complied with this statute by filing authenticated originals of its Resolution with both the Clerk of the County Commission of Lewis County and with the Public Service Commission, Mr. Kelsh opined that the change of name was then effective. Mr. Kelsh concluded by stating that the February 21, 2003 letter was, exclusively, for the purpose of complying with West Virginia Code §16-13A-4(f) and was not intended to initiate a new case. Since the name change had already become effective, there was no purpose for Commission review of the information filed on February 21, 2003. In Mr. Kelsh's words, it was a fait accompli and the Public Service Commission has no more jurisdiction to open a case to review the change of name of a public service district than does the Clerk of the County Commission. Accordingly, it was requested that the Commission dismiss this formal proceeding.

On March 18, 2003, Staff Attorney Cecelia Gail Jarrell filed an Initial and Final Joint Staff Memorandum. An Initial and Final Internal Memorandum, dated March 10, 2003, from Karen L. Buckley, Utilities Analyst II, Water and Wastewater Division, was attached thereto. Ms. Buckley initially noted that, since the District, according to its Resolution, wanted to create a water division and a wastewater division, the case number of this case should be changed to 03-0269-PSWD-PC. Ms. Buckley stated that the District's current Annual Report revealed that it has not issued any bonds and has no long-term debt. Since the District had followed the provisions of West Virginia Code §16-13A-4(f), Ms. Buckley recommended that the change of name of Jane Lew Water Commission Public Service District to "Jane Lew Public Service District" be approved.

Staff Attorney Jarrell stated that Commission Legal Staff disagreed with Mr. Kelsh's assertion that Public Service Commission approval is not required for the subject name change. Ms. Jarrell asserted that Rules 31¹ and 34² of the Commission's Rules for the Construction and Filing of Tariffs (Tariff Rules) contemplated that an application would be filed with the Public Service Commission by a public service district seeking Commission consent and approval of any change in its name. Based upon all of the foregoing, Commission Legal Staff also recommended that the

¹RULE 31. In case of change of ownership or control of a utility, or when a utility or a part of its business is transferred from the operating control of one company to that of another, or when its name is changed, the company which will thereafter operate the utility business must use the rates, classifications and rules and regulations of the former operating company, (unless authorized to change by the Commission).

²RULE 34. Within thirty (30) days after the Commission approves an application filed pursuant to Rule [31], said utility shall issue and file in its own name the tariff of the predecessor utility then in effect and adopted by it, or such other tariff as it proposes to put into effect in lieu thereof, as prescribed in Rules 1 through 13 hereof with proper identifying designation. (Example: P.S.C. W.Va. No. 1 cancels P.S.C. W.Va. No. 1 of [insert predecessor utility]).

Commission approve the change in the name of Jane Lew Water Commission Public Service District to "Jane Lew Public Service District".

On March 25, 2003, Mr. Kelsh filed a letter in response to Commission Staff's Initial and Final Joint Staff Memorandum. Mr. Kelsh noted that, above all else, the District did not wish to do anything which would delay this proceeding since it is expecting to issue bonds or incur debt sometime in the near future in connection with a proposed project and wished to change its name before doing so. The District would seek the Commission's approval before incurring debt or issuing bonds. Mr. Kelsh explained that, in this instance, it was the District's position that Tariff Rules 31 and 34 were in conflict with West Virginia Code §16-13A-4(f) and that, according to the principles of statutory construction, the statute superseded the Tariff Rules thereby negating the need for Commission approval of the District's name change. However, Mr. Kelsh concluded by stating that the District could live with an order which approved its change of name even though it believed the more appropriate action by the Commission would be to dismiss this proceeding for lack of jurisdiction.

By Order dated March 27, 2003, the Commission referred this matter to the Division of Administrative Law Judges for further disposition, with a decision due date of April 25, 2003.

Upon consideration of all of the above, the undersigned is of the opinion the counsel for the District is correct and that the District is not required to obtain Public Service Commission approval of the name change, pursuant to the terms of West Virginia Code §16-13A-4(f). Since the Legislature has given the boards of public service districts the authority to change the name of a district prior to debt being issued, with the change of name effective upon the filing of an authenticated copy of the resolution changing the name with the affected county commissions and the West Virginia Public Service Commission, the Public Service Commission cannot, by rule, attempt to generate jurisdiction for itself where there is none. Further, the undersigned is of the opinion that the Staff Attorney has misconstrued Tariff Rules 31 and 34. Neither Rule requires Commission approval of a change in name. The two Rules require only 1) that a utility whose name or ownership has changed continue to operate under the previously existing rates and charges, until different rates and charges are approved by Commission order, and 2) the filing of an appropriate tariff under the new name of the utility within a certain period of time. There is no language in either of those Rules which operates to provide the Commission with the authority or jurisdiction to rule upon the appropriateness of the name change itself. Accordingly, this proceeding will be dismissed and Jane Lew Public Service District will be directed to file a revised tariff containing its new name.

FINDING OF FACT

On February 21, 2003, Jane Lew Water Commission Public Service District filed a letter informing the Commission that, consistent with the provisions of West Virginia Code §16-13A-4(f) and at a meeting of its Board held on February 13, 2003, the District had adopted a Resolution

changing its name from Jane Lew Water Commission Public Service District to "Jane Lew Public Service District". Accompanying the letter was an authenticated copy of the Resolution effectuating the name change. The Commission's Executive Secretary's Office proceeded to file and designate the District's letter as an application for Commission approval of a name change and assigned a formal case number to the filing. (See, February 21, and 27, 2003 filings).

CONCLUSIONS OF LAW

1. Pursuant to the provisions of West Virginia Code §16-13A-4(f), at any time prior to the issuance of bonds, a public service district board may change the official or corporate name of that district by resolution and the change is effective from the filing of an authenticated copy of that resolution with the clerk of the county commission of each county containing territory embraced by that district and with the Public Service Commission. There is no provision in Article 13A of Chapter 16 of the West Virginia Code which requires Public Service Commission approval of the name change.

2. Tariff Rules 31 and 34 do not operate to provide the Public Service Commission with authority to approve or disapprove a proposed name change for a public service district; rather, those two Tariff Rules simply require a utility whose name or ownership has changed to continue to use the previously existing rates and charges unless authorized by the Commission to change those rates and requires the filing of a revised tariff containing the new name within a certain period of time.

3. It is reasonable to dismiss this proceeding from the Commission's docket of open cases as being unnecessary and to require Jane Lew Public Service District to file a revised tariff under its new name within thirty days of date that this Order becomes final.

ORDER

IT IS, THEREFORE, ORDERED that, within thirty (30) days of the date that this Order becomes final, Jane Lew Public Service District shall file with the Commission's Tariff Office an original and no less than five (5) copies of a proper tariff adopting the tariff of Jane Lew Water Commission Public Service District as its own and reflecting the name change.

IT IS FURTHER ORDERED that the instant proceeding be, and it hereby is, dismissed, as being unnecessary, and removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the style of this case be changed to reflect the correct name of the District.

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

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

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

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



Melissa K. Marland
Chief Administrative Law Judge

MKM/JPC:dfs
030269a.wpd





ORDERS --- BOARD OF COMMISSIONERS, LEWIS COUNTY

REGULAR
SESSION HELD: MONDAY, AUGUST 14, 2000

IN RE: ELAINE FLAXER - APPOINTMENT TO PSD

Upon motion of Samuel U. Hicks, second by Thomas V. Fealy, vote unanimous to appoint Elaine Flaxer to the Public Service District (PSD) Board, term ending July 31, 2006.

State of West Virginia,
County of Lewis, Co-Wit:

I, Mary Lou Myers, Clerk of the County Commission of Lewis County, in the State of West Virginia, and as such Clerk having the care and custody of the records of General Orders of said County, do hereby certify that the foregoing is a true and accurate copy of the Appointment of Elaine Flaxer to PSD

as the same appears of record in my office in General Order Book 56, Page 120.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of said Commission, at the City of Weston, in said County and State, this 28th day of September, 20 04.

Mary Lou Myers
Clerk of the County Commission of Lewis County, West Virginia By: DW

ORDERS --- BOARD OF COMMISSIONERS, LEWIS COUNTY

REGULAR
SESSION HELD: MONDAY, JULY 15, 2002

IN RE: OSCAR MILLS - REAPPOINTED TO JANE LEW PSD

Oscar Mills was reappointed to the Jane Lew PSD board for a term of six (6) years with term ending on July 31, 2008, upon motion of Robert J. Conley, second by Thomas V. Fealy, vote unanimous.

State of West Virginia,
County of Lewis, Co-Wit:

I, Mary Lou Myers, Clerk of the County Commission of Lewis County, in the State of West Virginia, and as such Clerk having the care and custody of the records of General Orders of said County, do hereby certify that the foregoing is a true and accurate copy of the Reappointment of Oscar Mills to the Jane Lew PSD

as the same appears of record in my office in General Order Book 57, Page 461.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of said Commission, at the City of Weston, in said County and State, this 28th day of September, 20 04.

Mary Lou Myers
Clerk of the County Commission of Lewis County, West Virginia By: DW

REGULAR

SESSION HELD: MONDAY, AUGUST 16, 2004

IN RE: OATH OF OFFICE - THOMAS BAILEY
JANE LEW PUBLIC SERVICE DISTRICT

WHEREAS, Thomas Bailey was on Monday, August 9th, 2004, appointed as a member of the Jane Lew Public Service District, did this day appear before the Clerk of the County Commission, Mary Lou Myers and was administered the oath as prescribed by law. Mr. Bailey will serve the unexpired term of Tom Frazier, term ending July 31, 2010.

THEREFORE, the said Tom Bailey was qualified as a member of the Jane Lew Public Service District.

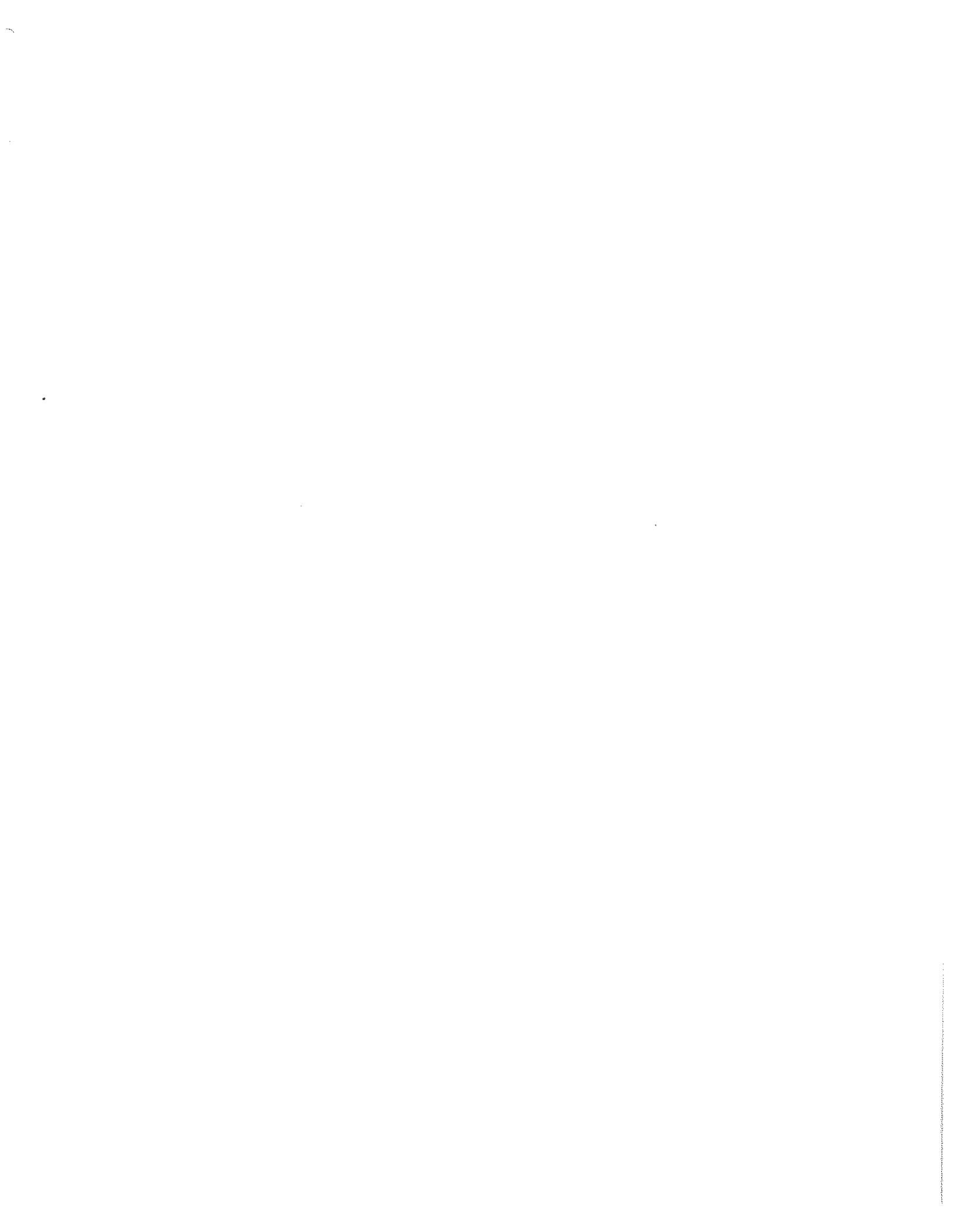
State of West Virginia,
County of Lewis, Co. Wit:

I, Mary Lou Myers, Clerk of the County Commission of Lewis County, in the
State of West Virginia, and as such Clerk having the care and custody of the records of
General Orders of said County, do hereby certify that the
foregoing is a true and accurate copy of the Oath of Office of Thomas Bailey
for the Jane Lew Public Service District

as the same appears of record in my office in General Order Book
59, Page 289.

In Testimony Whereof, I have hereunto
set my hand and affixed the seal of said
Commission, at the City of Weston, in
said County and State, this 28th
day of September, 20 04.

Mary Lou Myers
Clerk of the County Commission of By: sms
Lewis County, West Virginia



OATH OF OFFICE AND CERTIFICATE

STATE OF WEST VIRGINIA

COUNTY OF Lewis TO-WIT

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Jane Lew PSD Board Member

..... to the best of my skill and judgment SO HELP ME GOD.

(Signature of affiant) Elaine Flaxer
Elaine Flaxer

Subscribed and sworn to before me, in said County and State, this 15th day of November, 2004

Thomas V. Fealy
Thomas V. Fealy, President

LEWIS COUNTY, WV
FILED
Nov 15 10 38 AM '04
MARY LOU MYERS
COUNTY CLERK

I certify that the foregoing is a true and accurate copy of the Oath of Office of Elaine Flaxer as it is recorded in Oath of Office Book 1, Page 443, Lewis County, West Virginia. Given under my hand this 15th day of November, 2004

Attest: Mary Lou Myers
MARY LOU MYERS Clerk
Lewis County, West Virginia by: sms

OATH OF OFFICE AND CERTIFICATE

STATE OF WEST VIRGINIA

COUNTY OF Lewis TO-WIT

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Jane Lew PSD Board Member

..... to the best of my skill and judgment SO HELP ME GOD.

(Signature of affiant) Oscar Mills
Oscar Mills

Subscribed and sworn to before me, in said County and State, this 15th day of November, 2004

Thomas V. Fealy
Thomas V. Fealy, President

LEWIS COUNTY, WV
FILED
Nov 15 10 38 AM '04
MARY LOU MYERS
COUNTY CLERK

I certify that the foregoing is a true and accurate copy of the Oath of Office of Oscar Mills as it is recorded in Oath of Office Book 1, Page 443, Lewis County, West Virginia. Given under my hand this 15th day of November, 2004

Attest: Mary Lou Myers
MARY LOU MYERS Clerk
Lewis County, West Virginia

OATH OF OFFICE AND CERTIFICATE

STATE OF WEST VIRGINIA

COUNTY OF LEWIS

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Jane Lew Public Service District Board Member to the best of my skill and judgment, SO HELP ME GOD.

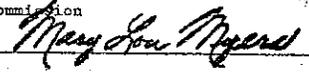
THOMAS BAILEY

Subscribed and sworn to before me, in my said County and State, the 16th day of August, 2004.

MARY LOU MYERS, Clerk
Lewis County Commission

Filed: August 16, 2004

Attest:



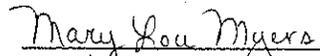
State of West Virginia,
County of Lewis, Co.-Wit:

I, Mary Lou Myers, Clerk of the County Commission of Lewis County, in the State of West Virginia, and as such Clerk having the care and custody of the records of Oaths of Office of said County, do hereby certify that the foregoing is a true and accurate copy of the Oath of Office for Thomas Bailey

as the same appears of record in my office in Oath of Office Book 1, Page 441



In Testimony Whereof, I have hereunto set my hand and affixed the seal of said Commission, at the City of Weston, in said County and State, this 28th day of September, 20 04



Clerk of the County Commission of Lewis County, West Virginia

By: sms

RULES OF PROCEDURE
JANE LEW PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: JANE LEW PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District will be located at 68 Park Avenue, Jane Lew, Lewis County, West Virginia.

Section 3. The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Jane Lew 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

MISSION

It shall be the mission of the Jane Lew Public Service District to provide and deliver potable drinking water at a reasonable cost to the people of the District; in addition, the District shall collect, treat and dispose of wastewater so as to protect the local environment and safeguard the public health of the people in the District.

ARTICLE IV

BOARD MEMBERSHIP

Section 1. In accordance with the Act, the members of the governing Board of the Jane Lew Public Service District shall be persons residing in the District and appointed by the County Commission of Lewis County, West Virginia. Members of the Board shall be appointed to serve six-year terms or to fill vacant, unexpired terms as may be specified in the order of the County Commission. Such persons shall assume the rights and obligations of Board membership upon taking the Oath of Office administered by the County Commission/County Clerk.

Section 2. Should any member of the Public Service Board resign or otherwise become legally disqualified to serve on the Board, the Secretary shall immediately notify the County Commission and request the appointment of a qualified person to fill such vacancy. Prior to the end of the term of any Board member, the Secretary shall notify the County Commission of the pending termination and request the County Commission to enter an order of appointment or re-appointment to maintain a fully qualified membership of the Public Service Board. Persons appointed to fill unexpired terms shall assume the rights and obligations of Board membership upon taking the Oath of Office administered by the County Commission/County Clerk. Board members being re-appointed shall re-take the Oath of Office.

Section 3. Members of the Public Service Board shall be compensated for service according to the provisions of the Act; however, no Board member shall be compensated for any meeting not attended. Members of the Board may be reimbursed according to the prevailing rules of the District for expenses incurred in carrying out duties of the Board. Board members and members of their immediate family shall not be or become pecuniarily interested, directly or indirectly, in any proceedings of the District.

Section 4. Within six months of assuming office, newly-appointed members of the Public Service Board shall undergo mandatory Board member training as provided by the Public Service Commission. Within thirty days of appointment, the Secretary shall provide to the Public Service Commission the name of the new Board member, home address, home and office phone numbers, date of appointment, length of term and, if applicable, name of the Board member being replaced. The Secretary shall provide all new members of the Board with a copy of these Rules of Procedure immediately upon their assuming office.

ARTICLE V

MEETINGS OF THE PUBLIC SERVICE BOARD

Section 1. The members of the Board of the Jane Lew Public Service District shall hold regular monthly meetings on the second Thursday of each month, at such place and hour as the members shall determine from time to time. At the regular January meeting the scheduled dates of all regular meetings for that year shall be determined and entered of record, including, if applicable, any changes to the normal schedule occasioned by the concurrence of a scheduled meeting and a legal holiday. Special meetings convened for designated purposes and emergency meetings requiring immediate action by 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 two members shall constitute a quorum. If a quorum is not present, those present may adjourn the meeting to a later date. Each member of the Public Service Board shall have one vote at any Board meeting.

Section 3. Unless otherwise agreed, notice of regular meetings shall not be provided to Board members. Unless otherwise waived, 3-day advance notice of each special meeting shall be given to all Board members by the Secretary via fax, telephone, mail or other satisfactory means.

ARTICLE VI

PUBLIC NOTICE OF MEETINGS

Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended (1999 Revision), notice of the date, time and place 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 below:

A. Regular Meetings. After the regular January meeting of the Board the Secretary shall give advance notice to the news media of the meeting place and dates of all regularly scheduled meetings for the forthcoming year. The annual schedule of meetings shall also be posted and maintained by the Secretary on the front door or bulletin board of: 1) the Lewis County Courthouse; 2) the District office where walk-in payment is accepted; and 3) the regular Board meeting place. 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. Public notice shall be posted by the Secretary not less than 72 hours before any special meeting of the Board. Such notice shall be posted on the front door or bulletin board of: 1) the Lewis County Courthouse; 2) the District office where walk-in payment is accepted; and 3) the regular Board meeting place. Such notice shall state briefly the date, time, place and sole purpose or purposes of the special meeting. No business other than that stated in the notice or incidental thereto shall be transacted at any special meeting. 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.

C. Emergency Meetings. In the event of an emergency requiring immediate action by the Public Service District Board, the Chairman of the Public Service District Board may convene an emergency meeting at any time. No public notice need be given in such an emergency situation.

ARTICLE VII

PUBLIC AGENDA

Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended (1999 Revision), notice of the agenda of all regularly scheduled meetings of such Public Service Board shall be made available in advance to the public and news media as follows:

Section 1. Not less than 72 hours before each regularly scheduled Board meeting is to be held the Secretary shall cause a public agenda for that meeting to be posted on the front door or bulletin board of: 1) the Lewis County Courthouse; 2) the District office where walk-in payment is accepted; and 3) the regular Board meeting place. The agenda may be amended, if necessary, up to 48 hours before the meeting; in such case the amended public agenda shall be posted in the same locations by the 48-hour deadline.

Section 2. Such agenda shall consist of a list generally identifying each item of business to be heard or considered during the meeting and the order in which it is to be taken up. This article does not prohibit the modification of the order of the day for any reasonable purpose at the request of any Board member and by consensus of the Board.

Section 3. The Board shall not act on any item of business or on any matter incidental thereto unless it is identified on the publicly posted agenda, except in the event of an emergency requiring immediate Board action. In such cases, the meeting minutes shall explain the facts and circumstances of the emergency. All non-emergency matters brought to the Board during the course of a meeting shall be directed to the District office for response or scheduled for a subsequent meeting of the Board.

ARTICLE VIII

PUBLIC PARTICIPATION

Section 1. The Jane Lew Public Service Board recognizes the benefit of public participation both to the public and to the District. Public involvement makes District decisions more likely to reflect public need and preferences, and public confidence and understanding tends to ease potential resistance to District decisions.

Section 2. Members of the public shall be allowed to ask questions and make comment to the Board on any posted agenda item prior to its being acted upon by the Board, provided such members of the public are given the floor by the Chairman, and provided such questions and comment be brief and non-disruptive in nature. Each member of the public may be limited to five-minutes of participation. The Board shall reserve the right to remove from the meeting any member of the public whose participation is such that orderly conduct of the meeting is compromised. Members of the public shall not be required to register intent to speak; however, all members of the public desiring to speak shall be encouraged to provide advance notice of same to the District as a courtesy.

Section 3. New business brought to the Board by members of the public after the agenda is posted shall not be acted upon except to determine if it needs to be placed on the agenda of a subsequent meeting or referred to the District office for response.

ARTICLE IX

EXECUTIVE SESSION CLOSED TO PUBLIC

Pursuant to Section 4, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended (1999 Revision), a Public Service Board may hold an executive session during a regular, special or emergency meeting in accordance with the provisions of this section as follows:

Section 1. Members of the public shall only be excluded from a meeting of the Board of the Jane Lew Public Service District for one of the allowed purposes set forth under the law. An executive session shall not be convened to safeguard the privacy of an individual if that individual duly requests an open meeting.

Section 2. During the open portion of any regular, special or emergency meeting the Chairman shall cite before all persons present the abovementioned statutory authorization and allowable purpose for closing the meeting to the public. Adjournment to executive session shall require a motion and a majority affirmative vote of the Board. At the end of the executive session the Chairman shall publicly declare the meeting to be open to any members of the public wishing to attend.

Section 3. The Public Service Board shall make no decision during an executive session. All actions on an issue considered during an executive session shall be taken during open session.

Section 4. Minutes of any executive session shall state the statutory authority and allowed purpose for excluding the public, the time the executive session began and the time it ended.

ARTICLE X

MINUTES OF MEETINGS

Pursuant to Section 5, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended (1999 Revision), a Public Service Board shall provide for the preparation of written minutes of all its meetings as follows:

Section 1. Minutes of all Public Service Board meetings shall consist at a minimum of the date, time and place of the meeting, all Board members present and absent, all invited guests of the District, any members of the public, and (by agenda item in sequence) all motions, proposals, resolutions, orders, ordinances and measures proposed, as well as the name of the Board members who proposed and seconded same, the results of all votes taken, and the time of adjournment.

Section 2. At the request of any Board member for a roll call vote, a record of the vote of each member by name shall be made a matter of record in the minutes. There shall be no decisions made by secret ballot of the Board.

Section 3. After having been approved, the minutes shall be signed by both the Chairman and the Secretary of the Board and a copy provided to the County Commission of Lewis County.

Section 4. At a minimum, all General Manager Reports to the Board, all official Board correspondence for the preceding month, and all documents executed during the meeting shall be appended to the minutes as attachments.

Section 5. The minutes shall be completed and made available to the public within a reasonable time after each meeting. All minutes and their addenda are public records and shall be maintained in perpetuity in a Minutes book which is open to the public upon request. The Secretary of the Board shall have charge of the Minutes book.

ARTICLE XI

BOARD 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. Persons who are not Board members who serve in the capacity of Secretary or Treasurer may be compensated for their work according to rules established by the Board.

Section 2. The officers of the Board shall be elected by the members at the first regular meeting of each calendar year. The officers so elected shall serve until the next annual election by the Board and until their successors are duly elected and qualified. Chairmanship of the Public Service Board shall rotate annually among the three members of the Board. Any vacancy occurring among the officers shall be filled by action of the 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 as hereinabove provided.

ARTICLE XII

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 may delegate functions to the General Manager of the District as provided for by law. The Chairman or designee 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 Minutes book, be the custodian of the Common Seal of the District and of 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. The Secretary of the Board may delegate duties and functions to designated employees of the District.

Section 3. The General Manager of the Jane Lew Public Service District shall hold the office of Treasurer of the Board. 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 is absent from any meeting, the remaining members of the Board shall select a temporary chairman who shall have all of the powers of the absent officer during such period of absence. If the Secretary or Treasurer is absent from any meeting, the General Manager shall be responsible for seeing that secretarial services are provided for the period of absence, and for seeing that the Treasurer's Report is made to the Board.

ARTICLE XIII

PROCEDURES NOT COVERED HEREIN

Any procedures not covered by these Rules of Procedure shall be governed by Robert's Rules of Order.

ARTICLE XIV

AMENDMENTS TO RULES OF PROCEDURE

Pursuant to Section 4, Article 13A, Chapter 16 of the Code of West Virginia of 1931, as amended (the "Act"), the board shall by resolution determine its own rules of procedure.

Section 1. It shall be the right of the Public Service Board to establish and enforce reasonable Rules of Procedure for the carrying out of its official responsibilities.

Section 2. 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, so long as ten days notice of the exact substance of said proposed changes shall be provided to each Board member. No such change or amendment shall be made at any special meeting unless notice of the intention to propose said change be submitted to the news media, and a clear summary of the amendment or amendments be included in the posted public notices.

Section 3. The Board shall review and ratify its Rules of Procedure at the regular January meeting of each calendar year.

Section 4. The Secretary of the Board shall be custodian of the Rules of Procedure of the Board.

Section 5. These Rules of Procedure shall replace any and all previous rules of procedure, bylaws or similar rules heretofore adopted by the District.

Adopted this 14th day of December, 2004.

2/11/03

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA,
COUNTY OF LEWIS, to wit:

I, GAIL MARSH, being first duly sworn upon my oath, do depose and say that I am Editor of The Weston Democrat, Inc., a corporation, publisher of the newspaper entitled The Weston Democrat, a Democratic 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 weekly; for at least fifty weeks during the calendar year; in the Municipality of Weston, Lewis County, West Virginia; that such newspaper is a newspaper of "general circulation"; as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforesaid municipality and Lewis 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 and social nature, and for the current happenings, announcements, miscellaneous reading matters, advertisements, and other notices; that the annexed notice of the filing was

duly published in said newspaper once a week for two weeks (Class. ZZ), commencing with the issue of the 10th day of November, 2003 and ending with the issue of the 17th day of November, 2003; that said

annexed notice was published on the following dates: the 10th & 17th 2003 and the cost of publishing said annexed notice as aforesaid was \$18.13 total number of words: 1035

Gail Marsh Editor

Taken, subscribed and sworn to before me in my said county this 19th day of December, 2003.

Elizabeth E. Bookbale
My commission expires April 30, 2004
Notary Public Levin
County, West Virginia.

LEGAL ADVERTISEMENT

NOTICE OF PRE-FILING
State of West Virginia
Public Service Commission
Charleston

NOTICE IS HEREBY GIVEN that Jane Law Public Service District, a public utility, has given notice to the Public Service Commission of its intent to file an Application for a Certificate of Convenience and Necessity for a project to rehabilitate the existing wastewater collection and transmission system serving approximately 555 customers in the area of Lewis County, West Virginia.

The project will consist of the following improvements: 59 manhole rehabilitations, 22 manhole replacements, 24 cleanout replacements, replacement of pumps at four pump stations, replacement of one pump station, installation of a new package grinder station, and replacement of various appurtenances. The costs of the project will not exceed \$750,000. The District intends to finance the project by borrowing \$750,000 from the West Virginia Infrastructure and Loans Development Council, at 0% interest, payable over forty (40) years.

APPLICABILITY
Applicable in entire territory service.
AVAILABLE FOR GENERAL DOMESTIC, COMMERCIAL AND INDUSTRIAL SERVICE
RATES

First 2,000 gallons	\$7.62 per 1,000 gallons
Next 3,000 gallons	\$6.57 per 1,000 gallons
Next 4,000 gallons	\$5.72 per 1,000 gallons
Next 5,000 gallons	\$4.87 per 1,000 gallons
Next 15,000 gallons	\$4.44 per 1,000 gallons
Minimum Monthly Bill	\$15.24 per month
Unmetered Customers	\$31.68 per month

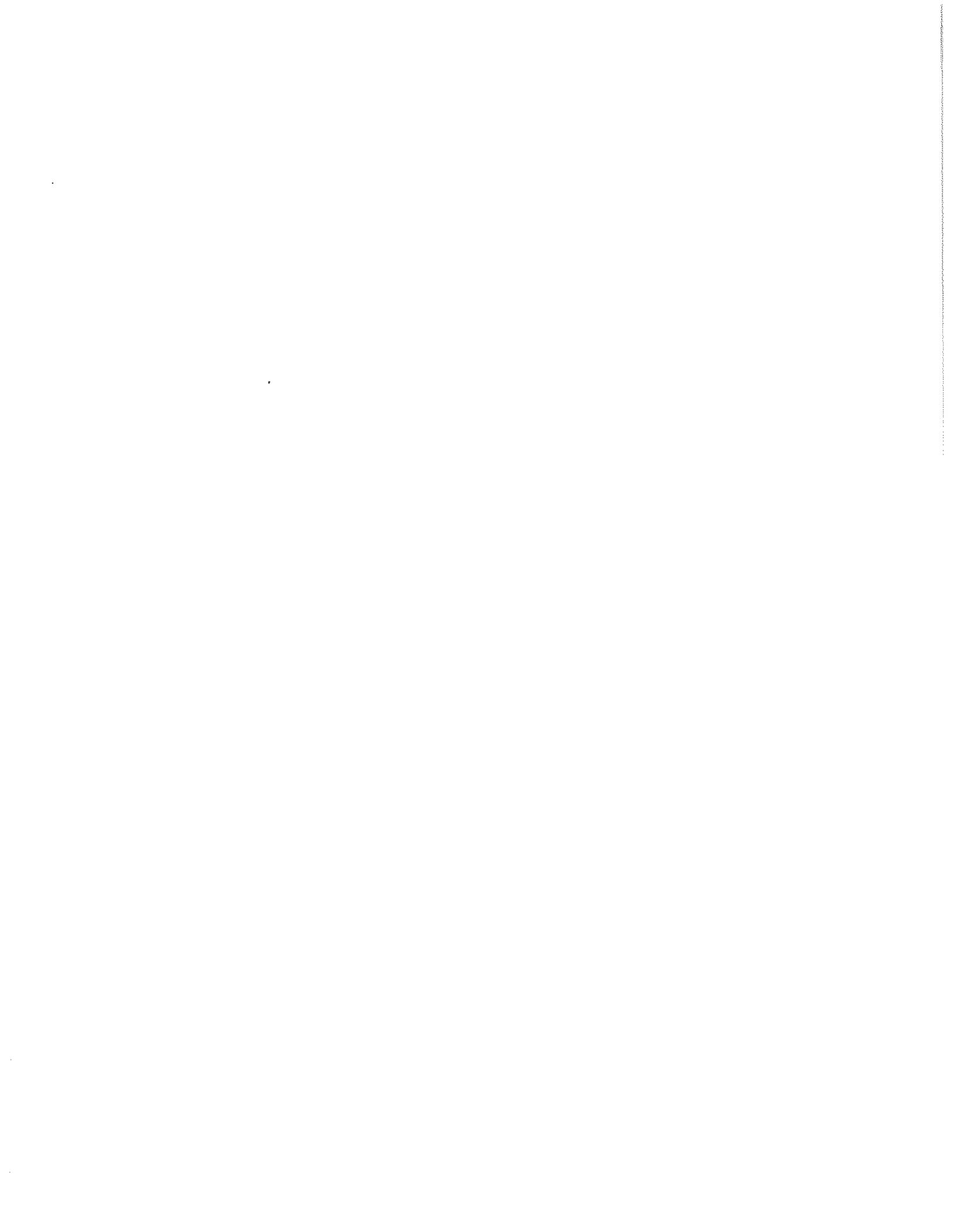
RECONNECTION FEE
\$250.00
\$20.00
DELATED PAYMENT PENALTY
The delat sum is net. On all current usage billings not paid in full within twenty (20) days, an penalty of 10% will be added to the net current amount unpaid. This delat payment is not interest and is only to be collected only once for each bill where the appropriate RETURNED CHECK CHARGE.

The District may not collect any fee greater than that charged to by a banking institution and under no circumstances shall the fee collected by the District exceed \$15,000. INCHMENTAL COST OF SEWAGE TREATMENT
\$0.81 per 1,000 gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate is used to calculate consumption above the customer's historical average usage.
The proposed rates represent the following increases:

Residential @ 4,500 gallons per month	(3%) INCREASE	(%) INCREASE
Commercial @ 10,000 gpm	\$4.27	16.0%
Commercial @ 50,000 gpm	\$4.84	18.0%
Commercial @ 200,000 gpm	\$27.30	18.0%

The proposed rates and charges will produce approximately \$35,080.00 annually in additional revenue, an increase of 18.0%. The revenues and charges are only a proposal and are subject to change (increase or decrease) by the Public Service Commission in its review of this filing. Any increase in rates and charges will not become effective until authorized and approved by the Public Service Commission in the Certificate of Convenience and Necessity Application. Following the filing of the formal Application there will be an additional public notice and opportunity for the submission of public protest. It is anticipated that the formal application will be filed within 30 days of the publication of this notice.

Jane Law Public Service District, a public utility in Lewis County,
DAVID RICE
General Manager
Jane Law Public Service District
Post Office Box 845
Jane Law, West Virginia 26378
(304) 884-7111
janerlaw@westnet15@panet.net



Minutes of Jane Lew Public Service District

Regular Meeting January 13, 2005

Present: Oscar Mills (Chairman); Elaine B. Flaxer (Secretary); Thomas E. Bailey; Tom Pitman (General Manager); Richard J. Light (Project Funds Administrator); Nancy E. Gee (Office Assistant/note taker).
Guests: Daniel E. Ferrell, P.E. (ThrasherEng).

1. **Call to Order:** Chairman Mills called the meeting to order at the Jane Lew PSD Wastewater Office at 4:04 p.m.

2. Election of Officers:

MOTION: (Mills/Bailey) - in conformity with Article XI, Section 2 of the Board's Rules of Procedure, to rotate the office of Chairman to Elaine B. Flaxer for calendar year 2005, effective immediately. [Carried Unanimously]

MOTION: (Mills/Flaxer) - to elect Thomas E. Bailey to the office of Board Secretary for calendar year 2005. [Carried Unanimously]

MOTION: (Bailey/Flaxer) - to ratify the Board's decision for Tom R. Pitman to serve in the office of Treasurer for calendar year 2005 as part of the official job of General Manager. [Carried Unanimously]

Once elected Chairman Elaine Flaxer presided over the remainder of the meeting. After the Secretary was elected the Seal of the District and the original copy of the Rules of Procedure were given over into the custody of the new Secretary, Tom Bailey.

3. Rules of Procedure:

MOTION: (Bailey/Mills) to ratify the Rules of Procedure as adopted on 12/14/04. [Carried Unanimously]

4. Schedule of 2005 Regular Meetings:

MOTION: (Flaxer/Bailey) to adopt the proposed schedule (below) for regularly scheduled meetings of 2005: [Carried Unanimously]

Schedule of Meetings for 2005

Meeting Place: Jane Lew Wastewater Plant Classroom, Route 19 North

Meeting Hour: 4 p.m.

Meeting Dates:

Thursday, January 13, 2005
Thursday, February 10, 2005
Thursday, March 10, 2005
Thursday, April 14, 2005
Thursday, May 12, 2005
Thursday, June 09, 2005
Thursday, July 14, 2005
Thursday, August 11, 2005 [Tom Pitman will send an alternate due to conflict w/ manager training seminar]
Thursday, September 08, 2005 [Preceding Monday is Labor Day. Agenda to be posted Friday.]
Thursday, October 13, 2005
Thursday, November 10, 2005
Thursday, December 08, 2005

Assignment

- ✓ Nancy Gee to fax 2005 Schedule of Meetings to Lewis County Clerk to be posted at Courthouse for duration of the year.
- ✓ Nancy Gee to get 2005 Schedule published in Weston Democrat ASAP.

5. Minutes: (12/09/04) and (12/14/04)

MOTION: (Bailey/Mills) To approve the Minutes of 12/09/04. [Carried Unanimously]

MOTION: (Flaxer/Bailey) To approve the Special Minutes of 12/14/04. [Carried Unanimously]

6. General Manager's Reports:

A. Bills:

MOTION: (Flaxer/Bailey) to approve payment of the bills (attached) for 12/01/04 - 12/31/04. [Carried Unanimously]

Discussion: Pitman reported that water bills paid are typical with nothing unusual. Sewer bills paid were not as high due to holding off of some vendor bills until January. The month of December shows three payroll periods for the month. Therefore, some bill payments were delayed until early January in order to ensure we could meet payroll requirements.

B. Treasury Report:

MOTION: (Flaxer/Mills) to approve the Treasurer's Report (attached) for the month of December. [Carried Unanimously]

Discussion: The high dollar amount in the Water General Account reflects the unspent deposit of \$24,446.82 from project Requisition #1. The higher than normal balance in the Sewer General Account reflects the delay of payments to vendors. Delinquencies were up for both Water and Sewer reflecting apparent slow payments during the holidays. A Sewer Project Construction account has been opened with a \$100 deposit from general funds.

Additionally, Light reported that in years past the Quickbooks Program had not been used to capacity, and he is currently assisting Pitman and Gee in correcting the problem. The Board requested Light & Pitman to meet with Scott Holland of Harris & Co. to plan for standardization of accounting.

C. Water Production Report:

Discussion: Pitman reported that December water production dropped 26.5% while sales dropped only 19.8%. The difference in rates hopefully reflects a reduction in the impact of leaks in our system. We believe most leaks have now been repaired. The overall operating ratio of 1.12 reflects cautionary payment of vendor bills in December to ensure the district's capacity to meet a third payroll. The overall operating ratio of 1.02 for the 2004 calendar year is not completely accurate as accounts payable are not (and historically have not been) reflected. On the positive side - the last quarter average % LOST was 14.67% - in the range of acceptable tolerance; the PSC standard is 15%. This reflects on-going efforts in the last calendar quarter to repair leaks.

D. Wastewater Production Report:

Discussion: Pitman noted that dry tonnage was down to a last quarter average of 7.93 with a commensurate drop in disposal to landfills (wet tons) to 29.33. The percent solids also dropped to 27.60 for the last calendar year quarter, which was the lowest for the year. There are no apparent problems. The leak in the oxidation ditch appears to be holding well and the seepage has subsided. The financial operating ratio showed 1.19 for the month. However, that was due to holding off on payment to vendors in order to ensure meeting payroll for three periods in December. About \$4,300 was paid in early January which would have reduced that ratio from 1.03 to 1.01, a very tight margin.

E. Maintenance Report:

Discussion: Pitman reported that the usual maintenance activities took place. His goal for '05 is to create the comprehensive maintenance and accountability plan discussed last meeting, starting with sewer as sewer will be our next planned rate request.

F. Emergency Call-Out Report:

Discussion: Pitman reported 1 call-out for the month due to apparent false alarm at Wm. Czako's grinder pump. (See attached.)

G. Water Rule 19A Repairs Report:

Discussion: Pitman reported no new repairs or expenditures from the PSC-mandated list this month. Of the 6 items, 1 has been completed, bids were requested for 3 others during December, and 2 more repairs are planned for warm weather in spring 05.

H. Sewer Rule 19A Repairs Report:

Discussion: Pitman reported that the sewer 19-A loan has still not been taken out due to tight cash-flow margin in sewer general fund. However, of the 8 items on the list, 4 have effectively been taken care of w/o need of the loan. It was noted, however, that a rate-related loan which has been "PSC-approved" actually means a "PSC-mandated" loan and we must go forward with it before our next rate request.

7. Announcements:

- ✓ February 17-19 Board Training at Charleston Civic Center - arrangements to be made w/ Tom Pitman
- ✓ Elaine Flaxer out of town January 19-24 inclusively

8. Correspondence:

- Letter (11/24/04) Ferrell (ThrasherEng) to Aman (Steptoe & Johnson) confirming responsibility for Items 4,5,7 & 8 (encl attachments A & B) for sewer bond (Item 10)
- Letter (12/06/04) Steptoe & Johnson to Harris & Co. enclosing Certificate of CPA for sewer project (Item 10)
- Letter (12/06/04) Steptoe & Johnson to Attorney Kelsh. enclosing and explaining various documents for sewer project (Item 10)
- Letter (12/07/04) Thrasher Engineering to WV-DEP enclosing check (\$1,170) for water project permit application #WVR100679) (Item 9)
- Letter (12/07/04) Lane Law Offices to Lewis County Clerk enclosing Sumpter R/W for water project (Item 9)
- Letter (12/07/04) Lane Law Offices to Mike Ross Inc. re: exercising option for water project (Item 9)
- Letter (12/10/04) Lane Law Offices to Mike Ross Inc. enclosing blank Quitclaim deed for Industrial Park tank site for water project (Item 9)
- PSC Commission Order (12/10/04) approving standard mainline extension format (Case #04-1535-PSWD-PC) (Item 11)
- Letter (12/13/04) Atty Lane to Barbara Pollard (re: Unknown Heirs of T.F. Law et al) explaining Town Tank condemnation (Item 9)
- Letter (12/13/04) Atty Lane to Barbara White (re: Unknown Heirs of T.F. Law et al) explaining Town Tank condemnation (Item 9)
- E-mail (12/13/04) "Approval for Water Line Extension Project to Sycamore Lick, Jesse Run & Berlin Road, WV R100679" from NPDES-EP w/ attached Notice of Termination form. (Item 9)
- Letter (12/15/04) Crickenberger (USDA-RD) to Attorney Lane explaining legal corrections needed "right away" if water closing is to take place on 12/16/04 (Item 9)
- Letter (12/16/05) to Sandra Squire (PSC) notifying of appointment of Tom Bailey to PSD Board
- Letter (12/16/04) Attorney Lane to Crickenberger (USDA-RD) enclosing corrected legal work required for water project closing (Item 9)
- Letter of Transmittal (12/17/04) from Thrasher encl. 2 each of fully executed Contract 1 and Contract 2 from water extension project (Item 9)
- Letter (12/21/04) from USDA-RD (Crickenberger) encl. approved revised Kelsh Legal Services Agreement & increasing legal services cap to \$39,000 (Item 9)
- Letter (12/30/04) from Kelsh encl. Quitclaim Deed between Mike Ross and district for Industrial Park tank site (Item 9)
- PSC Commission Order (1/03/05) approving exemption for 2 road bores to Truck Wash (Case #04-1802-PSWD-PW) (Item 11)
- Letter of Transmittal (1/03/05) from Thrasher encl. 2 signed copies of Pay Requisition #1 for water extension project (Item 9)
- Letter of Transmittal (1/03/05) from Thrasher encl. RUS-approved Water Engineering Agreement for water project (Item 9)

- Letter (1/06/05) Atty Lane to Linda Law Harrison (re: Unknown Heirs of T.F. Law et al) following up on phone conversation of 1/3/06 (encl. petition for Town Tank condemnation) (Item 9)
- Letter (1/6/05) from Steptoe & Johnson enclosing leather-bound copy of all Water Bond closing documents plus CD of same (Item 9)
- Letter (1/11/05) to Tom Sowers (DEP) notifying him of actions being taken for sludge monitoring in response to a self-flagged-and-reported "molybdenum" reading. (Item 6)

~ OLD BUSINESS ~

9. Update: Sycamore Lick/Jesse Run Water Extension - Case #04-0239-PWD-PC-CN

- **Closing Update** - Flaxer reported that despite problems with property legal work the bond closing did occur on 12/16/04 as scheduled. The District has since received a leather-bound copy of all closing documents as executed.
- **Requisition Update** - Flaxer reported that the District received RUS approval of the revised legal services agreement with Kelsh, and we now have a new legal services cap of \$39,000, which is estimated to cover the cost of condemnation work. Requisition #1 was received and has been paid out. Light presented Requisition #2 in the amount of \$109,664 to Sunrise Construction (for materials purchased and videotaping sub-contracted), which requisition was subsequently approved and signed. Light informed the Board that he is attempting to reach John Robinson (Thrasher accountant) to clarify back-and-forth documentation requirements for RUS.

MOTION: (Bailey/Mills) That Elaine Flaxer as Chairman be authorized to sign indicating the Board's approval to pay the District's water project invoices as documented in (attached) Requisition #2. [Carried Unanimously]

- **Property & R/W Update** - Flaxer reported receipt by the District of the executed and recorded Quitclaim Deed for the Industrial Park Tank site. She further reported that the Town Tank "condemnation" process is in the notification stage, and that the District has received the executed and recorded Sumpter R/W for which a reimbursable check must now be cut.

Assignment

✓ Tom Pitman to cut check for Sumpters

- **Construction Update** - Flaxer reported that the District received an e-mailed NPDES construction permit, and that Sunrise Construction has been assembling pipe & equipment on Sewer Plant property in readiness to begin construction. Dan Ferrell confirmed that construction is scheduled to start on 1/24/05 (weather permitting) at the Sycamore Lick site. Flaxer requested and Bailey agreed to assume the role of public relations liaison with the Board during the construction period, communicating the District's concerns that our potential customers' interests are being met, and introducing the Project Inspector to property owners as the individual to contact if ever problems are experienced.

10. Update: Phase One Sewer Upgrade - Case # 04-0139-PSD-CN

- **Bond Counsel Update** - Flaxer reported that the Steptoe & Johnson plan is to start gathering documents early. To that end she forwarded a copy of the Lane Legal Services Agreement to project attorney Tom Aman. Additionally Ferrell inquired whether the District has received a DEP letter clarifying necessity for NPDES permit, which Pitman said we have not received.
- **R/W & Property Update** - Flaxer handed out status report from Stacy Ryan (Thrasher's) indicating that 73% of R/W's have now been obtained, that one small piece of property needs to be acquired for proposed lift station on C.D. Cole land, and implying a possibility of future condemnation work related to various lift station sites and access thereto. Ferrell clarified that Ryan expects to hit 80% of R/W by end-day Saturday 1/15, and that (unlike RUS) WVJDC will not require clear title for all existing District properties, but just those involved in project. Atty Lane's Preliminary Title Opinion will be needed in order to go to bid, as well as 80% of all R/W and land acquisition complete.

- **Construction Schedule Update** - Ferrell reported that, because R/W work appears to be going faster than expected, an 11/24/04 revised schedule might be too conservative by up to a month. This new schedule sets the following dates:
 - 3/05 - advertise bids
 - 4/05 - receive bids
 - 6/05 - award contract
 - 6/05 - begin construction
 - 11/05 - construction finished
- **Administration of Funds Update** - Flaxer reported that Light has already begun to gather documentation of paid invoices for which the District could be reimbursed.

11. Update: Standard Alternate Mainline Extension Agreement [Case # 04-1535-PSWD-PC]

Discussion: Flaxer reported the District's receipt of PSC Order (final) approving our Standard Alternate Mainline Extension Agreement (aka "Standard Developer's Agreement") as submitted on 11/08/04. Case closed.

12. Update: Pending Developer Extensions

- A. **Snider Development (Broad Run Village Traller Court) [Case # 03-1494-PWSD-PC]** - Flaxer reported e-mail (1/5) from Kelsh regarding phone call from Snider asserting that BPH water permit has been received and alleging readiness to turn water system over to District. After discussions with Pitman, Flaxer sent e-mail (1/12) seeking clarification of legal questions related to recommendation letter of 11/11/04. Once clarified, Pitman and Flaxer will seek approval from Board for recommended plan of action.
- B. **Carton Development (Greenfield Acres) [Case # 03-0007-PWSD-PC]** - nothing to report this month.
- C. **I-79 Truck Wash [Case # 04-1802-PWSD-PC]** - Pitman reported that construction of the extension is now complete and being metered.

13. Update: Vision & Dental Insurance:

Discussion: Pitman reported successful investigation of PELA "Fringe Benefits" plan for dental & vision as referred by O. Mills. The Board recommended that Pitman investigate whether the District can afford to offer this plan to all employees, and at what premium ratio. The Board requested that Pitman present his recommendation in the form of a "Benefits: Vision & Dental Insurance" policy proposal for the District's *Personnel Manual* to be considered at the regular February meeting.

Assignment

✓ Pitman to prepare policy proposal for consideration at February meeting.

14. Update: Water Turbidity Metering Mandate: - Pitman reported that we have met the deadline and the monitoring system is now operational as mandated. This item can be removed from the agenda.

15. Update: Water Environmental Engineering Inspection of May 24, 2004:

Discussion: Pitman reported that the following [in boldface] represents this month's progress updates on noted violations/deficiencies/recommendations:

- | | <u>Completed</u> |
|--|------------------|
| A. <u>Enclose/vent chemical tanks</u> - [plan is to do when weather warms up]..... | |
| B. <u>Filter media replacement</u> - ... [expect to complete in March 05]..... | |
| C. <u>In-line static mixer</u> - | |
| D. <u>Filter-to-waste piping (by 1/1/05 - critical)</u> - done- installed & operational..... | X |
| E. <u>Backwash meter</u> - | |

- F. Raw water intake screen - [no longer needed] X
- G. Telemetry system - [plan is to complete Meadowfill grant application by end-Jan].....
- H. Feeder calibration charts (*clarification needed*)-
- I. Periodic CT (Carcinogenic Trihelamethanes) calculations (*clarification needed*)-

16. **Update: Job Descriptions:** - Pitman reported that the position descriptions for Crew Leader and Office Assistant are still in process.
17. **Update: Secretary for the Board:** - Flaxer reported a recommendation from Attorney Kelsh that the Board Secretary be either a Board member or an employee of the District. Consequently, she and Pitman decided on a proposal to elect a nominal Board Secretary from among members of the Board and to contract with an employment agency for an "Assistant to the Board Secretary". Pitman reported that he found and interviewed (with Flaxer) a Lost Creek resident named Judy Talkington who has a professional home office and who is interested in the position. However, Ms. Talkington is unable to begin duties in January due to an acute medical problem of her husband's. The District will know more about the situation by February.

~ NEW BUSINESS ~

18. **NEW: Leak Adjustment Policy:**

Discussion: Pitman showed the Board a proposed Leak Detection Policy developed as a response to a recent request for adjustment of a bill. In December the District discovered a huge water leak (44,000 gallons) in the Customer Service Line of a rental property from which one renter had just moved out and another moved in. During this process questions arose as to whose responsibility it should be to pay for the excess water use, whose responsibility to fix the leak, and how many times the District should be expected to adjust a bill for leaks within the same line of pipe. Pitman drafted his policy proposal using a combination of information from Sun Valley PSD, Greater Harrison PSD, Claywood Park PSD, PSC *Rules and Regulations* and an article in *Pipeline*. The Board encouraged Pitman to make necessary changes, submit the proposed policy for review by Attorney Kelsh and bring it back to the Board for action at the February meeting.

MOTION: (Flaxer/Bailey) to postpone action on the draft Leak Adjustment policy until the February meeting.

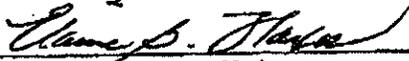
Assignment

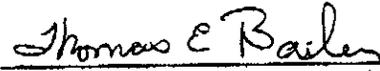
✓ Pitman/Flaxer to "clean up" policy draft and submit to Kelsh ASAP.

19. **NEW: Sewer Plant NPDES Permit:** - Pitman reported having no official news and no unofficial conjectures as to the status of the District's next Wastewater Treatment Plant permit, application for which has been filed and accepted.
20. **NEW: Board Donation for Tsunami Relief:** - Flaxer suggested that the three Board members donate their psyches for one regular monthly Board meeting to the International Red Cross (or some other reputable international relief agency) for aid to Tsunami victims. However, since Oscar Mills had to leave the meeting by the time this item was discussed, Flaxer & Bailey preferred to postpone any consideration until he could be present.

MOTION: (Flaxer/Bailey) to postpone consideration of a Tsunami relief donation until the February meeting.

21. **NEW: Late-Received Agenda Items:** None
22. **Adjournment:** Chairman Flaxer adjourned the meeting at 6:28 p.m.


Elaine B. Flaxer, Chairman


Thomas E. Bailey, Secretary

Attachments:

- December '04 Bills Paid (Water/Wastewater)
- December '04 Treasury Report
- December '04 Water/Wastewater Production Reports
- December '04 Sewer Maintenance Report
- December '04 Water/Sewer Rule 19A Repair Funds Report
- December '04 Emergency Call Out Report
- All correspondence listed on Pages 3-4
- Water Project Requisition #2

E-Copies of Draft Minutes Sent to:

- James Kelsh, Attorney
- Dan Ferrell, Sewer Project Engineer, Thrasher Engineering
- Randy Watson, Water Project Engineer, Thrasher Engineering
- Matt Fluharty, Water Project Engineer, Thrasher Engineering
- Stacy Ryan, Thrasher Engineering R/W Division



JANE LEW PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

EXCERPT OF MINUTES ON ADOPTION OF BOND RESOLUTION
AND SUPPLEMENTAL RESOLUTION

The undersigned SECRETARY of the Public Service Board of Jane Lew Public Service District, hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Public Service Board:

The Public Service Board of Jane Lew Public Service District met in regular session, pursuant to notice duly posted, on the 14th day of July, 2005, in Jane Lew, West Virginia, at the hour of 4:00 p.m.

PRESENT:	Chairman	-	Elaine Flaxer
	Secretary	-	Thomas Bailey
	Treasurer	-	Tom Pitman

ABSENT:	Oscar Mills	-	Member
---------	-------------	---	--------

Elaine Flaxer, Chairman, presided, and Thomas Bailey acted as Secretary. The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Chairman presented a proposed Bond Resolution in writing entitled:

RESOLUTION AUTHORIZING THE ACQUISITION
AND CONSTRUCTION OF CERTAIN ADDITIONS,
BETTERMENTS, IMPROVEMENTS AND
EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE
FACILITIES OF JANE LEW PUBLIC SERVICE

DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Bailey and seconded by Flaxer, 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 Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF JANE LEW PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO THE BONDS; AUTHORIZING AND APPROVING THE SALE OF THE BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Flaxer and seconded by Bailey, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

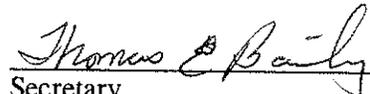
Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

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

CERTIFICATION

I hereby certify that the foregoing action of Jane Lew Public Service District remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature as of the date first written above.


Secretary

05/12/05
448300.00002



WV MUNICIPAL BOND COMMISSION
 8 Capitol Street
 Suite 500
 Charleston, WV 25301
 (304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: July 19, 2005

(See Reverse for Instructions)

ISSUE: Jane Lew Public Service District Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund)

ADDRESS: Post Office Box 845, Jane Lew, West Virginia 26378 COUNTY: Lewis

PURPOSE OF ISSUE: New Money: X
 Refunding: _____ REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: July 19, 2005 CLOSING DATE: July 19, 2005

ISSUE AMOUNT: \$ 959,015 RATE: 0%

1ST DEBT SERVICE DUE: September 1, 2006 1ST PRINCIPAL DUE: September 1, 2006

1ST DEBT SERVICE AMOUNT: \$6,147.54 PAYING AGENT: Municipal Bond Commission

BOND
 COUNSEL: Step toe & Johnson PLLC
 Contact Person: John C. Stump, Esquire
 Phone: 353-8196

UNDERWRITERS
 COUNSEL: Jackson Kelly PLLC
 Contact Person: Samme L. Gee, Esq.
 Phone: 340-1318

CLOSING BANK: Progressive Bank
 Contact Person: Connie R. Tenney, Senior VP
 Phone: (304) 269-0300

ESCROW TRUSTEE: _____
 Contact Person: _____
 Phone: _____

KNOWLEDGEABLE ISSUER CONTACT
 Contact Person: Tom Pitman
 Position: General Manager
 Phone: (304) 884-7111

OTHER: WV Infrastructure & Jobs Development Council
 Contact Person: Katy Mallory, P.E.
 Function: Executive Secretary
 Phone: 558-4607

DEPOSITS TO MBC AT CLOSE:	Accrued Interest:	\$ _____
By: _____ Wire	Capitalized Interest:	\$ _____
_____ Check	Reserve Account:	\$ _____
_____ Other:		\$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE	To Escrow Trustee:	\$ _____
By: _____ Wire	To Issuer:	\$ _____
_____ Check	To Cons. Invest. Fund:	\$ _____
_____ IGT	To Other:	\$ _____

NOTES: The Series 2005 A Bonds Reserve Account will be funded over 10 years.

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: _____

TRANSFERS REQUIRED: _____

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.

05/12/05
448300.00002

JANE LEW PUBLIC SERVICE DISTRICT

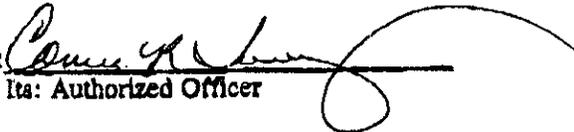
**Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)**

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

PROGRESSIVE BANK, Buckhannon, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Resolution and a Supplemental Resolution of Jane Lew Public Service District (the "Issuer"), both adopted July 14, 2005 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated July 19, 2005, issued in the principal amount of \$959,015 (the "Bonds"), as set forth in the Bond Legislation.

WITNESS my signature on this 19th day of July, 2005.

PROGRESSIVE BANK

By: 
Its: Authorized Officer

05/12/05
448300.00002

JANE LEW PUBLIC SERVICE DISTRICT

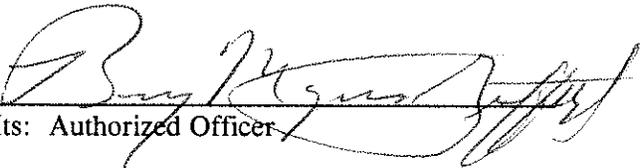
Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

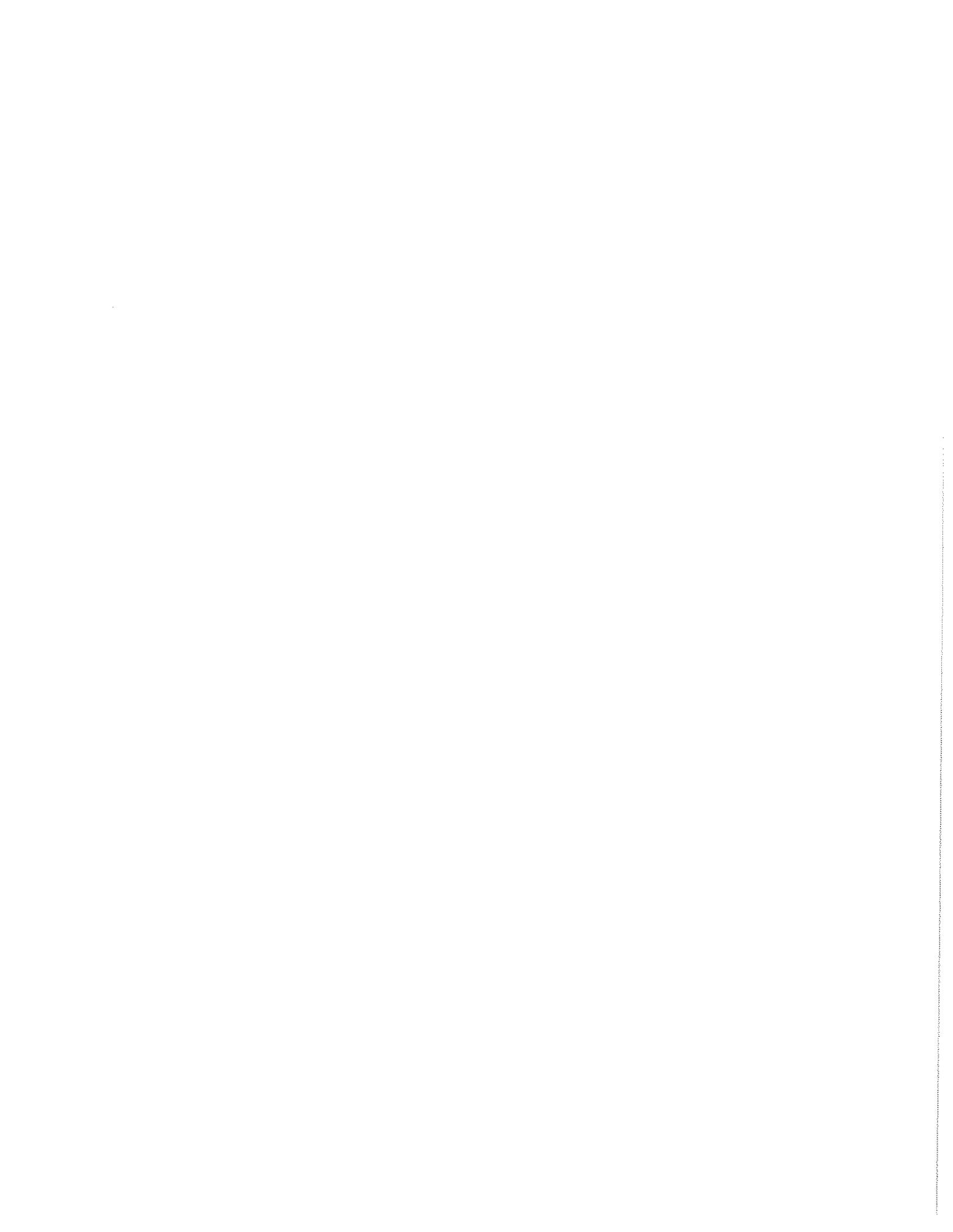
THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Jane Lew Public Service District Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated July 19, 2005, issued in the principal amount of \$959,015 (the "Bonds"), and agrees to perform all duties of Registrar in connection with such Bonds, as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 19th day of July, 2005.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

05/12/05
448300.00002



JANE LEW PUBLIC SERVICE DISTRICT

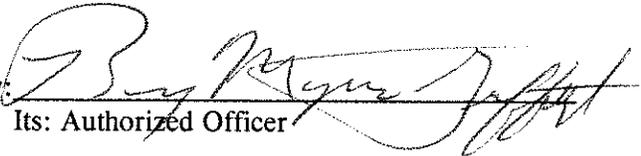
Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF BONDS

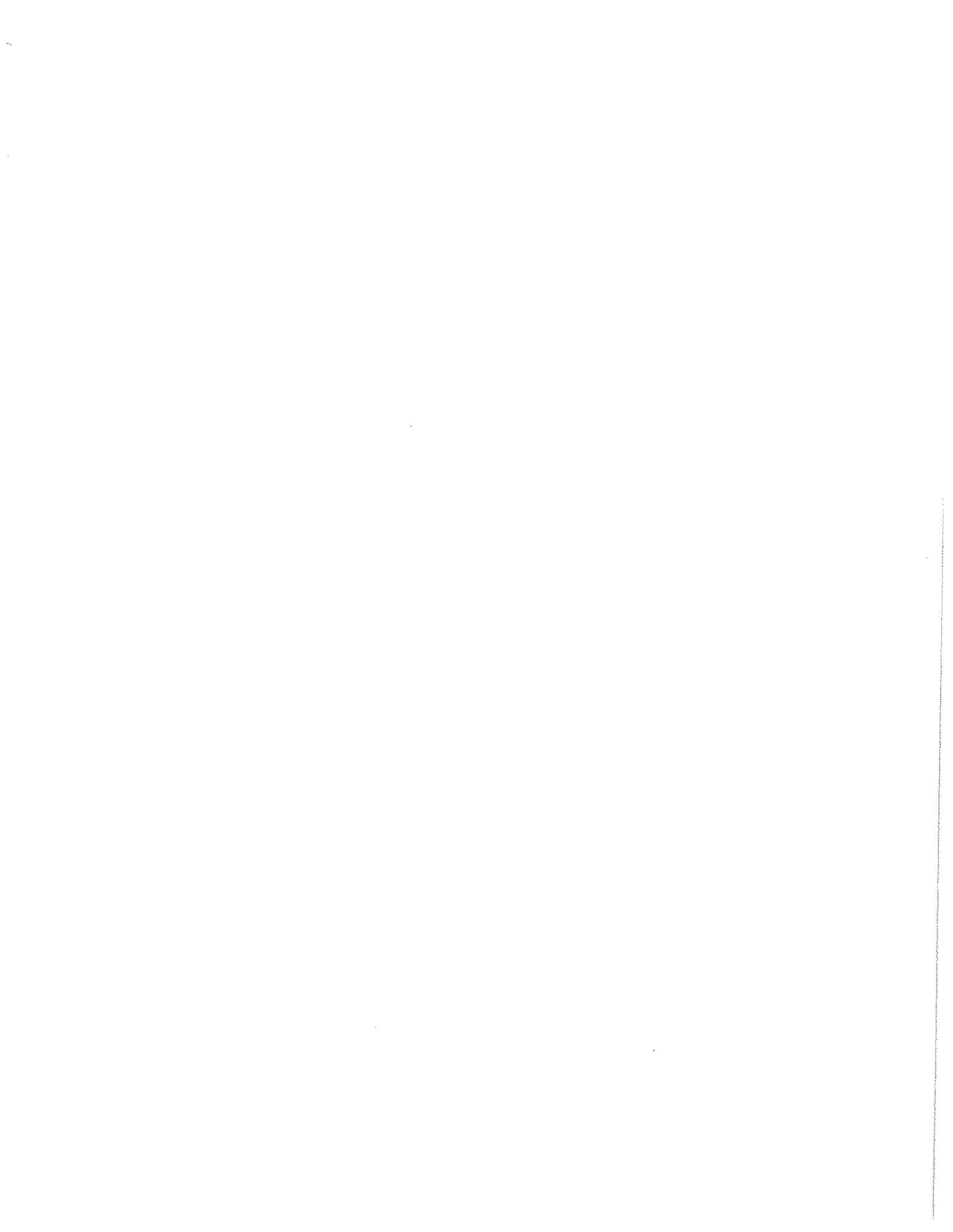
THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of Jane Lew Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Jane Lew Public Service District Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the Issuer, dated July 19, 2005, in the principal amount of \$959,015, numbered AR-1, is registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 19th day of July, 2005.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

05/12/05
448300.00002



JANE LEW PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 19th day of July, 2005, by and between JANE LEW PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$959,015 Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated July 19, 2005, in fully registered form (the "Bonds"), pursuant to the Bond Resolution of the Issuer duly adopted July 14, 2005, and the Supplemental Resolution of the Issuer duly adopted July 14, 2005 (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: Jane Lew Public Service District
Post Office Box 845
Jane Lew, West Virginia 26378
Attention: Chairman

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate 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.

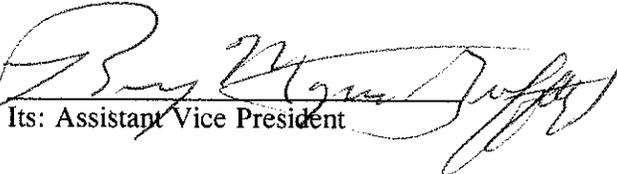
[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

JANE LEW PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By: 
Its: Assistant Vice President

09/06/04
448300.00002

EXHIBIT A

Bond Legislation included in bond transcript as Documents Nos. 1 and 2.

SCHEDULE OF COMPENSATION

(Please see the attached)

05/12/05
448300.00002

Private Financial Group
P.O. Box 633 WE3013
Charleston, West Virginia 25322-0633



STATEMENT OF TRUSTEE'S FEES
Invoice Date July 18, 2005

Jane Lew Public Service District
Account Number 6089001809

Jane Lew Public Service District
Sewer Revenue Bonds, Series 2005 A
C/O John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

FEE CALCULATION FOR July, 2005

TOTAL AMOUNT	\$	500.00
TOTAL DUE	\$	<u>500.00</u>

- * FEE INVOICES ARE PAYABLE WITHIN 30 DAYS. IF PAYMENT *
- * IS NOT RECEIVED, FEES WILL BE DEDUCTED FROM THE PLAN *
- * .. MAIL CHECK TO: HUNTINGTON NATIONAL BANK, ATTN: DEBRA . . *
- * .. BOWDEN, PO BOX 633, CHARLESTON, WV 25322-0633 *

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304)348-5035

RECEIVED JUN 23 2005



west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, West Virginia 25304-2345
(304) 926-0495
(304) 926-0496 fax

Joe Manchin III, Governor
Stephanie R. Timmermeyer, Cabinet Secretary
www.wvdep.org

June 17, 2005

ELAINE FLAXER, CHAIRMAN
JANE LEW WATER COMM
PO BOX 845
JANE LEW, WV 25692

CERTIFIED RETURN RECEIPT REQUESTED

Dear Permittee:

Enclosed please find WV/NPDES Permit Number WV0040894 dated June 17, 2005.

Please note that a Discharge Monitoring Report (DMR) is to be completed and submitted to this Division each month. It is suggested that several copies of the enclosed DMR forms be made for your future use, as this Division does not supply permittees with DMR forms.

Finally note that copies of all future correspondence regarding the permit including copies of DMRs must be forwarded to the Field Inspector and Field Supervisor at the following address:

Department of Environmental Protection
Environmental Enforcement
2031 Pleasant Valley Rd
Suite #1
Fairmont, WV 26554

Also, please note the attachment to this permit which describes the annual permit fee requirement. Reissuance of your permit does not change the annual fee billing cycle.

If you have any questions, please contact Renee Clevenger of this Division at (304) 926-0495 or our TTY number (304) 926-0489.

Sincerely,

Cliff D. Whyte, P.E.
Manager, Permitting Section

CDW:rc

Enclosures

Permit Number: WV0040894

Permittee: JANE LEW WATER COMM

cc: Bureau of Public Health
Construction Assistance
Env. Insp. Supv.
Env. Insp.
Public Service Commission



STATE OF WEST VIRGINIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
DIVISION OF WATER AND WASTE MANAGEMENT
601 57TH STREET SE
CHARLESTON, WV 25304-2345

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
WATER POLLUTION CONTROL PERMIT

NPDES PERMIT NO.: WV0040894

SUBJECT: Sewage

ISSUE DATE: June 17, 2005

EFFECTIVE DATE : July 17, 2005

EXPIRATION DATE: June 16, 2010

SUPERSEDES: Permit No. WV0040894

dated April 28, 2000

LOCATION: JANE LEW PSD

(City)

Lewis

(County)

West Fork River

(Drainage Basin)

See the next page for a list of Outlets.

TO WHOM IT MAY CONCERN:

This is to certify that: JANE LEW WATER COMM
PO BOX 845
JANE LEW, WV 25692

is hereby granted a West Virginia NPDES Water Pollution Control Permit to:

operate and maintain an existing wastewater collection system and a 0.15 MGD wastewater treatment plant consisting of the following:

A wastewater collection system consisting of approximately 470 linear feet of four(4) inch diameter gravity sewer line, 8,984 linear feet of six(6) inch diameter gravity sewer line, 55,400 linear feet of eight(8) inch diameter gravity sewer line and 2,400 linear feet of 12 inch diameter gravity sewer line, 244 manholes, 41 cleanouts, 10,084 linear feet of two(2) inch diameter force main, 4,900 linear feet of three(3) inch diameter force main, 920 linear feet four(4) inch diameter force main, 7,829 linear feet of six(6) inch diameter force main, five(5) lift stations and all requisite appurtenances.

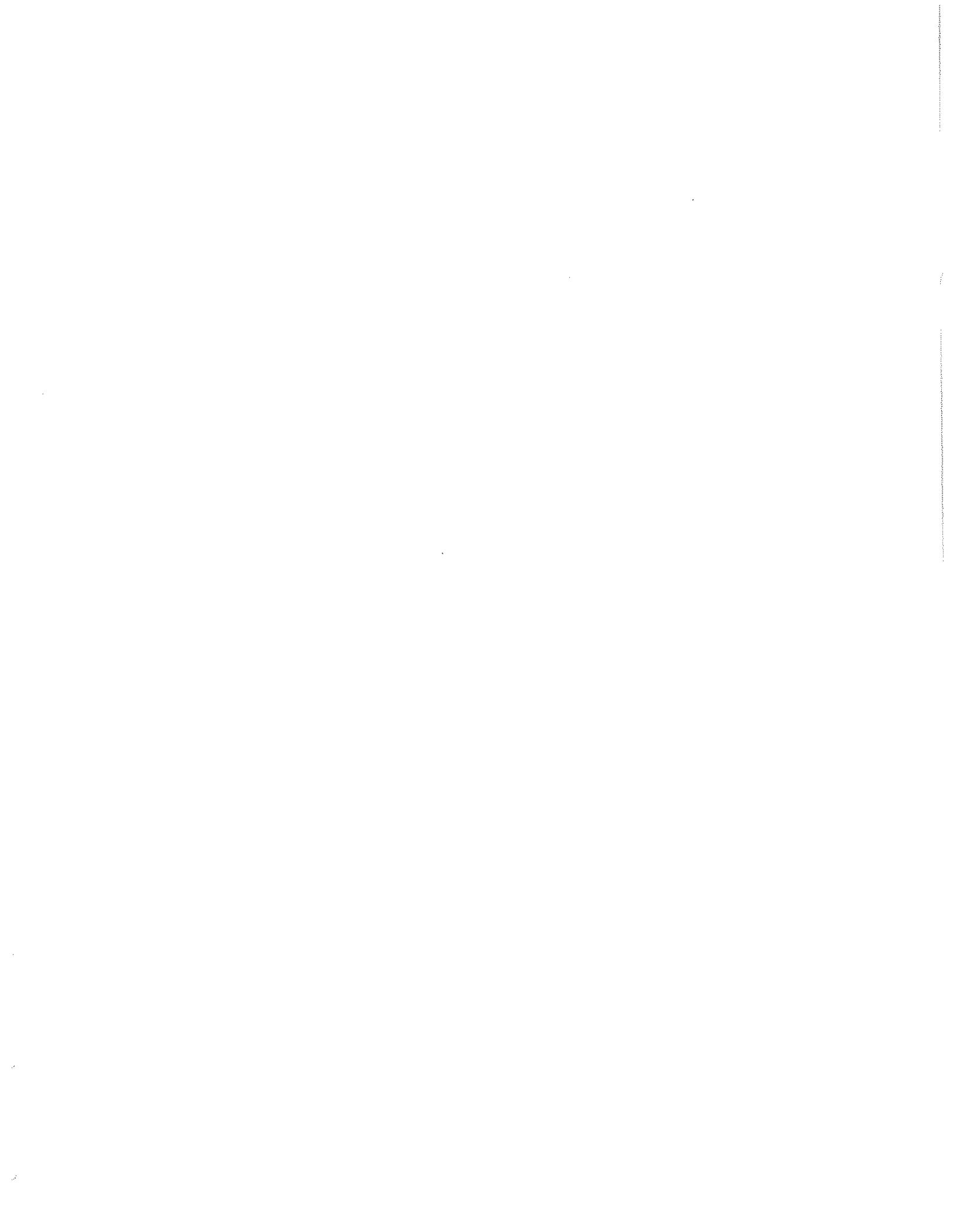
A wastewater treatment plant consisting of a grit chamber/bar screen, a 150,000 gallons oxidation ditch, two(2) clarifiers each with a volume of 19,000 gallons and a surface area of 255 square feet, a 11,000 gallons aerated sludge decant tank, two(2) chlorine contact tanks with a volume of 4,150 gallons plus dechlorination, a sludge drying bed plus all requisite appurtenances.

This facility is to serve a population equivalent of 1,750 persons within the Jane Lew Water Commission, Jane Lew Public Service District and to discharge treated wastewater to Hackers Creek (approximately three(3) miles from its mouth) of West Fork River of the Monongahela River.

This permit is subject to the following terms and conditions :

The information submitted on and with Permit Application No. WV0040894 dated the 4th day of November 2004 is 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, D, E 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.



20-702
Permit
file

State of West Virginia

RECEIVED
15M

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

JAN 12 2004

815 QUARRIER STREET, SUITE 418

CHARLESTON, WEST VIRGINIA 25301-2616

TELEPHONE 304-558-2981

THRASHER ENGINEERING

(Sewage) PERMIT

PROJECT: Wastewater Collection System
Phase I Improvements

PERMIT NO.: 15,899

LOCATION: Jane Lew

COUNTY: Lewis

DATE: 1-7-2004

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

**Jane Lew Water Public Service District-Wastewater Division
Post Office Box 845
Jane Lew, West Virginia 26378**

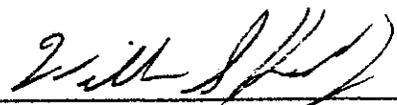
is hereby granted approval to: upgrade, replace and improve numerous existing manholes and cleanouts in the existing collection system; upgrade existing Pump Station A and install two (2) 75 G.P.M. submersible grinder pumps; replace Pump Station B with a new duplex submersible sewage pump station with two (2) 106 G.P.M. submersible grinder pumps; upgrade Pump Station #1 and install two (2) 130 G.P.M. submersible pumps; upgrade Pump Station #2 and install two (2) 250 G.P.M. submersible pumps; upgrade Pump Station #3 and install two (2) 260 G.P.M. submersible pumps; replace an existing sewer siphon with Pump Station #4 which will consist two (2) 43 G.P.M. submersible pumps; and all necessary valves, piping, controls and appurtenances.

Facilities are to serve the Jane Lew Water Public Service District-Wastewater Division.

The Environmental Engineering Division of the Philippi District Office (304) 457-2296 is to be notified when construction begins.

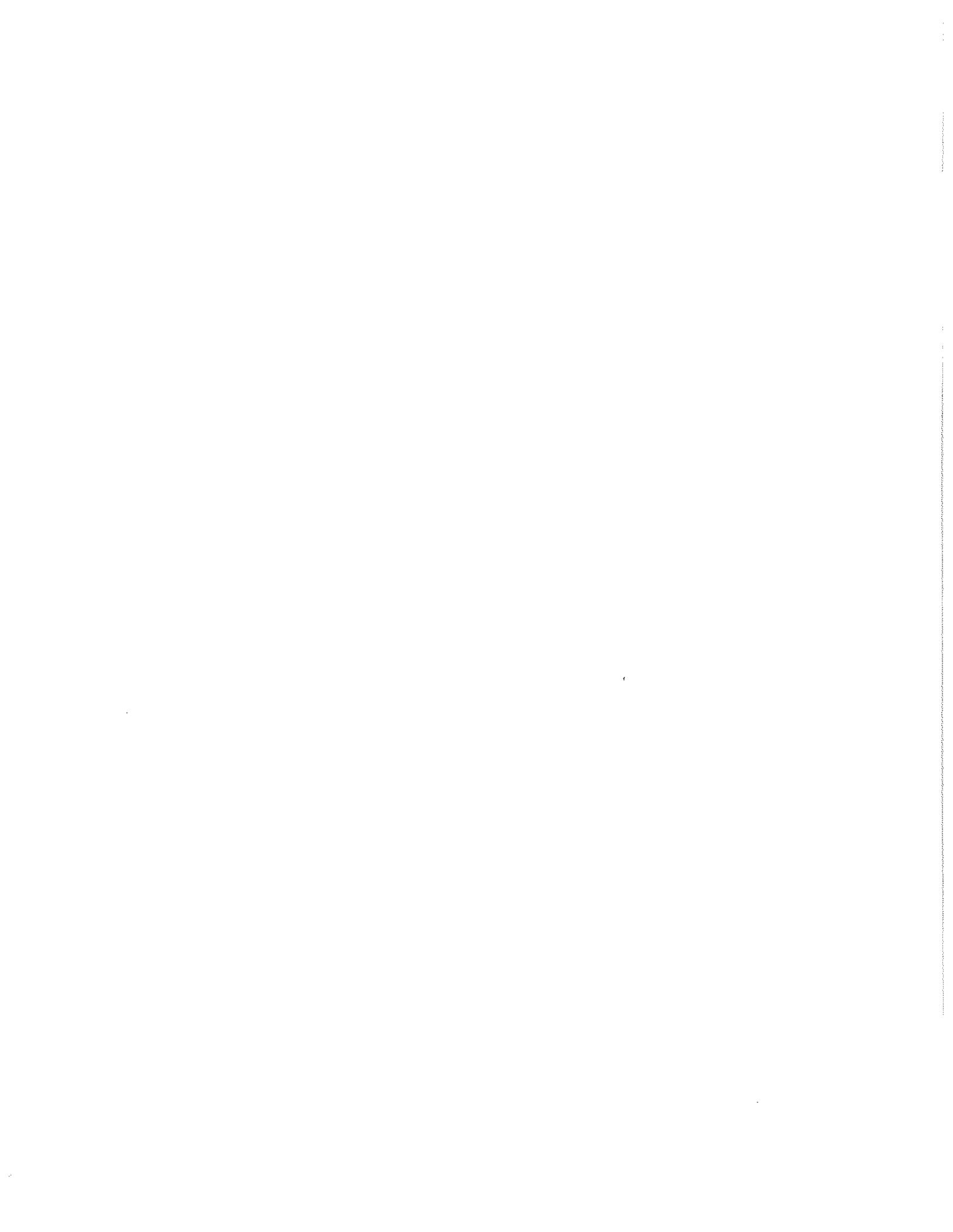
Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR


William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:sec

pc: ~Thrasher Engineering, Inc.
O. Robert Coontz, P.E., DEP
James W. Ellars, P.E., PSC-Engineering Division
Amy Swann, PSC
Lewis County Health Department
OEHS-EED Philippi District Office



CLOSING MEMORANDUM

To: Financing Team

From: John C. Stump, Esquire

Date: July 19, 2005

RE: JANE LEW PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS,
SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND)

1. DISBURSEMENTS TO JANE LEW PUBLIC SERVICE DISTRICT

A. Payor: West Virginia Infrastructure and Jobs Development Council
Amount: \$132,321
Form: Wire Transfer
Payee: Jane Lew Public Service District
Bank: Progressive Bank, Weston, West Virginia
Routing #: 043403224
Account #: 0652989
Contact: Connie Tenney - (304) 269.0300
Account: Jane Lew Public Service District
Series 2005 A Bonds Construction Trust Fund

05/12/05
448300.00002

State of West Virginia
WATER DEVELOPMENT AUTHORITY

180 Association Drive, Charleston, WV 25311-1217
 (304) 558-3612 - (304) 558-0299 (Fax)
 Internet: www.wvwda.org - Email: contact@wvwda.org

BOND CLOSING ATTENDANCE LIST

Date July 19, 2005 Time 9:00 a.m. LGA Jane Lew PSD Program _____ IF _____

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
<i>Samantha Lee</i>	<i>Tackson Kelly LLC</i>	<i>340.1348</i>	<i>340.1080</i>	<i>sglee@pct-kelly.com</i>
<i>Barbara B Meadows</i>	<i>Water Development Authority</i>	<i>558.3612</i>	<i>558.0299</i>	<i>Bmeadows@wvwda.org</i>
<i>Bernie Gendrich</i>	<i>Water Dev. Auth</i>	<i>558.3612</i>	<i>558.0299</i>	<i>Bgendrich@wvwda.org</i>
<i>John C. Stump</i>	<i>Stump Johnson PLLC</i>	<i>353.8196</i>	<i>353.8181</i>	<i>stumpjc@stumpjohnson.com</i>

The Authority requests that the following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided (if that individual is in attendance, he/she should also sign above.) Please Print:

Name Tom Pittman, General Manager Telephone 304.684.7111 E-Mail N/A

Address P.O. Box 845 Jane Lew West Virginia 26378

REMINDER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the NonArbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code, 1986, as amended.

American Alternative Insurance Corporation
 Administrative Office:
 555 College Road East
 Princeton, New Jersey 08543-5241
 (800)-305-4964



**SPECIAL DISTRICTS INSURANCE PROGRAM
 COMMON POLICY DECLARATIONS**

Policy No. SDISSK 9103176 - 0
 Renewal Of: NEW

NAMED INSURED AND MAILING ADDRESS:
 Jane Lew Water Commission Public Service District
 PO Box 845
 Jane Lew, WV

AGENT NAME AND ADDRESS:
 VFIS
 183 Leader Heights Road
 PO Box 2726
 York, PA 17405

POLICY PERIOD: From 6/30/2005 To 6/30/2008
 at 12:01 a.m. Standard Time at your mailing address shown above.

TYPE OF DISTRICT: Sewer District

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

This policy consists of the following Coverage Parts for which a premium is indicated. This premium may be subject to adjustment.

Property and Inland Marine Coverage Part	\$	PREMIUM INCLUDED
Liability Coverage Part	\$	INCLUDED
Crime Coverage Part	\$	INCLUDED
_____	\$	_____
_____	\$	_____
_____	\$	_____
TOTAL PREMIUM	\$ \$	4,393.00
SURCHARGE	\$	43.93
_____		_____
_____		_____

FORMS APPLICABLE TO ALL COVERAGE PARTS: SCO300 (05-03), SCO301 (05-03), SCOWV1 (05-03), SCOWV2 (05-03)

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART SUPPLEMENTAL DECLARATIONS, COVERAGE PARTS, FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

JUN 14 2005

James Williams

COUNTERSIGNED _____ DATE _____

by _____ AUTHORIZED REPRESENTATIVE

SCO100 (05-03)

COMMON

SCHEDULE OF COVERED PROPERTY LOCATIONS AND LIMITS

Policy No. SDISSK 9103176 - 0

Effective Date: From 6/30/2005 To 6/30/2006
12:01 A.M., Standard Time

Named Insured Jane Lew Water Commission
Public Service District

Premises No.	Bldg. No.	Designated Premises (Address, City, State, Zip Code)	Real Property Limit	Personal Property Limit	Occupancy
1	1	Park Avenue Jane Lew, WV 26378	\$12,600	\$15,000	Office
1	2	Park Avenue Jane Lew, WV 26378	\$12,600	\$15,000	Water Plant
1	3	Park Avenue Jane Lew, WV 26378	\$270,400	\$39,000	Water Treatment
2	1	Route 19 North Jane Lew, WV 26378	\$12,600	\$22,000 15,000	Sewer Plant
2	2	Route 19 North Jane Lew, WV 26378	\$39,000	\$0	Emergency Generator
2	3	Route 19 North Jane Lew, WV 26378	\$120,000	\$0	Ditch & Rotors
2	4	Route 19 North Jane Lew, WV 26378	\$24,000	\$0	Decant Tank
2	5	Route 19 North Jane Lew, WV 26378	\$18,000	\$0	Chlorine Contact Tank
2	6	Route 19 North Jane Lew, WV 26378	\$33,000	\$0	Communutor With Grit
2	7	Route 19 North Jane Lew, WV 26378	\$36,000	\$0	Sludge Return Tank
2	8	Route 19 North Jane Lew, WV 26378	\$30,000	\$0	McKinley Run Lift Station
3	1	Hackers Creek Road Jane Lew, WV 26378	\$69,000	\$0	Two Clarifiers
4	1	Route 7 Jane Lew, WV 26378	\$30,000	\$0	South Park Lift Station
5	1	Mayre Avenue Jane Lew, WV 26378	\$30,000	\$0	Downtown Lift Station
Totals:			\$ 737,200	\$ 91,000	

**SPECIAL DISTRICTS INSURANCE PROGRAM
LIABILITY COVERAGE PART
SUPPLEMENTAL DECLARATIONS**

These Supplemental Declarations form a part of policy number SDISSK 9103176 - 0

SCHEDULE OF COVERAGES AND LIMITS OF INSURANCE

Insurance is only provided for the coverages indicated by an X.

Coverage	Limit of Insurance
X Bodily Injury and Property Damage	\$ 1,000,000 Per Occurrence \$ 3,000,000 Bodily Injury and Property Damage Aggregate
X Personal Injury and Advertising Injury	\$ 1,000,000 Per Person or Organization \$ 3,000,000 Personal Injury and Advertising Injury Aggregate
X Employment-Related Practices Injury	\$ 1,000,000 Per Claim \$ 3,000,000 Employment-Related Practices Injury Aggregate
Employment-Related Practices Injury Retroactive Date:	Not Applicable / Prior Acts Not Covered
X Professional Liability	\$ 1,000,000 Per Claim \$ 3,000,000 Professional Liability Aggregate
Professional Liability Retroactive Date:	Not Applicable / Prior Acts Not Covered
X Wrongful Acts	\$ 1,000,000 Per Claim \$ 3,000,000 Wrongful Acts Aggregate
Wrongful Acts Retroactive Date:	Not Applicable / Prior Acts Not Covered
X Employee Benefits Liability	\$ 1,000,000 Per Person \$ 3,000,000 Employee Benefits Liability Aggregate
Employee Benefits Liability Retroactive Date:	Not Applicable / Prior Acts Not Covered
X Damage To Premises Rented To You	\$ 1,000,000 Any One Premises
X Medical Expense	\$ 10,000 Per Accident

FORMS AND ENDORSEMENTS

Forms and endorsements applying to this Coverage Part and made part of this policy at time of issue: SGL101 (05-03), SGL202 (05-03), SGL305 (05-03), SGL307 (05-03), SGL314 (05-03), SGLWV1 (05-03), SGLWV2 (05-03)

Premium: Included

THIS SUPPLEMENTAL DECLARATIONS AND THE COMMON POLICY DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY

**SPECIAL DISTRICTS INSURANCE PROGRAM
CRIME COVERAGE PART
SUPPLEMENTAL DECLARATIONS**

These Supplemental Declarations form a part of policy number SDISSK 9103176 - 0

SCHEDULE OF COVERAGES, LIMITS OF INSURANCE AND DEDUCTIBLES

Insurance is only provided for the coverages indicated by an X.

Coverage	Limit of Insurance	Deductible
<input checked="" type="checkbox"/> Employee Dishonesty Coverage	\$ 250,000	\$ 500
<input checked="" type="checkbox"/> Forgery or Alteration Coverage	\$ 250,000	\$ 500
<input checked="" type="checkbox"/> Theft, Disappearance and Destruction Coverage		
Inside	\$ 250,000	\$ 500
Outside	\$ 250,000	\$ 500
<input checked="" type="checkbox"/> Computer Fraud Coverage	\$ 100,000	\$ 500

CANCELLATION OF PRIOR INSURANCE: By acceptance of this Coverage Part you give us notice cancelling Prior policy or bond numbers _____ the cancellation to be effective at the time this Coverage Part becomes effective.

FORMS AND ENDORSEMENTS

Forms and endorsements applying to this Coverage Part and made part of this policy at time of issue: SCR101 (05-03), SCR301 (05-03)

Premium: Included

THIS SUPPLEMENTAL DECLARATIONS AND THE COMMON POLICY DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.