MASON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

Closing Date: October 28, 2008

TRANSCRIPT OF PROCEEDINGS

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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 **October 28, 2008** Time **9:00 am** LGA **Mason County PSD** Program **IF**

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Ryan White	Jackson Kelly	340-1283	340-1272	srwhite@jacksonkelly.com
MARK KAUFFELT	KAUFFELT & KAUFFELT	345-1272	345-1280	MKAUFFELT@cityNet.net
Sammie Gee	Jackson Kelly	340-1318	340-1272	sgee@jacksonkelly.com
Barbara B Meadows	Water Development Authority	558-3612	558-0299	bmeadows@wvwda.org

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 Mary Smith Telephone ~~675-8940~~ 675-6399 E-Mail

Address 332 Viand St. Pt. Pleasant 2550

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.

State of West Virginia

Certificate

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

THIS IS A TRUE COPY OF CHAPTER 16, ARTICLE 13A OF THE WEST VIRGINIA CODE, AND CHAPTER 16 ARTICLE 13A OF THE 2008 SUPPLEMENT TO THE WEST VIRGINIA CODE, AS INDICATED BY THE RECORDS OF THIS OFFICE.

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

September 18, 2008

Betty Ireland

Secretary of State

ARTICLE 13A

PUBLIC SERVICE DISTRICTS

Section	
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16–13A–23.	Validation of acts and proceedings of public service boards.
16–13A–24.	Acceptance of loans, grants or temporary advances.
16–13A–25.	Borrowing and bond issuance; procedure.

§ 16–13A–1. Legislative findings

The Legislature of the state of West Virginia hereby determines and finds that the present system of public service districts within the state has provided a valuable service at a reasonable cost to persons who would otherwise have been

unable to obtain public utility services. To further this effort, and to insure that all areas of the state are benefiting from the availability of public service district utility services and to further correct areas with health hazards, the Legislature concludes that it is in the best interest of the public to implement better management of public service district resources by expanding the ability and the authority of the public service commission to assist public service districts by offering advice and assistance in operational, financial and regulatory affairs.

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

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

Cross References

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

Administrative Code References

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

Library References

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

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

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1. Validity

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

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

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

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

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

2. In general

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

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

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

3. Construction and application

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

4. Eminent domain powers

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

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

5. Property of public service district

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

6. Rates and charges for service

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

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

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

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

7. Creation and enforcement of liens

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

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

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

8. Admissibility of evidence

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

9. Costs

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

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

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

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

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

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

Acts 1986, c. 81.

Library References

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

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

Notes of Decisions

In general 1

1. In general

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

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

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

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

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

Cross References

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

Library References

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

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

Any territory constituting the whole or any part of one or more counties in the state so situated that the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying water, sewerage or stormwater services or gas distribution services or all of these within such territory, will be conducive to the preservation of the public health, comfort and convenience of such area, may be constituted a public service district under and in the manner provided by this article. The words "public service properties," when used in this article, shall mean and include any facility used or to be used for or in connection with: (1) The diversion, development, pumping, impounding, treatment, storage, distribution or furnishing of water to or for the public for industrial, public, private or other uses (herein sometimes referred to as "water facilities"); (2) the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (herein sometimes referred to as "sewer facilities" or "landfills"); (3) the distribution or the furnishing of natural gas to the public for industrial, public, private or other uses (herein sometimes referred to as "gas utilities or gas system"); or (4) the collection, control or disposal of stormwater (herein sometimes referred to as "stormwater system" or "stormwater systems"), or (5) the management, operation, maintenance and control of stormwater and stormwater systems (herein sometimes referred to as "stormwater management program" or "stormwater management programs"). As used in this article "stormwater system" or "stormwater systems" means a stormwater system in its entirety or any integral part thereof used to collect, control or dispose of stormwater, and includes all facilities, structures and natural water courses used for collecting and conducting stormwater to, through and from drainage areas to the points of final outlet including, but not limited to, any and all of the following: Inlets, conduits, outlets, channels, ponds, drainage easements, water quality facilities, catch basins, ditches, streams, gulches, flumes, culverts, siphons, retention or detention basins, dams, floodwalls, pipes, flood control systems, levies and pumping stations: Provided, That the term "stormwater system" or "stormwater systems" does not include highways, road and drainage easements, or stormwater facilities constructed, owned or operated by the West Virginia division of highways. As used in this article "stormwater management program" or "stormwater management programs" means those activities associated with the management, operation, maintenance and control of stormwater and stormwater systems, and includes, but is not limited to, public education, stormwater and surface runoff water quality improvement, mapping, planning, flood control, inspection, enforce-

ment and any other activities required by state and federal law: Provided, however, That the term "stormwater management program" or "stormwater management programs" does not include those activities associated with the management, operation, maintenance and control of highways, road and drainage easements, or stormwater facilities constructed, owned or operated by the West Virginia division of highways without the express agreement of the commissioner of highways.

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

Library References

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

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

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

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

except upon the adoption of a resolution of the governing body of the city, incorporated town or other municipal corporation consenting.

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

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

(d) In all cases where proceedings for the creation, enlargement, reduction, merger, dissolution or consolidation of the public service districts are initiated by petition as aforesaid, the person filing the petition shall advance or satisfactorily indemnify the payment of the cost and expenses of publishing the hearing notice, and otherwise the costs and expenses of the notice shall be paid in the first instance by the county commission out of contingent funds or any other funds available or made available for that purpose. In addition to the notice required herein to be published, there shall also be posted in at least five conspicuous places in the proposed public service district, a notice containing

the same information as is contained in the published notice. The posted notices shall be posted not less than ten days before the hearing.

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

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

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

(h) A list of all districts and their current board members shall be filed by the county commission with the Secretary of State and the Public Service Commission by the first day of July of each year.

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

Library References

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

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

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Creation of public service districts 2
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1. Validity

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

Statute authorizing creation of public service districts does not, in so far as it requires County Court to define territory to be included in public service district and appoint a board to govern same in first instance, involve unconstitutional delegation of judicial functions to the County Court, Acts 1953, c. 147; Const. art. 8, § 24.

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

2. Creation of public service districts

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

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

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

3. District boundaries

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

4. Notice of hearing

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

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

5. Number of voters within district

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

6. Costs

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

7. Referendum

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

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

From and after the date of the adoption of the order creating any public service district, it is a public corporation and political subdivision of the state, but without any power to levy or collect ad valorem taxes. Each district may acquire, own and hold property, both real and personal, in its corporate name, and may sue, may be sued, may adopt an official seal and may enter into

contracts necessary or incidental to its purposes, including contracts with any city, incorporated town or other municipal corporation located within or without its boundaries for furnishing wholesale supply of water for the distribution system of the city, town or other municipal corporation, or for furnishing stormwater services for the city, town or other municipal corporation, and contract for the operation, maintenance, servicing, repair and extension of any properties owned by it or for the operation and improvement or extension by the district of all or any part of the existing municipally owned public service properties of any city, incorporated town or other municipal corporation included within the district: Provided, That no contract shall extend beyond a maximum of forty years, but provisions may be included therein for a renewal or successive renewals thereof and shall conform to and comply with the rights of the holders of any outstanding bonds issued by the municipalities for the public service properties.

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

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

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

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

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

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

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

Any vacancy shall be filled for the unexpired term within thirty days, otherwise successor members of the board shall be appointed for terms of six

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

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

The members of the board, and the chair, secretary and treasurer thereof, shall make available to the county commission, at all times, all of its books and records pertaining to the district's operation, finances and affairs, for inspection and audit. The board shall meet at least monthly.

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

Law Review and Journal Commentaries

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

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

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

Notes of Decisions

In general 1
Criminal responsibility of members 5
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Removal of members 4
Sale of water 6
Standard of care 2
Tort Claims Act 7

1. In general

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

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

2. Standard of care

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

3. Ministerial officers, generally

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

4. Removal of members

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

5. Criminal responsibility of members

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

6. Sale of water

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

7. Tort Claims Act

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

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

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

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

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

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

Notes of Decisions

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Ministerial officers, generally 2
Sufficiency of evidence 3

1. Criminal responsibility of members

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

2. Ministerial officers, generally

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

3. Sufficiency of evidence

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

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

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

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

(b) Salaries of the board members are:

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

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

(3) For districts with two thousand customers or more, up to one hundred twenty-five dollars per attendance at regular monthly meetings and seventy-five

dollars per attendance at additional special meetings, total salary not to exceed three thousand seven hundred fifty dollars per annum; and

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

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

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

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

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

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

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

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

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

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

(f) The members of the board are not personally liable or responsible for any obligations of the district or the board, but are answerable only for willful

misconduct in the performance of their duties. The county commission which created a district or county commissions if more than one created the district may, upon written request of the district, adopt an order changing the official name of a public service district: *Provided,* That such name change will not be effective until approved by the public service commission of West Virginia and the owners of any bonds and notes issued by the district, if any, shall have consented, in writing, to the name change. If a district includes territory located in more than one county, the county commission or county commissions changing the name of the district shall provide any county commission into which the district also extends with a certified copy of the order changing the name of the district. The official name of any district created under the provisions of this article may contain the name or names of any city, incorporated town or other municipal corporation included therein or the name of any county or counties in which it is located.

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

Library References

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

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

Notes of Decisions

In general 1

1. In general

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

§ 16–13A–5. General manager of board

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

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

The board of any public service district which purchases water, sewer or stormwater service from a municipal water, sewer or stormwater system or

another public service district may, as an alternative to hiring its own general manager, elect to permit the general manager of the municipal water, sewer or stormwater system or public service district from which such water, sewer or stormwater service is purchased provide professional management to the district, if the appropriate municipality or public service board agrees to provide such assistance. The general manager shall receive reasonable compensation for such service.

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

Library References

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

§ 16–13A–6. Employees of board

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

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

Library References

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

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

The board of such districts shall have the supervision and control of all public service properties acquired or constructed by the district, and shall have the power, and it shall be its duty, to maintain, operate, extend and improve the same, including, but not limited to, those activities necessary to comply with all federal and state requirements, including water quality improvement activities. All contracts involving the expenditure by the district of more than fifteen thousand dollars for construction work or for the purchase of equipment and improvements, extensions or replacements, shall be entered into only after notice inviting bids shall have been published as a Class I legal advertisement in compliance with the provision of article three, chapter fifty-nine of this code, and the publication area for such publication shall be as specified in section two of this article in the county or counties in which the district is located. The publication shall not be less than ten days prior to the making of any such contract. To the extent allowed by law, in-state contractors shall be given first priority in awarding public service district contracts. It shall be the duty of the board to ensure that local in-state labor shall be utilized to the greatest extent

possible when hiring laborers for public service district construction or maintenance repair jobs. It shall further be the duty of the board to encourage contractors to use American made products in their construction to the extent possible. Any obligations incurred of any kind or character shall not in any event constitute or be deemed an indebtedness within the meaning of any of the provisions or limitations of the constitution, but all such obligations shall be payable solely and only out of revenues derived from the operation of the public service properties of the district or from proceeds of bonds issued as hereinafter provided. No continuing contract for the purchase of materials or supplies or for furnishing the district with electrical energy or power shall be entered into for a longer period than fifteen years.

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

Library References

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

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

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

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

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

and in accordance with the ordinance, resolution or other proceedings which authorize the issuance of such revenue bonds or obligations.

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

For the purpose of acquiring any public service properties or lands, rights or easements deemed necessary or incidental for the purposes of the district, each such district has the right of eminent domain to the same extent and to be exercised in the same manner as now or hereafter provided by law for such right of eminent domain by cities, incorporated towns and other municipal corporations: Provided, That the power of eminent domain provided in this section does not extend to highways, road and drainage easements, or stormwater facilities constructed, owned or operated by the West Virginia division of highways without the express agreement of the commissioner of highways: Provided, however, That such board may not acquire all or any substantial part of a privately owned waterworks system unless and until authorized so to do by the public service commission of West Virginia, and that this section shall not be construed to authorize any district to acquire through condemnation proceedings either in whole or substantial part an existing privately owned waterworks plant or system or gas facilities located in or furnishing water or gas service within such district or extensions made or to be made by it in territory contiguous to such existing plant or system, nor may any such board construct or extend its public service properties to supply its services into areas served by or in competition with existing waterworks or gas facilities or extensions made or to be made in territory contiguous to such existing plant or system by the owner thereof.

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

Library References

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

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

Notes of Decisions

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1. Validity

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

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

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

2. In general

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

3. Eminent domain powers

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

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

4. Valuation of property

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

5. Environmental assessment

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

6. Connections with sewers or drains

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

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

7. Public corporation

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

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

(a)(1) The board may make, enact and enforce all needful rules in connection with the acquisition, construction, improvement, extension, management,

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

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

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

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

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

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

(2) Where water, sewer, stormwater or gas services, or any combination thereof, are all furnished to any premises, the schedule of charges may be billed as a single amount for the aggregate of the charges. The board shall require all users of services and facilities furnished by the district to designate on every application for service whether the applicant is a tenant or an owner of the premises to be served. If the applicant is a tenant, he or she shall state the name and address of the owner or owners of the premises to be served by the district. Notwithstanding the provisions of section eight, article three, chapter twenty-four of this code to the contrary, all new applicants for service shall deposit the greater of a sum equal to two twelfths of the average annual usage of the applicant's specific customer class or fifty dollars, with the district to secure the payment of service rates, fees and charges in the event they become delinquent as provided in this section. If a district provides both water and sewer service, all new applicants for service shall deposit the greater of a sum equal to two twelfths of the average annual usage for water service or fifty dollars and the greater of a sum equal to two twelfths of the average annual usage for wastewater service of the applicant's specific customer class or fifty dollars. In any case where a deposit is forfeited to pay service rates, fees and charges which were delinquent at the time of disconnection or termination of service, no reconnection or reinstatement of service may be made by the district until another deposit equal to the greater of a sum equal to two twelfths of the average usage for the applicant's specific customer class or fifty dollars

has been remitted to the district. After twelve months of prompt payment history, the district shall return the deposit to the customer or credit the customer's account at a rate as the public service commission may prescribe: *Provided,* That where the customer is a tenant, the district is not required to return the deposit until the time the tenant discontinues service with the district. Whenever any rates, fees, rentals or charges for services or facilities furnished remain unpaid for a period of twenty days after the same become due and payable, the user of the services and facilities provided is delinquent and the user is liable at law until all rates, fees and charges are fully paid. The board may, under reasonable rules promulgated by the public service commission, shut off and discontinue water or gas services to all delinquent users of either water or gas facilities, or both, ten days after the water or gas services become delinquent.

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

(c) Any district furnishing sewer facilities within the district may require, or may by petition to the circuit court of the county in which the property is located, compel or may require the division of health to compel all owners, tenants or occupants of any houses, dwellings and buildings located near any sewer facilities where sewage will flow by gravity or be transported by other methods approved by the division of health, including, but not limited to, vacuum and pressure systems, approved under the provisions of section nine, article one, chapter sixteen of this code, from the houses, dwellings or buildings into the sewer facilities, to connect with and use the sewer facilities and to cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from the houses, dwellings and buildings where

there is gravity flow or transportation by any other methods approved by the division of health, including, but not limited to, vacuum and pressure systems, approved under the provisions of section nine, article one, chapter sixteen of this code and the houses, dwellings and buildings can be adequately served by the sewer facilities of the district and it is declared that the mandatory use of the sewer facilities provided for in this paragraph is necessary and essential for the health and welfare of the inhabitants and residents of the districts and of the state. If the public service district requires the property owner to connect with the sewer facilities even when sewage from dwellings may not flow to the main line by gravity and the property owner incurs costs for any changes in the existing dwellings' exterior plumbing in order to connect to the main sewer line, the public service district board shall authorize the district to pay all reasonable costs for the changes in the exterior plumbing, including, but not limited to, installation, operation, maintenance and purchase of a pump or any other method approved by the division of health. Maintenance and operation costs for the extra installation should be reflected in the users charge for approval of the public service commission. The circuit court shall adjudicate the merits of the petition by summary hearing to be held not later than thirty days after service of petition to the appropriate owners, tenants or occupants.

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

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

(f) All delinquent fees, rates and charges of the district for either water facilities, sewer facilities, gas facilities or stormwater systems or stormwater management programs are liens on the premises served of equal dignity, rank and priority with the lien on the premises of state, county, school and munici-

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

(g) Anything in this section to the contrary notwithstanding, any establishment, as defined in section three, article eleven, chapter twenty-two, now or hereafter operating its own sewage disposal system pursuant to a permit issued by the division of environmental protection, as prescribed by section eleven, article eleven, chapter twenty-two of this code, is exempt from the provisions of this section.

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

Law Review and Journal Commentaries

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

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

Library References

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

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

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

1. Validity

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

2. Takings

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

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

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

3. Public service district liens

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

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

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

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

4. Rates and charges for service

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

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

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

5. Notice of availability of sewer service

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

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

No public service district shall foreclose upon the premises served by such district for delinquent fees, rates or charges for which a lien is authorized by sections nine or nineteen of this article except through the bringing and maintenance of a civil action for such purpose brought in the circuit court of the county wherein the district lies. In every such action, the court shall be required to make a finding based upon the evidence and facts presented that

the district prior to the bringing of such action had exhausted all other remedies for the collection of debts with respect to such delinquencies. In no event shall foreclosure procedures be instituted by any such district or on its behalf unless such delinquency had been in existence or continued for a period of two years from the date of the first such delinquency for which foreclosure is being sought.

Acts 1982, c. 74.

Library References

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

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

§ 16-13A-10. Budget

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

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

Library References

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

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

Notes of Decisions

In general 1

1. In general

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

§ 16-13A-11. Accounts; audit

The general manager, under direction of the board, shall install and maintain a proper system of accounts, in accordance with all rules, regulations or orders

pertaining thereto by the public service commission, showing receipts from operation and application of the same, and the board shall at least once a year cause such accounts to be properly audited: Provided, That such audit may be any audit by an independent public accountant completed within one year of the time required for the submission of the report: Provided, however, That if the district is required to have its books, records and accounts audited annually by an independent certified public accountant as a result of any covenant in any board resolution or bond instrument, a copy of such audit may be submitted in satisfaction of the requirements of this section, and is hereby found, declared and determined to be sufficient to satisfy the requirements of article nine, chapter six of this code pertaining to the annual audit report by the state tax commission. A copy of the audit shall be forwarded within thirty days of submission to the county commission and to the public service commission.

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

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

Library References

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

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

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

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

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

Library References

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

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

§ 16–13A–13. Revenue bonds

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

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

Library References

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

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

Notes of Decisions

In general 1

1. In general

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

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

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

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

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

Library References

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

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

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

In the discretion and at the option of the board such bonds may be secured by a trust indenture by and between the district and a corporate trustee, which may be a trust company or bank having powers of a trust company within or without the State of West Virginia, but no such trust indenture shall convey, mortgage or create any lien upon the public service properties or any part thereof. The resolution authorizing the bonds and fixing the details thereof may provide that such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of bondholders as may be reasonable

and proper, not in violation of law, including covenants setting forth the duties of the district and the members of its board and officers in relation to the construction or acquisition of public service properties and the improvement, extension, operation, repair, maintenance and insurance thereof, and the custody, safeguarding and application of all moneys, and may provide that all or any part of the construction work shall be contracted for, constructed and paid for, under the supervision and approval of consulting engineers employed or designated by the board and satisfactory to the original bond purchasers, their successors, assignees or nominees, who may be given the right to require the security given by contractors and by any depository of the proceeds of bonds or revenues of the public service properties or other money pertaining thereto be satisfactory to such purchasers, their successors, assignees or nominees. Such indenture may set forth the rights and remedies of the bondholders and such trustee.

Acts 1953, c. 147.

Library References

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

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

United States Code Annotated

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

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

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

Acts 1953, c. 147.

Library References

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

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

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

The board of any such district shall have power to insert enforceable provisions in any resolution authorizing the issuance of bonds relating to the collection, custody and application of revenues of the district from the operation of the public service properties under its control and to the enforcement of the covenants and undertakings of the district. In the event there shall be default in the sinking fund provisions aforesaid or in the payment of the principal or interest on any of such bonds or, in the event the district or its board or any of its officers, agents or employees, shall fail or refuse to comply with the provisions of this article, or shall default in any covenant or agreement made with respect to the issuance of such bonds or offered as security therefor, then any holder or holders of such bonds and any such trustee under the trust indenture, if there be one, shall have the right by suit, action, mandamus or other proceeding instituted in the circuit court for the county or any of the counties wherein the district extends, or in any other court of competent jurisdiction, to enforce and compel performance of all duties required by this article or undertaken by the district in connection with the issuance of such bonds, and upon application of any such holder or holders, or such trustee, such court shall, upon proof of such defaults, appoint a receiver for the affairs of the district and its properties, which receiver so appointed shall forthwith directly, or by his agents and attorneys, enter into and upon and take possession of the affairs of the district and each and every part thereof, and hold, use, operate, manage and control the same, and in the name of the district exercise all of the rights and powers of such district as shall be deemed expedient, and such receiver shall have power and authority to collect and receive all revenues and apply same in such manner as the court shall direct. Whenever the default causing the appointment of such receiver shall have been cleared and fully discharged and all other defaults shall have been cured, the court may in its discretion and after such notice and hearing as it deems reasonable and proper direct the receiver to surrender possession of the affairs of the district to its board. Such receiver so appointed shall have no power to sell, assign, mortgage, or otherwise dispose of any assets of the district except as hereinbefore provided.

Acts 1953, c. 147.

Library References

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

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

Notes of Decisions

In general 1

1. In general

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

§ 16–13A–18. Operating contracts

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

Acts 1953, c. 147.

Library References

Counties ⟹114.
Municipal Corporations ⟹328.
Westlaw Topic Nos. 104, 268.
C.J.S. Counties § 161.
C.J.S. Municipal Corporations §§ 1027 to 1029.

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

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

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

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

Library References

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

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

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

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

Acts 1953, c. 147.

Library References

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

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

Notes of Decisions

In general 1

1. In general

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

§ 16–13A–20. Refunding revenue bonds

The board of any district having issued bonds under the provisions of this article is hereby empowered thereafter by resolution to issue refunding bonds of such district for the purpose of retiring or refinancing such outstanding

bonds, together with any unpaid interest thereon and redemption premium thereunto appertaining and all of the provisions of this article relating to the issuance, security and payment of bonds shall be applicable to such refunding bonds, subject, however, to the provisions of the proceedings which authorized the issuance of the bonds to be so refunded.

Acts 1953, c. 147.

Library References

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

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

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

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

Library References

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

Notes of Decisions

In general 2
Validity 1

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1. Validity

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

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

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

2. In general

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

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

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

All acts and proceedings taken by any county court of this State purporting to have been carried out under the provisions of this article which have been taken, prior to the date this section takes effect, for the purpose of creating public service districts or for the purpose of subsequent inclusion of additional territory to existing public service districts, after notice published by any such county court having territorial jurisdiction thereof of its intention to include such additional territory after hearing thereon, are hereby validated, ratified, approved and confirmed notwithstanding any other lack of power (other than constitutional) of any such county court to create such public service districts or to include additional territory to existing public service districts or irregularities (other than constitutional) in such proceedings, relating to the appointment and qualification of more than three members to the board of any such public service district or the subsequent appointment of successors of any or all of such members, notwithstanding that no city, incorporated town or other municipal corporation having a population in excess of three thousand is included within the district, and the appointment and qualification of such members, and further including any irregularities in the petition for the creation of any public service district, irregularities in the description of the area embraced by such district, and irregularities in the notice and publication of notice for the hearing creating such district, prior to the date this section takes effect, is hereby validated, ratified, approved and confirmed; and, further, in such cases where more than three members of the board of such districts have been so appointed prior to the date this section takes effect then such county court shall appoint, and they are hereby authorized and empowered to appoint, successors to such members in the manner as otherwise provided by this article.

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

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

Library References

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

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

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

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

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

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

Library References

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

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

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

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

advances may be paid from the proceeds thereof until the maturity of such notes or other negotiable instrument.

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

Library References

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

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

Notes of Decisions

In general 1

1. In general

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

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

(a) Notwithstanding any other provisions of this article to the contrary, a public service district may not borrow money, enter into contracts for the provision of engineering, design or feasibility studies, issue or contract to issue revenue bonds or exercise any of the powers conferred by the provisions of section thirteen, twenty or twenty-four of this article without the prior consent and approval of the Public Service Commission: *Provided*, That approval of funding set forth in section eleven, article two, chapter twenty-four of this code or this section is not required if the funding is for a project which has received a certificate of public convenience and necessity after the eighth day of July, two thousand five, from the commission and where the cost of the project changes but the change does not affect the rates established for the project.

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

(1) Experience with the same engineering firm; or

(2) Completion of a construction project requiring engineering services. The district shall also forward an executed copy of the engineering contract to the commission after receiving approval of the waiver.

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

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

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

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

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

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

(e) Unless the properties to be constructed or acquired represent ordinary extensions or repairs of existing systems in the usual course of business, a public service district must first obtain a certificate of public convenience and necessity from the Public Service Commission in accordance with the provision of chapter twenty-four of this code when a public service district is seeking to acquire or construct public service property.

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

Library References

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

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

Research References

ALR Library

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

Notes of Decisions

In general 1
Certificate of public convenience and necessity 2

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1. In general

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

2. Certificate of public convenience and necessity

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

West's

Annotated Code of West Virginia

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

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Chapter 16

2008
Cumulative Annual Pocket Part

Supplementing 2008 Main Volume

Includes laws through the 2008 First Extraordinary Session

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the respective officers and departments thereof, including the sanitary board, are governed by the provisions of this article.

(k) The jurisdiction and authority provided by this section does not extend to highways, road and drainage easements and stormwater facilities constructed, owned or operated by the West Virginia Division of Highways and no rates, fees or charges for stormwater services or costs of compliance may be assessed against highways, road and drainage easements and/or stormwater facilities constructed, owned and/or operated by the West Virginia Division of Highways.

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

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

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

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

ARTICLE 13A

PUBLIC SERVICE DISTRICTS

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

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

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

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

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

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

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

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

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

(b) In the event that any publicly or privately owned utility, city, incorporated town, other municipal corporation or other public service district included within the district owns and operates separately water facilities, sewer facilities or stormwater facilities and the district owns and operates another kind of facility either water or sewer, or both, as the case may be, then the district and the publicly or privately owned utility, city, incorporated town or other municipal corporation or other public service district shall covenant and contract with each other to shut off and discontinue the supplying of water service for the nonpayment of sewer or stormwater service fees and charges: *Provided*, That any contracts entered into by a public service district pursuant to this section shall be submitted to the Public Service Commission for approval. Any public service district which provides water and sewer service, water and stormwater service or water, sewer and stormwater service has the right to terminate water service for delinquency in payment of water, sewer or stormwater bills. Where one public service district is providing sewer service and another public service district or a municipality included within the boundaries of the sewer or stormwater district is providing water service and the district providing sewer or stormwater service experiences a delinquency in payment, the district or the municipality included within the boundaries of the sewer or stormwater district that is providing water service, upon the request of the district

providing sewer or stormwater service to the delinquent account, shall terminate its water service to the customer having the delinquent sewer or stormwater account: *Provided, however,* That any termination of water service must comply with all rules and orders of the Public Service Commission.

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

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

(e) The owner, tenant or occupant of any real property may be determined and declared to be served by a stormwater system only after each of the following conditions is met: (1) the district has been designated by the Environmental Protection Agency as an entity to serve a West Virginia Separate Storm Sewer System community, as defined in 40 C. F. R. § 122.26; (2) the district's authority has been properly expanded to operate and maintain a stormwater system; (3) the district has made available a stormwater system where stormwater from the real property affects or drains into the stormwater system; and (4) the real property is located in the Municipal Separate Storm Sewer System's designated service area. It is further hereby found, determined and declared that the mandatory use of the stormwater system is necessary and essential for the health and welfare of the inhabitants and residents of the district and of the state. The district may charge and the owner, tenant or occupant shall pay the rates, fees and charges for stormwater services established under this article only after thirty-day notice of the availability of the stormwater system has been received by the owner. An entity providing stormwater service shall provide a tenant a report of the stormwater fee charged for the entire property and, if appropriate, that portion of the fee to be assessed to the tenant.

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

(g) Anything in this section to the contrary notwithstanding, any establishment, as defined in section three, article eleven, chapter twenty-two of this code, now or hereafter operating its own sewage disposal system pursuant to a permit issued by the Department of Environmental Protection, as prescribed by section eleven, article eleven, chapter twenty-two of this code, is exempt from the provisions of this section.

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

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

ARTICLE 19

REVISED ANATOMICAL GIFT ACT

Section	
16–19–1.	Short title.
16–19–2.	Applicability.
16–19–3.	Definitions.
16–19–4.	Who may make anatomical gift before donor's death.
16–19–5.	Manner of making anatomical gift before donor's death.
16–19–6.	Amending or revoking anatomical gift before donor's death.
16–19–7.	Refusal to make anatomical gift; effect of refusal.
16–19–8.	Preclusive effect of anatomical gift, amendment, or revocation.
16–19–9.	Who may make anatomical gift of decedent's body or part.
16–19–10.	Manner of making, amending, or revoking anatomical gift of decedent's body or part.
16–19–11.	Persons who may receive anatomical gift; purpose of anatomical gift.
16–19–12.	Search and notification.
16–19–13.	Delivery of document of gift not required; right to examine.
16–19–14.	Rights and duties of procurement organization and others.
16–19–15.	Coordination of procurement and use.
16–19–16.	Prohibited acts; sale or purchase of parts prohibited.
16–19–17.	Immunity.
16–19–18.	Law governing validity; choice of law as to execution of document of gift; presumption of validity.
16–19–19.	Donor registry.
16–19–20.	Effect of anatomical gift on advance health-care directive.
16–19–21.	Cooperation between medical examiner and procurement organization.
16–19–22.	Facilitation of anatomical gift from decedent whose body is under jurisdiction of medical examiner.
16–19–23.	Relation to Electronic Signatures in Global and National Commerce Act.

Acts 2008, c. 191, replaced the Anatomical Gift Act (§§ 16–9–1 to 16–9–14) with the Revised Anatomical Gift Act (§§ 16–9–1 to 16–9–23).

State of West Virginia

Certificate

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

THIS IS A TRUE COPY OF CHAPTER 31, ARTICLE 15A OF THE WEST VIRGINIA CODE, AND CHAPTER 31 ARTICLE 15A OF THE 2008 SUPPLEMENT TO THE WEST VIRGINIA CODE, AS INDICATED BY THE RECORDS OF THIS OFFICE.

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

September 18, 2008

Betty Ireland

Secretary of State

ARTICLE 15A

WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL

Section

31-15A-1. Short title.
31-15A-2. Definitions.
31-15A-3. West Virginia infrastructure and jobs development council continued; members of council; staff of council.
31-15A-4. Development of guidelines and preliminary application for funding assistance.
31-15A-5. Requirements for project funding assistance; review of project preliminary applications by council.
31-15A-6. Powers, duties and responsibilities of the council generally; comprehensive assessment.
31-15A-7. Current and prospective planning; roads and highways; report to division of highways.
31-15A-8. Exemption of certain emergency projects from certificate of public convenience and necessity requirements; review of certain emergency projects by public service commission; and exemption for North Fork Hughes River watershed project.
31-15A-9. Infrastructure fund; deposits in fund; disbursements to provide loans, loan guarantees, grants and other assistance; loans, loan guarantees, grants and other assistance shall be subject to assistance agreements.
31-15A-10. Recommendations by council for expenditures of funds by loan, grant or for engineering assistance.
31-15A-11. Reservation of funds for projects and infrastructure projects.
31-15A-12. Additional powers of water development authority.
31-15A-13. Prohibition on funds inuring to the benefit of or being distributable to water development board; transactions between the water development board and officers having certain interests in such transactions.
31-15A-14. Termination or dissolution.
31-15A-15. Projects not to be considered public improvements; competitive bid requirements.
31-15A-16. Dedication of severance tax proceeds.
31-15A-17. Water development authority empowered to issue infrastructure revenue bonds and refunding bonds; creation of infrastructure revenue debt service fund; funding of infrastructure revenue debt service fund; requirements and manner of such issuance.
31-15A-18. Trustee for holders of infrastructure revenue bonds; contents of trust agreement.
31-15A-19. Legal remedies of infrastructure revenue bondholders or noteholders and trustees.
31-15A-20. Infrastructure revenue bonds lawful investments.
31-15A-21. Purchase and cancellation of infrastructure revenue bonds.
31-15A-22. Refunding revenue bonds.
31-15A-23. Infrastructure revenue bonds not debt of state, county, municipality or any political subdivision.
31-15A-24. Infrastructure revenue bonds exempt from taxation.

§ 31-15A-1. Short title

This article shall be known and may be cited as the "West Virginia Infrastructure and Jobs Development Act."

Acts 1994, 1st Ex. Sess., c. 26.

§ 31–15A–2. Definitions

For purposes of this article:

(a) "Bond" or "infrastructure revenue bond" means a revenue bond, note, or other obligation issued by the water development authority pursuant to this article, including bonds to refund such bonds and notes to renew such notes, and notes in anticipation of and payable from the proceeds of such bonds.

(b) "Code" means the code of West Virginia, one thousand nine hundred thirty-one, as amended;

(c) "Cost" means, as applied to any project to be financed, in whole or in part, with infrastructure revenues or funds otherwise provided pursuant to this article, the cost of planning, acquisition, improvement and construction of the project; the cost of preliminary design and analysis, surveys, borings; the cost of environmental, financial, market and engineering feasibility studies, assessments, applications, approvals, submissions or clearances; the cost of preparation of plans and specifications and other engineering services; the cost of acquisition of all land, rights-of-way, property rights, easements, franchise rights and any other interests required for the acquisition, repair, improvement or construction of the project; the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which buildings or structures may be moved; the cost of excavation, grading, shaping or treatment of earth, demolishing or removing any buildings or structures; the cost of constructing any buildings or other improvements; the cost of all pumps, tanks, vehicles, apparatus and other machinery, furnishings and equipment; loan or origination fees and all finance charges and interest incurred prior to and during the construction and for no more than six months after completion of construction; the cost of all legal services and expenses; the cost of all plans, specifications, surveys and estimates of cost; all working capital and other expenses necessary or incident to determining the feasibility or practicability of acquiring, repairing, improving or constructing any project; the cost of placing any project in operation; and all other costs and expenses of any kind or nature incurred or to be incurred by the project sponsor developing the project that are reasonable and necessary for carrying out all works and undertakings necessary or incident to the accomplishment of any project: Provided, That costs shall not include any amounts related to the ongoing operations of the owner or operator, depreciation thereof or any other cost which the council or the water development authority has not determined to be consistent with the purposes and objectives of this article;

(d) "Council" means the West Virginia infrastructure and jobs development council created in section three of this article;

(e) "Division of environmental protection" means the division of environmental protection established under article one, chapter twenty-two of this code, or any successor to all or any substantial part of its powers and duties;

(f) "Division of health" means the division of health created in article one, chapter sixteen of this code, or any successor to all or any substantial part of its powers and duties;

(g) "Economic development authority" means the economic development authority established under article fifteen, chapter thirty-one of the code, or any successor to all or any substantial part of its powers and duties;

(h) "Emergency project" means a project which the council has determined: (1) Is essential to the immediate economic development of an area of the state; and

(2) will not likely be developed in that area if construction of the project is not commenced immediately;

(i) "Governmental agency" means any county; municipality; watershed improvement district; assessment district; soil conservation district; sanitary district; public service district; drainage district; regional governmental authority and any other state governmental agency, entity, political subdivision or public corporation or agency authorized to acquire, construct or operate water or wastewater facilities or infrastructure projects;

(j) "Housing development fund" means the West Virginia housing development fund established under article eighteen of this chapter, or any successor to all or any substantial part of its powers and duties;

(k) "Infrastructure fund" means the West Virginia infrastructure fund created and established in section nine of this article;

(*l*) "infrastructure project" means a project in the state which the council determines is likely to foster and enhance economic growth and development in the area of the state in which the project is developed, for commercial, industrial, community improvement or preservation or other proper purposes, including, without limitation, tourism and recreational housing, land, air or water transportation facilities and bridges, industrial or commercial projects and facilities, mail order, warehouses, wholesale and retail sales facilities and other real and personal properties, including facilities owned or leased by this state or any other project sponsor, and includes, without limitation:

(1) the process of acquiring, holding, operating, planning, financing, demolition, construction, improving, expanding, renovation, leasing or otherwise disposing of the project or any part thereof or interest therein; and

(2) preparing land for construction and making, installing or constructing improvements on the land, including water or wastewater facilities or any part thereof, steam, gas, telephone and telecommunications and electric lines and installations, roads, bridges, railroad spurs, buildings, docking and shipping facilities, curbs, gutters, sidewalks, and drainage and flood control facilities, whether on or off the site;

(m) "Infrastructure revenue" means all amounts appropriated by the Legislature; all amounts deposited into the infrastructure fund; any amounts received, directly or indirectly, from any source for the use of all or any part of any project completed pursuant to this article; and any other amounts received by the state treasurer, council or the water development authority for the purposes of this article;

(n) "Need of the project sponsors" means there is a public need for a project. The council shall construe a population increase evidenced by the last two decennial censuses in a county in which a project is proposed, as a factor supporting the conclusion that a need exists for projects in that county.

(o) "Project" means any wastewater facility, water facility project or any combination thereof, constructed or operated or to be constructed or operated by a project sponsor;

(p) "Project sponsor" means any governmental agency or person, or any combination thereof, including, but not limited to, any public utility, which intends to plan, acquire, construct, improve or otherwise develop a project;

(q) "Public service commission" means the public service commission of West Virginia created and established under section three, article one, chapter twenty-four of this code, or any successor to all or any substantial part of its powers and duties;

(r) "Person" means any individual, corporation, partnership, association, limited liability company or any other form of business organization;

(s) "Public utility" means any person or persons, or association of persons, however associated, whether incorporated or not, including, without limitation, any governmental agency, operating a wastewater facility or water facility as a public service, which is regulated by the public service commission as a public utility under chapter twenty-four of this code or which is required to file its tariff with the public service commission;

(t) "State development office" means the West Virginia development office established under article two, chapter five-b of this code, or any successor to all or any substantial part of its powers and duties;

(u) "State infrastructure agency" means the division of health, division of environmental protection, housing development fund, public service commission, state development office, water development authority, economic development authority and any other state agency, division, body, authority, commission, instrumentality or entity which now or in the future receives applications for the funding of, and provides funding or technical assistance to, the planning, acquisition, construction or improvement of a project;

(v) "Waste water facility" means all facilities, land and equipment used for or in connection with treating, neutralizing, disposing of, stabilizing, cooling, segregating or holding waste water, including, without limitation, facilities for the treatment and disposal of sewage, industrial wastes or other wastes, wastewater, and the residue thereof; facilities for the temporary or permanent impoundment of wastewater, both surface and underground; and sanitary sewers or other collection systems, whether on the surface or underground, designed to transport wastewater together with the equipment and furnishings therefor or thereof and their appurtenances and systems, whether on the surface or underground including force mains and pumping facilities therefor;

(w) "Water development authority" means the West Virginia water development authority continued pursuant to the provisions of article one, chapter

twenty-two-c of this code, or any successor to all or any substantial part of its powers and duties; and

(x) "Water facility" means all facilities, land and equipment used for or in connection with the collection and/or storage of water, both surface and underground, transportation of water, storage of water, treatment of water and distribution of water all for the purpose of providing potable, sanitary water suitable for human consumption and use.

Acts 1994, 1st Ex. Sess., c. 26; Acts 1998, c. 180, eff. 90 days after March 14, 1998.

§ 31-15A-3. West Virginia infrastructure and jobs development council continued; members of council; staff of council

(a) The West Virginia infrastructure and jobs development council is hereby continued. The council is a governmental instrumentality of the state. The exercise by the council of the powers conferred by this article and the carrying out of its purpose and duties shall be considered and held to be, and are hereby determined to be, essential governmental functions and for a public purpose.

(b) The council shall consist of eleven members, including the executive director of the housing development fund or his or her designee, the director of the division of environmental protection or his or her designee, the director of the economic development authority or his or her designee, the director of the water development authority or his or her designee, the executive director of the state development office or his or her designee, the director of the division of health or his or her designee, the chairman of the public service commission or his or her designee, and four members representing the general public: Provided, That there shall be at least one member representing the general public from each congressional district: Provided, however, That after the expiration of the term of office of the members first appointed as representatives of the general public, no more than one member representing the general public may be a resident of the same county. The governor shall appoint the public members of the council who shall serve three-year staggered terms. The commissioner of the division of highways, the executive director of the state rail authority, two members of the West Virginia Senate, two members of the West Virginia House of Delegates, one representative of the board of directors of the state college system and one representative of the board of trustees of the university of West Virginia shall serve as advisory members of the council. The governor shall appoint the legislative members of the council: Provided, further That no more than three of the legislative members may be of the same political party. The governor shall appoint the representatives of the governing boards from a list of three names submitted by each governing board. The advisory members shall be ex officio, nonvoting members of the council.

(c) The council shall annually elect one of its members as chairman, and shall appoint a secretary, who need not be a member of the council and who shall keep records of its proceedings. Six members of the council shall constitute a quorum and the affirmative vote of at least the majority of those members present shall be necessary for any action taken by vote of the council.

No vacancy in the membership of the council impairs the rights of a quorum by such vote to exercise all the rights and perform all the duties of the council.

(d) No member of the council who serves by virtue of his or her office shall receive any compensation or reimbursement of expenses for serving as a member. The members of the council who represent the general public shall receive reimbursement for actual expenses incurred in the service of the council.

(e) The council shall meet at least monthly to review projects and infrastructure projects requesting funding assistance and otherwise to conduct its business, and shall meet more frequently if necessary. Notwithstanding any other provision of this article to the contrary, the economic development authority shall not be subject to council review with regard to any action taken pursuant to the authority established in article fifteen, chapter thirty-one of this code nor shall the governor's civil contingent fund be subject to council review with regard to projects or infrastructure projects funded through the governor's civil contingent fund.

(f) The water development authority shall provide office space for the council, and each governmental agency represented on the council shall provide staff support for the council in the manner determined by the council from time to time.

(g) The council shall invite to all its meetings one or more representatives of the United States department of agriculture, rural economic community development, the United States economic development agency and the United States army corps of engineers or any successors thereto. The council shall also invite such other appropriate parties as may be necessary to effectuate the purposes of this article.

Acts 1994, 1st Ex. Sess., c. 26; Acts 1995, c. 130, eff. March 10, 1995.

§ 31-15A-4. Development of guidelines and preliminary application for funding assistance

(a) To implement and carry out the intent of this article, the council shall promulgate legislative rules in accordance with article three, chapter twenty-nine-a of this code to develop comprehensive, uniform guidelines for use by the council and other state infrastructure agencies in evaluating any request by a project sponsor for funding assistance to plan, acquire, construct, improve or otherwise develop a project or infrastructure project. The guidelines shall include the following factors: (1) the public health benefits of the project or infrastructure project; (2) the economic development benefits of the project or infrastructure project; (3) the degree to which the project or infrastructure project will correct deficiencies in the compliance of water supply or sewage treatment facilities with state or federal laws, regulations or standards; (4) the degree to which the project or infrastructure project encourages effective and efficient consolidation of water or sewage treatment systems consistent with the comprehensive plan developed pursuant to section six of this article; (5) the cost effectiveness of the project or infrastructure project as compared with

alternatives which achieve substantially the same public health or economic development benefits, including the consideration of providing maximum feasible fire protection; (6) the availability of alternative sources of funding which could finance all or a part of the project and infrastructure project, and the need for the assistance of the council to finance the project or infrastructure project or attract other sources of funding; (7) the applicant's ability to operate and maintain the system if the project or infrastructure project is approved; (8) the degree to which the project or infrastructure project achieves other state or regional planning goals; (9) the estimated date upon which the project or infrastructure project could commence if funding were available and the estimated completion date of the project or infrastructure project; and (10) such other considerations as the council may consider necessary or appropriate to accomplish the purpose and intent of this article.

(b) The council shall create a preliminary application form which shall be used by all project sponsors requesting funding assistance from state infrastructure agencies to plan, acquire, construct, improve or otherwise develop an infrastructure project or project. The preliminary application form shall contain all information required by all state infrastructure agencies that will be required to issue permits and/or certificates regarding the project or infrastructure project. The preliminary application shall require the project sponsor to set forth the type and proposed location of the infrastructure project or project; the estimated total cost of the project; the amount of funding assistance required and the specific uses of the funding; other sources of funding available or potentially available for the infrastructure project or project; information demonstrating the need for the infrastructure project or project and that the proposed funding of the project is the most economically feasible and viable alternative to completing the project or infrastructure project; and such other information as the council considers necessary to enable it to recommend the type of project or infrastructure project financing, in terms of the kind, amount and source of funding, which the project sponsor should pursue and which the state infrastructure agency or agencies should consider an appropriate investment of public funds, and to otherwise carry out the intent of this article.

Acts 1994, 1st Ex. Sess., c. 26.

§ 31-15A-5. Requirements for project funding assistance; review of project preliminary applications by council

(a) No project sponsor may apply for or receive any loan, loan guarantee, grant or other funding assistance for a project or infrastructure project from any state infrastructure agency (i) unless the project sponsor requiring the funding assistance first submits a completed preliminary application to the council on the form prepared for such purpose by the council pursuant to section four of this article, and (ii) except as may be recommended by the council after consideration of the preliminary application: Provided, That any project sponsor which has an infrastructure project or project with either

acceptable bids or all funding in place on the effective date of this act is not required to comply with the provisions of this section.

(b) The council shall, within thirty days of receipt of each completed preliminary application submitted to it, review the preliminary application and either (i) make a written recommendation as to the infrastructure project or project financing, in terms of the kind, amount and source of funding, which the project sponsor submitting the application should pursue and which the state infrastructure agency or agencies should consider an appropriate investment of public funds, or (ii) if the council determines that (1) the proposed project or infrastructure project is not eligible for funding assistance from any state infrastructure agency, or (2) the proposed project or infrastructure project is not otherwise an appropriate or prudent investment of state funds, the council shall recommend that the project sponsor not seek funding from any state infrastructure agency. A project sponsor shall include the preliminary application and the council's recommendations in any application to a state infrastructure agency.

(c) The council shall provide a copy of its recommendation with respect to each preliminary application, together with a copy of the preliminary application, to all appropriate state infrastructure agencies, which shall take into account the council's recommendations with respect to a project or infrastructure project before taking any action with respect to the project. No state infrastructure agency shall take any action inconsistent with the recommendation of the council unless the governing body of the agency, or the head of the agency if it has no governing body, expressly finds and determines that the recommendation is not in the best interest of the state or the area in which the proposed infrastructure project or project is to be located.

(d) In reviewing each preliminary application, the council shall use the engineering, financial and technical expertise of the respective staffs of the state infrastructure agencies represented on the council so as to recommend for funding those projects or infrastructure projects which are consistent with the purposes and intent of this article and with the policies and priorities of this state generally. The council may include in its findings a recommendation that a state infrastructure agency consider technical reports on the project prepared by other infrastructure agencies or by any federal agency.

Acts 1994, 1st Ex. Sess., c. 26.

§ 31–15A–6. Powers, duties and responsibilities of the council generally; comprehensive assessment

(a) In addition to the powers set forth elsewhere in this article, the council is hereby granted, has and may exercise all powers necessary or appropriate to carry out and effectuate the purposes and intent of this article. The council shall have the power and capacity to:

(1) Provide consultation services to project sponsors in connection with the planning, acquisition, improvement, construction or development of any infrastructure project or project;

(2) Periodically prepare a list of infrastructure projects or projects which cannot meet the established funding guidelines of the various state infrastructure agencies, other than the housing development fund, but which are consistent with the mandates of this article and recommend to the water development authority that it make a grant or loan to the project sponsors from the infrastructure fund to finance the cost of one or more such projects or infrastructure projects;

(3) Do all other acts necessary and proper to carry out the powers expressly granted to the authority in this article; and

(4) To make and execute contracts, commitments and obligations and other instruments necessary or convenient for the exercise of its powers.

(b) The council shall develop a comprehensive statewide inventory of water supply systems and sewage treatment systems and an assessment of current and future needs by the first day of July, one thousand nine hundred ninety-six. The assessment shall identify the areas of the state which do not have adequate public water or sewage systems and offer recommendations for the construction of new facilities or the extension or expansion of existing facilities to meet the identified needs. The council shall include in the assessment an identification of the obstacles, issues and problems which prevent or inhibit development of adequate infrastructure throughout the state, including financial, governmental, physical, or geographical factors and make recommendation as the council considers appropriate regarding the obstacles, issues or problems identified. This comprehensive inventory and assessment shall be updated at least once in every three year period after the initial assessment and inventory is completed.

(c) The council shall study the viability of the consolidation of public service districts throughout the state: Provided, That the study shall encompass not only public service districts but also any and all entities which provide or supply water and sewer service to the general public: Provided, however, That the council shall, in the preparation of the study, consult with the public service district division of the public service commission and representatives of the West Virginia rural water association and the West Virginia association of public service districts, as needed. The council shall report their findings and conclusions on or before the sixteenth of January of the year one thousand nine hundred ninety-five to the governor, speaker of the house of delegates and president of the senate.

Acts 1994, 1st Ex. Sess., c. 26.

§ 31-15A-7. Current and prospective planning; roads and highways; report to division of highways

(a) The council shall take into account the current and prospective infrastructure needs in relation to plans of the division of highways for the development and building of new roads. Upon completion of an environmental impact study, the commissioner of highways shall provide the council with plans for any and all new roads. In a timely manner, the council shall advise the

commissioner of the division of highways on the feasibility of the expansion of new or existing water and sewer lines concomitant to the construction of the new roads.

(b) The council has the authority to appoint local infrastructure planning teams. The local infrastructure planning teams may consist of the following: A designee of the division of highways from the region where the new road is being built; a designee of the division of highways from the central state office; a designee from the environmental engineers division of the department of health and human resources; a designee from the local developmental authority where the new road is being built; a designee from the regional developmental authority in the area where the new road is being built; a designee from the public service commission; a designee from the division of environmental protection; a designee from the county commission where the new road is being built who shall serve as chairperson of the planning team; a citizen of the county where the new road is being built to be chosen by the county commission; and the elected state delegates and senators from the area where the new road is being built. In order to avoid delay of any highway project, immediately upon appointment of a local infrastructure planning team, the director of the division of highways shall submit to the council a time frame within which the planning team must act and within which the planning team must submit any plans, maps, recommendations or reports developed pursuant to this subsection. The local infrastructure planning team shall meet prior to the development and building of a new road. Members of the local infrastructure planning team shall only receive payment for actual expenses incurred. The local infrastructure planning team shall advise the commissioner of the division of highways on the feasibility of an infrastructure plan. The local infrastructure planning team shall meet to develop an infrastructure plan that includes an assessment study of existing water and sewer lines and a feasibility study on future development and laying of water and sewer lines. After these studies are completed, a developmental map shall be drawn of the proposed road route with overlays of the proposed water and sewer lines. These studies and the map shall be presented to the commissioner of the division of highways and shall be used by the commissioner in the planning, developing and building of the road.

(c) The water development authority shall establish a restricted account within the infrastructure fund to be expended for the construction of water and sewage lines as may be recommended by the council in accordance with this article and specifically, in accordance with the plan developed under subsection (b) of this section. The reserve account shall be known as the "infrastructure road improvement reserve account". The council and the division of highways may enter into agreements to share the cost of financing projects approved in accordance with this section from moneys available in the infrastructure road reserve account and moneys available from the state road fund. Annually, the council may direct the water development authority to transfer funds from the infrastructure fund in an amount not to exceed one million dollars to the

restricted account: Provided, That at no time may the balance of the restricted account exceed one million dollars.

(d) For the purposes of this section the term "new" means a road right-of-way being built for the first time.

(e) After the construction of water and sewer lines adjacent to the new road, these new lines shall be turned over to existing utilities by expansion of boundaries of public service districts or shall be main extensions from the municipality.

Acts 1994, 1st Ex. Sess., c. 26.

§ 31-15A-8. Exemption of certain emergency projects from certificate of public convenience and necessity requirements; review of certain emergency projects by public service commission; and exemption for North Fork Hughes River watershed project

(a) If the council determines a project to be an emergency and the emergency project will be funded solely with grant money for the extension of an existing certificated water facility or wastewater facility, and if the council finds in its recommendation that the construction and acquisition of the emergency project will have no effect on the public utility's customer rates and will have no significant effect on its operational costs as a result of the project cost, then the emergency project is exempt from the requirement to obtain a certificate of public convenience and necessity under section eleven, article two, chapter twenty-four of this code. If the public utility is a public service district, it is exempt from the approval of the public service commission required under section twenty-five, article thirteen-a, chapter sixteen of this code.

(b) Any public utility, and any other entity that will operate as a public utility, must obtain a certificate of public convenience and necessity pursuant to section eleven, article two, chapter twenty-four of this code for any emergency project that is not exempt under subsection (a) of this section. The public service commission shall render its final decision on any application for a certificate within one hundred twenty days of the filing of the application: Provided, That the thirty-day prefiling requirement is not required. If the project sponsor is a public service district, then the project will be exempted from the approval requirements of section twenty-five, article thirteen-a, chapter sixteen of this code.

(c) Projects that are not emergency projects are subject to the requirements of section eleven, article two, chapter twenty-four of this code to the extent they would be otherwise.

(d) The North Fork Hughes River watershed project, proposed to enhance economic growth and development through tourism as provided in subsection (*l*), section two of this article and to include a water facility project as defined in subsection (n), section two of this article, is hereby specifically exempted from any requirement imposed by this article, except that the provisions of subsection (a) of this section are specifically made applicable to the project.

The project is hereby specifically authorized and the public land corporation shall have and may exercise the power of eminent domain and all authority otherwise prescribed by law to acquire necessary land and rights-of-way, to include approximately four hundred seventy-eight acres, in connection with the project. Funding for the project shall be provided by the federal government from the Appalachian regional commission through the United States soil conservation service. Upon completion of the project, the property acquired shall be transferred to the state park system. The commissioner of the division of tourism and parks or the successor to the commissioner's powers and duties is directed to expand the boundaries of North Bend state park to include the project area and to operate the expanded park property, including improved recreational facilities, from funds appropriated for that purpose.

Acts 1994, 1st Ex. Sess., c. 26; Acts 1998, c. 180, eff. 90 days after March 14, 1998.

§ 31-15A-9. Infrastructure fund; deposits in fund; disbursements to provide loans, loan guarantees, grants and other assistance; loans, loan guarantees, grants and other assistance shall be subject to assistance agreements

(a) The water development authority shall create and establish a special revolving fund of moneys made available by appropriation, grant, contribution or loan to be known as the "West Virginia Infrastructure Fund". This fund shall be governed, administered and accounted for by the directors, officers and managerial staff of the water development authority as a special purpose account separate and distinct from any other moneys, funds or funds owned and managed by the water development authority. The infrastructure fund shall consist of sub-accounts, as deemed necessary by the council or the water development authority, for the deposit of: (1) Infrastructure revenues; (2) any appropriations, grants, gifts, contributions, loan proceeds or other revenues received by the infrastructure fund from any source, public or private; (3) amounts received as payments on any loans made by the water development authority to pay for the cost of a project or infrastructure project; (4) insurance proceeds payable to the water development authority or the infrastructure fund in connection with any infrastructure project or project; (5) all income earned on moneys held in the infrastructure fund; (6) all funds deposited in accordance with section four of article fifteen-b; and (7) all proceeds derived from the sale of bonds issued pursuant to article fifteen-b of this chapter.

Any money collected pursuant to this section shall be paid into the West Virginia infrastructure fund by the state agent or entity charged with the collection of the same, credited to the infrastructure fund, and used only for purposes set forth in this article or article fifteen-b.

Amounts in the infrastructure fund shall be segregated and administered by the water development authority separate and apart from its other assets and programs. Amounts in the infrastructure fund may not be transferred to any other fund or account or used, other than indirectly, for the purposes of any other program of the water development authority, except that the water development authority may use funds in the infrastructure fund to reimburse

itself for any administrative costs incurred by it and approved by the council in connection with any loan, loan guarantee, grant or other funding assistance made by the water development authority pursuant to this article.

(b) Notwithstanding any provision of this code to the contrary, amounts in the infrastructure fund shall be deposited by the water development authority in one or more banking institutions: Provided, That any moneys so deposited shall be deposited in a banking institution located in this state. The banking institution shall be selected by the water development authority by competitive bid. Pending the disbursement of any money from the infrastructure fund as authorized under this section, the water development authority shall invest and reinvest the moneys subject to the limitations set forth in article eighteen, chapter thirty-one of this code.

(c) To further accomplish the purposes and intent of this article and article fifteen-b of this chapter, the water development authority may pledge infrastructure revenues and from time to time establish one or more restricted accounts within the infrastructure fund for the purpose of providing funds to guarantee loans for infrastructure projects or projects: Provided, That for any fiscal year the water development authority may not deposit into the restricted accounts more than twenty percent of the aggregate amount of infrastructure revenues deposited into the infrastructure fund during the fiscal year. No loan guarantee shall be made pursuant to this article unless recourse under the loan guarantee is limited solely to amounts in the restricted account or accounts. No person shall have any recourse to any restricted accounts established pursuant to this subsection other than those persons to whom the loan guarantee or guarantees have been made.

(d) Each loan, loan guarantee, grant or other assistance made or provided by the water development authority shall be evidenced by a loan, loan guarantee, grant or assistance agreement between the water development authority and the project sponsor to which the loan, loan guarantee, grant or assistance shall be made or provided, which agreement shall include, without limitation and to the extent applicable, the following provisions:

(1) The estimated cost of the infrastructure project or project, the amount of the loan, loan guarantee or grant or the nature of the assistance, and in the case of a loan or loan guarantee, the terms of repayment and the security therefor, if any;

(2) The specific purposes for which the loan or grant proceeds shall be expended or the benefits to accrue from the loan guarantee or other assistance, and the conditions and procedure for disbursing loan or grant proceeds;

(3) The duties and obligations imposed regarding the acquisition, construction, improvement or operation of the project or infrastructure project; and

(4) The agreement of the governmental agency to comply with all applicable federal and state laws, and all rules and regulations issued or imposed by the water development authority or other state, federal or local bodies regarding the acquisition, construction, improvement or operation of the infrastructure project or project and granting the water development authority the right to

appoint a receiver for the project or infrastructure if the project sponsor should default on any terms of the agreement.

(e) Any resolution of the water development authority approving loan, loan guarantee, grant or other assistance shall include a finding and determination that the requirements of this section have been met.

(f) The interest rate on any loan to governmental, quasi-governmental, or not for profit project sponsors for projects made pursuant to this article shall not exceed three percent per annum. Due to the limited availability of funds available for loans for projects, it is the public policy of this state to prioritize funding needs to first meet the needs of governmental, quasi-governmental and not for profit project sponsors and to require that loans made to for-profit entities shall bear interest at the current market rates. Therefore, no loan may be made by the council to a for-profit entity at an interest rate which is less than the current market rate at the time of the loan agreement.

(g) The water development authority shall cause an annual audit to be made by an independent certified public accountant of its books, accounts and records, with respect to the receipts, disbursements, contracts, leases, assignments, loans, grants and all other matters relating to the financial operation of the infrastructure fund, including the operating of any sub-account within the infrastructure fund. The person performing such audit shall furnish copies of the audit report to the commissioner of finance and administration, where they shall be placed on file and made available for inspection by the general public. The person performing such audit shall also furnish copies of the audit report to the Legislature's joint committee on government and finance.

Acts 1994, 1st Ex. Sess., c. 26; Acts 1995, c. 130, eff. March 10, 1995.

Acts 1990, c. 2, abolished the office of commissioner of finance and administration and transferred all duties and powers to the secretary of administration. See § 5A–1–2.

§ 31–15A–10. Recommendations by council for expenditures of funds by loan, grant or for engineering assistance

(a) To further accomplish the purpose and intent of this article, the water development authority shall use the moneys in the infrastructure fund created pursuant to section nine of this article, upon receipt of one or more recommendations from the council pursuant to section five of this article, to make loans, with or without interest, loan guarantees or grants and to provide other assistance, financial, technical or otherwise, to finance all or part of the costs of infrastructure projects or projects to be undertaken by a project sponsor: Provided, That any moneys disbursed from the infrastructure fund in the form of grants shall not exceed twenty percent of the total funds available for the funding of projects. No loan, loan guarantee, grant or other assistance shall be made or provided except upon a determination by the council that the loan, loan guarantee, grant or other assistance and the manner in which it will be provided are necessary or appropriate to accomplish the purposes and intent of this article, based upon an application submitted to the council: Provided,

however, That no grant shall be made to a project sponsor that is not a governmental agency or a not for profit corporation under the provisions of section 501(c) of the Internal Revenue Code of 1986, as amended. Applications for loans, loan guarantees, grants or other assistance may be submitted by a project sponsor for one or more infrastructure projects on preliminary application forms prepared by the council pursuant to section four of this article. Any recommendation of the council approving a loan, loan guarantee, grant or other assistance shall include a finding and determination by the council that the requirements of this section have been met. The council shall base any decisions to loan money for projects to project sponsors pursuant to this article solely on the need of the project sponsors.

(b) The council has the authority in its sole discretion to make grants to project sponsors if it finds that: (1) The level of rates for the users would otherwise be an unreasonable burden given the users' likely ability to pay; or (2) the absence of a sufficient number of users prevents funding of the project except through grants: Provided, That no project sponsor shall receive infrastructure grant money in an amount in excess of fifty percent of the total cost of the project. Therefore, the council may consider the economic or financial conditions of the area to be served. As a condition for receipt of a grant under this subsection, the council may require, in addition to any other conditions, that the applicant pursue other state or federal grant or loan programs. Upon a recommendation by the council, the water development authority shall provide the grant in accordance with the recommendation. The council shall develop criteria to be considered in making grants to project sponsors which shall require consideration of the economic or financial conditions of the area to be served and the availability of other funding sources. The council shall adopt procedural rules regarding the manner in which grants will be awarded in conformity with this section. The procedural rules shall be adopted pursuant to article three, chapter twenty-nine-a of this code.

(c) Notwithstanding any other provision of this article to the contrary, the council shall apply a mandatory minimum end user utility rate that must be met by the project sponsor before funding assistance may be awarded. The mandatory minimum end utility rate shall be based upon a uniform statewide percentage of the median household income in a particular geographic area and said rate shall not exceed six tenths of one percent: Provided, That funding assistance made from the proceeds of any general obligation bonds and revenue bonds issued after the fifteenth day of March, one thousand ninety-eight, after transfers required to make the state match for the water and wastewater revolving loan programs pursuant to article two, chapter twenty-two-c and article thirteen-c, chapter sixteen of this code, shall be provided by the council on a pro rata basis divided equally among the congressional districts of this state as delineated in accordance with section three, article two, chapter one of this code: Provided, however, That infrastructure projects as defined in subsection (1), section two of this article shall be subject to pro rata distribution. When determining median household income of a geographic area of the

project to be served, the council shall consider any surveys of the income of the households that will be served by the project.

(d) No loan or grant funds may be made available for a project if the project to be funded will provide subsidized services to certain users in the service area of the project.

(e) Notwithstanding any other provision of this article to the contrary, engineering studies and requirements imposed by the council for preliminary applications shall not exceed those engineering studies and requirements which are necessary for the council to determine the economic feasibility of the project. If the council determines that the engineering studies and requirements for the preapplication would impose an undue hardship on any project sponsor, the council may provide funding assistance to project sponsors to defray the expenses of the preapplication process from moneys available in the infrastructure fund for making loans: Provided, That the council may only provide funding assistance in an amount equal to five thousand dollars or fifty percent of the total preapplication cost of the project, whichever amount is greater. If the project is ultimately approved for a loan by the council, the amount of funding assistance provided to the project sponsor for the preapplication process shall be included in the total amount of the loan to be repaid by the project sponsor. If the project is not ultimately approved by the council, then the amount of funding assistance provided to the project sponsor will be considered a grant by the council and the total amount of the assistance shall be forgiven. In no event may the amount of funding assistance provided to all project sponsors exceed, in the aggregate, one hundred thousand dollars annually.

(f) The council shall report to the governor, the speaker of the House of Delegates and the president of the Senate during each regular and interim session of the Legislature, on its activities and decisions relating to distribution or planned distribution of grants and loans under the criteria to be developed pursuant to this article.

Acts 1994, 1st Ex. Sess., c. 26; Acts 1995, c. 130, eff. March 10, 1995; Acts 1998, c. 180, eff. 90 days after March 14, 1998.

§ 31–15A–11. Reservation of funds for projects and infrastructure projects

Eighty percent of the funds deposited in the West Virginia infrastructure fund shall be dedicated for the purpose of providing funding for the cost of projects as defined in subsection (n), section two of this article. Twenty percent of the funds deposited in the West Virginia infrastructure fund shall be dedicated for the purpose of providing funding for costs of infrastructure projects as defined in subsection (*l*), section two of this article. Project sponsors of infrastructure projects shall follow the application process as established by this article: Provided, That notwithstanding any provision of this article to the contrary, all applications for any infrastructure project shall be submitted to the council for

community and economic development, or its successor, for review, recommendation and approval regarding infrastructure project funding.

Acts 1994, 1st Ex. Sess., c. 26; Acts 1998, c. 180, eff. 90 days after March 14, 1998.

§ 31-15A-12. Additional powers of water development authority

To accomplish the purpose and intent of this article, the water development authority is hereby empowered, in addition to all other powers granted to it under this code, upon approval of the council, to (1) enter into agreements or other transactions with any federal or state agency in connection with any infrastructure project or project; (2) receive or administer on behalf of any federal or state agency grants, subsidies or other payments to be applied to the costs of any infrastructure project or project financed in whole or in part or otherwise assisted by the water development authority, including, but not limited to, payments to be applied to operating costs and debt service or obligations of any project sponsor; (3) receive and accept aid or contributions from any source of money, property, labor or other things of value, to be held, used and applied only for the purposes for which such grants and contributions are made; (4) establish and amend the criteria and qualifications for making loans, loan guarantees or grants, or providing any other assistance, for any infrastructure project or project, and the terms of any loans, loan guarantee, grant or assistance agreement for any project; and (5) do all things which are necessary to further the purposes and intent of this article.

Acts 1994, 1st Ex. Sess., c. 26.

§ 31-15A-13. Prohibition on funds inuring to the benefit of or being distributable to water development board; transactions between the water development board and officers having certain interests in such transactions

No part of the infrastructure fund or the West Virginia infrastructure revenue debt service fund shall inure to the benefit of or be distributable to the water development board directors or officers of the water development authority except that the water development authority is authorized and empowered to pay reasonable compensation, other than to members of the water development board, including the chairman, vice chairman, secretary-treasurer for services rendered and to make loans and exercise its other powers as previously specified in furtherance of its corporate purpose: Provided, That no loans shall be made, and no property shall be purchased or leased from, or sold, leased or otherwise disposed of, to any water development board member or officer of the water development authority.

Acts 1994, 1st Ex. Sess., c. 26; Acts 1998, c. 180, eff. 90 days after March 14, 1998.

§ 31-15A-14. Termination or dissolution

Upon the termination or dissolution of the water development authority, all rights and properties of the water development authority with respect to the

infrastructure fund shall pass to and be vested in the state, subject to the rights of lienholders and other creditors.

Acts 1994, 1st Ex. Sess., c. 26.

§ 31-15A-15. Projects not to be considered public improvements; competitive bid requirements

(a) No project or infrastructure project acquired, constructed, maintained or financed, in whole or in part, by the water development authority shall be considered to be a "public improvement" within the meaning of the provisions of article five-a, chapter twenty-one of this code as a result of the financing.

(b) The state and its subdivisions shall, except as provided in subsection (c) of this section, solicit competitive bids and require the payment of prevailing wage rates as provided in article five-a, chapter twenty-one of this code for every project or infrastructure project funded pursuant to this article exceeding twenty-five thousand dollars in total cost.

Following the solicitation of the bids, the construction contract shall be awarded to the lowest qualified responsible bidder, who shall furnish a sufficient performance and payment bond: Provided, That the state and its subdivisions may reject all bids and solicit new bids on the project.

(c) This section does not:

(1) Apply to work performed on construction or repair projects not exceeding a total cost of fifty thousand dollars by regular full-time employees of the state or its subdivisions: Provided, That no more than fifty thousand dollars shall be expended on an individual project in a single location in a twelve-month period;

(2) Prevent students enrolled in vocational educational schools from being used in the construction or repair projects when such use is a part of the students' training program;

(3) Apply to emergency repairs to building components and systems: Provided, That the term "emergency repairs" means repairs that, if not made immediately, will seriously impair the use of the building components and systems or cause danger to those persons using the building components and systems; or

(4) Apply to any situation where the state or a subdivision of the state comes to an agreement with volunteers, or a volunteer group, by which the governmental body will provide construction or repair materials, architectural, engineering, technical or any other professional services and the volunteers will provide the necessary labor without charge to, or liability upon, the governmental body: Provided, That the total cost of the construction or repair projects does not exceed fifty thousand dollars.

(d) The provisions of subsection (b) of this section do not apply to privately owned projects or infrastructure projects constructed on lands not owned by the state or a subdivision of the state.

Acts 1994, 1st Ex. Sess., c. 26; Acts 2001, c. 45, eff. 90 days after April 14, 2001.

Historical and Statutory Notes

Acts 2001, c. 45 rewrote this section which as enacted provided:

"(a) No project or infrastructure project acquired, constructed, maintained or financed in whole or in part by the water development authority shall be considered to be a "public improvement" within the meaning of the provisions of article five-a, chapter twenty-one of this code, as a result of such financing.

"(b) The state and its subdivisions shall, except as provided in this subsection, solicit competitive bids and require the payment of prevailing wage rates as provided in article five-a, chapter twenty-one of this code for every project or infrastructure project funded pursuant to this article exceeding twenty-five thousand dollars in total cost. Following the solicitation of the bids, the construction contract shall be awarded to the lowest qualified responsible bidder, who shall furnish a sufficient performance and payment bond: Provided, That the state and its subdivisions may reject all bids and solicit new bids on the project. Nothing in this subsection applies to work performed on construction or repair projects not exceeding a total cost of twenty-five thousand dollars by regular full-time employees of the state or its subdivisions, nor shall anything in this subsection prevent students enrolled in vocational educational schools from being utilized in the construction or repair projects when such use is a part of the students' training program. Nothing in this subsection applies to emergency repairs to building components and systems: Provided, however, That the term "emergency repairs" means repairs that if not made immediately will seriously impair the use of the building components and systems or cause danger to those persons using the building components and systems. This subsection shall not apply to any situation where the state or a subdivision thereof comes to an agreement with volunteers, or a volunteer group, whereby the governmental body will provide construction or repair materials, architectural, engineering, technical or any other professional services and the volunteers will provide the necessary labor without charge to, or liability upon, the governmental body: Provided further, That the total cost of the construction or repair projects does not exceed twenty-five thousand dollars.

"(c) The provisions of subsection (b) of this section shall not apply to privately owned projects or infrastructure projects constructed on lands not owned by the state or a subdivision of the state."

§ 31-15A-16. Dedication of severance tax proceeds

(a) There shall be dedicated an annual amount from the collections of the tax collected pursuant to article thirteen-a, chapter eleven of this code for the construction, extension, expansion, rehabilitation, repair and improvement of water supply and sewage treatment systems and for the acquisition, preparation, construction and improvement of sites for economic development in this state as provided in this article.

(b) Notwithstanding any other provision of this code to the contrary, beginning on the first day of July, one thousand nine hundred ninety-five, the first sixteen million dollars of the tax collected pursuant to article thirteen-a, chapter eleven of this code shall be deposited to the credit of the West Virginia infrastructure general obligation debt service fund created pursuant to section three, article fifteen-b of this chapter: Provided, That beginning on the first day of July, one thousand nine hundred ninety-eight, the first twenty-four million dollars of the tax annually collected pursuant to article thirteen-a of this code shall be deposited to the credit of the West Virginia infrastructure general obligation debt service fund created pursuant to section three, article fifteen-b of this chapter.

(c) Notwithstanding any provision of subsection (b) of this section to the contrary: (1) none of the collections from the tax imposed pursuant to section six, article thirteen-a, chapter eleven of this code shall be so dedicated or deposited; and (2) the portion of the tax imposed by article thirteen-a, chapter eleven and dedicated for purposes of medicaid and the division of forestry

pursuant to section twenty-a of said article thirteen-a shall remain dedicated for the purposes set forth in said section twenty-a.

(d) On or before the first day of May of each year, commencing the first day of May, one thousand nine hundred ninety-five, the council, by resolution, shall certify to the treasurer and the water development authority the principal and interest coverage ratio and amount for the following fiscal year on any infrastructure general obligation bonds issued pursuant to the provisions of article fifteen-b of this chapter.

Acts 1994, 1st Ex. Sess., c. 26; Acts 1995, c. 130, eff. March 10, 1995; Acts 1998, c. 180, eff. 90 days after March 14, 1998.

§ 31–15A–17. Water development authority empowered to issue infrastructure revenue bonds and refunding bonds; creation of infrastructure revenue debt service fund; funding of infrastructure revenue debt service fund; requirements and manner of such issuance

(a) To accomplish the purpose and intent of this article, the water development authority is hereby empowered at the written request of the council to issue from time to time infrastructure revenue bonds of the state in such principal amounts as the council deems necessary to make loans and loan guarantees and other forms of financial assistance to project sponsors for one or more projects or infrastructure projects: Provided, That the water development authority may not issue any such bonds, other than refunding bonds, unless the council by resolution determines that the aggregate cost of the projects or infrastructure projects expected to be constructed during any annual period exceeds (1) the projected annual infrastructure revenues for the same period, and (2) the principal and interest payments not otherwise pledged to the infrastructure revenue debt service fund that are due the water development authority on all outstanding loans previously made by the water development authority pursuant to the provisions of this article.

(b) The proceeds of infrastructure revenue bonds shall be used solely for the purpose of making loans and loan guarantees and other forms of financial assistance to sponsors of one or more projects or infrastructure projects, and shall be deposited in one or more special accounts with the trustee under the trust agreement securing such bonds and disbursed from time to time for projects or infrastructure projects in accordance with this article: Provided, That notwithstanding any provision of this code to the contrary, twenty percent of the funds deposited in the special account shall be dedicated for the purpose of providing funding for costs of infrastructure projects as defined in subsection (*l*), section two, of this article.

(c) The water development authority may not authorize the disbursement of any proceeds of infrastructure revenue bonds unless it has received documentation from the council pursuant to the provisions of section ten of this article.

(d) There is hereby created in the water development authority a special fund which shall be designated and known as the "West Virginia Infrastructure

Revenue Debt Service Fund," into which shall be transferred solely from the loan repayments deposited in the infrastructure fund the amounts certified by the director of the water development authority as necessary to pay the principal, premium, if any, and interest on infrastructure revenue bonds and any reserve requirements, subject to the terms of any agreement with the holders of the infrastructure revenue bonds. All amounts deposited in the West Virginia infrastructure revenue debt service fund shall be pledged to the repayment of the principal, interest and redemption premium, if any, on any infrastructure revenue bonds authorized by this article: Provided, That amounts on deposit in the fund may be used to establish or maintain reserves created for the purposes of securing such infrastructure revenue bonds. The pledge shall be valid and binding from the time the pledge is made, and the West Virginia infrastructure revenue debt service fund so pledged shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the water development authority irrespective of whether the parties have notice thereof.

(e) Except as may otherwise be expressly provided in this article or by resolution of the water development authority, every issue of infrastructure revenue bonds shall be special obligations of the water development authority payable solely from amounts in the West Virginia infrastructure revenue debt service fund, and the reserves created for this purpose by the water development authority, without preference or priority among the bonds regardless of when issued, subject only to any agreements with the holders of any bonds to the contrary. All such bonds are hereby declared to be negotiable instruments.

(f) Infrastructure revenue bonds shall be authorized by resolution of the water development authority. These bonds shall bear such dates and shall mature at such times, in case of any note or renewal thereof not exceeding five years from the date of issue of the original note, and in the case of any bond not exceeding fifty years from the date of issue, as the resolution may provide. Infrastructure revenue bonds shall bear interest at a rate or rates, including variable rates, shall be taxable or tax-exempt, shall be in the denominations, shall be in registered form, shall carry the registration privileges, shall be payable in the medium and place of payment, and shall be subject to the terms of redemption as the water development authority may authorize. Infrastructure revenue bonds may be sold by the water development authority at public or private sale at the price the water development authority determines in consultation with the council. Infrastructure revenue bonds shall be executed by the chairman and the vice chairman of the water development authority, either or both of whom may use a facsimile signature. The official seal of the water development authority or a facsimile thereof shall be affixed thereto or printed thereon and attested by manual or facsimile signature by the secretary-treasurer of the water development authority. If any officer whose signature, or a facsimile of whose signature appears on any infrastructure revenue bond ceases to be such officer before delivery of such bond, such signature or

facsimile is nevertheless sufficient for all purposes to the same extent as if he or she had remained in office until such delivery, and if the seal of the water development authority has been changed after a facsimile has been imprinted on such bond, the facsimile will continue to be sufficient for all purposes.

(g) Any resolution authorizing any infrastructure revenue bonds may contain provisions, subject to any agreement with bondholders or noteholders which may then exist, which agreements shall be part of the contract with the holder thereof, with respect to the pledge of or other use and disposition of amounts in the infrastructure revenue debt service fund; the setting aside of reserve funds; the disposition of any assets of the water development authority; limitations on the purpose to which the proceeds of sale of bonds may be applied; the authorization of notes issued in anticipation of the issuance of bonds; an agreement of the water development authority to do all things necessary for the authorization, issuance and sale of such bonds in such amounts as may be necessary for the timely retirement of such notes; limitations on the issuance of additional bonds; the terms upon which additional bonds may be issued and secured; the refunding of outstanding bonds and the renewal of outstanding notes; the procedures, if any, by which the terms of any contract with bondholders or noteholders may be amended or abrogated; the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given; and any other matter which in any way affects the security for or protection of the bonds.

(h) In the event that the sum of all reserves pledged to the payment of the bonds is less than the minimum reserve requirements established in any resolution or resolutions authorizing the issuance of the bonds, the chairman or the director of the water development authority shall certify, on or before the first day of December of each year, the amount of such deficiency to the governor of the state for inclusion, if the governor shall so elect, of the amount of such deficiency in the budget to be submitted to the next session of the Legislature for appropriation to the water development authority to be pledged for payment of such bonds: Provided, That the Legislature shall not be required to make any appropriations so requested, and the amount of such deficiencies shall not constitute a debt or liability of the state.

(i) Neither the officers or board members of the water development authority, nor any person executing the infrastructure revenue bonds, shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Acts 1998, c. 180, eff. 90 days after March 14, 1998.

§ 31-15A-18. Trustee for holders of infrastructure revenue bonds; contents of trust agreement

(a) Any infrastructure revenue bonds issued by the water development authority under this article shall be secured by a trust agreement between the water development authority and a corporate trustee, which trustee may be any trust company or banking institution having the powers of a trust company within this state.

(b) Any trust agreement may pledge or assign the infrastructure revenue debt service fund. Any trust agreement or any resolution providing for the issuance of such bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders or noteholders as are reasonable and proper and not in violation of law, including the provisions contained in section seventeen of this article, and covenants setting forth the duties of the water development authority in respect to the payment of the principal of and interest, charges and fees on loans made to, or bond purchases from, governmental agencies from the proceeds of the bonds, and the custody, safeguarding and application of all moneys. Any banking institution or trust company incorporated under the laws of this state which may act as depository of the proceeds of bonds or of the infrastructure debt service fund shall furnish such indemnifying bonds or pledge securities as are required by the water development authority. The trust agreement may set forth the rights and remedies of the bondholders and noteholders and of the trustee and may restrict individual rights of action by bondholders and noteholders as customarily provided in trust agreements or trust indentures securing similar bonds and notes. The trust agreement may contain such other provisions as the water development authority deems reasonable and proper for the security of the bondholders or noteholders. All expenses incurred in carrying out the provisions of any such trust agreement may be treated as part of the cost of the construction, renovation, repair, improvement or acquisition of a project or infrastructure project.

Acts 1998, c. 180, eff. 90 days after March 14, 1998.

§ 31-15A-19. Legal remedies of infrastructure revenue bondholders or noteholders and trustees

Any holder of infrastructure revenue bonds issued pursuant to this article and the trustee under any trust agreement, except to the extent the rights given by this article may be restricted by the applicable resolution or trust agreement, may by civil action, mandamus or other proceedings protect and enforce any rights granted under the laws of this state or granted under this article, by the trust agreement or by the resolution in the issuance of the bonds, and may enforce and compel the performance of all duties required by this article, pursuant to the trust agreement or resolution, to be performed by the water development authority or any officer thereof.

Acts 1998, c. 180, eff. 90 days after March 14, 1998.

§ 31-15A-20. Infrastructure revenue bonds lawful investments

All infrastructure revenue bonds issued pursuant to this article shall be lawful investments for banking institutions, societies for savings, building and loan associations, savings and loan associations, deposit guarantee associations, trust companies, and insurance companies, including domestic for life and domestic not for life insurance companies.

Acts 1998, c. 180, eff. 90 days after March 14, 1998.

§ 31–15A–21. Purchase and cancellation of infrastructure revenue bonds

(a) The water development authority, subject to such agreements with noteholders or bondholders as may then exist, shall have the power, from any funds available therefor, to purchase or redeem infrastructure revenue bonds of the water development authority.

(b) If the infrastructure revenue bonds are then redeemable, the price of the purchase shall not exceed the redemption price then applicable, plus accrued interest to the next interest payment date thereon. If the infrastructure revenue bonds are not then redeemable, the price of the purchase shall not exceed the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption, plus accrued interest to such date. Upon purchase or redemption, the bonds shall be canceled.

Acts 1998, c. 180, eff. 90 days after March 14, 1998.

§ 31–15A–22. Refunding revenue bonds

Any infrastructure revenue bonds issued pursuant to the provisions of this article and at any time outstanding may at any time and from time to time be refunded by the water development authority by the issuance of its refunding revenue bonds in an amount it deems necessary to refund the principal of the bonds to be refunded, together with any unpaid interest thereon, to provide additional funds for the water development authority to accomplish the purpose of this article, and to pay any premiums and commissions necessary to be paid in connection therewith. Any refunding may be effected whether the infrastructure revenue bonds to be refunded shall have then matured or shall thereafter mature: Provided, That the holders of any infrastructure revenue bonds so to be refunded shall not be compelled without their consent to surrender their infrastructure revenue bonds for payment or exchange prior to the date on which they are payable or, if they are called for redemption, prior to the date on which they are by their terms subject to redemption. Any refunding revenue bonds issued pursuant to this article shall be payable from the West Virginia infrastructure revenue debt service fund, and shall be subject to the provisions contained in section seventeen of this article, and shall be secured in accordance with the provisions of sections seventeen and eighteen of this article.

Acts 1998, c. 180, eff. 90 days after March 14, 1998.

§ 31–15A–23. Infrastructure revenue bonds not debt of state, county, municipality or any political subdivision

Infrastructure revenue bonds issued pursuant to the provisions of this article shall not constitute a debt or a pledge of the faith and credit or taxing power of this state or of any county, municipality or any other political subdivision of this state. The holders or owners thereof shall have no right to have taxes levied by the Legislature or the taxing authority of any county, municipality or any other political subdivision of this state for the payment of the principal thereof or interest thereon. The bonds shall be payable solely from the

revenues and funds pledged for their payment as authorized by this article. All such bonds shall contain on the face thereof a statement to the effect that the bonds, as to both principal and interest, are not debts of the state or any county, municipality or political subdivision thereof, but are payable solely from revenues and funds pledged for their payment.

Acts 1998, c. 180, eff. 90 days after March 14, 1998.

§ 31-15A-24. Infrastructure revenue bonds exempt from taxation

The exercise of the powers granted to the water development authority by this article will be in all respects for the benefit of the people of the state, for the improvement of their health, safety, convenience and welfare and for the enhancement of their residential, agricultural, recreational, economic, commercial and industrial opportunities and is for a public purpose. As the construction, acquisition, repair or renovation of projects or infrastructure projects will constitute the performance of essential governmental functions, the water development authority shall not be required to pay any taxes or assessments upon any project or upon any property acquired or used by the water development authority or upon the income therefrom. The infrastructure revenue bonds and all interest and income thereon shall be exempt from all taxation by this state, or any county, municipality, political subdivision or agency thereof, except estate taxes.

Acts 1998, c. 180, eff. 90 days after March 14, 1998.

West's

Annotated Code of West Virginia

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

Chapters 31 to 31E

2008
Cumulative Annual Pocket Part

Replacing 2007 Pocket Part supplementing 2002 Main Volume

Includes laws through the 2008 First Extraordinary Session

THOMSON WEST

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(h) The board shall, without regard to the provisions of civil service laws applicable to officers and employees of the state of West Virginia, appoint any necessary managers, assistant managers, officers, employees, attorneys and agents for the transaction of its business, fix their compensation, define their duties and provide a system of organization to fix responsibility and promote efficiency. Any appointee of the board may be removed at the discretion of the board. The authority may reimburse any state spending unit for any special expense actually incurred in providing any service or the use of any facility to the authority.

(i) In cases of any vacancy in the office of a voting member, the vacancy shall be filled by the governor. Any member appointed to fill a vacancy in the board occurring prior to the expiration of the term for which his or her predecessor was appointed shall be appointed for the remainder of the term.

(j) The governor may remove a member in the case of incompetence, neglect of duty, gross immorality or malfeasance in office, and may declare the member's office vacant and appoint a person for the vacancy as provided in other cases of vacancy.

(k) The secretary of the board shall keep a record of the proceedings of the board and perform any other duties determined appropriate by the board. The treasurer shall be custodian of all funds of the authority and shall be bonded in the amount designated by other members of the board.

Acts 1989, c. 54; Acts 2004, c. 88, eff. 90 days after March 13, 2004.

§ 31-15-6. General powers of authority

Notes of Decisions

Loans 1

1. Loans

West Virginia Industrial Development Authority, has broad discretion; may appraise loan for truck terminal as "industrial development project". 51 W.Va. Op.Atty.Gen. 749 (March 23, 1966) 1966 WL 87471.

§ 31-15-7. Loans to industrial development agencies or enterprises for projects

Notes of Decisions

In general 1

1. In general

Participation in loan by an agency of the federal government reduces local development agency's contribution to a sum less than 10 percent of the cost or estimated cost of industrial development project. 53 W.Va. Op.Atty.Gen. 339 (November 18, 1969) 1969 WL 100574.

ARTICLE 15A

WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL

Section
31-15A-3. West Virginia infrastructure and jobs development council continued; members of council; staff of council.
31-15A-11. Reservation of funds for projects and infrastructure projects.
31-15A-16. Dedication of severance tax proceeds.
31-15A-17a. Infrastructure revenue bonds payable from A. James Manchin Fund.

§ 31–15A–3. West Virginia infrastructure and jobs development council continued; members of council; staff of council

(a) The West Virginia infrastructure and jobs development council is hereby continued. The council is a governmental instrumentality of the state. The exercise by the council of the powers conferred by this article and the carrying out of its purpose and duties shall be considered and held to be, and are hereby determined to be, essential governmental functions and for a public purpose.

(b) The council shall consist of eleven members, including the governor or designee, the executive director of the housing development fund or his or her designee, the director of the division of environmental protection or his or her designee, the director of the economic development authority or his or her designee, the director of the water development authority or his or her designee, the director of the division of health or his or her designee, the chairman of the public service commission or his or her designee, and four members representing the general public: *Provided*, That there shall be at least one member representing the general public from each congressional district: *Provided, however*, That after the expiration of the term of office of the members first appointed as representatives of the general public, no more than one member representing the general public may be a resident of the same county. The governor shall appoint the public members of the council who shall serve three-year staggered terms. The commissioner of the division of highways, the executive director of the state rail authority, two members of the West Virginia Senate, two members of the West Virginia House of Delegates, the chancellor of the higher education policy commission and the chancellor of the West Virginia council for community and technical college education serve as advisory members of the council. The governor shall appoint the legislative members of the council: *Provided further*, That no more than three of the legislative members may be of the same political party. The governor shall appoint the representatives of the governing boards from a list of three names submitted by each governing board. The advisory members shall be ex officio, nonvoting members of the council.

(c) The governor or designee shall serve as chairman and the council shall annually appoint a vice chairperson and shall appoint a secretary, who need not be a member of the council and who shall keep records of its proceedings. Six members of the council shall constitute a quorum and the affirmative vote of at least the majority of those members present shall be necessary for any action taken by vote of the council. A vacancy in the membership of the council does not impair the rights of a quorum by such vote to exercise all the rights and perform all the duties of the council.

(d) A member of the council who serves by virtue of his or her office does not receive compensation or reimbursement of expenses for serving as a member. The public members are reimbursed for actual expenses incurred in the service of the council in a manner consistent with guidelines of the travel management office of the department of administration.

(e) The council meets at least monthly to review projects and infrastructure projects requesting funding assistance and otherwise to conduct its business and may meet more frequently if necessary. Notwithstanding any other provision of this article to the contrary, the economic development authority is not subject to council review with regard to any action taken pursuant to the authority established in article fifteen, chapter thirty-one of this code. The governor's civil contingent fund is not subject to council review with regard to projects or infrastructure projects funded through the governor's civil contingent fund.

(f) The water development authority shall provide office space for the council and each governmental agency represented on the council shall provide staff support for the council in the manner determined appropriate by the council.

(g) The council shall invite to each meeting one or more representatives of the United States department of agriculture, rural economic community development, the United States economic development agency and the United States army corps of engineers or any

successors thereto. The council shall invite such other appropriate parties as is necessary to effectuate the purposes of this article.

Acts 1994, 1st Ex. Sess., c. 26; Acts 1995, c. 130, eff. March 10, 1995; Acts 2005, 1st Ex. Sess., c. 3, eff. Jan. 29, 2005.

Historical and Statutory Notes

Acts 2005, 1st Ex. Sess., c. 3, rewrote (b); in (c), substituted "The governor or designee shall serve as chairman and the council shall annually appoint a vice chairperson" for "The council shall annually elect one of its members as chairman"; rewrote (d); and made nonsubstantive changes throughout the section. Prior to revision, (b) and (d) read:

"(b) The council shall consist of eleven members, including the executive director of the housing development fund or his or her designee, the director of the division of environmental protection or his or her designee, the director of the economic development authority or his or her designee, the director of the water development authority or his or her designee, the executive director of the state development office or his or her designee, the director of the division of health or his or her designee, the chairman of the public service commission or his or her designee, and four members representing the general public: Provided, That there shall be at least one member representing the general public from each congressional district: Provided, however, That after the expiration of the term of office of the members first appointed as representatives of the general public, no more than one member representing the general public may be a resident of the same county. The governor shall appoint the public members of the council who shall serve three-year staggered terms. The commissioner of the division of highways, the executive director of the state rail authority, two members of the West Virginia Senate, two members of the West Virginia House of Delegates, one representative of the board of directors of the state college system and one representative of the board of trustees of the university of West Virginia shall serve as advisory members of the council. The governor shall appoint the legislative members of the council: Provided further, That no more than three of the legislative members may be of the same political party. The governor shall appoint the representatives of the governing boards from a list of three names submitted by each governing board. The advisory members shall be ex officio, nonvoting members of the council."

"(d) No member of the council who serves by virtue of his or her office shall receive any compensation or reimbursement of expenses for serving as a member. The members of the council who represent the general public shall receive reimbursement for actual expenses incurred in the service of the council."

§ 31-15A-11. Reservation of funds for projects and infrastructure projects

Eighty percent of the funds deposited in the West Virginia infrastructure fund shall be dedicated for the purpose of providing funding for the cost of projects as defined in subsection (n), section two of this article. Twenty percent of the funds deposited in the West Virginia infrastructure fund shall be dedicated for the purpose of providing funding for costs of infrastructure projects as defined in subsection (*l*), section two of this article. Project sponsors of infrastructure projects shall follow the application process as established by this article: *Provided*, That notwithstanding any provision of this article to the contrary, all applications for any infrastructure project shall be submitted to the executive director of the West Virginia development office for review, recommendation and approval regarding infrastructure project funding.

Acts 1994, 1st Ex. Sess., c. 26; Acts 1998, c. 180, eff. 90 days after March 14, 1998; Acts 2005, 1st Ex. Sess., c. 3, eff. Jan. 29, 2005.

Historical and Statutory Notes

Acts 2005, 1st Ex. Sess., c. 3, in the last sentence, substituted "executive director of the West Virginia development office" for "council for community and economic development, or its successor".

§ 31-15A-16. Dedication of severance tax proceeds

(a) There shall be dedicated an annual amount from the collections of the tax collected pursuant to article thirteen-a, chapter eleven of this code for the construction, extension, expansion, rehabilitation, repair and improvement of water supply and sewage treatment systems and for the acquisition, preparation, construction and improvement of sites for economic development in this state as provided in this article.

(b) Notwithstanding any other provision of this code to the contrary, beginning on the first day of July, one thousand nine hundred ninety-five, the first sixteen million dollars of the tax

collected pursuant to article thirteen-a, chapter eleven of this code shall be deposited to the credit of the West Virginia infrastructure general obligation debt service fund created pursuant to section three, article fifteen-b of this chapter: *Provided*, That beginning on the first day of July, one thousand nine hundred ninety-eight, the first twenty-four million dollars of the tax annually collected pursuant to article thirteen-a of this code shall be deposited to the credit of the West Virginia infrastructure general obligation debt service fund created pursuant to section three, article fifteen-b of this chapter.

(c) Notwithstanding any provision of subsection (b) of this section to the contrary: (1) None of the collections from the tax imposed pursuant to section six, article thirteen-a, chapter eleven of this code shall be so dedicated or deposited; and (2) the portion of the tax imposed by article thirteen-a, chapter eleven and dedicated for purposes of medicaid and the Division of Forestry pursuant to section twenty-a of said article thirteen-a shall remain dedicated for the purposes set forth in said section twenty-a.

(d) On or before the first day of May of each year, commencing the first day of May, one thousand nine hundred ninety-five, the council, by resolution, shall certify to the treasurer and the water development authority the principal and interest coverage ratio and amount for the following fiscal year on any infrastructure general obligation bonds issued pursuant to the provisions of article fifteen-b of this chapter.

(e) Notwithstanding any provision of this article to the contrary, the tax on coalbed methane remitted by the Tax Commissioner for deposit in the West Virginia Infrastructure Fund pursuant to section twenty-a, article thirteen-a, chapter eleven of this code shall be distributed as follows: (1) Seventy-five percent of the moneys so deposited shall be distributed for infrastructure projects in the various counties of this state in which the coalbed methane was produced, and (2) the remaining twenty-five percent of the moneys so deposited shall be distributed equally to the various counties of this state in which no coalbed methane was produced for infrastructure projects. Moneys shall be distributed to each coalbed methane producing county in direct proportion to the amount of tax paid by the county using information provided by the Tax Commissioner as required in section twenty-a, article thirteen-a, chapter eleven of this code.

Acts 1994, 1st Ex. Sess., c. 26; Acts 1995, c. 130, eff. March 10, 1995; Acts 1998, c. 180, eff. 90 days after March 14, 1998; Acts 2008, c. 213, eff. June 7, 2008.

Historical and Statutory Notes

Acts 2008, c. 213, added subsec. (e).

§ 31-15A-17a. Infrastructure revenue bonds payable from A. James Manchin Fund

Notwithstanding any other provision of this code to the contrary, the Water Development Authority may issue, in accordance with the provisions of section seventeen of this article, infrastructure revenue bonds payable from the A. James Manchin Fund created by section nine, article fifteen-a, chapter twenty-two of this code and such other sources as may be legally pledged for such purposes other than the West Virginia Infrastructure Revenue Debt Service Fund created by section seventeen of this article.

Acts 2003, c. 251, eff. 90 days after March 8, 2003; Acts 2005, c. 199, eff. 90 days after April 9, 2005.

ARTICLE 15C

BROADBAND DEPLOYMENT

Section		Section	
31-15C-1.	Legislative findings and purpose.	31-15C-5.	Creation of the Broadband Deployment Fund.
31-15C-2.	Definitions.	31-15C-6.	Categorization of areas within state for broadband deployment purposes.
31-15C-3.	Broadband Deployment Council established; members of council; administrative support.	31-15C-7.	Retention of outside expert consultant.
31-15C-4.	Powers and duties of the council generally.		

ORDERS—Mason County Court, W. Va.

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REVENUE SHARING FUND

No. 56	Smeltzer Nursery & Stone Yart	707.54
No. 57	Carolina Lumber & Supply Co.	214.45
No. 58	Zide's Sprot Shop	8.01
No. 59	Mason Aggregates, Inc.	509.76
No. 60	Carolina Lumber & Supply Co.	941.04
No. 61	Billy Daniel	464.40

This being the day, date and hour set for a public hearing regarding the creation of a public service district in Mason County, the following persons, all interested citizens of the county, appeared: John A. Hussell, Emma Boswell, Mrs. John A. Hussell, Mrs. Robert Boles, Mrs. Jack Jeffers, Mr. Robert Boles, Mr. and Mrs. R.O. Blain, Mr. Michael Whalen, Mrs. Clayton R. Hesson, Mrs. Clarence Hesson and Mr. George Crump.
Also appearing were Mr. Michael Shaw, attorney, and Mr. Griffin Boggess, Farmers Home Administration. Mr. Shaw explained the procedure for creating a public service district which was followed by a period of comments and questions.

Mr. Jack Burdett, Carl Cook, Lida Garland and Vicki Keefer appeared before the Court and reported progress in obtaining a one-room schoolhouse for display, in connection with the Bi-Centennial Celebration.

Mr. Ray Hayes appeared before the Court and stated that he had accepted a job at $500.00 per month with the Court at a previous meeting but had received no compensation as such and voiced his complaint regarding same.

It was moved by Mr. William Rardin, seconded by Mr. Adkins and passed by unanimous vote that two more basketball goals be purchased for recreational purposes.

The mowing of grass at the airport was discussed. It was moved by Mr. William Rardin that Straud McDermitt be hired to mow the airport grounds, seconded by Mr. Adkins, and passed by unanimous vote.

The statement of the account of Pantasote Plant Funds was presented before the Court, examined and ordered filed for the period ending April 30, 1974.

The proposal of H. D. Wallace to repair the iron fence at Mason County Memorial Park in the total amount of $307.00 was presented and approved.

No further business claiming the attention of this Court, it is ordered said Court shall stand adjourned until Tuesday, May 28th at 2:00 p.m.

Clarence Adkins, President Pro. Tem.

William H. Rardin, Jr., Commissioner

ORDERS—Mason County Court, W. Va.

TERMS May 28 19 74

No. 22699	Oxford Chemicals	249.35
No. 22700	Sixty-Two Auto Sales	34.95
No. 22701	Weintrob Bros.	86.00
No. 22702	Geo. D. Barnard Co.	22.03
No. 22703	Pt. Pleasant Hardware	1.58
No. 22704	So. States Pt. Pleasant Coop.	2.00
No. 22705	Cleaning Supplies Co.	25.25
No. 22706	Mason Co. Insurance Agency	455.00
No. 22707	H. D. Wallace	307.00
No. 22708	Morgan's Inc.	39.48
No. 22709	Smith Plumbing & Heating	2.15
No. 22710	Hutchison Sanitary Supply	289.74
No. 22711	Casto & Harris Inc.	1376.12

REVENUE SHARING FUND

Noi.63	B & O Machine & Repair Inc.	360.32
No. 64	The Pine Log Co.	100.00

The following estates, settlements, etc., were presented and approved:

Virginia L. Dotson Barrett - Executrix of the estate of William Amos Dotson, dec'd. Appointment.
Mervin Chapman - Administrator of the estate of Esther Marie Chapman, dec'd. Appointment.
Donna H. Lucas - Executrix of the estate of James E. Lucas, Sr., dec'd. Appointment.
Rev. Marvin Goodin - Minister to perform marriage ceremony in State of West Virginia.
Hobart Dewees - Administrator for the estate of Mary Emma Dewees, dec'd. Appointment.
Dollie Delva Sturgeon - Executrix of the estate of John W. Sturgeon, dec'd. Appointment.
Millard L. Downing - Minister to perform marriage ceremony in State of West Virginia.

The Clerk of the Court reported to the Court that receipts in the amount of $179.22 were turned in at the Sheriff's Office for the week ending May 28, 1974 and the amount of $62.00 for deposit to the Sheep and Dog Fund.

The following letter was received:

May 28, 1974

Mr. William Rardin, Jr.
%Mason County Court
Point Pleasant, W. Va. 25550

Dear Mr. Rardin:

Due to my Church activities I regret to say that I cannot stay on as a member of the Mason County Building Commission.

I appreciate being elected to the Commission, but find that I could not do my best with my other involvements in Church life, so please accept my resignation.

I shall always be concerned with the betterment of Point Pleasant and Mason County.

Sincerely,

/s/ Tally Hanna

Whereupon, it was duly moved by William Rardin, seconded by Clarence Adkins and passed by unanimous vote that Mr. Hanna's resignation be accepted and that David Eisel be named to fill the vacancy created by said resignation.

The applications of Judith Ann Derenberger and Louise W. Ferrell for notary public in the County of Mason were approved and ordered certified to the Governor of State of W. Va.

The Sheriff's monthly financial statement for the month ending April 30, 1974 was presented, examined and ordered filed.

ORDERS—Mason County Court, W. Va.

TERMS May 28 19 74

unanimous vote that the following order be entered:

Pursuant to Notice duly served by publication and posting, there came on for hearing before the Court, on Monday, May 20, 1974, at 2 o'clock P.M., the subject of the creation of a public service district in Mason County, West Virginia.

After consideration of all the comments by interested citizens present, a review of the relevant law, and an awareness of the need for extended and improved public service properties, the court doth 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 will be conducive to the preservation of public health, comfort and convenience of said area.

It is, therefore, ordered that there is hereby created a public service district; the name of said public service district shall be the Mason County Public Service District; the terrirtory of which is to be all of Mason County, West Virginia; provided, however, no city, incorporated town, other municipal corporation, or any geographic area presently served by a non-profit corporation, shall be included within the bounds of such district, except upon the adoption of a resolution of the governing body of such city, incorporated town, other municipal corporation, or other non-profit corporation consenting thereto.

It is further ordered that the following three persons, all of whom reside within such district, are appointed as members of the public service district board for terms as set out herein:

1. Richard Ord, for a term of 2 years
2. James Lewis, for a term of 4 years
3. Vitus Hartley, Jr., for a term of 6 years

It is further ordered that each member shall hold his office until a successor is duly appointed and qualified.

It is further ordered that said Board shall promptly organize and enter upon its duties pursuant to Chapter 16, Article 13A, Secion 3, and succeeding sections of the Code of West Virginia.

Dated this the 28 day of May, 1974

ENTER: /s/ B. T. Robertson
President

The following letter was received:

Dear Mr. Rardin:

In response to your request for financial aid we are pleased to inform you that the Secretary of Transportation has allocated the sum of $90,000.00, under the terms of the Airport and Airway Development Act of 1970, to install obstruction lighting on Kyger Creek power plant stacks for the Mason County Airport, Point Pleasant West Virginia.

It is essential that you proceed with due diligence toward meeting the requirements for project approval and a Grant Offer. Your representative will be contacted by our Beckley Airports Field Office in the near future to establish a mutually acceptable schedule in order that a Grant Agreement may be executed as expeditiously as possible.

Sincerely,

/s/ For ROBERT H. STANTON
Director

It was duly moved by William Rardin, seconded by Basil Robertson, and passed by unanimous vote ~~that advertisements be run~~ for the erection of a firehouse building, museum building ~~and the moving of a one-room schoolhouse~~ bids.

This day appeared Ray Hayes and presented a bill dated May 2, 1974 for time for last half of April in the amount of $250.00.

ORDER BK. 41

ORDERS—Mason County Commission, W. Va.

SEP 1 8 97

TERMS_____ 19____

Upon motion by Handley and unanimous agreement, the Commission executed a resolution to participate in a certified development community program.

Upon motion by Northup and unanimous agreement, the Commission allotted $1,500.00 to the Homeless Shelter for the purchase of a new furnace.

Upon motion by Northup and unanimous agreement, the Commission agreed to dissolve the Camp Conley Public Service District pursuant to WV State Code 16-13A-3 and to further dissolve the existing Public Service Board in Camp Conley Public Service District and to enlarge the existing territory and boundaries of the Mason County Public Service District to include the Camp Conley Public Service District.

Upon motion by Handley and unanimous agreement, the Commission adopted an ordinance to provide for the assignment of names to streets and roads in the county and the posting of street signs and building numbers in Mason County, West Virginia.

Upon motion by Handley and unanimous agreement, the Commission agreed to cancel the October 30, 1997 meeting.

The minutes from the previous meeting were approved as corrected with one correction and no omissions thereto. The minutes incorrectly listed Diana Johnson, Prosecuting Attorney, as being present. However, she was absent.

Bills and purchase orders were presented for approval, reviewed by the Commission and executed as required.

Upon motion by Northup and unanimous agreement, this meeting was adjourned.

Phyllis Arthur
PHYLLIS ARTHUR, PRESIDENT

Rick J. Northup
RICK J. NORTHUP, COMMISSIONER

Rick L. Handley
RICK L. HANDLEY, COMMISSIONER

Diana N. Cromley
DIANA N. CROMLEY, CLERK

STATE OF WEST VIRGINIA, MASON COUNTY CLERK'S OFFICE
I, Diana N. Cromley, Clerk of the County Commission do hereby c[illegible] copy and tr[illegible] hand co[illegible] West Virginia, 1[illegible] April 4
Diana N. C[illegible]
By Diana N. Cromley Deputy Clerk

ORDERS—Mason County Commission, W. Va. 59-A

TERMS: 19

THE COUNTY COMMISSION OF MASON COUNTY met in the Courthouse thereof on Thursday, April 30, 1998, at 6 00 p m for a public hearing on the matter of the merger/consolidation of the Mason County Public Service District and the Camp Conley Public Service District Present were Phyllis A Arthur, President, Rick J Northup and Rick Handley, Commissioners and John D Gerlach, County Administrator

President Arthur called the meeting to order

R Michael Shaw, counsel for the Mason County Commission, presented the following letter to the Commission for review.

R. MICHAEL SHAW, L.C.
ATTORNEY AT LAW
610 MAIN STREET
P O BOX 3
POINT PLEASANT WEST VIRGINIA 25550
TELEPHONE (304) 675-2669
FAX (304) 675-2654

29 April 1998

Mason County Commission
Courthouse
Point Pleasant, WV 25550

Re:

Dear Commissioners:

This letter is to confirm that I am employed by the Mason County Commission to represent the Commission and the Mason County Public Service District in the proposed merger of the Mason County Public Service District and the Camp Conley District. I want to make it very clear that I do not represent Camp Conley in this proposed merger or acquisition or consolidation or whatever we determine the proper term to be.

I look forward to the public hearing to be held this coming Thursday, April 30, 1998, at 6:00 P.M.

Yours very truly,

R. Michael Shaw

RMS:roc
xc: Public Service Commission
Camp Conley

ORDERS—Mason County Commission, W. Va. 59-B

TERMS _____ 19____

Mr Shaw then presented the following affidavit for publication and affidavit for posting for review

AFFIDAVIT OF POSTING

STATE OF WEST VIRGINIA

COUNTY OF MASON, TO-WIT

Before me, the undersigned Notary Public, personally appeared Mary M. Rieger, who after being duly sworn, according to law, deposes and says

1 That I on April 21, 1998 did post the Order for a Public Hearing concerning the proposed consolidation of the Mason County Public Service District and the Camp Conley Public Service District in five (5) conspicuous places in and around Mason County, West Virginia

And further affiant saith naught, this the ____ day of April, 1998.

MARY M RIEGER

Taken and subscribed before me in my said County and State this the 30 day of April, 1998.

My commission expires 1.28.98

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
M. MICHAEL SHAW

Notary Public.

MICHAEL SHAW LC
ATTORNEY AT LAW
POINT PLEASANT WV

Upon motion by Northup and unanimous agreement, the Commission agreed to expand the time frame for a judgment to be rendered by the administrative judge of the Public Service Commission for the merger/consolidation of the Mason County Public Service District and the Camp Conley Service District

Upon motion by Handley and unanimous agreement, the following order was approved for the merger/consolidation of the Mason County Public Service District and the Camp Conley Public Service District

BEFORE THE COUNTY COMMISSION OF
MASON COUNTY, WEST VIRGINIA

IN RE:

CONSOLIDATION OF THE MASON
COUNTY PUBLIC SERVICE DISTRICT
AND THE CAMP CONLEY PUBLIC
SERVICE DISTRICT

COMES NOW, the Mason County Commission, by R. Michael Shaw, its attorney and represents unto the Public Service Commission as follows:

1. That a public hearing has been scheduled by the Mason County Commission on the above-referenced consolidation matter for Thursday, April 30, 1998, at 6:00 P.M. in the Courthouse of Mason County, West Virginia, in Point Pleasant, West Virginia.

2. That after the Mason County Commission rules on the proposed consolidation in this proceeding, the Public Service Commission, itself, will hold a public hearing in the County in order to make a determination regarding its ruling.

3. That the time frame within which the Administrative Law Judge has been ordered to file his opinion is too restrictive in view of the proceedings which must go on prior to the Public Service Commission making a ruling.

. SHAW L.C
ATTORNEY AT LAW
POINT PLEASANT, WEST VIRGINIA

59-D

ORDERS—Mason County Commission, W. Va.

TERMS_____ _____19_____

WHEREFORE, your Movant prays that the time frame within which the Administrative Law Judge in this proceeding must rule be expanded to allow your Movant the time to review and correct deficiencies in this filing and to allow for the Mason County Commission and the Public Service Commission to hold the two public hearings required in this proceeding.

DATED this the 30th day of April, 1998.

ENTERED this 30th day of April, 1998.

Mason County Commission

By Counsel:

R. Michael Shaw

MICHAEL SHAW LC
ATTORNEY AT LAW
POINT PLEASANT, W. VA.

BEFORE THE COUNTY COMMISSION OF
MASON COUNTY, WEST VIRGINIA

IN RE:

CONSOLIDATION OF THE MASON
COUNTY PUBLIC SERVICE DISTRICT
AND THE CAMP CONLEY PUBLIC
SERVICE DISTRICT

WHEREAS, the two above-referred Public Service Districts have advised the County Commission that the Districts desire to consolidate and merge their respective entities; and

WHEREAS, the law requires that this Commission enter an Order acknowledging the intention of the respective Commissions to so do; and

WHEREAS, the law further requires that the Commission schedule a public hearing on the proposed consolidation or merger for the purpose of giving the members of the public-at-large a right to comment with regard to the said consolidation or merger; and

WHEREAS, the respective Public Service Districts would not be changing their geographic identities other than the consolidation or merger thereof.

NOW, THEREFORE, it is ORDERED as follows:

1. That a public hearing is scheduled to be held on April 30, 1998, at 6:00 P.M. in the Office of the County Commission in the Courthouse in Point Pleasant, West Virginia. At said public hearing the

SHAW LC
AT LAW
SAINT W VA

County Commission shall consider entering an Order consolidating and/or merging the Mason County Public Service District and the Camp Conley Public Service District.

2. This Order shall be published in the *Point Pleasant Register* at least ten (10) days prior to the aforesaid hearing date.

3. Copies of this Order shall be posted in five (5) conspicuous places in and about Mason County, West Virginia.

4. At the aforesaid public hearing, the County Commission shall give all persons the right to be heard and to state his or her opinion.

DATED this the 16th day of April, 1998.

ENTERED this 16th day of April, 1998.

President, Mason County Commission

MICHAEL SHAW LC
ATTORNEY AT LAW
POINT PLEASANT W VA

ORDERS—Mason County Commission, W. Va. 59-6

TERMS_____ 19_____

LEGAL

ORE THE COUNTY
MISSION OF MASON
UNTY, WEST VIRGINIA

E:
SOLIDATION OF THE
ON COUNTY PUBLIC
VICE DISTRICT AND
CAMP CONLEY
LIC SERVICE DISTRICT

HEREAS, the two above-referred Public Service Districts have advised the County Commission that the Districts desire to consolidate and emerge their respective entities; and

WHEREAS, the law requires that this Commission enter an Order acknowledging the intention of the respective Commissions to so do; and

...wit of Publication

...sons the right to be heard and to state his or her opinion.

DATED this the 16th day of April, 1998.
ENTERED this 16th day of April, 1998.

Phyllis A. Arthur
President, Mason County Comm.

4/20-1t

...signed authority in and for the said county of ... of April 1998, Christy Williams.

...who de... state: ... and depose and say that she is employee of The ... general circulation, printed, published and circula... Legal ...

...: Grade: Chelsea Fowler, ...a McCoun, Tyler Fields, ...ntum, Amber Jenkins, Gar... ...nderwood, Rodney Brass, ...: Dean, Brandon Flower, ...n Grimm, Maria Keathley, ...Ohlinger and Christina

...relea...

...on, Amanda Litterbeck, ...on Wallis, Brandy Waugh, ...White, April Wilderman, ...Williamson, Michael ...ll and Sarah Yeager.

Christy Williams

...NEW HAVEN

...Haven Elementary Principal ...Scales has announced the hon... ...for the third grading period.

...made as aforesaid in the issue of twentieth day of April 20th day of April 1998.

Tak... before me in my said County, this 20th day of April ...of the Wizard...

Notary Public.

My commission expires January 29, 2002.

Publication fee. $32.76

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
BRIAN BILLINGS
504 27th STREET
POINT PLEASANT, WV 25550
My Commission Expires January 29, 2002

ORDERS—Mason County Commission, W. Va. 59-H

TERMS_____19____

President Arthur opened the floor up for comments relative to said order No comments were received

Upon motion by Handley and unanimous agreement, the Commission agreed to proceed with the merger/consolidation according to law

Upon motion by Handley and unanimous agreement, this meeting was adjourned

Phyllis A Arthur
PHYLLIS A ARTHUR, PRESIDENT

Rick J Northup
RICK J NORTHUP, COMMISSIONER

Rick L Handley
RICK L HANDLEY, COMMISSIONER

Diana N Cromley
DIANA N CROMLEY, CLERK

ORIGINAL

ENTERED

CD 98M Page _____

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
7-22-98

Entered: July 2, 1998

CASE NO. 97-1394-PSWD-PC

MASON COUNTY COMMISSION
Petition for consent and approval
to merge and/or consolidate the
Mason County Public Service
District and Camp Conley Public
Service District.

RECOMMENDED DECISION

PROCEDURE

On October 14, 1997, the Mason County Commission (Petitioner) filed a petition with the Public Service Commission seeking approval to merge and/or consolidate the Mason County Public Service District (Mason County) and the Camp Conley Public Service District (Camp Conley).

By Order dated November 3, 1997, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before May 12, 1998. By subsequent Order dated March 11, 1998, the decision due date of May 12, 1998, was extended until August 12, 1998.

On February 10, 1998, Staff Attorney Cassius H. Toon filed the Final Joint Staff Memorandum to which was attached the Final Internal Memorandum of Mr. James W. Boggess, Utilities Analyst II, Water and Wastewater Division.

Messrs. Boggess and Toon explained that the Mason County Commission had not submitted an Affidavit of Publication which showed that publication of the Petitioner's notice of public hearing had been published at least ten days but not more than forty days from the date of the County Commission's public hearing. Also no documentation was submitted to show that notices of the hearing had been posted in at least five places in the territory affected. Staff explained that the Mason County Commission must make proper publication and posting before a final recommendation could be made.

On May 21, 1998, Staff Attorney Toon filed the Further Final Joint Staff Memorandum to which was attached the Further Final Internal Memorandum of Mr. James W. Boggess, Utilities Analyst II, Water and Wastewater Division. The required documentation regarding publication and posting of notices for the County Commission's April 30, 1998 hearing was submitted. Messrs. Boggess and Toon explained that the Camp Conley Public Service District has been operating with two Board Members for some time and there is little interest in the community for a third. The two Board

Members wish to relinquish control of the Camp Conley Public Service District to Mason County, which the Board Members feel is better equipped to adequately maintain the water and sewer systems.

Staff further explained that Camp Conley Public Service District was created in 1959 to provide water and sewer service and was certificated in February 1961 by Commission Order in Case No. 5201. Upon Public Service Commission approval of the Mason County Commission Order in this case, the service boundaries of the Camp Conley Public Service District will be dissolved and the Mason County Public Service District will assume full operation and management of both the water and sewer systems. The Camp Conley Public Service District has a long-term indebtedness to the USDA Rural Development. The maturity date for the bonds is the year 2020. The balance of this debt is $405,027, as of June, 1997. Mason County will adopt the current tariff of the Camp Conley Public Service District.

As of June 30, 1998, Camp Conley had cash assets as follows:

Cash and working funds	$ 9,259
Temporary cash investments	121,625
Other investments	27,400
Total	$158,284

Camp Conley had indicated to Staff that some of its cash assets would be extended to "get the system in shape" before turning it over to Mason County.

Staff further explained that, in Case No. 96-0240-PSD-S-PC, the Huntington Sanitary Board acquired the Monel Park Public Sewer Service District. Monel Park had accumulated significant cash assets. The Commission approved an agreement between the District and the Board which contains stipulations as to the disposition of those cash assets. (See Recommended Decision entered February 19, 1997, which became a final order of the Commission March 3, 1997). Staff had reviewed the agreement and recommended inclusion of some of the clauses in this take-over. The provisions for inclusion in this case are as follows:

A. The cash assets of the Camp Conley Public Service District, other than the restricted bond reserve, shall be placed in an interest bearing account for repairs, replacements and extensions to Camp Conley. The accrued interest from this account remains part of the account.

B. Mason County Public Service District shall adopt the Camp Conley Public Service District tariff and continue to charge Camp Conley's customers by this tariff. Mason County shall maintain a separate financial and statistical account of Camp Conley's operations.

C. After all financial obligations of Camp Conley are met, any surplus cash shall be deposited into the restricted cash account as set forth in paragraph A.

Staff recommended that the petition for merger of the two public service districts be approved, subject to the conditions set forth herein.

By Order dated May 29, 1998, this matter was set for hearing to be held in the Council Chambers, City Building, Point Pleasant, West Virginia, on June 16, 1998. Said Order also provided that the Mason County Commission published a notice of hearing once in a newspaper duly qualified by the Secretary of State, published and of general circulation in Mason County. The proper affidavit of publication reflecting publication was made of the Notice of Hearing was provided by facsimile transmission received June 9, 1998.

The hearing was held as scheduled. The Mason County Commission appeared by its Administrator, Mr. John Gerlach. Commission Staff appeared by Staff Attorney Cassius H. Toon. No one appeared at the hearing in protest to the Mason County Commission's petition.

FINDINGS OF FACT

1. On October 14, 1997, the Mason County Commission filed a petition with the Public Service Commission seeking approval to merge and/or consolidate the Mason County Public Service District and the Camp Conley Public Service District. (See, Petition).

2. On May 21, 1998, Staff Attorney Toon filed the Further Final Joint Staff Memorandum to which was attached the Further Final Internal Memorandum of Mr. James W. Boggess, Utilities Analyst II, Water and Wastewater Division, in which Staff recommended approval of the merger since it appears that the Mason County Public Service District is better equipped to adequately maintain the Camp Conley water and sewer systems. (See Further Final Staff Memorandum filed May 21, 1998).

3. Staff explained that Camp Conley had cash assets in the amount of $158,284 and recommended that the provisions set forth in Appendix A to this Order be applied to this transaction. (See Further Final Staff Memorandum filed May 21, 1998; Appendix A).

CONCLUSIONS OF LAW

1. The Administrative Law Judge is of the opinion and finds that, since the Mason County Commission has substantially complied with the provisions of West Virginia Code §16-13A-2, and no one appeared at the hearing in protest to the petition after proper notice was given, the Order of the Mason County Commission can be approved, as unprotested.

2. The Staff recommended actions, as set forth in Appendix A to this Order should be implemented by the Mason County Public Service District in handling the cash assets of Camp Conley Public Service District.

ORDER

IT IS, THEREFORE, ORDERED that the May 8, 1998 Order of the Mason County Commission, filed on May 11, 1998, merging and consolidating the Mason County Public Service District and the Camp Conley Public Service District, be, and the same hereby is, approved.

IT IS FURTHER ORDERED that the Mason County Public Service District implement the Staff-recommended provisions set forth on Appendix A for handling the cash assets of the Camp Conley Public Service 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.

Robert W. Glass
Administrative Law Judge

RWG:dfs

APPENDIX A

MASON COUNTY COMMISSION
CASE NO. 97-1394-PSWD-PC

STAFF-RECOMMENDED ACTIONS
FOR USE BY THE MASON COUNTY PUBLIC SERVICE DISTRICT

A. The cash assets of the Camp Conley Public Service District, other than the restricted bond reserve, shall be placed in an interest bearing account for repairs, replacements and extensions to Camp Conley. The accrued interest from this account remains part of the account.

B. Mason County Public Service District shall adopt the Camp Conley Public Service District tariff and continue to charge Camp Conley's customers by this tariff. Mason County shall maintain a separate financial and statistical account of Camp Conley's operations.

C. After all financial obligations of Camp Conley are met, any surplus cash shall be deposited into the restricted cash account as set forth in paragraph A.

Public Service Commission
of [redacted]

Upon motion by Northup and unanimous agreement, the Commission agreed to the assigning of a cable franchise agreement from Rifkin and Associates to Interlink Communications.

Upon motion by Handley and unanimous agreement, the Commission entered into an agreement with Bell Atlantic for long distance service for pay phones in the Mason County Jail, in which the county will receive twenty percent of monies.

Upon motion by Handley and unanimous agreement, the Commission agreed to designate the Mason County Public Service District as the county's sewer authority for all areas not having an existing sewer authority.

Upon motion by Handley and unanimous agreement, the Commission reappointed John Collins to the Building Commission for a three year term.

The Commission discussed a donation request from the Miss Mason County/Miss Point Pleasant scholarship pageant. The Commission agreed to check with the Prosecuting Attorney to see if they can grant the money.

Upon motion by Handley and unanimous agreement, the Commission approved the hiring of Chapman Technical Group as architect for the new health department.

Commissioner Handley discussed with the Commission a recent letter to the editor regarding the county financial statement He requested that the writer be invited to a meeting in the near future to discuss this matter.

Mindy Kearns was present to express her desire to resign from her position on the Ambulance Authority Board. The Commission will appoint someone in her place at a later date.

Upon motion by Handley and unanimous agreement, the following Estate Appointments, Oath, Bond, Guardian Appointment, Order Appointing Fiduciary Commissioner, Waiver of Final Settlement, Minister To Perform Marriages, Commissioners Report of Claims and Annual Settlement, Final Settlements and Application for Correction of Erroneous Assessment were approved:

ORDERS—Mason County Commission, W. Va.

TERMS NOV 19 1998 19

THE COUNTY COMMISSION OF MASON COUNTY met in the Courthouse thereof on Thursday, November 19, 1998, at 7 00 p m Present were Phyllis Arthur, President, Rick J Northup and Rick L Handley, Commissioners; Diana N Cromley, Clerk, and John D Gerlach, County Administrator.

President Arthur called the meeting to order The Commission requested a moment of silence in remembrance of Dr Sam McNeill who served as EOS Physician Director Diana Cromley gave the opening prayer.

Nancy Baker of the Leon 4-H Club was represented by her mother to request assistance from the Commission to build a walking track behind the Leon Clinic They have already received $5,000 00 from the Jackson Foundation They will need an additional $2,800 00 to complete this project. The Commission agreed to ask the Prosecuting Attorney to research this matter and report her findings at a later date

The Commission agreed to begin looking for a new EOS Physician Director

The Commission agreed to ask the Mason County Fair Board to redo their bid procedure and begin doing formal bids on tractor and other equipment purchases

Upon motion by Handley and unanimous agreement, the Commission executed a fuel farm contract for the Mason County Airport.

The Commission was informed that construction has begun on the front of the Annex Building to make it handicapped accessible

The Commission was also informed that the AARP has no use for the blue van which was discussed at an earlier meeting The Commission agreed to give the van to the maintenance department to replace the van they are currently using.

The Commission announced that a public hearing would be held on December 17, 1998 at 6.30 p.m. to receive comment on the Mason County Public Service District being designated as a county-wide sewer authority for those who do not have one in place.

ORDERS—Mason County Commission, W. Va.

Book 42
Page 364a

TERMS. [illegible] 1 1 1991 19____.

THE COUNTY COMMISSION OF MASON COUNTY met in the Courthouse thereof for a public hearing to seek the approval to designate the Mason County Public Service District as sewer authority for all areas of the county not presently served by an existing authority. Present were Phyllis A. Arthur, President; Rick J. Northup, Commissioner; John D. Gerlach, Administrator; and Randy Grinstead, Public Service District Manager.

Sam Juniper, Point Pleasant resident, was the only member of the public present to discuss this issue with the Commission. Mr. Juniper spoke in opposition of the proposal inasmuch as he felt that the cost per month for taxpayers and those on fixed incomes would be too great.

A general discussion followed as Randy Grinstead and the Commission attempted to explain exactly what was being proposed and why there wouldn't be an initial direct cost to the taxpayers who were not serviced for sewer by the Mason County Public Service District.

With no further comments from the public, the Commission closed the public hearing.

Phyllis A. Arthur
PHYLLIS A. ARTHUR, PRESIDENT

Rick J. Northup
RICK J. NORTHUP, COMMISSIONER

Diana N. Cromley
DIANA N. CROMLEY, CLERK

ORDERS—Mason County Commission, W. Va.

TERMS JAN 14 1999 19

Upon motion by Arthur and unanimous agreement, the Commission agreed to sponsor an application for the walkways and a bike path in Point Pleasant Riverfront Park.

David Nibert was present to discuss the Gallipolis Ferry Community Center. He informed the Commission that his client was not offering his property for sale at this time. The Commission will meet with Mr. Nibert and his client as well as others in Gallipolis Ferry interested in this project and discuss it further in the future.

Randy Grinstead and Gary Jarrell were present to discuss the matter of granting of sewer authority to the PSD.

Upon motion by Handley and unanimous agreement, the Commission gave sewer authority to the Mason County Public Service District all over the county except where the sewer system is already provided for by municipalities.

As requested by the Mason County 4-H Leaders, the Commission agreed to apply for a Jackson Foundation Grant for the basketball courts at the 4-H Campground.

Matt Musgrave requested that the County Commission purchase doors for the EMS building in Point Pleasant and that he would reimburse the Commission for the cost before June 30, 1999.

The Commission will check with the Prosecuting Attorney about this and discuss this matter at a later date.

Administrator Gerlach reported that he spoke with Coaxial Cable and asked them to attend a meeting of the County Commission to discuss concerns brought up at an earlier meeting. They agreed to attend either the January 28th meeting or a meeting in February but stated that they wanted to contact Sam Juniper personally to find out what type of problems he was having with his cable provider.

Commissioner Arthur stated that she wanted the Commission to consider hiring someone in the future for flood plain management, litter control and grant writing.

Upon motion by Handley and unanimous agreement, the following Estate Appointments and Appointment For A Minister To Perform Marriages were approved:

ORDERS—Mason County Commission, W. Va.

JAN 28 1999

TERMS _____ 19____

Administrator Gerlach reported that Diana Johnson, Prosecuting Attorney, requested that the Commission reassign parking spaces to the employees of the Courthouse.

The Commission replied that they did not feel they had the right to assign spaces and the spaces should be taken on a first come first serve basis.

Administrator Gerlach reported that the Health Department ramp was completed except for the railing which will be installed soon.

Upon motion by Arthur and unanimous agreement, the Commission executed a resolution for granting sewer authority to the Mason County Public Service District.

Upon motion by Arthur and unanimous agreement, the Commission approved the first budget revision of the 1998-1999 fiscal year in the amount of $179,555.00. A copy of said revision is attached hereto:

CID BP 1180 (Rev 1989)

Department of Tax and Revenue
Chief Inspector Division
P O Box 3102
Charleston WV 25331 3102

CONTROL NUMBER

99 (FY) 01 (FUND) 1 (REV NO) 1 of (PG OF PG)

REQUEST FOR REVISION TO APPROVED BUDGET
(§ 11-8-26a)

Mason County Commission
GOVERNMENTAL ENTITY

200 Sixth Street
STREET OR P O BOX

Point Pleasant WV 25550
CITY ZIP CODE

RECEIPTS (net each acct)

ACCOUNT NUMBER	ACCOUNT CATEGORY	APPROVED AMOUNT	DEBIT (INCREASE)	CREDIT (DECREASE)	REVISED AMOUNT
299	Fund Balance	-0-	179,555		179,555

NET INCREASE/(DECREASE) 179,555

EXPENDITURES: (net each acct.)

ACCOUNT NUMBER	ACCOUNT CATEGORY	APPROVED AMOUNT	DEBIT (INCREASE)	CREDIT (DECREASE)	REVISED AMOUNT
401	Co. Comm.	344,945	10,000		354,945
402	Co. Clk.	281,490	3,500		284,990
405	Pros. Atty.	209,794	12,000		221,794
406	Assessor	246,730	10,000		256,730
412	Ag. Agent	69,280	1,500		70,780
424	Ct. House	355,950	70,000		425,950
711	Emer. Sers.	44,621	21,700		66,321
712	911	304,126	28,355		332,481
716	Dog Warden	58,800	10,000		68,800

NET INCREASE/(DECREASE) 179,555

DEPARTMENT OF TAX AND REVENUE USE ONLY

POSTED _____ BY _____

FOR THE STATE TAX COMMISSIONER BY

DIRECTOR CHIEF INSPECTOR DIVISION

Rick Northup 02 2/4
AUTHORIZED SIGNATURE FOR GOVERNING BODY — ENTITY APPROVAL DATE

COUNTIES ONLY

TRANSFERS TO THE GENERAL FUND FROM SPECIAL FUNDS CREATED PURSUANT TO WEST VIRGINIA CODE § 7 1-9 MUST BE ACCOMPANIED BY PRIOR WRITTEN APPROVAL FROM THE STATE TAX COMMISSIONER

PLEASE NOTE: SUBMIT WHITE AND PINK COPIES TO DEPARTMENT OF TAX AND REVENUE. RETAIN YELLOW COPY AS RECORD OF SUBMISSION.

ORDERS—Mason County Commission, W. Va.

TERMS JAN 28 1999 19

BR: BR 1180S
BUDGET REVISION REQUEST—SUPPLEMENT

99 01 1 2 of

(net each acct.)

ACCOUNT NUMBER	ACCOUNT CATEGORY	APPROVED AMOUNT	DEBIT	CREDIT	REVISED AMOUNT
900	Parks & Rec.	12,500	2,500		15,000
904	Farm Museum	7,500	10,000		17,500

RICK NORTHUP, President
POINT PLEASANT, WV

DIANA N. CROMLEY, Clerk
POINT PLEASANT, WV

PHYLLIS A. ARTHUR, Commissioner
NEW HAVEN, WV

RICK HANDLEY, Commissioner
POINT PLEASANT, WV

THE COUNTY COMMISSION OF MASON COUNTY
COURTHOUSE - 200 SIXTH STREET
POINT PLEASANT, WEST VIRGINIA 25550

PHONE (304) 675-1110
FAX (304) 675-4982

RESOLUTION

Whereas, the Mason County Commission is seeking to grant county-wide sewer authortiy to the Mason County Public Service District for all areas of the county not presently governed by an existing sewer authority:

Whereas, the Mason County Commission has complied with state law and conducted a public hearing on said matter and adequately posted notice of same;

Be it hereby resolved, that, the Mason County Commission does hereby grant the Mason County Public Service District sewer authority subject to the above stated condition and is asking for Public Service Commission approval of the same.

Given this the 28th day of January, 1999.

Rick J. Northup, President

Phyllis A. Arthur, Commissioner

Rick L. Handley, Commissioner

TESTE:

Diana N. Cromley, Clerk

PUBLIC SERVICE COMMISSION

OF WEST VIRGINIA

CHARLESTON

FINAL 12/20/99

Entered: November 30, 1999

CASE NO. 99-0273-PWD-PC

MASON COUNTY COMMISSION
Petition for consent and approval to authorize Mason County Public Service District to provide county-wide sewer service to all areas of the county not presently governed by an existing sewer authority.

RECOMMENDED DECISION

On February 22, 1999, the Mason County Commission (County Commission) filed a petition for consent and approval to authorize the Mason County Public Service District to provide county-wide sewer service for all areas in the County not presently served by an existing sewer authority. Attached to the letter/petition was a certified copy of the County Commission's Order of January 28, 1999, adopting the modification.

On March 19, 1999, Staff Attorney Cecelia G. Jarrell filed an Initial Joint Staff Memorandum to which was attached the Initial Internal Memorandum prepared by Mr. Robert M. Hubbard, Senior Utilities Analyst, Water and Wastewater Division. Staff explained that the petition filed by the Mason County Commission seeks to authorize the Mason County Public Service District to provide county-wide sewer service for all areas not presently served by an existing sewer authority. The District is presently providing water service only and desires to additionally provide sewer service.

By Order dated March 22, 1999, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before September 20, 1999.

On April 16, 1999, the County Commission filed a certified copy of the minutes of its December 17, 1998 hearing at which it adopted the modification and information regarding the posting of notice for the December 1998 hearing.

On August 30, 1999, Staff Attorney Cecelia G. Jarrell filed the Final Joint Staff Memorandum to which was attached the Final Internal Memorandum prepared by Mr. Robert M. Hubbard, Senior Utilities Analyst, Water and Wastewater Division. Staff recommended approval of the petition to allow the Mason County Public Service District to provide

county-wide sewer service to all areas in the County that are not presently served by any city, municipality or any other existing sewer authority. However, in order to comply with the provisions of West Virginia Code §16-13A-2, which required that no city, incorporated town or municipal corporation shall be included within the boundaries of such a proposed district except upon the adoption of a resolution of the governing body of such city, incorporated town or municipal corporation consenting thereto. Staff recommended that the Mason County Commission amend its original resolution to exclude the municipalities of Point Pleasant, Mason, Leon, Hartford, Henderson and New Haven, West Virginia, and provide that sewer service may only be provided within any of these municipalities upon the adoption of a resolution of the governing body naming the Mason County Public Service District as its designated sewer service provider.

On September 10, 1999, Commission Staff filed a petition to extend the decision due date herein.

By Commission Order dated September 14, 1999, the Administrative Law Judge's decision due date of Septembe 20, 1999, was extended until December 20, 1999.

On September 22, 1999, the Mason County Commission provided an amended resolution adopted on Septembe 16, 1999, wherein it amended its original resolution to exclude the municipalities of Point Pleasant, Mason, Leon Hartford, Henderson and New Haven, West Virginia, from the county-wide sewer authority granted to the Maso County Public Service District. (See resolution filed September 22, 1999)

By Order dated October 19, 1999, this matter was set for a hearing to be held in Point Pleasant, Mason County, o November 16, 1999. Said Order also required that the Mason County Commission give notice of the hearing to be hel on November 16, 1999, by publishing a Notice of Hearing once in a newspaper, duly qualified by the Secretary o State, published and of general circulation in Mason County.

The hearing was held as scheduled on November 16, 1999. The Mason County Commission appeared by it Administrator, Mr. John Gerlach. Commission Staff was represented by Staff Attorney Cecelia Jarrell. Mr. Gerlach presented a proper affidavit of publication reflecting that publication was made in accordance with the Commission's requirements.

No one appeared in protest to the petition. Ms. Jarrell explained that, since the Mason County Commission had taken action to amend its resolution specifically excluding the seven municipalities and it appears that all other procedural matters have been done properly, Staff recommended approval of the petition.

FINDINGS OF FACT

1. On February 22, 1999, the Mason County Commission filed a petition for consent and approval to authorize the Mason County Public Service District to provide county-wide sewer service for all areas in

Mason County not presently served by an existing sewer authority (See petition).

2. On August 30, 1999, Staff Attorney Cecelia G. Jarrell filed the Final Joint Staff Memorandum to which was attached the Final Internal Memorandum prepared by Mr. Robert M. Hubbard, Senior Utilities Analyst, Water and Wastewater Division. Staff recommended that, in order for the Mason County Commission resolution to comply with the provisions of West Virginia Code §16-13A-2, the Mason County Commission amend its resolution to exclude the seven municipalities of Point Pleasant, Mason, Leon, Hartford, Henderson and New Haven, West Virginia, from the Mason County Public Service District and provide that the Mason County Public Service District may only become the sewer authority for these municipalities upon adoption of a resolution by the governing bodies of said municipalities naming the Mason County Public Service District as its designated sewer service provider. (See, Final Joint Staff Memorandum filed August 30, 1999).

3. The Mason County Commission amended its original order as recommended by Commission Staff. (See, amended resolution filed September 22, 1999).

4. By Order dated October 19, 1999, this matter was set for a hearing to be held in the Point Pleasant City Building, Point Pleasant, Mason County, on November 16, 1999. Said Order also required the Mason County Commission to give notice of the hearing to be held by publishing a Notice of Hearing once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Mason County. (See Order dated October 19, 1999).

5. At the hearing held in this matter on November 16, 1999, a proper affidavit of publication was submitted in accordance with the Commission's requirements and no one appeared in protest to the County Commission petition. Staff explained that, because the Mason County Commission had amended its resolution to exclude the seven

municipalities in Mason County, and the matter had been properly published and posted, Commission Staff had no objection to the amended order. (See, Tr., p. 5).

CONCLUSION OF LAW

Since the Mason County Commission has given proper notice of the hearing to be held in this matter on November 16, 1999, and no one appeared at the hearing to protest the petition, the amended resolution adopted by the Mason County Commission on September 16, 1999, can be approved.

ORDER

IT IS, THEREFORE, ORDERED that the resolution of the Mason County Commission adopted on January 28, 1999, as amended on September 16, 1999, be, and the same hereby is, approved.

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

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

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

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

Robert W. Glass
Administrative Law Judge

RWG:mal
990273aa.wpd

ROBERT C. BAIRD, President
GALLIPOLIS FERRY, WV

DIANA N. CROMLEY, Clerk
POINT PLEASANT, WV

RICK L. HANDLEY, Commissioner
POINT PLEASANT, WV

MILES S. EPLING, Commissioner
POINT PLEASANT, WV

THE COUNTY COMMISSION OF MASON COUNTY
COURTHOUSE - 200 SIXTH STREET
POINT PLEASANT, WEST VIRGINIA 25550

PHONE (304) 675-1110
FAX (304) 675-4982

August 18, 2006

Randy Grinstead, Manager
Mason County Public Service District
101 Camden Avenue
Point Pleasant, WV 25550

Dear Mr. Grinstead:

While meeting in regular session Thursday, August 17, 2006, the County Commission reappointed Charles Lanier to the Public Service District Board.

If you need any further information, please contact me.

Very truly yours,

John D. Gerlach
Administrator
Mason County Commission

JDG:kdh

E.E.O./AFFIRMATIVE ACTION EMPLOYER

ORDERS—Mason County Commission, W. Va.

TERMS AUG 17 2006 19

C. STO & HARRIS INC., SPENCER, W. VA. RE-ORDER NO 97936-92

THE COUNTY COMMISSION OF MASON COUNTY met in the Courthouse thereof on Thursday, August 17, 2006 at 4:00 p.m. in regular session. Present were Bob Baird, President; Rick Handley and Miles Epling, Commissioner; Diana N. Cromley, Clerk; and John D. Gerlach, Administrator.

Bob Baird called the meeting to order. Diana Cromley gave the opening prayer and Miles Epling led the pledge of allegiance.

The Commission presented a check to the Battle Days Committee.

Sam Juniper was present to ask why some taxpayers did not get their tax tickets? The Sheriff informed the Commission they contracted with a vendor to mail them (in an effort to save money) and the vendor did not fulfill their agreement to timely mail the tickets.

The Sheriff was present to make the Commission aware of the salaries of deputies and how they are seeking better paying jobs to take care of their families.

John Wiseman was present to discuss the need for a public sewer system for economic development out Staff house Road to the power distribution plant.

Upon motion by Epling and unanimous agreement, the Commission approved Estate Appointments, Orders Appointing Fiduciary Commissioners, Oaths, Waivers of Final Settlement, Reports of Receipts and Disbursements, Commissioner's Report of Claims and Annual Settlement and Applications for Correction of Erroneous Assessments, copies of which are attached hereto.

Upon motion by Handley and unanimous agreement, the Commission minutes from the previous meetings were approved with no omissions or corrections thereto.

The Commission executed bills and purchase orders as required.

Upon motion by Handley and unanimous agreement, the Commission reappointed Chuck Lanier to the PSD Board, a copy of the letter is attached hereto.

ORDERS—Mason County Commission, W. Va.

TERMS AUG 17 2006 19

DAVIS & BANNER INC., SPENCER, W. VA. RE ORDER NO 97936-92

Upon motion by Epling and unanimous agreement, the Commission reappointed Sadie Bailes to the Community Action Board.

The 911 Building Bids discussion was tabled until the August 31st meeting.

Upon motion by Epling and unanimous agreement, the Commission approved a caretaker agreement for the Ashton property.

Upon motion by Handley and unanimous agreement, the Commission changed the September 14th and 28th meetings to 4:00 p.m., canceled the public hearing on August 31st and rescheduled it for September 6th.

The Commission executed the NACO application.

Commissioner Epling stated the new 911 Answer Call Center property needs mowed. Also discussed the need for Chuck Blake to apply for grants when money is out there to build towers for 911 and the call center. Grant money was recently awarded to other counties for this project.

The Commission reviewed a letter from the Public Service Commission to Mr. Dallas Spurlock regarding road conditions on County Route 2/39 near Point Pleasant, a copy of which is attached hereto.

The Commission reviewed a letter from the State Fire Marshal's Office regarding the 911 center, a copy of which is attached hereto.

The Commission reviewed a letter from American Electric Power to Mr. Archie Henry regarding a check for the Virgil A. Lewis Society, a copy of which is attached hereto.

The Commission reviewed a Notice of Public Hearing, a copy of which is attached hereto.

The Commission reviewed a Mason County Plan of Action regarding the GIS data assembly for local and regional economic development planning, a copy of which is attached hereto.

ORDERS—Mason County Commission, W. Va.

TERMS AUG 17 2006 19

CASTO & HARRIS INC., SPENCER, W. VA. 25 ORDER NO 97936-92

The Commission reviewed a Meeting Notice for the Region II Planning and Development Council, a copy of which is attached hereto.

Commission Meeting – August 17, 2006

Estate Appointments

Harry Nelson Lucas
Claude E. Knapp
Charles Donald Salser
Leona O. Wallace
Bonnie C. Hinnant
Howard Sisk
Freda Victoria Escue
James C. Lawhorn
Carrie Maxine Buckle
David Lee Higginbotham
Ruby Mae Ball
Clara Margaret Wood

Orders Appointing Fiduciary Commissioners

Benny Lee Wallis
Freda Victoria Escue

Oaths

Lisa Davern

Waivers of Final Settlement

Laura Lee Crowder Zebrosky
Robert W. Patterson
Andrew Marl Burton
Robert C. Doeffinger Sr.
Ross O. King
William A. Leport
Betty J. Heib

Reports of Receipts and Disbursements

Elliott Quinn
Florence K. Roush

Commissioner's Report of Claims and Annual Settlement

Alex Mitchell Facemyer

Application For Correction of Erroneous Assessment

Kevin Miller	ACCT # 195938
Willie J. & Evelyn Lane	ACCT # 06018052
	ACCT # 06018043
Vicky S. Weaver	ACCT # 00310289

ORDERS—Mason County Commission, W. Va.

TERMS AUG 17 2006 19

LEWIS & HARRIS INC., SPENCER, W. VA. RE-ORDER #: 97936-92

Commission Meeting – August 17, 2006

John D. Eads	ACCT # 06158222
Sharon A. Gibbs	ACCT # 06181751
Edsel & Bernice C. Rollyson	ACCT # 06071699
Charles Fraley	ACCT # 13390276
Alfred Lee Bell	ACCT # 310560
Bonnie Holley (Life)	ACCT # 06073848
Dennis Holley, et al	
Vernon & Linda Chandler	ACCT # 06168416
Ronny D. & Joella Knopp	ACCT # 06085309
Public Land Corp.	ACCT # 06186662
Jody L. Holland	ACCT # 06814593
Ohio Valley Pet Management	ACCT # 197353
Rex A. & Rebecca L. Hatfield	ACCT # 06173458
Betty Akers	ACCT # 1504101
Terri Patterson	ACCT # 194698
Ronnie Hinnant	ACCT # 195855
	ACCT # 195855
Joseph & Belinda Ashby	ACCT # 197163
Glenn Icenhower, Jr.	ACCT # 1504776
Bartow Jones & Co.	ACCT # 197371
Heartwood Forestland Fund IV	ACCT # 06044210, et al
Amy Templeton & Benjamin Mellert	ACCT # 06117034
Margaret Yester (Life)	ACCT # 06118729
Angela Runion	ACCT # 197882
Alice Lieving	ACCT # 06047583
Geraldine Rike, et al	ACCT # 06184249
Shawn M. & Lori A. Thomas	ACCT # 6115341
Kirian Williams	ACCT # 198273
William E. Riffle, Jr.	ACCT # 1012344

ORDERS—Mason County Commission, W. Va.

TERMS AUG 17 2006 19

CRISTO & HARRIS INC., SPENCER, W. VA. RE-ORDER NO 97936-92

MASON COUNTY PUBLIC SERVICE DISTRICT

332 VIAND STREET

TELEPHONE 304-675-6399

POINT PLEASANT, WEST VIRGINIA 25550

July 28, 2006

Mr. John Gerlach, Administrator
Mason County Commission
Courthouse
Pt. Pleasant, WV 25550

Dear John,

The term of office of Charles R. Lanier, our Board Treasurer, will expire on August 17, 2006. We are requesting his reappointment to another term of office.

During his six year term, we have benefitted from Mr. Lanier's knowledge and the experience he has gained as a Board member, with the completion of the Camp Conley water project, at a cost of $800,000 and the $4,500,000 Conglomo I water project.

Our present Board of Directors functions well together and we appreciate your kind consideration of this request.

Sincerely,

MASON COUNTY PUBLIC SERVICE DISTRICT

Randy Grinstead
Manager

ORDERS—Mason County Commission, W. Va.

TERMS AUG 17 2006 19

SMITH & HARRIS INC., SPENCER, W. VA. OR ORDER NO 97936-92

Public Service Commission
Of West Virginia

201 Brooks Street, P.O. Box 812
Charleston, West Virginia 25323

Phone: (304) 340-0300
FAX: (304) 340-0325

August16, 2006

Mr. Dallas Spurlock
Post Office Box 59
Glenwood, WV 25520

Dear Mr. Spurlock,

This letter is in response to your letter to the Office of the Governor Joe Manchin III dated August 1, 2006, and received in this Division on August 4, 2006, concerning the road conditions on County Route 2/39 near Point Pleasant, West Virginia in Mason County.

My Staff reviewed your letter and discussed the situation with Randy Grinstead, General Manager for the Mason County Public Service District (District). He advised my staff that the District has attempted to resolve the problem but have been unable to satisfy you. Before a new project starts, the project engineer usually takes a video of the entire area of construction. Then if there are any complaints of relating to restoration, the engineer and the utility can rely on the film to know if they are expected to restore land, etc. to a certain level.

Since the problem apparently occurred on the Barker property, then the owner of that property should be the person to file a complaint with the District about any restoration question. The Public Service Commission can order the District to restore the property to the original condition, however, there must be evidence that there is a direct link between the District's work in the area and the damage to the property.

If you have further questions about the contents of this letter, please contact James F. Aucremanne at (304)340-0379.

ORDERS—Mason County Commission, W. Va.

TERMS AUG 17 2006 19

CASTO & HARRIS INC., SPENCER, W. VA. RE ORDER NO 97936-92

Sincerely,

Amy L. Swann, Director
Water and Wastewater Division

ALS:kes

cc: Jon W. McKinney, Chairman
Jerry Bird, Director of Government Relations
Honorable Joe Manchin III, Governor
Mason County Public Service District

H:\estrickland\A-WORD\Aucremanne, Jim\Spurlock(1)(GOV)(Restoration)2006-Mason f.doc

ORDERS—Mason County Commission, W. Va.

TERMS AUG 17 2006 19

STATE & MASON INC., SPENCER, W. VA. OR ORDER NO 97936-92

State of West Virginia
Department of Military Affairs and Public Safety
Joe Manchin III, Governor

Sterling Lewis, Jr.
State Fire Marshal

Phone: (304) 558-2191
Fax: (304) 558-2537

STATE FIRE MARSHAL'S OFFICE
1207 Quarrier St, 2nd Floor
Charleston, WV 25301

August 7, 2006

John D. Gerlach
200 Sixth St.
Point Pleasant, WV 25550

Re: 911 Center
Mason Co.
Letter

Dear Mr. Gerlach,

In reference to your letter of August 3, 2006 on the use of wood framing to construct a 911 center, the following shall apply:

1. There are only 3 types constructions permitted when constructing 911 centers.

   A. Type I (Fire Resistive)
   B. Type II (Non Combustible)
   C. Type III (Protected Ordinary)

2. The following types of constructions are not permitted:

   A. Type IV (Heavy Timber)
   B. Type V (Protected Wood Frame)
   C. Type V (Wood Frame)

3. Tha above information is provided cut of NFPA 1221 for communication centers.

<u>All electrical work must be done by West Virginia Licensed Electrician's.</u>

Should you have any further questions about this or other projects that would be serviced by this office, contact me at 304-558-2191, ext. 218.

Yours for better fire protection,

Norman R. Fetterman
Plans Examiner

NRF/kb
Cc: File, Inspection

ORDERS—Mason County Commission, W. Va.

TERMS AUG 17 2006 19

CASTO & HARRIS INC., SPENCER, W. VA. RE-ORDER NO 97936-92

AEP
AMERICAN ELECTRIC POWER
AEP: America's Energy Partner
Mountaineer Plant
P. O. Box 419
New Haven, WV 25265

Mr. Archie Henry
P. O. Box 662
Gallipolis Ferry, WV 25515

August 8, 2006

Per our conversation on August 7, 2006 re: Cancelled check for $1,000.00/Virgil A Lewis Society

Dear Mr. Henry:

A check was issued to you from our corporate office in November 2005. As of May 2006, the check had not been cashed/deposited. When checks of this amount are not cashed, it sends a "red flag" to our Columbus office. They called and asked that I find out why the check had not been cashed. I called your number 675-7876 a few times and did not get an answer. I then called the Post Master at Mason, WV and asked about the P. O. Box 276 where the check was mailed. The Post Office advised me that the box had been closed.

I then called the County Commissioner's office and they advised me to re-issue the check to the Town of Mason. A check was issued to the Town of Mason on May 5, 2006 as a donation for the restoration of the historical home.

During our recent phone conversation you told me yourself that the County Commission owned the home. The only suggestion I can offer to you is that you work with the Commissioner's office and/or the Town of Mason. I can assure you that our corporate office will not issue you another check and I am not authorized to have the Town of Mason turn the check over to you as it was issued to them. I'm sorry for any inconvenience this has caused, but there is nothing else I can do.

Pamela J. Simpkins

Pamela J. Simpkins

Cc: County Commissioner's Office
Mindy Kearns, Mayor Town of Mason

CASTO & HARRIS INC., SPENCER, W. VA. RE-ORDER NO 97936-92

NOTICE OF PUBLIC HEARING

Notice is hereby given that on Thursday, August 31, 2006, a public hearing will be held in the County Commission Meeting Room, Mason County Courthouse, 200 Sixth Street, Point Pleasant, West Virginia, commencing at 7:00 p.m., prevailing time, with respect to the proposed issuance by Mason County, West Virginia, acting by and through The County Commission of Mason County (the "Issuer") of its Hospital Revenue Bonds (Pleasant Valley Hospital, Inc.), Series 2006 (the "Bonds") in an aggregate principal amount not to exceed $4,000,000, the proceeds of which will be used to: (i) finance in whole or in part the acquisition, construction, renovation, improvement and equipping of hospital and other health care facilities and equipment for use by Pleasant Valley Hospital, Inc., a West Virginia non-stock, nonprofit corporation (the "Corporation"), including without limitation the acquisition, construction, renovation, improvement and equipping of new employed doctors' office space consisting of two buildings, the first being a one story building containing approximately 2,500 square feet located at 2414 Jefferson Avenue, Point Pleasant, West Virginia and the second being a one story building containing approximately 3,000 square feet located at 2007 Second Street, Mason, West Virginia; roof repairs, replacements and improvements; HVAC repairs, replacements and improvements; acquisition of a 64 Slice CAT Scan and related renovations and improvements; parking lot resurfacing; renovations and improvements to Outpatient Pharmacy and South I and II facilities and/or other acquisitions, construction, improvements, renovations, equipping and additions to the Corporation's facilities; (ii) make a deposit to the debt service reserve fund for the Bonds; and (iii) pay all or a portion of the costs of issuing the Bonds. All of such uses are permitted by Chapter 13, Article 2C of the Code of West Virginia, 1931, as amended. The initial owner of the facilities to be financed with the proceeds of the Bonds is the Corporation. The Corporation's administrative offices are located and, except as otherwise noted, the facilities and equipment to be financed with the proceeds of the Bonds will be located at or near 2520 Valley Drive, Point Pleasant, West Virginia.

The Bonds will be special obligations of the Issuer and will not constitute a debt or a pledge of the faith and credit or taxing power of the Issuer or a pledge of the faith and credit or taxing power of the State of West Virginia or any other political subdivision thereof. All interested individuals are invited to attend to express their views, either orally or in writing, on the proposed issue of Bonds and the location and the nature of the facilities and equipment to be financed with the Bonds. Interested individuals may also submit written comments to The County Commission of Mason County, West Virginia, Attention: President, 200 Sixth Street, Point Pleasant, West Virginia 25550, and clearly marked "Re: Mason County, West Virginia Hospital Revenue Bonds (Pleasant Valley Hospital, Inc.), Series 2006." Written submissions should be mailed in sufficient time to be received before August 31, 2006.

MASON COUNTY, WEST VIRGINIA

1585156.1

CATTO & HARRIS INC., SPENCER, W. VA. RE-ORDER NO 97936-92

Mason County Plan of Action

After meeting with officials in Mason County on June 8, 2006 and with Dave Tarbett on June 20, 2006, the following is the proposed plan for meeting the requirements of the "GIS data assembly for local and regional economic development planning" project.

1. Work with the Mason County Development Authority to develop a GIS based tool to allow them to view Parcels, Aerial Photography and Flood data.
2. Update selected Mason County GIS datasets that are available on the West Virginia GIS Technical Center's clearinghouse.
3. Work with the Mason County PSD to determine accurate elevations at specified locations.
4. Inventory GIS data currently maintained in the county.
5. Determine policy and procedure for acquiring GIS related data from contractors that work on government funded projects within county.
6. Enhance existing GIS datasets for the City of Point Pleasant & Town of Henderson.

Mayor, Town of Henderson — Joel L. McCourt, Mayor 6/28/06

Mayor, City of Point Pleasant — James H. Nelson, Mayor 7/24/06

President, Mason County Commission — Robert C. Baird

Mason County Public Service District — [illegible]

Director, Mason County Development Authority — Walter Humphrey

ORDERS—Mason County Commission, W. Va.

TERMS AUG 17 2006 19

CARTO & HARRIS INC., SPENCER, W. VA. RE-ORDER NO. 97936-92

REGION II

Planning & Development Council

CABELL, LINCOLN, LOGAN, MASON, MINGO, WAYNE COUNTIES

James H. Booton, Chairman

Michele P. Craig Executive Director

MEETING NOTICE

REGION II PLANNING AND DEVELOPMENT COUNCIL

FRIDAY, SEPTEMBER 22, 2006

REGION II PLANNING AND DEVELOPMENT COUNCIL
CONFERENCE ROOM
720 4th AVENUE
HUNTINGTON, WV 25701

THE REGION II PLANNING AND DEVELOPMENT COUNCIL WILL MEET ON FRIDAY, SEPTEMBER 22, 2006, IN THE REGION II PLANNING AND DEVELOPMENT COUNCIL CONFERENCE ROOM, 720 4th AVENUE, HUNTINGTON, WV AT NOON FOR A LUNCHEON MEETING.

THE AGENCY WILL PROVIDE LUNCH FOR MEMBERS.

PLEASE REPLY BY FRIDAY, SEPTEMBER 15TH WHETHER YOU PLAN TO ATTEND OR NOT SO THAT ACCURATE LUNCH RESERVATIONS MAY BE MADE.

YOU CAN PARK IN THE 8th STREET PARKING GARAGE OR ON THE STREET. THE OFFICE IS LOCATED ACROSS THE ALLEY FROM THE PARKING GARAGE ENTERING ON 7th STREET.

RSVP WITH DORA YOUNG OR BRANDIE WAGNER AT (304) 529-3357.

THANKS SO MUCH. WE LOOK FORWARD TO SEEING YOU.

/brw

720 Fourth Avenue • P.O. Box 939 • Huntington, West Virginia 25712
304-529-3357 • FAX 304-529-7229

ORDERS—Mason County Commission, W. Va.

TERMS AUG 17 2006 19

CASTO & HARRIS INC., SPENCER, W. VA. RE-ORDER NO. 97936-92

Upon motion by Epling and unanimous agreement, this meeting was adjourned.

BOB BAIRD, PRESIDENT

RICK HANDLEY, COMMISSIONER

MILES EPLING, COMMISSIONER

DIANA N. CROMLEY, CLERK

PHYLLIS A. ARTHUR, President
NEW HAVEN, WV

DIANA N. CROMLEY, Clerk
POINT PLEASANT, WV

RICK L. HANDLEY, Commissioner
POINT PLEASANT, WV

ROBERT C. BAIRD, Commissioner
GALLIPOLIS FERRY, WV

THE COUNTY COMMISSION OF MASON COUNTY
COURTHOUSE - 200 SIXTH STREET
POINT PLEASANT, WEST VIRGINIA 25550

PHONE (304) 675-1110
FAX (304) 675-4982

September 8, 2004

Randy Grinstead, Manager
Mason County Public Service District
101 Camden Avenue
Point Pleasant, WV 25550

Dear Mr. Grinstead:

While meeting in regular session Tuesday, August 17, 2004, the County Commission appointed Curtis Hunt to the Public Service District Board to replace Dorsel Keefer. Mr. Hunt's six year term will expire August 17, 2010.

His address and phone number are:

Curtis Hunt
Rt. 2 Box 3
Letart, WV 25253
895-3803

We trust that you will contact him about your meeting schedule.

Very truly yours,

John D. Gerlach
Administrator
Mason County Commission

JDG:kdh

ORDERS—Mason County Commission, W. Va.

TERMS AUG 12 2004, _____

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 7393D-96

THE COUNTY COMMISSION OF MASON COUNTY met in the Courthouse thereof on Thursday, August 17, 2004 at 4:00 p.m. in regular session. Present were Phyllis Arthur, President; Bob Baird and Rick Handley, Commissioners; and John D. Gerlach, Administrator.

President Arthur called the meeting to order. John Gerlach gave the opening prayer and Bob Baird led the pledge of allegiance.

Lowell Wilks, Project Coordinator for the Great Kanawha Resource and Development Council, was present and the Commission presented him with a plaque making him an Honorary Citizen of Mason County for all of his hard work and dedication to benefit the Commission and the citizens of Mason County.

The Commission introduced and honored the Mason County Fair Queen and the members of her court that were present. Laura Casto, Queen; Tiffany Crum, first runner-up; and Heather Sturgeon, third runner-up.

Upon motion by Handley and unanimous agreement, the Commission approved the following Estate Appointments, Order Appointing Fiduciary Commissioner, Waiver of Final Settlements, Report of Receipts and Disbursements, and Application for Correction of Erroneous Assessement:

Commission Meeting – August 17, 2004

Estate Appointments

Rose Virginia Spurlock
Neil Halene Kennedy
Rodney L. Wamsley
Velma Grace Getty
Alfred J.S. Clark
Helen L. Cunningham
Ardath Opal Brinker

Order Appointing Fiduciary Commissioner

William Emory Monroe

Waiver of Final Settlement

Ronald B. Harris
Bertha Stevens
John Everett Sayre

Report of Receipts and Disbursements

Julia Roush
Clara Luella Plants
James W. Plants

Application for Correction of Erroneous Assessment

Roseann Anthony	ACCT# 6050685
Sam Boston	ACCT# 4666
	ACCT# 4782
Maude Cononley	ACCT# 6174855
Paul & Cheryl Sayre	ACCT# 6702981
Elinor Stover	ACCT# 6116712
Chuck & Beulah Walker	ACCT# 6166267
James H. Barker	ACCT# 1502505
Timothy Blake	ACCT# 195525
Wallace Fetty	ACCT# 195149
Betty Miller & Roy Newell	ACCT# 1503737
Herman Dale & Celia Shirrel Sargent	ACCT# 6088422
Travis W. Tarr & Hollay R. Roark	ACCT# 6165535
Keith Thornton	ACCT# 672652
Arthur Wiley	ACCT# 1500937

ORDERS—Mason County Commission, W. Va.

TERMS AUG 12 2004

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 7393D-99

Upon motion by Baird and unanimous agreement, the Commission approved the minutes from the previous meeting with no omissions or corrections thereto.

The Commission executed bills and purchase orders as required.

Upon motion by Handley and unanimous agreement, the Commission approved the following Budget Revision:

CID BR 1180 (Rev. 2002)

Glen B. Gainer, III
WV State Auditor
Chief Inspector Division
1900 Kanawha Blvd. East
Building 1, Room W-420
Charleston, WV 25305
Fax: 558-5327

Person To Contact Regarding Budget Revision: John D. Gerlach
Phone: 304-675-1110
Fax: 304-675-4982

REQUEST FOR REVISION TO APPROVED BUDGET

Subject to approval of the chief inspector, the governing body requests that the budget be revised prior to the expenditure or obligation of funds for which no appropriation or insufficient appropriation currently exists. (§ 11-8-26a)

Mason County Commission
GOVERNMENTAL ENTITY

200 Sixth Street
STREET OR P.O. BOX

Point Pleasant WV 25550
CITY ZIP CODE

CONTROL NUMBER 2004-05
FY 01
FUND 1
REV. NO. 1 of 1
PG. OF NO.

RECEIPTS: (net each acct.)

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED AMOUNT	DEBIT (INCREASE)	CREDIT (DECREASE)	REVISED AMOUNT
301-01	Current Yr Tax	3,363,169		206,000	3,157,169
309	Hotel Tax	-0-	2,200		2,200

NET ~~INCREASE~~/(DECREASE) Revenues 203,800

ORDERS—Mason County Commission, W. Va.

TERMS AUG 12 2004

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 7393D-99

EXPENDITURES: (net each account category)

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED AMOUNT	DEBIT (DECREASE)	CREDIT (INCREASE)	REVISED AMOUNT
704	Reg. Jail Fees	360,000	206,000		154,000
715	Ambulance Auth.	10,000		1,100	11,100
915	Tourism	-0-		1,100	1,100

NET INCREASE/(DECREASE) Expenditures 203,800

WV STATE AUDITOR - CHIEF INSPECTOR

APPROVED
DATE: _____ BY: _____

POSTED: _____ BY: _____

APPROVED BY THE STATE AUDITOR

BY:

CHIEF INSPECTOR DIVISION

Phyllis A Arthur 8/17/2004

AUTHORIZED SIGNATURE FOR GOVERNING BODY — ENTITY APPROVAL DATE

COUNTIES ONLY

TRANSFERS TO THE GENERAL FUND FROM SPECIAL FUNDS CREATED PURSUANT TO WEST VIRGINIA CODE § 7-1-9, MUST BE ACCOMPANIED BY PRIOR WRITTEN APPROVAL FROM THE STATE AUDITOR.

ORDERS—Mason County Commission, W. Va.

TERMS AUG 12 2004

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 73930-99

Upon motion by Baird and unanimous agreement, the Commission reviewed the following Airport Grant Contract:

U. S. Department of Transportation Federal Aviation Administration

GRANT AGREEMENT

Date of Offer: August 03, 2004
Project Number: 3-54-0021-012-2004

RECIPIENT: Mason County Commission (Herein called Sponsor)

AIRPORT: Mason County Airport

OFFER

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay, as the United States' share of 95 percent of the allowable costs incurred in accomplishing the project consisting of the following:

" Install AWOS III-P (Design and Construct);
Remove Obstructions (Runway 7/25 Approach) "

as more particularly described in the Project Application dated July 12, 2004.

The maximum obligation of the United States payable under this Offer shall be $ 276,634.00.

For the purpose of any future grant amendments which may increase the foregoing maximum obligation of the United States under provisions of Section 47108(b) of Title 49 U.S.C., the following amounts are being specified for this purpose:

$ 276,634.00 for airport development,
$ _____ for land, and
$ _____ for planning.

This offer is made in accordance with and for the purpose of carrying out the provisions of Title 49, United States Code, herein called Title 49 U.S.C. Acceptance and execution of this offer shall comprise a Grant Agreement, as provided by Title 49 U.S.C., constituting the contractual obligations and rights of the United States and the Sponsor.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION

Manager, Beckley Airports District Office
Eastern Region

ORDERS—Mason County Commission, W. Va.

TERMS AUG 12 2004, _____

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 73930-99

ACCEPTANCE

The Sponsor agrees to accomplish the project in compliance with the terms and conditions contained herein and in the document "Master Agreement on Terms and Conditions of Accepting Airport Improvement Program Grants" dated August 17, 2000.

Executed this 17th day of August, 2004.

(SEAL)

Mason County Commission
Name of Sponsor

Phyllis A. Arthur
Signature of Sponsor's Designated Official Representative

Commissioner
Title

Attest: Donna K. Conley

Title: County Clerk

CERTIFICATE OF SPONSOR'S ATTORNEY

I, Damon B. Morgan Jr, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of West Virginia. Further, I have examined the foregoing Grant Agreement, and the actions taken by said Sponsor relating thereto, and find that the acceptance thereof by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and Title 49 U.S.C. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Signature of Sponsor's Attorney

08/12/04
Date

ORDERS—Mason County Commission, W. Va.

TERMS AUG 12 2004

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 73930-99

The Commission reviewed the following letter from Brad Wright:

(1)

There is a Problem in Southern Mason County. That we in the community, needs to be Resolved. By The D.O.H.

There is a Road (80/5) on the 1933 map, That connects (80) Knife Branch to (45) Guyan Creek. This Road is Just Short of a mile long, and has alway's been maintained by The State.

When I (Brad Wright) came to this area in 1980 This Road was the only gravel one, "well maintained". All The old Tiner's said The whole Loop (45) down (80/5) to (80) was the old mail Route, and The way the Previous Family got in and out of my Farm.

They moved away in the 1960's and (45) in Front of my House was not maintained (see map) But the Loop was (45) (80/5) (80).

The Smith's owned most of the Propery on (45) (80/5) (80) The old Home Place's was on (45) and (80/5). The Family Them moved to the Hard Road (80) and other died off, But they still Farmed it.

In 1970 Gary Meadows married Mary Smith and At the old Home Place of Clem Smith. They Built A Home. The Road (80/5) was well maintained By the State Then too!

In the late 70's the Road (80/5) was maintained, mowed, graveled and 6 or 7 culverts put in By the D.O.H.!

Then in 1980 I Brought my Farm, (80/5) was well maintained all the way Through (45) was not. In 1982 we called the D.O.H. so we could start working on the House. Gravel was put down all the way from (80) to (45). This was the way in and out. Phone lines were run also down (80/5) no Problem.

ORDERS—Mason County Commission, W. Va.

TERMS AUG 12 2004

CARTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 73930-99

(2)

IN 1986 A SLIP CAME ON (80) WE WROTE A LETTER TO THE D.O.H. THE D.O.H. REMOVED THE SLIP. GRAVELED, MOWED, NO PROBLEM.

IN 1988 WE MOVED TO THE FARM, AND HAD TWO CHILDREN, ONE WAS GOING TO START SCHOOL, SO WE MADE CONTACT WITH THE SCHOOL BOARD TO MAKE ARANGEMENTS TO CATCH THE BUS.

THEY PUT US IN TOUCH WITH THE GOVERNOR'S OFFICE BECAUSE THE ROAD PAST GARY MEADOWS TO OUR HOUSE NEEDED MORE MAINTENCE SO WE COULD GET TO THE SCHOOL BUS STOP AT THE SMITHS HOUSE ON THE HARDROAD (80).

THIS WAS DURING, GOV CAPERTON'S TERM AND MS. LINDA BERGER (GOV. OFFICE) SAID "THE ROAD WOULD BE MAINTAINED AS A STATE ROAD TO THE BENEFIT OF ALL". 6 OR 7 STATE GRAVEL TRUCKS STARTED AT MY HOUSE AND GRAVELED THE WHOLE ROAD TO THE HARDROAD (80).

LATER WHEN GRAVEL WAS NEEDED, EVERYONE (A.E.P. TOO) HAD IT LISTED AS THE END OF KNIFE BRANCH (80).

JIMMY WATERSON (FORMER MASON CO. D.O.H.) SAID "WE MAINTAIN THAT ROAD BECAUSE IT TAKES CARE OF TWO FAMILY'S". NO ONE WAS LIVING ON THE LOWER PART OF (45) AT THAT TIME AND THERE WAS NO NEED TO DO MUCH MAINTENCE AT THAT TIME.

THEN IN THE LATE 90'S BILL AND KAREN SAUNDERS BROUGHT KAREN'S DAD OLD HOME PLACE. THE ROAD HAD NOT HAD MUCH MAINTENCE IN YEAR'S. THEY NEEDED TO GET THERE TO WORK ON THE OLD HOUSE AND FARM. SO THE STATE DID SOME MAINTENCE. THAT'S WHEN GARY "THREW A FIT" BECAUSE HIS ROAD (80) NEEDED MORE GRAVEL. THAT'S WHEN HE WENT TO D.O.H. (SMITH ST.) TO DEMAND MORE GRAVEL. HE THOUGHT (80) WAS PRIVATE. THAT'S WHEN THEY AT THE D.O.H. SAID WE

ORDERS—Mason County Commission, W. Va.

TERMS AUG 12 2004

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 73930-99

③

"DON't SEE, YOUR ROAD ON THE MAP" (1937) "THAT'S NOT YOUR GRAVEL" BECAUSE HE WAS BEING "DIFFICIULT".

THEY FORGOT ABOUT ME AND THE RULEINGS MADE ON THE ROAD, WHERE IS THAT PAPERWORK?

I HAD RESERCHED THE ROAD IN THE EARLY 90'S THERE WAS NOTHING SAID ABOUT (80) THEN, OTHER THAN A DESCRIPTION. NO DROPPING IT NO RECORDS OF MAINTENCE,

FORMER MASON CO. DOH. OFFICALS SAID WE MAINTANE "THAT ROAD. BECAUSE IT'S THE EAZYIST AND CHEAPEST." ONE MILE NO HILLS, 7 CULVERTS ALREADY IN PLACE. DEEDS MENCHIN COUNTY ROADS, AND MASON CO. DOES NOT HAVE A RIGHT-OF-WAY BOOK! THIS IS A STATE ROAD, BECAUSE OF PAST MAINTENCE.

THEN GARY STARTED SAYING IT WAS A "PRIVATE DRIVE", IN THE LAST FEW YEARS AND ITS BEEN NOTHING BUT TROUBLE.

ERNIE WATERSON FORMER MASON CO. D.O.H. + SHERIFF, SAID "HE COULD NOT SHUT THE ROAD OFF". AND GARY HAS REFUSED THE STATE TO COME ON THE ROAD. "YEA RIGHT."

THIS IS NOT RIGHT AFTER ALL THOSE YEARS OF MAINTENCE AND WHAT WE IN THE COMMUNITY KNOW, IT BEEN THERE OVER 100 YEARS.

ON JUNE 16, 03, WE HAD THE WORST FLOOD EVER! 4 OR 5 INCHES OF RAIN IN A HOUR'S TIME. IT DESTROYED A 1880'S HOUSE ON DOWN GUYAN CREEK, AND DID MUCH DAMAGE TO LOTS OF ROAD'S BUT RIGHT PAST GARY MEADOW'S HOUSE IT PLUGGED A STATE CULVERT UP. BEAR HOLLOW CREEK RIGHT IN FRONT OF MY HOUSE. DEPOSTED ABOUT 6 FEET OF STUFF ON MY DRIVEWAY. I COULD NOT GET OUT! WITHOUT A PIECE OF HEAVY EQUIPMENT. I ASK ONE OF THE STATE ROAD WORKERS TO HELP ME OUT. (WHICH THEY ARE ALLOWED TO DO IN TIME'S OF DISASTOR) AND WAS TOLD THEY WOULD BUT ROSS ROUSH TOLD THEM TO "STAY OFF" GARY'S ROAD!

ORDERS—Mason County Commission, W. Va.

TERMS AUG 12 2004

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 7393D-89

That is not being a very good neighbor.
Then I ask Gary's son to let the State come down the road to my house so they could dig me out. And he said no! You tell me if that is not right! After all those years of "State maintence" I would have told them different. "That is a State road"!

Then a few days later I got a neighbor 4 miles down the road with a large tractor + endloader bucket to help me out. That is a good neighbor.

Then I walked up the road to clean-out ditches and culverts. Clean-up after the flood. That evening coming back home, Gary came out and said "He clogged the culverts back-up" and that I was flooding his fields. I thought I was doing the right thing! So now all the water is washing the road away. He found his way to shut-off the road (8/8) down past his house.

I have talked to everybody in the D.O.H. and have gothen different answers from all. "Pass the buck". A lawyer even said it was a State matter.

This is not a private road. Where are all the records. How did those 6 or 7 culverts, phone lines, gravel, get there. This "Political correctness" is not right. No one should have control over a road that's been there over a 100 years.

There have been 3-4 fights over Gary trying to tell people "This is a private road"

I have talked to Chuck Blake (Mason Co. Emergency Services) He came right out. Took pictures. Made a report. Then Gary played a "little game" with him. And unpluged the culvert, then plugged it back-up when he left. Chuck said he could not get emergency vehicles to my house.

ORDERS—Mason County Commission, W. Va.
TERMS AUG 12 2004

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 73930-99

(5)

THE ROAD NOW OVER A YEAR LATER IS UNPASSABLE TO CARS.

I HAVE BEEN NOW COMING DOWN (45) FROM WHITEN RIDGE THERE ARE TWO HILLS AND ITS ABOUT 3 TIMES LONGER. I WON'T BE ABLE TO GET OUT THIS WINTER, NOR ANYONE IN AND ITS TAKING A TOLL ON MY TRUCK. TRY THIS EVERYDAY! AFTER 24 YEAR'S, MY MOM + DAD AND KIDS ARE SHOCKED THAT THIS IS GOING ON. THEY CAN'T GET TO OUR FARM! MY NEIGHBOR'S AND FRIENDS CAN'T GET THERE ALSO, UNLESS THEY HAVE A TRUCK.

WE IN THE COMMUNITY BELIEVE THIS IS WRONG TO LET ONE PERSON INCONVENINCE EVERYBODY. THAT IS WHY THEY MADE STATE ROADS! SO ONE PERSON DOES NOT HAVE CONTROL. YOU CAN GO! BUT THE OTHER ONE CAN'T!

WE HAVE A NEW NEIGHBOR ON (45) (SEE MAP) HIS NAME IS TIM MORGAN. HE WAS A POLICE OFFICER IN ATLANTA GA. AND MOVED HERE TO GET AWAY FROM THE "RAT RACE!" WHEN HE STARTED BUILDING HIS LOG HOUSE AND NEEDED MATERIAL - THE TRUCKS CAME BY GARY'S HOUSE HE THREW A FIT! AND TRYED TO RUN THEM OFF. EVEN CALLED ADAMS TRUCKING AND TOLD THEM IT WAS A PRIVATE DRIVE! THE OTHER END HAS A TILTED SLIP AND IS 3 TIMES LONGER WITH HILLS, TRY THAT WITH 20 TONS.

GARY CAME DOWN TO TIM'S AND TRYED TO TELL HIM IT WAS A "PRIVATE DRIVE" HE SAID HE DID NOT SEE ANY SIGNS."

WE NO THAT ITS NOT. AND AGAIN THAT'S NOT A VERY GOOD NEICHBOR. THE ONLY WAY TO RESOLVE THIS IS TO TELL GARY IT'S A STATE ROAD. NO ONE SHOULD FIGHT OVER A ROAD!

ORDERS—Mason County Commission, W. Va.

TERMS AUG 12 2004

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 73930-99

(6)

IF ANYONE OF US TRYED MESSING WITH A ROAD, WE WOULD GO TO JAIL. ALSO WHY IS HIS MAILBOX AT his FRONT DOOR. IF THIS IS A PRIVATE DRIVE MY MAILBOX IS NOW 4 MILES AWAY.

WE AS A COMMUNITY WENT TO A COUNTY COMMISSION MEETING TO TRY TO GET SOME ACTION AND HAD 19 LOCALS. WE NOW HAVE SOME STATE ROAD WORKERS WHO ARE WILLING TO MAKE STATEMENTS that THEY HAVE WORKED ON THE ROAD FOR YEARS. EVEN HAD ORDERS TOO!

PAUL LITLE (DIST. 1 ASST. ENG.) EVEN ASK GARY to PUT it IN THE SYSTEM (MARCH 04) OFFICIALLY.

This IS ALL WE WANT. NO MORE FIGHTING, But WE FEEL, THIS WAS TAKEN CARE OF ALREADY! BACK IN 1988 AND it SHOULD NOT MATTER WHAT, GARY SAYS.

HE HAS SHOWN that HE IS NOT A VERY GOOD NEIGHOR. LAST FEB. 03. DURING the ICE STORM ME AND two NEIGHBORS WERE LOOKING FOR A.E.P. BECAUSE EVERYONE'S ELECTRIC WAS OFF. THE BREAK WAS BEHIND MY HOUSE, TO TELL A.E.P. WHERE THE TREES WERE DOWN AND THAT THEY COULD GO UP BEHIND MY HOUSE to GET to it, to FIX it. WHEN WE FOUND the LINEMAN HE SAID HE GOT "RUN OFF" SAID it WAS A "PRIVATE ROAD"!

NOW MY PHONE LINE AND TIM'S LAY IN THE WASHED-OUT PART OF the ROAD, AND HAS BEED MESSED UP SINCE JUNE 03.

WHEN VERISON CAME to FIX-IT. THEY WERE TOLD "PRIVATE RD." so they CAME DOWN (45) AND ROLLED the 2 TON TRUCK ON its TOP into THE CREEK (APRIL 04) AGAIN WHAT IF THAT WAS A EMERGENCY VEHICLE!

AGAIN LETTERS HAVE BEEN WRITTEN BEFORE, WORK DONE, I thought it WAS RESOLVED LONG TIME AGO! WE DON'T WANT PROBLEMS with NEIGHBORS.

ORDERS—Mason County Commission, W. Va.

TERMS AUG 12 2004

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 7393D-99

(7)

I HATE TO BE WASTING MY TIME, CHUCK BLAKES, THE STATE ROAD, AND ANYONES ELESES, I DID MAY HOME WORK LONG AGO! AND WAS TOLD IT WOULD BE MAINTAINED NO ONE DID THEIRS LATELY. THEY SHOULD HAVE TALKED TO EVERYBODY BEFORE THEY SAID "THEY DIDNT PICK IT UP IN 1933" WRONG, THEY DID, NOW, IT'S A MESS!

WE ARE AFRAID THAT SOME KIND OF TROUBLE WILL HAPPEN BECAUSE OF THIS ACTION, WHAT IF SOMEONE GETS HURT IN BEAR HOLLOW OR AT MY HOUSE (GOD FORBID) TIM HAS A 10 YEAR OLD, OR IF SOMEONE GETS MAD AT GARY AND THINKS WE'RE THE ONES TRYING TO STOP THEM. THINK ABOUT IT!

WE KNOW OF NO OTHER PROBLEM LIKE THIS ONE, NO WHERE! THIS WAS RESOLVED LONG AGO. NOW THERE ARE NEW NEIGHBORS, ELECTRIC METOR'S HAVE TO AND HAVE BEEN READ. KIDS GET TO SCHOOL BUSSES. THE D.O.H. NEEDS ACCESE TO ALL ROADS. YOU MIGHT WANT TO RIDE OVER AND SEE US, IT'S STILL "A FREE COUNTRY" I THOUGHT.

ALSO GARY IS "LANDLOCKED" BY ALVIS SMITH ON ONE SIDE (80) AND GREG JIMISON ON THE OTHER SIDE (45).

WHEN GREG JIMSON BROUGHT HIS FARM ON (45) WAS IMPASSABLE, THE ROAD WAS GRAVELED FROM (80) TO MY HOUSE (45) THEN (80). THIS WAS THE WAY IN AND OUT. NO MENTION OF A PRIVATE ROAD. (PRESCAPTIVE RIGHTS) 1982

WE WANT THIS PROBLEM TAKEN BACK TO THE COUNTY COMM. AND HAVE THE D.O.H. COME TO THE MEETING AND HAVE STATE ROAD WORKERS MAKE STATEMENTS. THIS NEEDS TO BE RESOLVED NOW BEFORE SOMETHING BAD HAPPENS. YOUR HELP APPRECIATED

DAVID JENKINS	Brad Wright	BILL SAUNDERS
RT1 BOX 334	RT1 BOX 348A	RT1 BOX 334
GLENWOOD WV 25520	GLENWOOD WV 25520	GLENWOOD WV 25520
576-2125	576-2540	576-2795

ORDERS—Mason County Commission, W. Va.

TERMS AUG 12 2004

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 73930-99

The Commission moved to replace Dorsel Keefer on Mason County Public Service District Board with Curtis Hunt to a six-year term. The motion passed 2-1. Commissioner Baird voted against the motion.

The Commission unanimously agreed to change the September 16th meeting to the 13th at 7:00 p.m. and change the time of the September 30th meeting from 7:00 p.m. to 4:00 p.m.

Upon motion by Handley and unanimous agreement, this meeting was adjourned.

Phyllis A Arthur
PHYLLIS ARTHUR, PRESIDENT

Bob Baird
BOB BAIRD, COMMISSIONER

Rick Handley
RICK HANDLEY, COMMISSIONER

Diana N Cromley
DIANA N. CROMLEY, CLERK

ROBERT C. BAIRD, President
GALLIPOLIS FERRY, WV

DIANA N. CROMLEY, Clerk
POINT PLEASANT, WV

RICK L. HANDLEY, Commissioner
POINT PLEASANT, WV

MILES S. EPLING, Commissioner
POINT PLEASANT, WV

THE COUNTY COMMISSION OF MASON COUNTY
COURTHOUSE - 200 SIXTH STREET
POINT PLEASANT, WEST VIRGINIA 25550

PHONE (304) 675-1110
FAX (304) 675-4982

February 10, 2005

Randy Grinstead, Manager
Mason County Public Service District
100 Camden Avenue
Point Pleasant, WV 25550

Dear Mr. Grinstead:

While meeting in regular session Wednesday evening, February 9, 2005 the Commission voted to accept Bill Hughes' resignation from the Public Service District Board and appoint Dorsel Keefer to his unexpired term. According to our records, his term expires August 2008.

Please contact me if you need any further assistance.

Very truly yours,

John D. Gerlach
Administrator
Mason County Commission

JDG:kdj

E.E.O./AFFIRMATIVE ACTION EMPLOYER

ORDERS—Mason County Commission, W. Va.

TERMS FEB 9 2005

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 73930-99

THE COUNTY COMMISSION OF MASON COUNTY met in the Courthouse thereof on Thursday, February 9, 2005 at 4:00 p.m. in regular session. Present were Bob Baird, President; Miles Epling, Commissioner; Diana N. Cromley, Clerk; and John D. Gerlach, Administrator.

President Baird called the meeting to order. Diana Cromley gave the opening prayer and Miles Epling led the pledge of allegiance.

Upon motion by Epling and unanimous agreement, the Commission approved Estate Appointments, Waivers of Final Settlement and Reports of Receipt and Disbursement, copies of which are attached hereto.

Upon motion by Epling and unanimous agreement, the Commission approved the minutes from the previous meeting with no omissions or corrections thereto.

The Commission executed bills and purchase orders as required.

Upon motion by Epling and unanimous agreement, the Commission executed a Budget Revision, a copy of which is attached hereto.

Upon motion by Epling and unanimous agreement, the Commission accepted the resignation of William Hughes Public Service District Board member.

Upon motion by Epling and unanimous agreement, the Commission appointed Dorsel Keefer to the Public Service District Board to an unexpired term which will end August 17, 2008.

President Baird talked about the budget crunch we are facing and that it is a shame that citizens of this county have to suffer because of the prison and also wished the National Guard well. They will be returning home by March 2005.

ORDERS—Mason County Commission, W. Va.

TERMS FEB 9 2005

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER No. 73930-99

The Commission reviewed a letter from Charlene A. Vaughan, Deputy Attorney General, a copy of which is attached hereto.

The Commission reviewed a letter from Damon B. Morgan, Jr., Prosecuting Attorney, a copy of which is attached hereto.

The Commission reviewed a letter from the Public Service Commission of West Virginia, a copy of which is attached hereto.

The Commission reviewed a Reduced Regional Jail Payment Schedule, a copy of which is attached hereto.

Commission Meeting – February 9, 2005

Estate Appointment

Michael Gene Kitchen
Margaret L. Dowell
Kennith Gorden Evans
George C. Sommer
Rosecenia Mildred Mayes
Collett L. Keefer
Hibert Wallace
Edward Willis Fulks
Elevena Meadows Chapman
Dayton C. Raynes
Raymond Denver Robinson
Jessie E. Harper
Donald Eugene Kiggins
Michael A. Barker
Frances Louise Kearns
Debbie Northup

Waiver of Final Settlements

Charles M. Henry
George J. Wilson

Report of Receipts and Disbursements

Henrietta Rossi
Ardath Opal Brinker

ORDERS—Mason County Commission, W. Va.

TERMS FEB 9 2005

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 73930-98

2-10-05;12:17PM;MASON CO. COMMISSION ;304 674 4982 # 1/ 4

CID BR 1180 (Rev. 2002)

Glen B. Gainer, III
WV State Auditor
Chief Inspector Division
1900 Kanawha Blvd. East
Building 1, Room W-420
Charleston, WV 25305
Fax: 558-5327

REQUEST FOR REVISION TO APPROVED BUDGET

Subject to approval of the chief inspector, the governing body requests that the budget be revised prior to the expenditure or obligation of funds for which no appropriation or insufficient appropriation currently exists. (§ 11-8-26a)

Mason Co. Commission
GOVERNMENTAL ENTITY

200 Sixth Street
STREET OR P.O. BOX

Point Pleasant 25550
CITY ZIP CODE

CONTROL NUMBER 2004-06
FY 1
FUND 5
REV. NO.
PG. OF NO. 1 of 1

Person To Contact Regarding Budget Revision: John D. Gerlach
Phone: 675-1110
Fax: 675-4982

RECEIPTS: (net each acct.)

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED AMOUNT	DEBIT (INCREASE)	CREDIT (DECREASE)	REVISED AMOUNT
					0
322	Federal Grants	0	132,365		132,365
323	State Grants	175,075	22,000		197,075
382	Reimbursements	10,000	72,688		82,688
					0
					0
					0
					0
					0
					0
					0
					0

NET INCREASE/(DECREASE) Revenues 227,053

ORDERS—Mason County Commission, W. Va.

TERMS FEB 9 2005

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 7393D-99

EXPENDITURES: (net each account category)

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED AMOUNT	DEBIT (DECREASE)	CREDIT (INCREASE)	REVISED AMOUNT
					#VALUE!
					#VALUE!
					#VALUE!
412	Ag. Agent	67,059		13,775	80,834
424	Courthouse Maint.	373,945		71,000	444,945
434	Airport	76,640		36,000	112,640
700	Law Enforcement	601,530		98,020	699,550
711	Emergency Services	42,742	6,742		36,000
712	911 Center	346,865		15,000	361,865
					0
					0
					0
					0
					0
					0
					0
					0
					0

NET INCREASE/(DECREASE) Expenditures 227,053

WV STATE AUDITOR - CHIEF INSPECTOR

APPROVED

DATE: _____ BY: _____

POSTED: _____ BY: _____

APPROVED BY THE STATE AUDITOR

BY: _____

CHIEF INSPECTOR DIVISION

Robert L. Baird 10/21/2004

AUTHORIZED SIGNATURE FOR GOVERNING BODY — ENTITY APPROVAL DATE

COUNTIES ONLY

TRANSFERS TO THE GENERAL FUND FROM SPECIAL FUNDS CREATED PURSUANT TO WEST VIRGINIA CODE § 7-1-9, MUST BE ACCOMPANIED BY PRIOR WRITTEN APPROVAL FROM THE STATE AUDITOR.

ORDERS—Mason County Commission, W. Va.

TERMS FEB 9 2005, _____

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 72830-99

RESOLUTION

At a regular session of MASON COUNTY COMMISSION, held on the 9th day of February, 2005, the following order was made and entered:

SUBJECT: The revision to the General County FUND BUDGET of the MASON COUNTY COMMISSION

RESOLVED: That subject to the approval of the State Tax Commissioner (as required), the MASON COUNTY COMMISSION does hereby direct that the budget be revised as shown on budget revision number 4, a copy of which is entered as part of this record.

The adoption of the foregoing resolution having been moved by Epling, Commissioner, and duly seconded by Baird, Commissioner, the vote thereon was as follows:

Robert C. Baird — YES / NO

Mike Epling — YES / NO

_____ — YES / NO

Whereupon, Robert C. Baird, Commission President, declared said resolution duly adopted, and it is therefore ADJUDGED and ORDERED stated above, and the County Commission President is authorized to fix his signature on the attached "Request for Revision to Approved Budget" to be sent to the State Tax Commissioner for approval.

ORDERS—Mason County Commission, W. Va.

TERMS FEB 9 2005

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 73830-99

AFFIDAVIT

The undersigned members of the MASON COUNTY COMMISSION do hereby state that the attached request for revision to the General County _____ FUND budget is requested prior to the expenditure or obligation of funds for which no appropriation or insufficient appropriation currently exists.

SIGNED:

Robert C. Davis 2/9/05
Commission President date

Mike Eddy 2/9/05
Commissioner date

2/9/05
Commissioner date

ORDERS—Mason County Commission, W. Va.

TERMS FEB 9 2005

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 73930-99

DARRELL V. McGRAW, JR.
ATTORNEY GENERAL

HEALTH & HUMAN RESOURCES
LEGAL DIVISION

STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL

State Capitol Complex
Building 3, Room 210
Charleston, West Virginia 25305

(304) 558-2131
FAX (304) 558-0947

E-mail: cvaughan@wvdhhr.org

January 27, 2005

Damon B. Morgan, Jr.
Prosecuting Attorney
P.O. Box 433
Point Pleasant, West Virginia 25550

Dear Mr. Morgan:

I am in receipt of your January 6, 2005 letter and attached Order. In your letter you ask, on behalf of the Mason County Commission that the Department of Health and Human Resources, (hereinafter, Department), pay the Mason County Commission the sum approved by the Court to the special prosecuting attorney in the referenced Order (Case No. 03-JA-30).

It is the position of the Department and the Office of the Attorney General that pursuant to WV Code § 49-6-10, it is the duty of every prosecuting attorney to apply for relief under Chapter 49 proceedings. It is further the position of the Department and the Office of the Attorney General that pursuant to WV Code § 49-7-26, this duty of the prosecuting attorneys is to be rendered to the Department's Bureau for Children and Families without additional compensation. Therefore, your request is respectfully denied.

As for your additional request that the Department develop some manner by which it will provide representation in Chapter 49 child abuse and neglect proceedings in which the county prosecutor has been disqualified, it is my opinion that this is not necessary. Past practice has been for a county prosecutor who has a conflict in representing the Department in a civil child abuse and neglect case to apply for an order appointing an adjoining county prosecutor to represent the Department.

Believe me, I am aware of shrinking government agency budgets. In an attempt to assist you with this perceived problem, may I suggest you consider the provisions of Rule 1.7 of the Rules of Professional Conduct, which permit clients to make informed waivers of a conflicts. I am not aware that the Department has ever been offered this option by any county prosecutor.

ORDERS—Mason County Commission, W. Va.
TERMS FEB 9 2005 , _____

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 7593D-99

Damon B. Morgan, Jr.
January 27, 2005
Page Two

Thank you for the opportunity to respond.

Sincerely,

Charlene A. Vaughan
Deputy Attorney General/DHHR
Legal Counsel

CAV/
cc: Martha Y. Walker
Margaret Waybright
Fran Hughes
AG/BCF Attorneys
Mason County Commission

ORDERS—Mason County Commission, W. Va.

TERMS FEB 9 2005, _____

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 73930-99

OFFICE OF THE
PROSECUTING ATTORNEY
MASON COUNTY
P.O. BOX 435
POINT PLEASANT, WEST VIRGINIA 25550

DAMON B. MORGAN, JR.
PROSECUTING ATTORNEY

TELEPHONE: (304) 675-5734
FACSIMILE: (304) 675-8704

February 1, 2005

Charlene A. Vaughn, General Counsel
Department of Health & Human Resources
State Capitol Complex, Building 3, Room 210
Charleston, WV 25305

Re: Mason County Circuit Court
Case No. 03-JA-30

Dear Ms. Vaughn:

Your letter does not address the issue presented in my letter of January 6, 2005.

The first response you give is that it is the statutory duty of a prosecuting attorney to represent the Department in abuse and neglect proceedings. This Office performs this duty on a regular basis; however, when a conflict arises, it is not ethically permissible to do so.

Secondly, you cite past practice of appointment of a prosecutor from an adjoining county. When no prosecutor in an adjoining county will agree to take the case, the Department is still without representation. Again, the system for appointment of special prosecutors established by the Legislature through the Prosecuting Attorneys Institute applies only to criminal prosecutions.

Finally, you mention a waiver of the conflict. I am sure the Department would rather waive a conflict of a prosecutor rather than incur the inconvenience of the State performing a function for one of its own departments. When the conflict is not with the Department but with a respondent party, the respondent may not be willing to waive the conflict, as in this case.

Your attempt to assist with this very real, rather than perceived, problem, however, does nothing but skirt the issue. Although I have agreed in the past to provide pro bono representation to the Department in other counties, mostly in Roane County, I doubt that your response will foster an amenable attitude to any further such volunteerism in this area.

Sincerely,

Damon B. Morgan, Jr.
Prosecuting Attorney

cc: Mason County Commission ✓
Martha Y. Walker
Margaret Waybright

ORDERS—Mason County Commission, W. Va.

TERMS FEB 9 2005

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 73930-99

Public Service Commission
Of West Virginia

201 Brooks Street, P. O. Box 812
Charleston, West Virginia 25323

Phone: (304) 340-0300
FAX: (304) 340-0325

January 31, 2005

Ms. Betty Carney
Route 1, Box 272
Given, WV 25245-9738

Dear Ms. Carney:

Your letter dated August 23, 2004, to Chairman Edward H. Staats concerning your request for new water service on Jim Ridge and Manilla Ridge in Jackson and Putnam Counties, has been referred to the Water and Wastewater Division for response.

My Staff has reviewed the letter again and discussed the situation with Randy Grinstead, Manager of the Mason County Public Service District. He advised my Staff that there is no new information to offer to you in regard to the project status at this time. We appreciate your keen interest in this mainline extension for your area.

I am encouraging you to attend the various County Commission(s) meetings and the District(s) Board meetings regularly. This will let them know that you are serious about wanting water service and they can demonstrate their intentions by developing a plan to serve these potential customers.

Sincerely,

Amy L. Swann, Director
Water and Wastewater Division

ALS:jt

cc: Edward H. Staats, Chairman
Joe Manchin, Governor
Senator John D. Rockefeller, IV

ORDERS—Mason County Commission, W. Va.
TERMS FEB 9 2005

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 73930-99

Betty Carney
January 31, 2005
Page 2

Congresswoman Shelley Moore Capito
Jackson County Commission
Mason County Commission
Putnam County Commission
Southern Jackson Public Service District
Mason County Public Service District
South Putnam Public Service District
David Carvillano, Senior Operations Manager,
West Virginia-American Water Company

H:\THAYER\WPDOCS\Aucremann, Jim\Carney(1)\JimRidgePigeonRoost\2005-Jackson.wpd

ORDERS—Mason County Commission, W. Va.
TERMS FEB 9 2005 , _____

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 73930-99

Reduced Regional Jail Payment Schedule

2004/2005

Month	Amount Invoiced	Amount Paid	Unpaid Balance
June	40,725.00	30,000.00	9,870.00
July	52,913.50	20,000.00	42,783.50
August	60,431.00	20,000.00	83,214.50
September	42,049.50	20,000.00	105,264.00
October	48,015.00	20,000.00	133,279.00
November	46,996.50	20,000.00	160,275.50
December	38,509.00	20,000.00	178,784.50
Nov. Supp.	582.00	-0-	179,366.50
January	34,483.50	20,000.00	193,850.00

ORDERS—Mason County Commission, W. Va.

TERMS FEB 9 2005 , ____

CASTO & HARRIS, INC., SPENCER, WV RE-ORDER NO. 73930-99

Upon motion by Epling and unanimous agreement, this meeting was adjourned.

BOB BAIRD, PRESIDENT

MILES EPLING, COMMISSIONER

DIANA N. CROMLEY, CLERK

State of West Virginia, County of Mason, to-wit

I, CHARLES LANIER, 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 MEMBER OF THE MASON COUNTY PUBLIC SERVICE DISTRICT

_____ in Mason County, West Virginia, for the term of said office commencing on the 17th day of August, ~~19~~ 2006, to the best of my skill and Judgment. So help me God.

Charles R Lanier

Subscribed and sworn to before the undersigned this 17th day of August, ~~19~~ 2006.

Diane M Crosby

Clerk of the County Commission

State of West Virginia, County of Mason, to-wit

I, DORSEL KEEFER, 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 PUBLIC SERVICE DISTRICT BOARD MEMBER

_____ in Mason County, West Virginia, for the term of said office commencing on the 16TH day of MARCH, XX 2005, to the best of my skill and Judgment. So help me God.

Dorsel F Keefer

Subscribed and sworn to before the undersigned this 16TH day of MARCH, 20 2005.

John D. Gerlach

XXXXXXXXXXXXXXXXXXXXXXXX
NOTARY PUBLIC

OFFICIAL SEAL
NOTARY PUBLIC, STATE OF WEST VIRGINIA
JOHN D. GERLACH
MASON COUNTY COMMISSION
200 6TH STREET
POINT PLEASANT, WV 25550
My Commission Expires July 8, 2012

BOOK 33 PAGE 282

State of West Virginia, County of Mason, to-wit

I, CURTIS HUNT, 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 MEMBER OF THE MASON COUNTY PUBLIC SERVICE DISTRICT

_____ in Mason County, West Virginia, for the term of said office commencing on the 17 TH day of AUGUST, 2004, to the best of my skill and Judgment. So help me God.

Curtis M Hunt

Subscribed and sworn to before the undersigned this 17TH day of AUGUST, 2004.

COUNTY COMMISSION WEST VIRGINIA MASON COUNTY, W.V.

Diana N. Crowley

Clerk of the County Commission

DIANA N CROWLEY
MASON County 12:24:48 PM
Instrument No 92817
Recorded Date 08/20/2004
Document Type OATH
Book-Page -

RULES OF PROCEDURE

MASON COUNTY PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

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

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

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

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

ARTICLE II

PURPOSE

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

ARTICLE III

MEMBERSHIP

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

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

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

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

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

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

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

ARTICLE IV

MEETINGS OF THE BOARD

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

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

Section 3. Unless otherwise waived, notice to members of regular meetings shall be by letter or telephone. Unless otherwise waived, notice to members of each special meeting shall be by letter or telephone not less than 72 hours before the date fixed for such special meeting. The notice of any special meeting shall state briefly the purposes of such meeting and the nature of the business to be transacted at such meeting, and no business other than that stated in the notice shall be transacted at such special meeting.

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

Rule No. 1. Notice of Regularly Scheduled Meetings. Immediately after adoption of these Rules of Procedure and in July of each year thereafter, the Board shall instruct the Secretary to, and the Secretary shall, post, and leave posted throughout the year to which it applies, at the regular meeting place of the Board and at the Mason County Courthouse, where notices customarily are posted, a notice setting forth the date, time and place of the Board's regularly scheduled meetings for the ensuing year. In addition, a copy of the agenda for each regularly scheduled meeting shall also be posted at the same location by the Secretary not less than 72 hours before such regular meeting is to be held.

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

News Media	Address
Point Pleasant Register	200 Main Street Point Pleasant, WV 25550

A notice shall be considered distributed to a news medium when it has been addressed to such news medium at the address listed above, or at such other address as the news medium has in writing requested be used, marked or stamped with first class postage and deposited in the United States mail. In July of each year after the adoption of these Rules of Procedure, the Board shall review the above list and shall amend such list as needed, in the opinion of the Board, to reflect properly all the newspapers and other news media that customarily cover news of the area served by the Board. In addition, a copy of the agenda for each regularly scheduled meeting shall also be distributed to the news media by the Secretary not less than 72 hours before such regular meeting is to be held.

In the event of any modification to the date, time, place or agenda of a regularly scheduled meeting of the Board, notice of such modification shall immediately be given to the public and news media by posting at the places and distributing to the news media in the manner set forth above not less than 48 hours before such regular meeting is to be held. A copy of the notice of such modification shall be attached to and made a part of the minutes of the meeting for which such notice was given.

Rule No. 2. Notice of Special Meetings. Not less than 72 hours prior to the date set for any special meeting of the Board, the Board shall instruct the Secretary to, and the Secretary shall, post at the regular meeting place of the Board and at the Mason County Courthouse, where notices customarily are posted, a notice setting forth the date, time, place and purpose or purposes of such special meeting. Business at such special meeting shall be limited to the purpose or purposes specified in said notice.

As soon as practical after the posting of said notice, but not less than 72 hours prior to the date set for such special meeting, the Secretary shall distribute to each of the newspapers and other news media listed in Rule No. 1 hereof, a notice identical to that posted. Amendments made to such news media list, as provided for in said Rule No. 1, shall be incorporated by reference in this Rule No. 2. A notice shall be considered distributed to a news medium when it has been addressed to such news medium at the address listed in said Rule No. 1, or at such other address as the news medium has in writing requested be used, marked or stamped with first class postage and deposited in the United States mail.

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

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

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

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

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

Rule No. 6. No Actions by Reference. Except as otherwise expressly provided by law, the Board may not deliberate, vote, or otherwise take official action upon any matter by reference to a letter, number or other designation or other secret device or method, which may render it difficult for persons attending a meeting to understand what is being deliberated,

voted or acted upon. However, this rule does not prohibit the Board from deliberating, voting or otherwise taking action by reference to an agenda, if copies of the agenda, sufficiently worded to enable the public to understand what is being deliberated, voted or acted upon, are available for public inspection at the meeting. The Board may not vote by secret or written ballot.

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

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

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

ARTICLE V

OFFICERS

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

Section 2. The officers of the Board shall be elected each year by the members at the first meeting after the first day of January of each year. The officers so elected shall serve until the next annual election by the membership and until their successors are duly elected and qualified. Any vacancy occurring among the officers shall be filled by the members of the Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the

next annual organizational meeting of the Board when their successors shall be elected as hereinabove provided.

ARTICLE VI

DUTIES OF OFFICERS

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

Section 2. If the Chairperson is absent from any meeting, the remaining members of the Board shall select a temporary chairperson.

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

Section 4. The Treasurer shall be the lawful custodian of all funds of the District and shall pay same out on orders authorized or approved by the Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him/her and shall prepare and submit such reports and statements of the financial condition of the Board as the members may from time to time prescribe. The Treasurer shall keep and preserve all financial records of the District for 10 years and shall at all times have such records readily available for public inspection. At the end of his/her term of office, the Treasurer shall promptly deliver all financial records of the District to his successor in office. He/She shall also perform such other duties as may be required of him/her by law or as may be conferred upon him/her from time to time by the members of the Board. The Treasurer shall furnish bond in an amount to be fixed by the Board for the use and benefit of the District.

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

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

ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

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

Adopted this 3rd day of June, 2004.

Chairperson and Member

Member

Member

CERTIFICATION

Certified a true copy of the Rules of Procedure duly adopted by the Board of Mason County Public Service District on June 3, 2004.

Dated this 8th day of June, 2004.

[SEAL]

Mary L. Smith
Secretary

05/07/04
100424/00307

M I N U T E S

MASON COUNTY PUBLIC SERVICE DISTRICT

January 17, 2008

The Board of Directors met in Pt. Pleasant on January 17, 2008. Attending were: Dorsel Keefer, Charles Lanier, Curtis Hunt, Randy Grinstead, David Nibert and Mary Smith. Also attending was Roger Bing from Mt. Carmel Ridge. Mr. Keefer called the meeting to order.

Mr. Bing was recognized and requested an update on progress to date on the Mt. Carmel Ridge project. Mr. Grinstead informed him that a hearing was to be held on January 25, 2008 to determine if this project was beneficial to all parties involved. Mr. Bing left the meeting at this point.

Item 1 Election of Officers

Mr. Lanier made a motion, seconded by Mr. Hunt, to retain the present Board appointments. Thus:

Dorsel Keefer, Chairman
Charles Lanier, Treasurer
Mary Smith, Secretary

Motion passed.

Item 2 2008 Board Meeting Schedule

Charles Lanier made a motion to accept the scheduled meeting dates, as presented. Mr. Hunt seconded. Motion passed.

Item 3 Approval of Minutes of December 20, 2007

A motion approving the Minutes was made by Mr. Lanier. Mr. Hunt seconded. Motion passed.

Item 4 Approval of Expenditures

Expenditures, as presented, were approved by a motion made by Mr. Lanier and seconded by Mr. Hunt. Motion passed.

Item 5 AEP Lease Agreement

Tabled

Item 6 Route 35 Four-lane Impact

Mr. Grinstead informed the Board that no cost has been incurred except our employees' time. The State has addressed every concern we have. We have not seen the plans for Mountain Lodge or Cornstalk.

Item 7 C8 Agreement-Status

Mr. Grinstead reported that all agreements to date have been executed and a letter will be sent to DuPont asking for reimbursement.

Item 8 Pre-Treatment Agreement-DOC

Tabled

Item 9 Conglomo II Booster Site

One property owner out of two at the proposed booster site does not want to sell. Instead, he would like a 40 year lease at $1.00/year. Mr. Casto is working on the agreement. The other property owner is being approached.

The archeological study for the wellfield is complete.

Item 10 Gun Club Project-Status, Easements

Mr. Grinstead is working full time on easements. We have found that there are more easements than we initially thought, because the tax maps are incorrect.

Old Business

Mr. Grinstead updated the Board on a possible wellfield north of New Haven.

He also reported that Mr. Bungarner has no problem with the placement of a fire hydrant.

No action taken on Rolling Acres Homeowners' Assoction request.

Discussion on exploring insurance from the Bill Bailey Insurance Agency. No action taken.

There being no further business, Mr. Lanier made a motion to adjourn. It was seconded by Mr. Hunt. Motion passed.

Respectfully submitted,

Dorsey Lusby
Chairman

Mary E. Smith
Secretary

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 28th day of April, 2008.

CASE NO. 07-1655-PSD-CN

MASON COUNTY PUBLIC SERVICE DISTRICT,
a public utility, Mason County.
Application for Certificate of Convenience and
Necessity to construct the Wadsworth Avenue area
sewer system and to harmonize the District's rates.

COMMISSION CORRECTIVE ORDER

The Commission corrects its April 4, 2008 Order by removing erroneous references to the retirement of the Lakin Lagoon. In all other respects, the prior Order remains in full force and effect.

BACKGROUND

On April 4, 2008, the Commission issued an Order adopting the February 1, 2008 Recommended Decision in part, but altering portions of the Mason County Public Service District's (District's) approved tariff.

The order inadvertently stated that the District sought to retire the Lakin Lagoon in this proceeding. The District is not seeking to retire the lagoon in this action, but plans to do so in a future case.

The Commission should correct the April 4, 2008 Order accordingly.

FINDING OF FACT

The Commission's April 4, 2008 order inadvertently included erroneous references to the retirement of the Lakin Lagoon in this proceeding.

CONCLUSION OF LAW

The Commission's April 4, 2008 order should be corrected by removing references to the retirement of the Lakin Lagoon.

ORDER

IT IS THEREFORE ORDERED that Finding of Fact two from the April 4, 2008 Order is corrected to read:

> 2. The proposed upgrades will add approximately sixty new sewer customers in the Wadsworth Avenue area. Some of the new customers currently receive water from the City of Point Pleasant. The District projects a total cost of approximately one million dollars funded by a half-million dollar grant and a half-million dollar loan from the WVIJDC. Id., and See, Attachment 11 to the Petition.

IT IS FURTHER ORDERED that Conclusion of Law one from the April 4, 2008 Order is corrected to read:

> 1. It is reasonable to adopt the portions of the Recommended Decision granting a Certificate of Convenience and Necessity to the District for the changes to its sewer system including the proposed new sewer lines as described in the Petition.

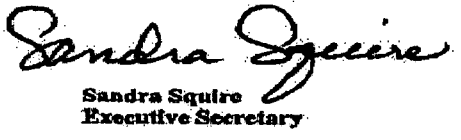
IT IS FURTHER ORDERED that all other references to the retirement of the Lakin lagoon are hereby removed from the April 4, 2008 Order.

IT IS FURTHER ORDERED that except as corrected by this Order, the Commission's April 4, 2008 Order remains in full force and effect.

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

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

A True Copy, Teste:



Sandra Squire
Executive Secretary

MJM/lcw
071655cc.wpd

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 4th day of April, 2008.

CASE NO. 07-1655-PSD-CN

MASON COUNTY PUBLIC SERVICE DISTRICT,
a public utility, Mason County,
Application for Certificate of Convenience and
Necessity to construct the Wadsworth Avenue area
sewer system and to harmonize the District's rates.

COMMISSION ORDER

By this order the Commission adopts the Recommended Decision, but modifies the District's tariff.

BACKGROUND

On August 28, 2007, the Mason County Public Service District (District) filed a Petition for a Certificate of Convenience and Necessity to make a series of upgrades and extensions to its sewer system. The District is a combined water and sewer utility which operates a wastewater treatment plant in the Camp Conley area and a lagoon at Lakin. The proposed upgrades will retire the lagoon, connect the lagoon users to the District's wastewater treatment plant at Camp Conley, and add approximately sixty new sewer customers in the Wadsworth Avenue area. Some of the new customers currently receive water from the City of Point Pleasant (City). See, Attachment 11 to the Petition at 1. The District projects a total cost of one million dollars funded by a half-million dollar grant and a half-million dollar loan from the West Virginia Infrastructure and Jobs Development Council (WVIJDC). The District also requested that the Commission combine tariffs for the Lakin and Camp Conley service areas into a single tariff. See, Petition.

The Commission referred the case to the Administrative Law Judges Division (ALJ) for processing. See, September 12, 2007 Commission Order. Commission Staff (Staff) requested that the District file a class cost of service study comparing the cost to serve the customers under each existing tariff and recommended that the District request a tolling of the statutory deadline to allow it sufficient time to conduct the study. See, Staff's First Set of Interrogatories. The District requested and received a tolling of the statutory deadline to accommodate the study. See, November 29, 2007 Commission Order.

On January 9, 2008, the District filed an affidavit of publication for its Amended Notice of Filing. The District also filed evidence that it mailed notice of the proposed changes to its customers. The Commission did not receive any protests in response to the publication. See, case file generally.

Staff filed a Final Joint Staff Memorandum recommending approval of the construction project and consolidation of the tariffs, but noting that the estimated project cost will likely change once the project is bid and may require additional funding. See, January 28, 2008 Staff Memorandum. Consolidation of the tariffs will result in a rate decrease for Camp Conley customers, including a 33.7% decrease for residential customers using 4,000 gallons per month, a 44.6% decrease for commercial customers using 20,000 gallons per month, and a 48% decrease for industrial customers using 100,000 gallons per month. Lakin lagoon customers will see a rate increase of 87.5% for commercial customers currently placing 20,000 gallons monthly in the lagoon and a 78.6% increase for industrial customers placing 100,000 gallons monthly into the lagoon. See, Amended Notice of Filing.

The ALJ filed a Recommended Decision approving the construction project, project financing and consolidation of the District's tariffs. See, February 1, 2008 Recommended Decision.

Staff filed Limited Exceptions to the Recommended Decision on February 19, 2008. Staff objected to a provision of the combined tariff allowing the District to charge sewer customers fees for disconnection or reconnection of water service due to non-payment of sewer bills or an administrative fee when the customer pays a delinquent bill during a termination trip. The District's water division charges a $25.00 reconnection fee in addition to the administrative fees. See, Attachment 3 to Staff's Limited Exceptions. The tariff also refers to a termination agreement between the sewer and water divisions which does not exist. See, case file generally. Staff argued that joint water and sewer utilities should not charge a fee for disconnection of water services because the Commission includes those costs in base rates. See, Page-Kincaid PSD Case No. 07-0121-PSWD-T (Commission Order May 23, 2007). Staff recommended that the Commission bifurcate the certificate proceeding from the tariff changes, approve the certificate and then approve a modified tariff without the disputed fees in order to avoid a construction delay. See, Staff's Limited Exceptions.

The District responded in opposition to Staff's Exceptions on February 29, 2008, requesting that the Commission approve the tariff attached to the Recommended Decision. It argued that the Commission should permit the District to collect the disputed fees because the cost of a termination trip to disconnect or reconnect a customer is the same regardless of whether the utility operates joint water and sewer services.

The District filed an additional response containing proposed amendments to the contested fees. See, District's March 14, 2008 letter. The District justified retaining the disputed fees by the fact that some of the new sewer customers would receive water service from the City. Thus, the District would need the contested fees to reimburse the City for its costs disconnect or reconnect water service under Staff's proposed tariff change. Id.

DISCUSSION

This case addresses four primary issues including (1) the District's application for a Certificate of Convenience and Necessity for a series of upgrades to its sewer system including the retirement of the lagoon and the addition of customers in the Wadsworth Avenue area, (2) approval of funding for the project, (3) combination of tariffs for Camp Conley and Lakin lagoon sewer customers and (4) Staff's exceptions seeking removal of disconnection, reconnection and administrative fees from the District's tariff. The first three issues are uncontested. The parties agree that the certificate is necessary and beneficial to the District's customers. No protests were received regarding either the construction project or the consolidation of the tariff. Therefore, the Commission should adopt the portion of the Recommended Decision granting the certificate request, approving the proposed funding and combining of the Camp Conley and Lakin sewer tariffs.

The parties disagree over retaining a series of sewer fees for disconnecting and reconnecting water service for customers who fail to pay their sewer bill and an administrative fee charged when a delinquent sewer bill is paid during a termination trip. See, Staff's Limited Exceptions. When a current customer of both the District's water and sewer divisions fails to pay a bill or violates the District's sewer rules, the District charges that customer a fee under the sewer tariff for disconnection from its water lines and a separate reconnection fee under the District's water tariff to reconnect water service instead of a reconnection fee under the sewer tariff. Id. The District's current sewer tariff reconnection fee refers to a non-existent agreement between the District's water and sewer divisions regarding a reconnection fee.

Based on the facts in this case, the Commission should permit the District to continue to charge disconnection and reconnection fees or an administrative fee from its customers receiving both water and sewer service from the District when water service has been disconnected for a delinquent sewer bill. Staff argues that those fees are already built into the District's existing rates. See, Staff's Limited Exceptions. The Commission is not convinced by Staff's arguments. The fees were added to the tariff during a case where Staff specifically developed and recommended the District's rates, indicating that Staff's argument now is incorrect. See, generally Case No. 03-0772-PSD-PW-19A. Granting Staff's request could possibly deprive the District of revenue that Staff and the Commission found necessary to the District's operations during the rate case. Id. Therefore, the fees should be retained as modified by the Commission in Attachment A to this order. But, the District should only charge fees contained in the sewer tariff for situations when water service is terminated because of delinquencies relating to a sewer bill.

The District correctly noted that once construction of the new addition is complete, some of the new sewer customers will receive water service from the City and sewer service from the District. See, District's March 18, 2007 letter. The Commission finds that it should adjust the District's disconnection, reconnection and administrative fees to reflect the addition of customers who do not receive water service from the District. The revised fees would allow both the District and the City to recover costs incurred where the District has requested termination of the City's service when a new customer fails to pay a sewer bill. The revision will become effective once the

City and the District enter an agreement regarding the proper fee and the Commission approves that agreement.

FINDINGS OF FACT

1. The District is a combined water and sewer utility that operates a wastewater treatment plant in the Camp Conley area and a lagoon in the Lakin area. See, Petition.

2. The proposed upgrades will replace the lagoon, connect the lagoon users to the District's sewer plant at Camp Conley, and add approximately sixty new sewer customers in the Wadsworth Avenue area. Some of the new customers currently receive water from the City of Point Pleasant. The District projects a total cost of approximately one million dollars funded by a half-million dollar grant and a half-million dollar loan from the WVIJDC. Id., and See, Attachment 11 to the Petition.

3. The District requested that the Commission combine tariffs for the Lakin and Camp Conley service areas into a single tariff. See, Petition.

4. Consolidation of the sewer tariffs will result in a rate decrease for Camp Conley customers, including a 33.7% decrease for residential customers using 4,000 gallons per month, a 44.6% decrease for commercial customers using 20,000 gallons per month, and a 48% decrease for industrial customers using 100,000 gallons per month. Lakin Lagoon customers would see a rate increase of 87.5% increase for commercial customers currently placing 20,000 gallons monthly in the lagoon and a 78.6% increase for industrial customers placing 100,000 gallons monthly in the lagoon. See, Amended Notice of Filing.

5. Staff recommended approval of the construction project, financing and consolidation of the two sewer tariffs. See, January 28, 2008 Staff Memorandum.

6. The ALJ issued a Recommended Decision approving the construction project, project financing and the consolidation of the District's tariffs. See, February 1, 2008 Recommended Decision.

7. Staff objected to a series of fees within the recommended tariff allowing the District to charge sewer customers a fee for disconnection or reconnection of water service due to non-payment of sewer bills and an administrative fee when the customer pays a delinquent bill during a termination trip. The District's water division charges a separate reconnection $25.00 fee to restore service after disconnection for non-payment of sewer bills. See, Limited Exceptions.

8. The District requested approval of the tariff attached to the Recommended Decision arguing that the Commission should permit the District to collect the disputed fees from sewer customers because the underlying costs are the same whether or not the utility operates joint water and sewer services. See, District's February 19, 2008 Response.

9. The District cannot pass along costs incurred from requesting the City to disconnect or reconnect water service unless the Commission rejects Staff's proposed changes. See, District's March 14, 2008 Response.

CONCLUSIONS OF LAW

1. It is reasonable to adopt the portions of the Recommended Decision granting a Certificate of Convenience and Necessity to the District for the changes to its sewer system including retiring the lagoon and the proposed new sewer lines as described in the Petition.

2. It is reasonable to approve the proposed project financing as described in Petition.

3. The District's combined sewer rates are reasonable and proper as included in the Recommended Decision.

4. The Commission should modify a portion of the tariff attached to the Recommended Decision assessing fees for the disconnection or reconnection of water service and administrative fees to reflect service for customers who do not receive water service from the District. The District should only collect fees specified on its sewer tariff for failure to pay a sewer bill.

ORDER

IT IS THEREFORE ORDERED that Staff's Exceptions are granted in part. The District's tariff is hereby modified and the terms of the all charges shall be in accord with the Approved Tariff attached hereto as Attachment A. The remainder of the February 1, 2008 Recommended Decision is adopted.

IT IS FURTHER ORDERED that the District shall file with the Commission's Tariff Office an original and six (6) copies of a proper tariff setting forth the approved changes.

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

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

A True Copy, Teste:

Sandra Squire
Sandra Squire
Executive Secretary

MJM/lcw
071655cb.wpd

Attachment A

MASON COUNTY PUBLIC SERVICE DISTRICT (Sewer)
CASE NO. 07-1655-PSD-CN

APPROVED TARIFF

(C) APPLICABILITY

Applicable within the entire territory served.

(C) AVAILABILITY

Available for general domestic, commercial and industrial sewer service.

(I) METERED RATES (Customers with metered water supply)

First	3,000 gallons used per month	$6.60 per 1,000 gallons
Next	3,000 gallons used per month	$6.00 per 1,000 gallons
All over	6,000 gallons used per month	$4.80 per 1,000 gallons

(C,I) MINIMUM CHARGES

No bill will be rendered for less than $19.80 per month, which is the equivalent to 3,000 gallons.

(C) 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.

(C) DISCONNECT/RECONNECT FEE

Whenever water service has been disconnected by the District for non-payment of sewer service, a disconnection fee of $10.00 shall be charged. Whenever water service has been reconnected by the District for non-payment of sewer service, a reconnect fee of $10.00 shall be charged. The District's water system shall be entitled to receive these fees from the sewer system whether paid by customers or not. The District's water system shall not charge any other fees to the customers for disconnection or reconnection of water service for non-payment of sewer bills. The water utility may charge a disconnection/reconnection fee directly to its customers only if it is terminating water service for reasons other than non-payment of a sewer bill. If water service is terminated for non-payment of both sewer and water bills, the District may impose only its water tariff and this provision will not apply.

(Provisional) Whenever water service has been disconnected by the City of Point Pleasant for non-payment of sewer service, the disconnection/reconnection fee contained in the Public Service Commission approved Termination Agreement between the Mason County Public Service District and the City of Point Pleasant shall apply. That fee is $_____.

(C) ADMINISTRATIVE FEE

Whenever a customer pays a delinquent sewer bill to personnel of Mason County Public Service District in the course of such personnel traveling to disconnect water service for non-payment of sewer service, an administrative fee of $10.00 shall be charged.

(Provisional) Whenever a customer pays a delinquent sewer bill to personnel of the City of Point Pleasant in the course of such personnel traveling to disconnect water service for non-payment of sewer service, contained in the Public Service Commission approved Termination Agreement between the Mason County Public Service District and the City of Point Pleasant shall apply. That fee is $_____.

(N) SECURITY DEPOSIT

Not to exceed two-twelfths (2/12) of the annual estimated charge for residential or other sewer service, or fifty dollars, whichever is greater.

(C) 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.

(C) TAP FEE

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

A tap fee of $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to the applicant's premises that is associated with a certificate proceeding.

A tap fee of $300.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

(C,I) LEAK ADJUSTMENT

$0.78 per M gal. To be used when the bill reflects unusual water consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

(C) SURFACE OR GROUND WATER SURCHARGE

An additional amount shall be charged where surface or ground water is introduced into the sanitary system or where evidence of a violation exists. The surcharge formula to be applied in cases where surface drainage is connected to the utility's sewer system is as follows:

APPLICABILITY

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

$$S=A \times R \times .0006233 \times C$$

S - The surcharge in dollars.

A - The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.

R - The measured monthly rainfall, in inches.

.0006233 - A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.

(D,I) C - $6.60 - The District's approved rate per thousand gallons of metered water usage.

The District shall not impose the surcharge unless, and until, the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

(C) SURCHARGE TO BE APPLIED TO A CUSTOMER PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$Ci = VoVi + BoBi + SoSi$$

Ci = charge to unusual users per year
Vo = average unit cost of transport and treatment chargeable to volume, in dollars per gallon
Vi = volume of wastewater from unusual users in gallons per year
Bo = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per pound
Bi = weight of BOD from unusual users in pounds per year
So = average unit cost of treatment (including sludge treatment) chargeable to total solids in dollars per pound
Si = weight of total solids from unusual users in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the Mason County Public Service District, should not be introduced into the sewer system need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefore, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the Mason County Public Service District records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the Mason County Public Service District, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

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PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

EXCEPTIONS FILED

Entered: February 1, 2008

Case No. 07-1655-PSD-CN

MASON COUNTY PUBLIC SERVICE DISTRICT,
a public corporation,
Application for a Certificate of Convenience and Necessity to construct the Wadsworth Avenue area sewer system and to harmonize the District's rates.

RECOMMENDED DECISION

On August 28, 2007, the Mason County Public Service District (Utility) filed an application to extend its sewer system and to harmonize the Utility's rates.

On September 12, 2007, the Commission referred the matter. The current decision due deadline is March 10, 2008.

On November 27, 2007, the Utility filed a motion to amend its application, to toll the statutory deadline and to extend the decision due deadline. The Utility indicated that additional time was needed because it had failed to originally file a class cost of service study, which would be required to unify rates. The Utility presented rates that were different from those originally filed and recommended that the new rates by published.

On November 29, 2007, the Commission tolled the statutory deadline and extended the decision due deadline.

By Procedural Order issued November 30, 2007, the Utility was required to immediately publish notice of an Amended Notice of Filing. The Procedural Order also extended the Staff Report due date to January 28, 2008.

On January 9, 2008, the Utility filed affidavits of publication indicating that it properly published the Amended Notice of Filing in newspapers published in Mason County on December 5 and December 12, 2007.

On January 28, 2008, Staff recommended that the Commission issue a certificate of convenience and necessary for the Utility's project without a hearing subject to certain conditions.

On January 29, 2008, the Utility indicated that it was in agreement with the Staff recommendation. The Utility also filed an affidavit that it complied with Procedural Rule 10.3.d.

There have been no protests filed to this application pursuant to either the original Notice of Filing or the Amended Notice of Filing.

FINDINGS OF FACT

1. On August 28, 2007, the Utility filed an application for a certificate of convenience and necessity to construct an extension of its Camp Conley sewer system to serve 60 new customers and to consolidate the Utility's sewer rates. (See application).

2. Among the new customers will be certain National Guard facilities and the West Virginia Farm Museum and Fairgrounds. (See Staff Recommendation filed January 28, 2008).

3. The project is estimated to cost $1,000,000. (Id.)

4. The current sewer disposal methods in the project area include some individual septic tanks and a defunct sewage treatment plant that has been out-of-service a long period of time. The inoperable plant presently discharges significant volumes of raw sewage directly into Mill Run. (Id.)

5. Many of the septic systems are malfunctioning. (Id.)

6. The project will rehabilitate certain sections of the existing collection system and will separate storm water from the wastewater in the rehabilitated area. (Id.)

7. The project will also involve the construction of some new sanitary sewer collection lines including a new force main to convey the wastewater to the existing Camp Conley treatment plant. (Id.)

8. The new construction includes 5,400 linear feet of force main; 134 linear feet of 15 inch gravity main; 6,000 linear feet of 8 inch gravity main; 1,000 linear feet of 4 and 6 inch utility service lines; twenty-three new manholes; one lift station; and related work. (Id.)

9. The existing Camp Conley treatment plant has excess capacity sufficient to accept the new flows. (Id.)

10. Operation and maintenance costs have been estimated to increase for the Utility by $10,300 a year, as a result of the project. (Id.)

11. Staff believes that, once bids are received, the project costs may change and recommends that the Utility be prepared to either secure additional financing or make other adjustments to the project. (Id.)

12. The estimated construction cost per customer is approximately $16,670, which Staff views as "moderately high." (Id.)

13. The project is 50% funded with grant funds and will require a rate increase of approximately 23.7%. (Id.)

14. Customer density for the project is fifty-two customers per mile of new line which is very good for a project in the State. (See Staff Recommendation filed January 28, 2008).

15. Commission Staff reviewed the engineering and technical service fees and concluded that they are reasonable for the project. (Id.)

16. The alternates considered by the Utility for the project were not as good a solution as the proposed project. (Id.)

17. The plans and specifications for the project are in general conformance to the Commission's Rules. (Id.)

18. The Bureau of Public Health has issued Permit No. 16,191, approving construction of the project. (Id.)

19. All necessary permits have either been issued or applied for by the Utility. (Id.)

20. The project funding has been approved by the West Virginia Infrastructure and Jobs Development Council (WVIJDC) and consists of a $500,000 grant from the WVIJDC and a $500,000 40-year loan with 0% interest from the WVIJDC. (Id.)

21. The Utility currently has two separate rate schedules. (Id.)

22. The Utility and Staff propose unification of the rates with a recommended minimum bill for customers of $19.80, based upon 3,000 gallons of service. (Id.)

23. The recommended unified rates will provide a cash flow surplus of $16,788, and a debt service coverage of 149.58%. (Id.)

24. The recommended unified rates will result in a decrease for existing customers served by the Camp Conley wastewater treatment plant, constituting a 3.7% decrease for residential customers using 4,000 gallons a month, a 44.6% decrease for commercial customers using 20,000 gallons a month and a 48% decrease for industrial customers using 100,000 gallons a month. (See Amended Notice of Filing; See Procedural Order issued November 30, 2007).

25. The unified rates will result in an 87.5% increase for commercial customers using the Lakin Lagoon, using 20,000 gallons of service, and will constitute a 78.6% increase for industrial customers using the Lakin Lagoon with 100,000 gallons of service. (Id.)

26. The Utility properly published notice of its proposed project and no protests were made. (See affidavits of publication filed with the Commission on January 9, 2008 and file generally).

27. The Utility also complied with Procedural Rule 10.3.d by mailing notice of its project to its customers by separate mailing. (See, affidavit filed on January 29, 2008).

CONCLUSIONS OF LAW

1. Public convenience and necessity require the proposed project.

2. The proposed financing is reasonable and should be approved.

3. The application for a certificate of convenience and necessity should be granted to the Utility without a hearing.

4. The unified rates proposed by Staff are reasonable, just, based primarily on the cost of providing service and should be adopted for use by the Utility upon substantial completion of the project.

ORDER

IT IS, THEREFORE, ORDERED that the Mason County Public Service District be, and hereby is, granted a certificate of convenience and necessity to construct a sewer extension which was described in its application filed with the Commission on August 28, 2007. The cost of the approved project shall not exceed $1,000,000. Approval is contingent upon the Utility obtaining all necessary state and federal permits before construction.

IT IS FURTHER ORDERED that the proposed financing, consisting of a grant from the West Virginia Infrastructure and Jobs Development Council in the amount of $500,000 and a loan from the WVIJDC in the amount of $500,000, for 40 years at 0% interest rate, be, and hereby is, approved.

IT IS FURTHER ORDERED that, if there are any changes in the plans or scope of the project, the Utility must seek Commission approval of those changes. If any changes in project costs result in a modification of rates, the Utility must seek Commission approval of such changes. If project-related rates remain unchanged, but the project costs change, the Utility must file an affidavit executed by a certified public accountant verifying that the modifications to the project costs will not impact the necessary rates and charges.

IT IS FURTHER ORDERED that the Utility provide a copy of the engineer's certified bid tabulation for all contracts awarded on this project with the Commission as soon as they are available.

IT IS FURTHER ORDERED that the Utility submit a copy of the certificate of substantial completion issued for each construction contract associated with the project with the Commission as soon as they are available.

IT IS FURTHER ORDERED that the Utility comply with all rules and regulations of the Division of Highways regarding the use of the Division of Highways' right-of-ways.

IT IS FURTHER ORDERED that the rates attached as Appendix A be, and hereby are, approved for use by the Utility for all service rendered on or after the date of substantial completion of the project.

IT IS FURTHER ORDERED that the Executive Secretary remove this matter from the open docket.

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

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

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

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

K. A. George

Keith A. George
Administrative Law Judge

KAG:bam
071655aa.wpd

MASON COUNTY PUBLIC SERVICE DISTRICT (Sewer)
CASE NO. 07-1655-PSD-CN

APPROVED RATES

APPLICABILITY
Applicable within the entire territory served

AVAILABILITY
Available for general domestic, commercial and industrial sewer service

METERED RATES (Customers with metered water supply)

First	3,000 gallons used per month	$6.60 per 1,000 gallons
Next	3,000 gallons used per month	$6.00 per 1,000 gallons
All over	6,000 gallons used per month	$4.80 per 1,000 gallons

MINIMUM CHARGES
No bill will be rendered for less than $19.80 per month, which is the equivalent to 3,000 gallons.

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.

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

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

SECURITY DEPOSIT
Not to exceed two-twelfths (2/12) of the annual estimated charge for residential or other sewer service, or fifty dollars, whichever is greater.

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 $150.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to the applicant's premises that is associated with a certificate proceeding.

A tap fee of $300.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

LEAK ADJUSTMENT

$0.78 per M gal. To be used when the bill reflects unusual water consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SURFACE OR GROUND WATER SURCHARGE

An additional amount shall be charged where surface or ground water is introduced into the sanitary system or where evidence of a violation exists.

APPLICABILITY

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

$$S = A \times R \times .0006233 \times C$$

S - The surcharge in dollars

A - The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.

R - The measured monthly rainfall, in inches

.0006233 - A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water

C - The District's approved rate per thousand gallons of metered water usage

The District shall not impose the surcharge unless, and until, the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the rules and regulations of the Public Service Commission.

SURCHARGE TO BE APPLIED TO A CUSTOMER PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$Ci = VoVi + BoBi + SoSi$$

C = charge to unusual users per year
Vo = average unit cost of transport and treatment chargeable to volume, in dollars per gallon
Vi = volume of wastewater from unusual users in gallons per year
Bo = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD) in dollars per pound
Bi = weight of BOD from unusual users in pounds per year

So = average unit cost of treatment (including sludge treatment) chargeable to total solids in dollars per pound

Si = weight of total solids from unusual users in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the Mason County Public Service District, should not be introduced into the sewer system need not be handled by it. The results of this preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefor, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation and audit of the Mason County Public Service District records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the Mason County Public Service District, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made.

West Virginia Infrastructure & Jobs Development Council

Public Members:
Mark Prince
Hurricane
Dwight Calhoun
Petersburg
Tim Stranko
Morgantown
Dave McComas
Prichard

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

Jefferson E. Brady, PE
Executive Director

Jefferson.Brady@verizon.net

JAN 18 2007

December 6, 2006

Randy Grinstead, Manager
Mason County Public Service District
332 Viand Street
Point Pleasant, West Virginia 25550

Re: Binding Commitment Letter - Revision
Wastewater Project 2002S-690

Dear Mr. Grinstead:

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 has reviewed the change of scope for the Mason County Public Service District's (the "District") project and are revising the funding commitment to include an additional Infrastructure Fund loan (0%, 40 yrs) of $44,000 as the Infrastructure Fund grant is being reduced by $44,000 to fund this wastewater project. At the December 6, 2006 Council meeting the Council voted to revise the binding commitment as shown on the attached revised Schedule A.

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

Sincerely,

Mark Prince

Attachments

cc: Samme Gee, Esq., Jackson Kelly
Jim Kelsh, Esquire
Todd Dingess, Smith, Cochran & Hicks
Manning Frymier, Cerrone
Paul Frantz, DEP
Craig Tatterson, Esquire
Virginia McDonald, RUS

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

Mason County Public Service District

By: Dorel Hefley

Its: BOARD CHAIRMAN

Date: 12/21/06

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Mason County PSD
Wastewater Project 2002S-690
December 6, 2006 - Revised

SCHEDULE A

A. Approximate Amount: $ 500,000 Loan
500,000 Grant

B. Loan: $ 500,000

1. Maturity Date: 40 years from date of closing.

2. Interest Rate: 0%

3. Loan Advancement Date(s) Monthly, upon receipt of proper requisition

4. Debt Service Commencement: The first quarter following completion of construction, which date must be identified prior to closing.

5. Special Conditions: None

C. Grant: $ 500,000

1. Grant Advancement Date(s): Monthly, upon receipt of proper requisition and after complete advancement of all IJDC loan funding.

2. Special Conditions: None

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

D. Total Project Cost: $1,000,000

E. Proposed User Rates: $47.67 / 4500 gallons

"DRAFT"

SCHEDULE B 6/06/07

MASON COUNTY PUBLIC SERVICE DISTRICT
Wadsworth Avenue Wastewater System Improvements

	TOTAL	IJDC Grant	IJDC Loan
A. COST OF PROJECT			
1 Construction & Constr. Contingency	766,500	500,000	266,500
2 Technical Services - Cerrone			
a. Basic	84,000	0	84,000
b. Resident Project Representative	42,000	0	42,000
c. Stakeout/Rec. Dwgs/O&M Manual	10,000	0	10,000
d. Special Services	7,000	0	7,000
3 Legal & Fiscal			
a. Project Attorney	10,000	0	10,000
b. Special Legal	20,000	0	20,000
c. Accounting	6,000	0	6,000
4 Administrative/Interest	6,000	0	6,000
5 Sites & Other Lands	10,000	0	10,000
6 Interim Financing	0	0	0
7 Miscellaneous	0	0	0
8 Contingency	28,500	0	28,500
9 TOTAL of Lines 1 through 8	990,000	500,000	490,000
B. SOURCES OF FUNDS			
10 Federal Grants	0	0	0
11 Any Other Source - WVIJDC Grant	500,000	500,000	0
12 TOTAL Lines 10 & 11	500,000	500,000	0
13 Net Proceeds from Bond Issue	490,000	0	490,000
C. COST OF FINANCING			
14 Funded Reserve	0	0	0
15 Other Costs			
a. Registrar Fees	0	0	0
b. Bond Counsel	10,000	0	10,000
16 Cost of Financing	10,000	0	10,000
17 Size of Bond Issue	500,000	0	500,000

MASON COUNTY PUBLIC SERVICE DISTRICT

Signature of Authorized Representative

Date:

CERRONE ASSOCIATES, INC.

Signature of Consulting Engineer

Date: June 6, 2007

West Virginia Infrastructure & Jobs Development Council

Public Members:
Mark Prince
Hurricane
Dwight Calhoun
Petersburg
Tim Stranko
Morgantown
Dave McComas
Prichard

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

Jefferson E. Brady, PE
Executive Director

Jefferson.Brady@verizon.net

July 13, 2006

Randy Grinstead, Manager
Mason County Public Service District
332 Viand Street
Point Pleasant, West Virginia 25550

Re: Binding Commitment Letter - Revision
Wastewater Project 2002S-690

Dear Mr. Grinstead:

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 has reviewed the Mason County Public Service District's (the "District") request for revised funding commitment for an additional Infrastructure Fund grant of $125,000 to complete the funding for its wastewater project. At the July 12, 2006 Council meeting the Council voted to revise the binding commitment as shown on the attached revised Schedule A. All other conditions of the revision to its July 25, 2002 binding commitment remain in effect.

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

Sincerely,

Mark Prince

Attachments

cc: Samme Gee, Esq., Jackson Kelly
Jim Kelsh, Esquire
Todd Dingess, Smith, Cochran & Hicks
Manning Frymier, Cerrone
Paul Frantz, DEP
Craig Tatterson, Esquire
Virginia McDonald, RUS

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

Mason County Public Service District

By:_____

Its: _____

Date:_____

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Mason County PSD
Wastewater Project 2002S-690
July 13, 2006 - Revised

SCHEDULE A

A. Approximate Amount: $ 456,000 Loan
544,000 Grant

B. Loan: $ 456,000

1. Maturity Date: 40 years from date of closing.

2. Interest Rate: 0%

3. Loan Advancement Date(s) Monthly, upon receipt of proper requisition

4. Debt Service Commencement: The first quarter following completion of construction, which date must be identified prior to closing.

5. Special Conditions: None

C. Grant: $ 544,000

1. Grant Advancement Date(s): Monthly, upon receipt of proper requisition and after complete advancement of all IJDC loan funding.

2. Special Conditions: None

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

D. Other Funding Sources:
RUS loan $ 577,550

E. Total Project Cost: $1,577,550

F. Proposed User Rates: $35.67 / 4500 gallons

West Virginia Infrastructure & Jobs Development Council

Public Members:
Russell L. Isaacs, Chairman
Cottageville
Henry Harmon, Vice Chairman
Hurricane
Dwight Calhoun
Petersburg

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

Katy Mallory, PE

Executive Secretary
KMallory@verizon.com

July 25, 2002

Mr. Randy Grinstead, Manager
Mason County Public Service District
101 Camden Avenue
Point Pleasant, West Virginia 25550

Re: Mason County PSD
Wadsworth Avenue Wastewater Project 2002S-690

Dear Mr. Grinstead:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") provides this binding offer of an Infrastructure Fund loan of approximately $456,000 (the "Loan") and an Infrastructure Fund grant of approximately$419,000 (the "Grant") to the Mason County Public Service District (the "District") for above referenced wastewater project (the "Project"). The Loan and Grant will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Loan and Grant amounts will be established after the District has received acceptable bids for the Project. The Infrastructure Council will set aside a portion of the Infrastructure Fund to make the Loan and Grant upon the District's compliance with the program requirements.

This commitment is contingent upon the Project meeting the following schedule:

a. Submit Plans and Specifications to the Bureau for Public Health by February 1, 2003;
b. File Certificate Case with the Public Service Commission no later than May 1, 2003;
c. Advertise for bids no later than September 1, 2003.
(The District must receive authority from the Infrastructure Council before bidding the project.)

The Infrastructure Council reserves the right to withdraw this Loan and Grant commitment if any of the above schedule dates are not met. The Infrastructure Council may, when justifiable circumstances occur, offer to modify the schedule. Any decision to modify the schedule is at the sole discretion of the Infrastructure Council.

If the District becomes aware that it will not meet one or more of the above schedule dates, the District should immediately notify the Infrastructure Council of this fact and the circumstances which have caused or will cause the District to be unable to meet the schedule. In addition, please immediately notify the Infrastructure Council if any of the other dates on the attached schedule have or will not be met.

The Infrastructure Council will enter into Loan and Grant agreements with the District following receipt of the completed Schedule B, a final, nonappealable order from the Public Service Commission authorizing construction of the Project, evidence of binding commitments for other funding; evidence of all permits; evidence of acceptable bids; evidence of compliance with the WV Jobs Act; and any other documents requested by the Infrastructure Council.

No statements or representations made before or after the issuance of this contingent commitment by any person or member of the Infrastructure Council shall be construed as approval to alter or amend this commitment, as all such amendments or alterations shall only be made in writing after approval of the Infrastructure Council.

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

Sincerely,

Russell L. Isaacs

RLI/km
Attachments
cc: Samme Gee, Esq., Jackson & Kelly
Jim Kelsh, Esquire
Todd Dingess, Smith, Cochran & Hicks
Manning Frymier, Cerrone
Paul Frantz, DEP
Craig Tatterson, Esquire
Virginia McDonald, RUS

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

Mason County Public Service District

By:_____

Its: _____

Date:_____

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Mason County PSD
Wastewater Project 2002S-690
July 25, 2002

SCHEDULE A

A. Approximate Amount: $ 456,000 Loan
419,000 Grant

B. Loan: $ 456,000

1. Maturity Date: 40 years from date of closing.

2. Interest Rate: 0%

3. Loan Advancement Date(s) Monthly, upon receipt of proper requisition

4. Debt Service Commencement: The first quarter following completion of construction, which date must be identified prior to closing.

5. Special Conditions: None

C. Grant: $ 419,000

1. Grant Advancement Date(s): Monthly, upon receipt of proper requisition and after complete advancement of all IJDC loan funding.

2. Special Conditions: None

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

D. Total Project Cost: $875,000

E. Proposed User Rates: $30.45 / 4500 gallons

Project Schedule
July 23, 2002

Project:	Mason County PSD	IJDC loan	$ 456,000
County:	Mason	IJDC grant	$ 419,000
Project Number:	2002S-690		
		TOTAL	$ 875,000

Wadsworth Avenue Sewer Project

Action	Responsible Party	Start	Completion
Engineering Agreement - Re-Open PSC Case	Jim Kelsh		August 1, 2002
PSC approval	PSC	August 1, 2002	August 30, 2002
Prepare & Submit Plans & Specs to BPH	Cerrone	September 1, 2002	February 1, 2003
Plans & Specs. Review & Approval (6 weeks)	BPH	February 1, 2003	March 15, 2003
Prepare & Submit Permit Applications	Cerrone		March 1, 2003
Rule 42	Smith Cochran & Hicks	February 1, 2003	March 15, 2003
Pre-File with PSC	Jim Kelsh	April 1, 2003	May 1, 2003
File Certificate Case with PSC	Jim Kelsh		May 1, 2003
Review & Approve PSC Certificate (6 months)	PSC	May 1, 2003	November 1, 2003
Rights-of-way, Easements & Land Acquisition (80%)	Craig Tatterson	February 1, 2003	June 1, 2003
Authority to Advertise	IJDC		September 1, 2003
Advertise for Bids (1 month)	PSD		September 15, 2003
Bid Opening (90 days)	Cerrone / PSD		October 15, 2003
RUS Parity Consent	PSD		December 1, 2003
Loan Closing	Bond Counsel / PSD		January 15, 2004
Start Construction	Cerrone /Contractor	January 2004	

BPH - Bureau for Public Health
IJDC - Infrastructure & Jobs Development Council
PSC - WV Public Service Commission
PSD - Mason County PSD

Mason County Public Service District

RURAL WATER

101 CAMDEN AVENUE

POINT PLEASANT, WV 25550

Telephone Number: (304)675-6399 Fax Number: (304)675-6403

FAXED TO

NAME Samme Gee

COMPANY Jackson & Kelly

TELEPHONE NUMBER

FAX NUMBER (304) 340-1130

FAXED FROM

NAME Randy Grinstead

TELEPHONE NUMBER (304) 675-6399

DATE 7/24/02

Total Number of Pages Including This Cover Sheet is 2

COMMENTS For your information + comments.

Please Note: This fax and the information contained herein is intended for the person and/or organization listed above as the addressee. If you receive this document and are not the addressee, please notify this office at (304)675-6399 to arrange for having the document properly handled. Thank you for your cooperation.

Project Schedule

Project: MASON COUNTY PSD
County: MASON
Project Number: 2002.5 - 690

IJDC LOAN $456,000 (0%, 40.
IJDC grant 419,000
TOTAL $875,000

decommission WWTP / rehab collection sys.

Engineering Agreement 1 MONTH	CERRONE / PSD Jim Kelsh	July, 2002	
Prepare & Submit Plans & Specs to BPH 5 MONTHS	CERRONE	Sept 1, 2002	Feb. 1, 2003
Plans & Specs. Review & Approval (DED Paul Jantz) (6 weeks)	BPH	FEB 1, 2003	MARCH 15, 2003
Prepare & Submit Permit Applications	CERRONE	Feb 1, 2003	MARCH 1, 2003
Prepare Rule 42	SCH · angie & Todd	FEB 1, 2003	MARCH 15 2003
Pre-File w/PSC (PSD only)	KELSH	APRIL 1, 2003 ~~MARCH 15 2002~~	MAY 1, 2003 ~~APRIL 15, 2002~~
File Certificate Case with PSC	KELSH	MAY 1, 2003	MAY 1, 2003
Review & Approve PSC Certificate 6 MONTHS	PSC	MAY 1, 2003	Nov 1, 2003
Rights-of-way, Easements & Land Acquisition	Craig Tatterson	FEB 1, 2003	JUNE 1, 2003
Authority to Advertise	IJDC	SEPT 1, 2003	SEPT 1, 2003
Advertise for Bids	PSD / CERRONE	SEPT 15, 2003	SEPT 15, 2003
Bid Opening	CERRONE / PSD	OCT 15 2003	OCT 15, 2003
Loan Closing	J + K	Jan, 15 2004	JAN 15, 2004
Start Construction 9 ~~6~~ MONTHS	CERRONE / CONTRACTOR	JAN 2004 ~~March~~	SEPT 2004
other (RUS PARITY ISSUES)			

PSC approval of E/A August 1, 2002 to August 30, 2002

≈ 60 easement / acquisition - left station

Jan - May 8, 2003

PSD MEETINGS:
Budget

CC: Jim Kelsh
Sammie Gee
Todd Dingess
Manning

Craig Tatterson

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").

MASON COUNTY 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.

MASON COUNTY PUBLIC SERVICE DISTRICT

(SEAL)

By: _____
Its: Chairman
Date: September 24, 2008

Attest:

_____
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Executive Director
Date: September 24, 2008

Attest:

_____
Its: Secretary-Treasurer

{C1401023.1}

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

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

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

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

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

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

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

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

[SEAL]

_____

By: _____
West Virginia License No. _____

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

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

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

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

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

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

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

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

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

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

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	$
Principal	$
Total:	$
Reserve Account:	$

Witness my signature this ___ day of_____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $500,000
Purchase Price of Local Bonds $500,000

The Local Bonds shall bear no interest. Commencing December 1, 2009, principal on the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

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

(i) Mason County Public Service District Water and Sewer Revenue Bonds, Series 1980, dated April 16, 1981, issued in the original aggregate principal amount of $505,000.

$500,000

Mason County Public Service District
0% Interest Rate; 40 Years from Closing Date
Closing Date: October 28, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
12/01/2008	-	-	-
03/01/2009	-	-	-
06/01/2009	-	-	-
09/01/2009	-	-	-
12/01/2009	3,206.00	-	3,206.00
03/01/2010	3,206.00	-	3,206.00
06/01/2010	3,206.00	-	3,206.00
09/01/2010	3,206.00	-	3,206.00
12/01/2010	3,206.00	-	3,206.00
03/01/2011	3,206.00	-	3,206.00
06/01/2011	3,206.00	-	3,206.00
09/01/2011	3,206.00	-	3,206.00
12/01/2011	3,206.00	-	3,206.00
03/01/2012	3,206.00	-	3,206.00
06/01/2012	3,206.00	-	3,206.00
09/01/2012	3,206.00	-	3,206.00
12/01/2012	3,206.00	-	3,206.00
03/01/2013	3,206.00	-	3,206.00
06/01/2013	3,206.00	-	3,206.00
09/01/2013	3,206.00	-	3,206.00
12/01/2013	3,206.00	-	3,206.00
03/01/2014	3,206.00	-	3,206.00
06/01/2014	3,206.00	-	3,206.00
09/01/2014	3,206.00	-	3,206.00
12/01/2014	3,205.00	-	3,205.00
03/01/2015	3,205.00	-	3,205.00
06/01/2015	3,205.00	-	3,205.00
09/01/2015	3,205.00	-	3,205.00
12/01/2015	3,205.00	-	3,205.00
03/01/2016	3,205.00	-	3,205.00
06/01/2016	3,205.00	-	3,205.00
09/01/2016	3,205.00	-	3,205.00
12/01/2016	3,205.00	-	3,205.00
03/01/2017	3,205.00	-	3,205.00
06/01/2017	3,205.00	-	3,205.00
09/01/2017	3,205.00	-	3,205.00
12/01/2017	3,205.00	-	3,205.00
03/01/2018	3,205.00	-	3,205.00
06/01/2018	3,205.00	-	3,205.00
09/01/2018	3,205.00	-	3,205.00
12/01/2018	3,205.00	-	3,205.00
03/01/2019	3,205.00	-	3,205.00
06/01/2019	3,205.00	-	3,205.00
09/01/2019	3,205.00	-	3,205.00

$500,000

Mason County Public Service District
0% Interest Rate; 40 Years from Closing Date
Closing Date: October 28, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
12/01/2019	3,205.00	-	3,205.00
03/01/2020	3,205.00	-	3,205.00
06/01/2020	3,205.00	-	3,205.00
09/01/2020	3,205.00	-	3,205.00
12/01/2020	3,205.00	-	3,205.00
03/01/2021	3,205.00	-	3,205.00
06/01/2021	3,205.00	-	3,205.00
09/01/2021	3,205.00	-	3,205.00
12/01/2021	3,205.00	-	3,205.00
03/01/2022	3,205.00	-	3,205.00
06/01/2022	3,205.00	-	3,205.00
09/01/2022	3,205.00	-	3,205.00
12/01/2022	3,205.00	-	3,205.00
03/01/2023	3,205.00	-	3,205.00
06/01/2023	3,205.00	-	3,205.00
09/01/2023	3,205.00	-	3,205.00
12/01/2023	3,205.00	-	3,205.00
03/01/2024	3,205.00	-	3,205.00
06/01/2024	3,205.00	-	3,205.00
09/01/2024	3,205.00	-	3,205.00
12/01/2024	3,205.00	-	3,205.00
03/01/2025	3,205.00	-	3,205.00
06/01/2025	3,205.00	-	3,205.00
09/01/2025	3,205.00	-	3,205.00
12/01/2025	3,205.00	-	3,205.00
03/01/2026	3,205.00	-	3,205.00
06/01/2026	3,205.00	-	3,205.00
09/01/2026	3,205.00	-	3,205.00
12/01/2026	3,205.00	-	3,205.00
03/01/2027	3,205.00	-	3,205.00
06/01/2027	3,205.00	-	3,205.00
09/01/2027	3,205.00	-	3,205.00
12/01/2027	3,205.00	-	3,205.00
03/01/2028	3,205.00	-	3,205.00
06/01/2028	3,205.00	-	3,205.00
09/01/2028	3,205.00	-	3,205.00
12/01/2028	3,205.00	-	3,205.00
03/01/2029	3,205.00	-	3,205.00
06/01/2029	3,205.00	-	3,205.00
09/01/2029	3,205.00	-	3,205.00
12/01/2029	3,205.00	-	3,205.00
03/01/2030	3,205.00	-	3,205.00
06/01/2030	3,205.00	-	3,205.00
09/01/2030	3,205.00	-	3,205.00

$500,000

Mason County Public Service District
0% Interest Rate; 40 Years from Closing Date
Closing Date: October 28, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
12/01/2030	3,205.00	-	3,205.00
03/01/2031	3,205.00	-	3,205.00
06/01/2031	3,205.00	-	3,205.00
09/01/2031	3,205.00	-	3,205.00
12/01/2031	3,205.00	-	3,205.00
03/01/2032	3,205.00	-	3,205.00
06/01/2032	3,205.00	-	3,205.00
09/01/2032	3,205.00	-	3,205.00
12/01/2032	3,205.00	-	3,205.00
03/01/2033	3,205.00	-	3,205.00
06/01/2033	3,205.00	-	3,205.00
09/01/2033	3,205.00	-	3,205.00
12/01/2033	3,205.00	-	3,205.00
03/01/2034	3,205.00	-	3,205.00
06/01/2034	3,205.00	-	3,205.00
09/01/2034	3,205.00	-	3,205.00
12/01/2034	3,205.00	-	3,205.00
03/01/2035	3,205.00	-	3,205.00
06/01/2035	3,205.00	-	3,205.00
09/01/2035	3,205.00	-	3,205.00
12/01/2035	3,205.00	-	3,205.00
03/01/2036	3,205.00	-	3,205.00
06/01/2036	3,205.00	-	3,205.00
09/01/2036	3,205.00	-	3,205.00
12/01/2036	3,205.00	-	3,205.00
03/01/2037	3,205.00	-	3,205.00
06/01/2037	3,205.00	-	3,205.00
09/01/2037	3,205.00	-	3,205.00
12/01/2037	3,205.00	-	3,205.00
03/01/2038	3,205.00	-	3,205.00
06/01/2038	3,205.00	-	3,205.00
09/01/2038	3,205.00	-	3,205.00
12/01/2038	3,205.00	-	3,205.00
03/01/2039	3,205.00	-	3,205.00
06/01/2039	3,205.00	-	3,205.00
09/01/2039	3,205.00	-	3,205.00
12/01/2039	3,205.00	-	3,205.00
03/01/2040	3,205.00	-	3,205.00
06/01/2040	3,205.00	-	3,205.00
09/01/2040	3,205.00	-	3,205.00
12/01/2040	3,205.00	-	3,205.00
03/01/2041	3,205.00	-	3,205.00
06/01/2041	3,205.00	-	3,205.00
09/01/2041	3,205.00	-	3,205.00

$500,000

Mason County Public Service District
0% Interest Rate; 40 Years from Closing Date
Closing Date: October 28, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
12/01/2041	3,205.00	-	3,205.00
03/01/2042	3,205.00	-	3,205.00
06/01/2042	3,205.00	-	3,205.00
09/01/2042	3,205.00	-	3,205.00
12/01/2042	3,205.00	-	3,205.00
03/01/2043	3,205.00	-	3,205.00
06/01/2043	3,205.00	-	3,205.00
09/01/2043	3,205.00	-	3,205.00
12/01/2043	3,205.00	-	3,205.00
03/01/2044	3,205.00	-	3,205.00
06/01/2044	3,205.00	-	3,205.00
09/01/2044	3,205.00	-	3,205.00
12/01/2044	3,205.00	-	3,205.00
03/01/2045	3,205.00	-	3,205.00
06/01/2045	3,205.00	-	3,205.00
09/01/2045	3,205.00	-	3,205.00
12/01/2045	3,205.00	-	3,205.00
03/01/2046	3,205.00	-	3,205.00
06/01/2046	3,205.00	-	3,205.00
09/01/2046	3,205.00	-	3,205.00
12/01/2046	3,205.00	-	3,205.00
03/01/2047	3,205.00	-	3,205.00
06/01/2047	3,205.00	-	3,205.00
09/01/2047	3,205.00	-	3,205.00
12/01/2047	3,205.00	-	3,205.00
03/01/2048	3,205.00	-	3,205.00
06/01/2048	3,205.00	-	3,205.00
09/01/2048	3,205.00	-	3,205.00
Total	**$500,000.00**	**-**	**$500,000.00**

Yield Statistics

Bond Year Dollars	$10,280.22
Average Life	20.560 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	1.19E-10
Bond Yield for Arbitrage Purposes	1.19E-10
All Inclusive Cost (AIC)	1.19E-10

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	20.560 Years

SCHEDULE Z

None.

MASON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

2.4

BOND RESOLUTION

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MASON COUNTY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWER FACILITIES OF MASON COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2008 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 MASON COUNTY 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 Code of West Virginia, 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. Mason County Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Mason County of said State.

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health, safety, advantage, convenience and welfare of the inhabitants of the Issuer that there be acquired and constructed certain improvements and extensions to the existing public sewer facilities of the Issuer, consisting of an extension of its Camp Conley sewer system to serve 60 new customers, 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 sewer facilities of the Issuer, the Project and any further improvements thereto or extensions thereof are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

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

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $500,000 (the "Series 2008 A Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of acquisition and construction of any public service properties and any improvements and extensions thereto, the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2008 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 2008 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 2008 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition and

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 2008 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 2008 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 Issuer, the Authority and the Council (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2008 A Bonds as to liens, pledge and source of and security for payment, being the Water and Sewer Revenue Bonds, Series 1980, dated April 16, 1981, issued in the original aggregate principal amount of $505,000 (the "Prior Bonds"), which the Issuer assumed from Camp Conley Public Service District ("Camp Conley") when the Issuer took over the Camp Conley sewerage system.

The Series 2008 A Bonds shall be issued on a parity with the Prior Bonds, with respect to liens, pledge and source of security for payment and in all other respects. Prior to the issuance of the Series 2008 A Bonds, the Issuer will obtain (a) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and (b) the written consent of the Registered Owners of the Prior Bonds to the issuance of the Series 2008 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year following completion of the Project from the operation of the System will be sufficient to pay all Operating Expenses of the System and the principal of and interest on the Bonds, and to make payments into all funds and accounts and other payments provided for herein, all as such terms are hereinafter defined.

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 the issuance of the Series 2008 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 (the "PSC") by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2008 A Bonds or such final order will not be subject to appeal or rehearing.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2008 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 Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2008 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 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 2008 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Chairperson of the Governing Body of the Issuer or any temporary Chairperson duly elected by the Governing Body.

"Bond Legislation," "Bond Resolution," "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.

"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.

"Bonds" means, collectively, the Series 2008 A Bonds, the Prior Bonds and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

"Chairperson" means the Chairperson of the Governing Body of the Issuer or any temporary Acting Chairperson duly elected by the Governing Body.

"Closing Date" means the date upon which there is an exchange of the Series 2008 A Bonds for all or a portion of the proceeds of the Series 2008 A Bonds.

"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 Cerrone Associates, Inc., Wheeling, 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 Code of West Virginia, 1931, as amended.

"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 that succeeds to the functions of the Council.

"Depository Bank" means the bank or banks designated as such in the Supplemental Resolution, and any 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 money 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) 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 Mason County Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Mason County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means the loan agreement heretofore entered into or to be entered into, by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2008 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 and confirmed by the Supplemental Resolution.

"Net Proceeds" means the face amount of the Series 2008 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2008 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 2008 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 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 (where applicable) 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 moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; and (iv) for purposes of consents or other action by a specified percentage of Registered Owners, any Bonds registered to the Issuer.

"Parity Bonds" means additional Parity 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 2008 A Bonds in the Supplemental Resolution.

"Prior Bonds" means the Water and Sewer Revenue Bonds, Series 1980, dated April 16, 1981, issued in the original principal amount of $505,000, as described in Section 1.02G hereof.

"Prior Resolution" means the resolution adopted July 17, 1980, authorizing the Prior Bonds.

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

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

"PSC" means the Public Service Commission of West Virginia and any successor to the functions thereof.

"PSC Order" means, collectively, the final order or orders of the PSC, granting the Issuer a certificate of convenience and necessity to acquire and construct the Project and approving the financing for the Project and the rates of the System.

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

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

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund created by Section 5.01 hereof.

"Reserve Accounts" means, collectively, the respective reserve accounts created for the Series 2008 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts.

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

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

"Series 2008 A Bonds" means the Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 2008 A Bonds Construction Trust Fund" means the Series 2008 A Bonds Construction Trust Fund created by Section 5.01 hereof.

"Series 2008 A Bonds Reserve Account" means the Series 2008 A Bonds Reserve Account created by Section 5.02 hereof.

"Series 2008 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 2008 A Bonds in the then current or any succeeding year.

"Series 2008 A Bonds Sinking Fund" means the Series 2008 A Bonds Sinking Fund created by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds created for the Series 2008 A Bonds and the Prior Bonds.

"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 2008 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2008 A Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Bond Legislation to be set aside and held for the payment of or security for the Series 2008 A Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

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

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

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $1,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2008 A Bonds shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the Authority and the Council.

The cost of the Project is estimated to be $1,000,000, of which approximately $500,000 will be obtained from proceeds of the Series 2008 A Bonds and approximately $500,000 will be obtained from proceeds of a grant by the Council.

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 2008 A Bonds, funding the Series 2008 A Bonds Reserve Account, paying costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2008 A Bonds and related costs, or any one or more of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2008 A Bonds of the Issuer. The Series 2008 A Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund)," in an aggregate principal amount of not more than $500,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2008 A Bonds remaining after funding of the Series 2008 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2008 A Bonds, if any, shall be deposited in or credited to the Series 2008 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 2008 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 2008 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 2008 A Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2008 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 thereto, representing the aggregate principal amount of the Series 2008 A Bonds. The Series 2008 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Series 2008 A 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 2008 A Bonds shall be executed in the name of the Issuer by the Chairperson, 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 2008 A Bonds shall cease to be such officer of the Issuer before the Series 2008 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 2008 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 2008 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2008 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2008 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 Registered Owner, in accepting the Series 2008 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 Registered Owner shall further be conclusively deemed to have agreed that the

Series 2008 A Bonds shall be incontestable in the hands of a bona fide registered owner for value.

So long as the Series 2008 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Series 2008 A Bonds.

The registered Series 2008 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 Bonds or transferring the registered Bonds is exercised, all such 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 any of the Series 2008 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, register 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 Registered Owner'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 2008 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 Registered Owner of the Series 2008 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2008 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds. The payment of debt service of the Series 2008 A Bonds shall be secured by a first lien on the Net Revenues, on a parity with the lien on the Net Revenues in favor of the Registered Owners of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2008 A Bonds and the Prior Bonds and to make all other payments provided for in this 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 2008 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2008 A Bonds to the original purchasers upon receipt of a request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate, register and deliver the Series 2008 A Bonds to the original purchasers.

Section 3.10. Form of Bonds. The text of the Series 2008 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 BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MASON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That on this __day of _____, 200__, MASON COUNTY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Mason County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, ____, as set forth on the "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 _____, 200_.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of this

Bond and related costs. The existing public sewer 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 Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, _____, and a Supplemental Resolution duly adopted by the Issuer on _____, _____ (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 this Bond under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE WATER AND SEWER REVENUE BONDS, SERIES 1980, DATED APRIL 16, 1981, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $505,000 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of the Net Revenues in favor of the registered owners of the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for this Bond (the "Series 2008 A Bonds Reserve Account") and unexpended proceeds of this Bond. 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 moneys in the Series 2008 A Bonds Reserve Account and unexpended proceeds of this Bond. 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 this Bond and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2008 A Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective

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

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

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

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, this Bond will be in default should any proceeds of this Bond be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this 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, MASON COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairperson 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]

_____
Chairperson

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2008 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 200_.

_____, as Registrar

_____
Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2008 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 Chairperson is specifically authorized and directed to execute the Loan Agreement and the Secretary is directed to affix the seal of the Issuer attest the same, and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, are 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 (or continued if previously created by the Prior Resolution) and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

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

(2) Depreciation Reserve (created by the Prior Resolution);

(3) Renewal and Replacement Fund; and

(4) Series 2008 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 2008 A Bonds Sinking Fund; and

(2) Series 2008 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

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

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

(2) The Issuer shall next, each month, from the moneys in the Revenue Fund, make the interest payments on the Prior Bonds in the amounts and on the dates required by the Prior Resolution.

(3) The Issuer shall next, each month, from the moneys in the Revenue Fund, (i) make the principal payments of the Prior Bonds in the amounts and on the dates required by the Prior Resolution; and (ii) on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 2008 A Bonds, remit to the Commission for deposit in the Series 2008 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2008 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 2008 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, each month, from the moneys in the Revenue Fund, (i) make the reserve account payments to the Reserve Accounts of the Prior Bonds in the amounts and on the dates required by the Prior Resolution; and (ii) on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 2008 A Bonds, if not fully funded upon issuance of the Series 2008 A Bonds, remit to the Commission for deposit in the Series 2008 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2008 A Bonds Reserve Requirement, until the amount in the Series 2008 A Bonds Reserve Account equals the Series 2008 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2008 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 2008 A Bonds Reserve Requirement.

(5) The Issuer shall next, each month, from the moneys in the Revenue Fund, make the payments into the Depreciation Reserve in the amounts and on the dates required by the Prior Resolution.

(6) The Issuer shall next, each month, from the moneys remaining in the Revenue Fund, 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 Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and

Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 2008 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2008 A Bonds as the same shall become due. Moneys in the Series 2008 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2008 A Bonds as the same shall come due, when other moneys in the Series 2008 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account shall be returned, after fully funded, 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 2008 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 due, if any, on the Series 2008 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2008 A Bonds Reserve Account which result in a reduction in the balance therein to below the Series 2008 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 2008 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2008 A Bonds Sinking Fund or the Series 2008 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2008 A Bonds then Outstanding and all interest, if any, to accrue until the maturity thereof.

Interest, principal or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2008 A Bonds in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2008 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 account payments with respect to the Series 2008 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 Resolution.

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, together with a copy of its payment check to the Authority by the 5th day of such calendar month.

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

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

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

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

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

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

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds. From the moneys received from the sale of the Series 2008 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2008 A Bonds, there shall first be deposited with the Commission in the Series 2008 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2008 A Bonds, there shall be deposited with the Commission in the Series 2008 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2008 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2008 A Bonds, such moneys shall be deposited with the Depository Bank in the Series 2008 A Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2008 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 2008 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 of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2008 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 disbursements theretofore made;

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

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

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

Pending such application, moneys in the Series 2008 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 2008 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 Registered Owner of the Series 2008 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Registered Owner of the Series 2008 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 2008 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2008 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 Registered Owner of the Series 2008 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2008 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds. The payment of debt service of the Series 2008 A Bonds shall be secured by a first lien on the Net Revenues, on a parity with the lien on the Net Revenues in favor of the Registered Owners of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2008 A Bonds and the Prior Bonds and to make the other payments provided for in this 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 this 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 and approved and described in the PSC Order, and such rates are hereby adopted.

So long as the Series 2008 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 this Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2008 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, or any part thereof, except as provided in the Prior Resolution. Additionally, so long as the Series 2008 A Bonds are outstanding and except as otherwise required by law and 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 fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2008 A Bonds, immediately be remitted to the Commission for deposit in the Series 2008 A Bonds Sinking Fund and the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2008 A Bonds. Any balance remaining after the payment of the Series 2008 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, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other

disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding 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 fund by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Registered Owners of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Registered Owners of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from 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 2008 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2008 A Bonds and payable from revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2008 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein 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 2008 A Bonds, and the interest, if any, thereon, upon any or all of the income and revenues of the System pledged for payment of the Series 2008 A Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolution shall be applicable. In addition, no Parity Bonds payable out of revenues of the System shall be issued after the issuance of the Series 2008 A Bonds pursuant to this Bond Legislation, except with the prior written consent of the Authority and the Council under the conditions and in the manner herein provided (unless less restrictive than the provisions of the Prior Resolution).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2008 A Bonds.

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

So long as the Prior Bonds are outstanding, no Parity Bonds shall be issued at any time, 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 for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements 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 foregoing limitation may be waived or modified by the written consent of the Registered Owners of the Prior Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Prior Bonds are no longer outstanding, the following parity requirement shall be met:

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

(1) The Bonds then Outstanding;

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

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

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

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

All covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Registered Owners of the Bonds and the Registered Owners of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and

their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the 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 Bonds.

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

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

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

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and

any Registered Owner of the 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 PSC. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Council and the Authority, or any other original purchasers of the Series 2008 A Bonds, and shall mail in each year to any Registered Owner of the Series 2008 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 Registered Owners of the Series 2008 A Bonds and shall submit said report to the Council and the Authority, or any other original purchasers of the Series 2008 A Bonds. Such audit report submitted to the Council and the Authority 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 Council and the Authority, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, the Issuer shall also provide the Council and the Authority, 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 Council and the Authority with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2008 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 fiscal year equal to at least 115% of the maximum amount required in any succeeding fiscal year for payment of principal of and interest, if any, on the Series 2008 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2008 A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit in the Reserve Accounts and the reserve accounts for obligations on a parity with the Series 2008 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each fiscal year need only equal at least 110% of the maximum amount required in any

succeeding fiscal year for payment of principal of and interest, if any, on the Series 2008 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2008 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 30 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Council and the Authority within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Council, the Authority and to any Registered Owner of the Series 2008 A Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Council, the Authority and any Registered Owner of the Series 2008 A Bonds, or anyone acting for and on behalf of such Registered Owner.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement, and forward a copy of such report to the Council and the Authority 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 Council and the Authority, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Council and the Authority is sufficient to

pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the 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 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 shall 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 shall diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the PSC and other laws of the State 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 PSC, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the PSC, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further

actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer will use diligent efforts to enter into a termination agreement with the provider of such water, subject to any required approval of such agreement by the PSC and all rules, regulations and orders of the PSC.

Section 7.14. No Free Services. The Issuer shall not render or cause to be rendered any free services of any nature by the System, or any part thereof, nor shall any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2008 A Bonds remain Outstanding, the Issuer shall, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties, or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death

and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with Chapter 38, Article 2, Section 39 of the Code of West Virginia, 1931, as amended.

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

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

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

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

The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project, provided that the amounts and terms of such coverage are satisfactory to the Council and the Authority. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the 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 PSC, 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 has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the PSC and the Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. [Reserved]

Section 7.19. Statutory Mortgage Lien. For the further protection of the Registered Owner of the Series 2008 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and

declared to be valid and binding, shall take effect immediately upon delivery of the Series 2008 A Bonds, and shall be on a parity with the statutory mortgage lien in favor of the Registered Owner of the Prior 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 shall provide the Council with copies of all documents submitted to the Authority.

The Issuer shall also comply with all applicable laws, rules and regulations issued by the Authority, the Council or other federal, State 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 2008 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 2008 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 2008 A Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding as being 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

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2008 A Bonds are Outstanding.

Section 8.02. Certificate 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 2008 A Bonds as a condition to issuance of the Series 2008 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 2008 A Bonds as may be necessary in order to maintain the status of the Series 2008 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 2008 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 and the Council, as the case may be, from which the proceeds of the Series 2008 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 and 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 2008 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 2008 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2008 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 2008 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2008 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, the Paying Agent or a Registered Owner; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of the Series 2008 A Bonds 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 this 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 2008 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 2008 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of this Bond Legislation with respect to the Series 2008 A Bonds, or the rights of such Registered Owners, provided that, all rights and remedies of the Registered Owners of the Series 2008 A Bonds shall be on a parity with the Registered Owners of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of the Series 2008 A Bonds may, by proper legal action, compel the performance of the duties of the Issuer under this Bond Legislation and the Act, including, the completion of the Project, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of such Bonds 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 the System and shall hold, operate and maintain, manage and control the System, 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 the System 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 hereinabove conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Registered Owners of the Series 2008 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner set forth in the Bonds and/or this Bond Legislation, then this Bond Legislation and the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2008 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 2008 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2008 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 2008 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2008 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 thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Registered Owner as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2008 A Bonds from gross income of the Registered Owners thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of this Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2008 A Bonds, and no change, variation or alteration of any kind of the provisions of this 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 2008 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 and resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Resolution and the Prior Resolution, the Prior Resolution shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption 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 Chairperson, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 18th day of September, 2008.

Chairperson and Member

Member

Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of MASON COUNTY PUBLIC SERVICE DISTRICT on the 18th day of September, 2008.

Dated this 28th day of October, 2008.

[SEAL]

Mary L. Smith
Secretary

100424/00308

{M0467760.1}

MASON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

2.5

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE MASON COUNTY PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 2008 A (WEST VIRGINIA INFRASTRUCTURE FUND); AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; APPROVING AND RATIFYING THE LOAN AGREEMENT WITH RESPECT TO THE BONDS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Mason County Public Service District (the "Issuer") has duly and officially adopted a Bond Resolution on September 18, 2008 (the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWER FACILITIES OF MASON COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2008 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, the capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution when used herein;

WHEREAS, the Resolution provides for the issuance of the Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), of the Issuer, in an aggregate principal amount not to exceed $500,000 (the "Bonds), and has authorized the execution and delivery of a loan agreement relating to the Bonds, 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"), all in accordance with Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"); and in the Resolution it is provided that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds should be established by a supplemental resolution, and that other matters relating to the Bonds be herein provided for;

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

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

WHEREAS, the Governing Body deems it essential and desirable that this resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified, that the exact principal amount, date, maturity date, interest rate, payment schedule, 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 MASON COUNTY PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single bond, numbered AR-1, in the original principal amount

of $500,000. The Bonds shall be dated the date of delivery, shall finally mature September 1, 2048, and shall bear no interest. The principal of the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2009, in the amounts set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Bonds. The 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 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 Resolution.

Section 3. The Issuer hereby ratifies, approves and accepts 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 Chairperson and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed. 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 hereby appoints and designates The Ohio Valley Bank Company, Point Pleasant, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Resolution and approves and accepts 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 Chairperson, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed and approved.

Section 5. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Commission"), to serve as Paying Agent for the Bonds under the Resolution.

Section 6. The Issuer hereby appoints and designates The Ohio Valley Bank Company, Point Pleasant, West Virginia, to serve as Depository Bank under the Resolution.

Section 7. Series 2008 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2008 A Bonds Sinking Fund as capitalized interest.

Section 8. Series 2008 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2008 A Bonds Reserve Account.

Section 9. The remaining proceeds of the Bonds, as advanced from time to time, shall be deposited in or credited to the Series 2008 A Bonds Construction Trust Fund, as received by the Issuer for payment of costs of the Project, including costs of issuance of the Bonds.

Section 10. The Chairperson and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Resolution approved and provided for, to the end that the Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about September 24, 2008.

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 to invest all moneys in the funds and accounts established by the Resolution held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to invest all moneys in such money market accounts until further directed in writing by the Issuer. Moneys in the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account shall be invested by the 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 and the Chairperson is hereby authorized and directed to execute and deliver all such contracts.

Section 14. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 18th day of September, 2008.

Chairperson and Member

Member

Member

{M0467777.1}

CERTIFICATION

Certified as a true copy of a Supplemental Resolution duly adopted by the Public Service Board of MASON COUNTY PUBLIC SERVICE DISTRICT on the 18th day of September, 2008.

Dated this 28th day of October, 2008.

[SEAL]

Mary L. Smith
Secretary

100424/00308

{M0467777.1}

M I N U T E S

MASON COUNTY PUBLIC SERVICE DISTRICT

September 18, 2008

The regular Board meeting was held on September 18, 2008 and attended by Dorsel Keefer, Curtis Hunt, Charles Lanier, Randy Grinstead, David Nibert and Mary Smith. Guests included James Kelsh; Ryan White, representing Jackson Kelly; Mario Liberatore; Barry Casto and Dennis Rayburn.

MASON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2008 A
WEST VIRGINIA INFRASTRUCTURE FUND

MINUTES ON ADOPTION OF BOND RESOLUTION
AND SUPPLEMENTAL RESOLUTION

Dorsel Keefer, Chairman, presided and Mary L. Smith 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 set of amended Rules of Procedure for the Board and caused the same to be read and there was discussion. Upon motion duly made and seconded, it was unanimously ordered that said Rules of Procedure be adopted and be in full force and effect on and from the date hereof. The motion to adopt the Rules of Procedure was made by Charles Lanier and seconded by Curtis Hunt. Motion passed.

Next, the Chairman presented a proposed Bond Resolution in writing entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWER FACILITIES OF MASON COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2008 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 and seconded, it was unanimously ordered that said Bond Resolution be adopted and be in full force and effect on and from the date hereof. Mr. Lanier made a motion to adopt the Bond Resolution and Mr. Hunt seconded. Motion passed.

Next, the Chairman presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE MASON COUNTY PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 2008 A (WEST VIRGINIA INFRASTRUCTURE FUND); AUTHORIZING THE APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; APPROVING AND RATIFYING THE LOAN AGREEMENT WITH RESPECT TO THE BONDS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

Whereas, the Public Service Board (the "Governing Body") of Mason County Public Service Dsitrict (the "Issuer") has duly and officially adopted a Bond Resolution on September 18, 2008 (the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWER FACILITIES OF MASON COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2008 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 and seconded, it was unanimously ordered that said Supplemental REsolution be adopted and be in full force and effect on and from the date hereof. The Supplemental Resolution was adopted by a motion made by Mr. Hunt and seconded by Mr. Lanier. Motion passed.

*** *** ***

Next, the Chairman presented a proposed Resolution in writing approving the payment of invoices from proceeds of the Bonds. Thereupon, upon motion duly made and seconded, it was unanimously ordered that said Resolution be adopted and be in full force and effect on and from the date hereof. The Resolution approving payment of invoices was adopted. Mr. Lanier made the motion and Mr. Hunt seconded. Motion passed.

*** *** ***

Mr. White proposed that a motion be made authorizing adoption of the Sweep Account Resolution for payment of bonds and expenses. Mr. Lanier made the motion adopting the Resolution; Mr. Hunt seconded. Motion passed.

*** *** ***

This being all of the special business to be conducted, Mr. Hunt made a motion to sign the Resolutions and then to adjourn the meeting. Mr. Lanier seconded. Motion passed.

Mr. Keefer called the meeting back to order and the members proceeded with the regular business.

Item 1 - Approval of Minutes of August 21, 2008

The Minutes were presented for approval. Mr. Hunt made the motion, which was seconded by Mr. Lanier. Motion passed.

Item 2 - Approval of Expenditures

Expenditures were approved, as presented. The motion was made by Mr. Lanier and seconded by Mr. Hunt. Motion passed.

Item 3 - Approval of Write-offs for FY 2006-07

Mr. Lanier made a motion to approve the account write-off, in the amount of $10,767.99. Mr. Hunt seconded. Motion passed. Accounts written off are attached to and made a part of these Minutes.

Item 4 - Requisition No. 6; Gun Club Road Project

A motion approving payment of the final requisition on this project was made by Mr. Hunt. It was seconded by Mr. Lanier. Motion passed.

Item 5 - IJDC Funding Packet; Lakin Engineering Study

Mr. Kelsh discussed this issue. He told the Directors that DEP wants to consolidate operations between Lakin, Camp Conley and the City and also that a Consent Order has been signed to take the Lakin lagoon out of operation. An application will be submitted to the IJDC for a loan of $4.5 million. This will not fund the Sand Hill Road area; a separate application will have to be filed if we decide to pursue this project. We will borrow money to help Pt. Pleasant pay for construction. No commitment yet from the City until design is completed. At the end of the discussion, Mr. Lanier made a motion to sign the funding application for the Lakin Lagoon Engineering Study. Mr. Hunt seconded. Motion passed.

Item 6 - Wadsworth Avenue Bids - Acceptance

Mr. Grinstead reported that Tri-State Pipeline had submitted the low bid for this project and recommended that we accept it. Mr. Lanier then made a motion to accept the bid for the Wadsworth project. Mr. Hunt seconded. Motion passed.

Item 7 - Wadsworth Avenue Sewer Project Bond Documents

Covered above.

Item 8 - Wadsworth Avenue Sewer-Bond Counsel Contract Changes

Mr. Grinstead reported that there has been a change in Bond Counsel service costs from Jackson & Kelly. The fee will now be $18,000. Mr. Lanier made a motion to accept this change, which was seconded by Mr. Hunt. Motion passed.

Item 9 - Employee Handbook Recommended Changes

Tabled - Draft copy not available.

Item 10 - Engineering Agreement; Addendum No. 1

Cerrone & Associates has asked for a change from $35,000 to $55,000 to the engineering services contract on the Capacity Enhancement project. A motion to approve Addendum No. 1 was made by Mr. Lanier. Mr. Hunt seconded. Motion passed.

Mr. Keefer inquired if we have bought the wellfield site yet and Mr. Nibert reported that AEP Land Management has approved the purchase but that it has to be referred to a higher AEP authority.

Item 11 - Brick Street Insurance; Quote for Fiscal Year

Information only - time frame to change carriers has elapsed; not in a position to challenge quote.

Item 12 - United Concordia Dental Rate Change

Mr. Grinstead reported a 3% increase in dental insurance.

Item 13 - PSC Proposed Water & Sewer Rate Changes

Mr. Kelsh notified Directors that the PSC reopened rules to update and made statutory changes on August 15. This is an optimum time to propose changes and he is putting together a group of utilities to hire counsel to address this issue and keep costs down. Comments are due by October 31, 2008. After discussion, Mr. Lanier made a motion to join the utility group. It was seconded by Mr. Hunt. Motion passed.

Item 14 - Water Service Termination Agreement with City

Mr. Grinstead presented the new agreement with the City of Pt. Pleasant reflecting the change from ten years to one year, which was requested by Mayor Riffle. Mr. Lanier made a motion to accept the agreement, which was seconded by Mr. Hunt. Motion passed.

Old Business

Item 1 - Records Retention Issue

Mr. Kelsh noted that the PSC proposal has been revoked. Record retention rules remain the same.

Item 2 - Gun Club Commission Letter

Mr. Grinstead read a letter of thanks received from the County Commission.

Item 3 - Rolling Acres Homeowners Assoc.; DEP

Mr. Kelsh addressed the hazards of PSDs taking over homeowners associations and what the DEP can enforce in fines for various infractions. After discussion, Mr. Lanier made a motion to rescind the PSD offer to the Association. Mr. Hunt seconded. Motion passed.

Item 4 - C8; Construction Schedules

Mr. Grinstead reported that DuPont was supposed to have both treatment plants up and running by December 1 and are running behind schedule.

Mr. Grinstead updated members on the status of the plans for the new Leon sewer system. No action to be taken on this until we hear from the Town as to what they have in mind.

There being no further business, Mr. Lanier made a motion, seconded by Mr. Hunt, to adjourn the meeting.

Respectfully submitted,

Doriel Kelly
Chairman

Mary L. Smith
Secretary

ACCOUNT WRITE-OFF (FY 2006-2007)

Acct. No.	Amount
019900432	$ 33.92
019901452	154.82
019902192	8.68
019903162	8.15
019904447	264.23
01990502	73.76
019906041	136.80
019908031	480.83
01990810	20.25
029903561	82.77
02990540	46.78
02990548	581.08
029906841	15.10
02990731	129.17
309910686	45.52
309911701	10.26
309911712	3.12
309911831	71.82
309912245	91.80
309912246	27.52
30991267	96.56
309912671	40.08
3099131312	100.17
309913137	17.44
30991357	70.07
3099140510	56.60
3099145012	51.84
309914383	184.56
309915723	144.33
309915872	138.42
309916602	189.08
309917021	78.44
309917304	59.40
309918091	62.16
309918092	24.83
309918115	1.38
309918131	21.61
30991826	11.90
509950472	18.44
509951303	77.43
509951411	155.04
50995161	80.19
509952091	45.64
509952381	192.86
509953035	65.09
509953251	42.14
509953371	59.05
509953512	32.09
509954631	209.36
50995493	61.36
50995498	40.08
509955181	152.31

Acct. No.	Amount
609961101	$409.99
609961643	63.40
609961861	32.60
60996187	8.04
609962132	31.43
60996423	17.02
60996271	67.89
6599200314	119.07
659920195	172.61
659920254	80.64
659920363	82.41
659920504	71.92
659920867	39.85
659922042	73.17
65992223	131.16
65992285	20.77
659922851	170.86
65992289	5.28
65992302	91.71
659923551	21.18
669926671	95.26
66992687	288.72
669927021	41.57
679930132	1.01
679930258	19.63
679930442	60.77
679931293	33.85
679931473	78.40
679931476	161.03
67993158	57.72
68993525	12.73
689935412	52.65
689935972	45.32
689936281	38.24
689937662	40.55
689937971	115.43
68993914	89.78
689939151	87.32
699940082	133.34
699940511	83.21
699941352	41.96
69994154	122.65
699942103	31.51
699942281	253.30
69994236	71.53
699942582	16.82
699943112	30.07
699943812	50.00
699944964	255.81
699946221	69.50
699946373	40.64
699946382	1.76

Acct. No.	Amt.
699946562	$114.33
69994695	78.25
699947001	30.44
69994733	26.66
699948261	28.18
70007213	53.68
809980259	58.10
809980342	29.94
809981051	14.92
809981411	64.36
80998190	145.41
809982133	43.25
859985703	116.18
909954022	74.24
909954151	73.53
909954424	95.07
909954861	97.63
909955211	40.69

Camp Conley Sewer

819980259	$ 48.77
819980342	29.82
819908522	68.58
819981051	52.97
819981411	138.26
81998190	93.23
819982133	52.09

Total Water	$10,284.27
Total Sewer	483.72
GRAND TOTAL	$10,767.99

Mason Co. PSD
332 Viand St.
Pt. Plea. WV
25550

Public Notice

MASON COUNTY PUBLIC SERVICE DISTRICT
NOTICE OF SPECIAL MEETING

The Public Service Board of Mason County Public Service District (the "District") will hold a special meeting on Thursday, September 18, 2008, at 4:00 p.m., prevailing time, at the District's office at 332 Viand Street, Point Pleasant, West Virginia, for the following purposes:

1. To consider and adopt a proposed Bond, Resolution authorizing its Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), in the principal amount of $500,000 (the "Bonds"), to pay the costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the District (the "Project") and the costs of issuance and related costs.
2. To consider and adopt a proposed Supplemental Resolution approving the terms and other provisions of the Bonds.
3. To consider and adopt a proposed Resolution approving the invoices in connection with the Project for payment with proceeds of the Bonds.
4. To consider and approve all other documents and matters in connection with the financing and construction of the Project.

This meeting is open to the press and the public and any person interested may attend such meeting.

Mary Smith
Secretary
9/6, 13

9/12

Point Pleasant Register

Point Pleasant www.mydailyregister.com

ID# 550516314
39 words per inch
$4.68/inch

PROOF OF PUBLICATION

The State of West Virginia,

Mason County, ss:

I, Elizabeth Barnette, Advertising

Point Pleasant Register

Make solemn oath that notice, of which the attached is a true copy, was published in The Point Pleasant Register a Newspaper printed in the City of Point Pleasant in said County of Mason, and of general circulation in said County, 2 times beginning on Sept. 6, 2008 and ending Sept. 13, 2008

Elizabeth Barnette

Point Pleasant, WV Sept. 13, 2008

Tammy S. Crihfield

Sworn to and subscribed before me this day.

Printer fees $ 61.42

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
TAMMY S. CRIHFIELD
Point Pleasant Register
200 Main St., Pt. Pleasant, WV 25550
My commission expires July 4, 2011

AR-1

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MASON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $500,000

KNOW ALL MEN BY THESE PRESENTS: That on this 28th day of October, 2008, MASON COUNTY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Mason County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the sum of FIVE HUNDRED THOUSAND DOLLARS ($500,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2009, 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 September 24, 2008.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public sewer 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 Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on September 18, 2008, and a Supplemental Resolution duly adopted by the Issuer on September 18, 2008 (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 this Bond under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE WATER AND SEWER REVENUE BONDS, SERIES 1980, DATED APRIL 16, 1981, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $505,000 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of the Net Revenues in favor of the registered owners of the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for this Bond (the "Series 2008 A Bonds Reserve Account") and unexpended proceeds of this Bond. 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 moneys in the Series 2008 A Bonds Reserve Account and unexpended proceeds of this Bond. 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 this Bond and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2008 A Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, this Bond will be in default should any proceeds of this Bond be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the

issuance of this 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, MASON COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairperson 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]

SPECIMEN

Chairperson

ATTEST:

SPECIMEN

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2008 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: October 28, 2008.

THE OHIO VALLEY BANK COMPANY,
as Registrar

Mario P Liberatore
Authorized Officer

AR-1

(Form of)

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $ 158,248	10/28/08	(17) $	
(2) $		(18) $	
(3) $		(19) $	
(4) $		(20) $	
(5) $		(21) $	
(6) $		(22) $	
(7) $		(23) $	
(8) $		(24) $	
(9) $		(25) $	
(10) $		(26) $	
(11) $		(27) $	
(12) $		(28) $	
(13) $		(29) $	
(14) $		(30) $	
(15) $		(31) $	
(16) $		(32) $	
	TOTAL	$	

EXHIBIT B

DEBT SERVICE SCHEDULE

$500,000

Mason County Public Service District

0% Interest Rate; 40 Years from Closing Date

Closing Date: October 28, 2008

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Total P+I
12/01/2008	-	-	-
03/01/2009	-	-	-
06/01/2009	-	-	-
09/01/2009	-	-	-
12/01/2009	3,206.00	-	3,206.00
03/01/2010	3,206.00	-	3,206.00
06/01/2010	3,206.00	-	3,206.00
09/01/2010	3,206.00	-	3,206.00
12/01/2010	3,206.00	-	3,206.00
03/01/2011	3,206.00	-	3,206.00
06/01/2011	3,206.00	-	3,206.00
09/01/2011	3,206.00	-	3,206.00
12/01/2011	3,206.00	-	3,206.00
03/01/2012	3,206.00	-	3,206.00
06/01/2012	3,206.00	-	3,206.00
09/01/2012	3,206.00	-	3,206.00
12/01/2012	3,206.00	-	3,206.00
03/01/2013	3,206.00	-	3,206.00
06/01/2013	3,206.00	-	3,206.00
09/01/2013	3,206.00	-	3,206.00
12/01/2013	3,206.00	-	3,206.00
03/01/2014	3,206.00	-	3,206.00
06/01/2014	3,206.00	-	3,206.00
09/01/2014	3,206.00	-	3,206.00
12/01/2014	3,205.00	-	3,205.00
03/01/2015	3,205.00	-	3,205.00
06/01/2015	3,205.00	-	3,205.00
09/01/2015	3,205.00	-	3,205.00
12/01/2015	3,205.00	-	3,205.00
03/01/2016	3,205.00	-	3,205.00
06/01/2016	3,205.00	-	3,205.00
09/01/2016	3,205.00	-	3,205.00
12/01/2016	3,205.00	-	3,205.00
03/01/2017	3,205.00	-	3,205.00
06/01/2017	3,205.00	-	3,205.00
09/01/2017	3,205.00	-	3,205.00
12/01/2017	3,205.00	-	3,205.00
03/01/2018	3,205.00	-	3,205.00
06/01/2018	3,205.00	-	3,205.00
09/01/2018	3,205.00	-	3,205.00
12/01/2018	3,205.00	-	3,205.00
03/01/2019	3,205.00	-	3,205.00
06/01/2019	3,205.00	-	3,205.00
09/01/2019	3,205.00	-	3,205.00

$500,000

Mason County Public Service District

0% Interest Rate; 40 Years from Closing Date

Closing Date: October 28, 2008

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Total P+I
12/01/2019	3,205.00	-	3,205.00
03/01/2020	3,205.00	-	3,205.00
06/01/2020	3,205.00	-	3,205.00
09/01/2020	3,205.00	-	3,205.00
12/01/2020	3,205.00	-	3,205.00
03/01/2021	3,205.00	-	3,205.00
06/01/2021	3,205.00	-	3,205.00
09/01/2021	3,205.00	-	3,205.00
12/01/2021	3,205.00	-	3,205.00
03/01/2022	3,205.00	-	3,205.00
06/01/2022	3,205.00	-	3,205.00
09/01/2022	3,205.00	-	3,205.00
12/01/2022	3,205.00	-	3,205.00
03/01/2023	3,205.00	-	3,205.00
06/01/2023	3,205.00	-	3,205.00
09/01/2023	3,205.00	-	3,205.00
12/01/2023	3,205.00	-	3,205.00
03/01/2024	3,205.00	-	3,205.00
06/01/2024	3,205.00	-	3,205.00
09/01/2024	3,205.00	-	3,205.00
12/01/2024	3,205.00	-	3,205.00
03/01/2025	3,205.00	-	3,205.00
06/01/2025	3,205.00	-	3,205.00
09/01/2025	3,205.00	-	3,205.00
12/01/2025	3,205.00	-	3,205.00
03/01/2026	3,205.00	-	3,205.00
06/01/2026	3,205.00	-	3,205.00
09/01/2026	3,205.00	-	3,205.00
12/01/2026	3,205.00	-	3,205.00
03/01/2027	3,205.00	-	3,205.00
06/01/2027	3,205.00	-	3,205.00
09/01/2027	3,205.00	-	3,205.00
12/01/2027	3,205.00	-	3,205.00
03/01/2028	3,205.00	-	3,205.00
06/01/2028	3,205.00	-	3,205.00
09/01/2028	3,205.00	-	3,205.00
12/01/2028	3,205.00	-	3,205.00
03/01/2029	3,205.00	-	3,205.00
06/01/2029	3,205.00	-	3,205.00
09/01/2029	3,205.00	-	3,205.00
12/01/2029	3,205.00	-	3,205.00
03/01/2030	3,205.00	-	3,205.00
06/01/2030	3,205.00	-	3,205.00
09/01/2030	3,205.00	-	3,205.00

$500,000

Mason County Public Service District

0% Interest Rate; 40 Years from Closing Date

Closing Date: October 28, 2008

Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Total P+I
12/01/2030	3,205.00	-	3,205.00
03/01/2031	3,205.00	-	3,205.00
06/01/2031	3,205.00	-	3,205.00
09/01/2031	3,205.00	-	3,205.00
12/01/2031	3,205.00	-	3,205.00
03/01/2032	3,205.00	-	3,205.00
06/01/2032	3,205.00	-	3,205.00
09/01/2032	3,205.00	-	3,205.00
12/01/2032	3,205.00	-	3,205.00
03/01/2033	3,205.00	-	3,205.00
06/01/2033	3,205.00	-	3,205.00
09/01/2033	3,205.00	-	3,205.00
12/01/2033	3,205.00	-	3,205.00
03/01/2034	3,205.00	-	3,205.00
06/01/2034	3,205.00	-	3,205.00
09/01/2034	3,205.00	-	3,205.00
12/01/2034	3,205.00	-	3,205.00
03/01/2035	3,205.00	-	3,205.00
06/01/2035	3,205.00	-	3,205.00
09/01/2035	3,205.00	-	3,205.00
12/01/2035	3,205.00	-	3,205.00
03/01/2036	3,205.00	-	3,205.00
06/01/2036	3,205.00	-	3,205.00
09/01/2036	3,205.00	-	3,205.00
12/01/2036	3,205.00	-	3,205.00
03/01/2037	3,205.00	-	3,205.00
06/01/2037	3,205.00	-	3,205.00
09/01/2037	3,205.00	-	3,205.00
12/01/2037	3,205.00	-	3,205.00
03/01/2038	3,205.00	-	3,205.00
06/01/2038	3,205.00	-	3,205.00
09/01/2038	3,205.00	-	3,205.00
12/01/2038	3,205.00	-	3,205.00
03/01/2039	3,205.00	-	3,205.00
06/01/2039	3,205.00	-	3,205.00
09/01/2039	3,205.00	-	3,205.00
12/01/2039	3,205.00	-	3,205.00
03/01/2040	3,205.00	-	3,205.00
06/01/2040	3,205.00	-	3,205.00
09/01/2040	3,205.00	-	3,205.00
12/01/2040	3,205.00	-	3,205.00
03/01/2041	3,205.00	-	3,205.00
06/01/2041	3,205.00	-	3,205.00
09/01/2041	3,205.00	-	3,205.00

$500,000

Mason County Public Service District

0% Interest Rate; 40 Years from Closing Date

Closing Date: October 28, 2008

Debt Service Schedule

Part 4 of 4

Date	Principal	Coupon	Total P+I
12/01/2041	3,205.00	-	3,205.00
03/01/2042	3,205.00	-	3,205.00
06/01/2042	3,205.00	-	3,205.00
09/01/2042	3,205.00	-	3,205.00
12/01/2042	3,205.00	-	3,205.00
03/01/2043	3,205.00	-	3,205.00
06/01/2043	3,205.00	-	3,205.00
09/01/2043	3,205.00	-	3,205.00
12/01/2043	3,205.00	-	3,205.00
03/01/2044	3,205.00	-	3,205.00
06/01/2044	3,205.00	-	3,205.00
09/01/2044	3,205.00	-	3,205.00
12/01/2044	3,205.00	-	3,205.00
03/01/2045	3,205.00	-	3,205.00
06/01/2045	3,205.00	-	3,205.00
09/01/2045	3,205.00	-	3,205.00
12/01/2045	3,205.00	-	3,205.00
03/01/2046	3,205.00	-	3,205.00
06/01/2046	3,205.00	-	3,205.00
09/01/2046	3,205.00	-	3,205.00
12/01/2046	3,205.00	-	3,205.00
03/01/2047	3,205.00	-	3,205.00
06/01/2047	3,205.00	-	3,205.00
09/01/2047	3,205.00	-	3,205.00
12/01/2047	3,205.00	-	3,205.00
03/01/2048	3,205.00	-	3,205.00
06/01/2048	3,205.00	-	3,205.00
09/01/2048	3,205.00	-	3,205.00
Total	**$500,000.00**	-	**$500,000.00**

AR-1

(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: _____, _____.

_____

SPECIMEN

In the presence of:

_____

{C1355261.1}

BOND REGISTER

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MASON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

Bond Number	Principal Amount	Date of Bond
No. AR-1	$500,000	October 28, 2008

NO WRITING ON THIS BOND REGISTER EXCEPT BY THE REGISTRAR

Name of Registered Owner:

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

Signature of Registrar:

The Ohio Valley Bank Company

Mario P Liberatore
Authorized Representative

_____

_____

_____

100424/00308

CAMP CONLEY PUBLIC SERVICE DISTRICT

Water and Sewer Revenue Bond, Series 1980

BOND RESOLUTION

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CAMP CONLEY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ISSUANCE OF $505,000 WATER AND SEWER REVENUE BOND, SERIES 1980, OF CAMP CONLEY PUBLIC SERVICE DISTRICT TO FINANCE THE COSTS OF ACQUISITION AND CONSTRUCTION OF ADDITIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS AND SEWERAGE SYSTEM OF THE DISTRICT AND TO REFUND THE OUTSTANDING 1961 BONDS OF THE DISTRICT; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITIES OF THE HOLDERS OF THE BOND; AND PROVIDING WHEN THIS RESOLUTION SHALL TAKE EFFECT

BE IT RESOLVED AND ORDERED BY THE PUBLIC SERVICE BOARD OF CAMP CONLEY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for This Resolution. This Resolution is adopted pursuant to the provisions of Article 13A, Chapter 16 of the West Virginia Code (the "Act") and other applicable provisions of law. Camp Conley Public Service District (the "Issuer") is a public service district created pursuant to the Act by The County Commission of Mason County.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

(A) The Issuer now has a combined public waterworks and sewerage system (the "System"). The inhabitants of the Issuer urgently require that there be constructed and acquired extensions, additions and improvements to the System as herein provided.

(B) It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered, that there be constructed and acquired additions, extensions and improvements for such System consisting of the installation of meters and the construction of a 120,000 gallon per day sewerage treatment plant with all necessary appurtenant facilities (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the Secretary of the Public Service Board (the "Governing Body") of the Issuer. The construction and acquisition of the Project, the refunding and redemption of the 1961 Bonds (described herein) and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

(C) It is necessary for the Issuer to issue its revenue bond in the principal amount of $505,000 to finance the cost of such construction and acquisition in the manner hereinafter provided.

(D) The estimated maximum cost of acquisition and construction of the Project is $505,000, all of which will be obtained from the proceeds of sale of the Bond herein authorized.

(E) The cost of such acquisition and construction shall be deemed to include, without being limited to, the construction or acquisition of the Project, the acquisition of any necessary property, real or personal, or interest therein; interest on the Bond prior to, during and for six months after completion of such construction to the extent that revenues of the System are not sufficient therefor; redemption of the outstanding 1961 Bonds (as hereinafter described) of the District; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and such other expenses as may be necessary or incidental to the construction of the Project and the financing authorized hereby.

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

(G) There are outstanding the Waterworks and Sewerage System Revenue Bonds of the Issuer, dated June 1, 1961, issued in the original face amount of $18,000, presumed to be held by various members of the public (the "1961 Bonds"), of which $12,500 principal amount remains outstanding, payable serially on the first day of June and December of each year, all bearing interest at 5% per annum. The outstanding 1961 Bonds are hereby ordered to be redeemed and paid in full on the date hereof from the proceeds of the Bond. The sum of $12,581.60 from the proceeds of sale of the Bond is sufficeint to pay the principal of and the interest on the outstanding 1961 Bonds to the date hereof. In the event that additional moneys are required to pay charges of paying agents or any other charges in connection with the redemption of the 1961 Bonds, sufficient moneys of the Issuer, as a Project cost, shall be made available therefor.

(H) The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bond, or will have so complied prior to issuance of the Bond including, among other things, the consent and approval, pursuant to the Act, of the issuance of the Bond by the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired.

Section 1.03. Resolution to Constitute Contract. In consideration of the acceptance of the Bond by the Purchaser, this Resolution (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Purchaser, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Purchaser as holder of the Bond.

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

"Act" means Article 13A, Chapter 16 of the West Virginia Code.

"Bond" means the Water and Sewer Revenue Bond, Series 1980, authorized hereby.

"1961 Bonds" means the outstanding Bonds of the Issuer described in Section 102(G) herein.

"Bond Legislation" means this Resolution and all resolutions supplemental hereto.

"Chairman" means the Chairman of the Governing Body.

"Consulting Engineer" means Milam/BCM Engineering, Inc., Dunbar, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Facilities" means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by additions, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the Public Service Board of the Issuer.

"Herein" means in this Bond Legislation.

"Holder of the Bond" or "Bondholder" or any similar term means any person who shall be the bearer or owner of the Bond.

"Issuer" means Camp Conley Public Service District of Mason County, West Virginia, and includes the Governing Body.

"Net Revenues" means the balance of the gross revenues, as defined below, remaining after deduction only of operating expenses, as defined below.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed one-sixth of the budgeted operating expenses stated above for the current year as working capital, and language herein requiring payment of operating expenses means also retention of not to exceed such sum as working capital.

"Project" shall have the meaning stated in Section 1.02(B) above.

"Purchaser" means United States Department of Agriculture, Farmers Home Administration and any successor thereof.

"Revenues" or "gross revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

"Secretary" means the Secretary of the Governing Body.

"System" means all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the combined waterworks and sewerage system; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the combined waterworks and sewerage system after completion of the Project.

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

Section 1.05. Use of Sewer Facilities Mandatory. The mandatory use of the sewer facilities is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare and the economy of the inhabitants 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 sewer facilities. Accordingly, every owner, tenant and occupant of every lot, parcel and tract of land which abuts on a street, alley or other public way in which any sewer line, main or facility is located, or which is located within a reasonable distance thereof, not exceeding 300 feet, and reasonably accessible thereto, and upon which lot, parcel or tract a building or other habitable structure has been or shall be erected for residential, commercial or industrial use, shall connect the waste or sewage lines of such building or structure with the System within 30 days after completion of the Project if sewage will flow by gravity from such building or structure into the System, and shall thereupon and thereafter refrain from using and shall cease to use any other method for the disposal of sewage or water-borne waste matter and shall pay all charges, fees and rates lawfully provided for use of such sewer facilities.

Any such building or structure from which emanates sewage or water-borne waste matter and 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 the Circuit Court of said County or other court of competent jurisdiction.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BOND

Section 2.01. Authorization of Bond. Subject and pursuant to the provisions of this Resolution, the Bond of the Issuer, to be known as "Water and Sewer Revenue Bond, Series 1980," is hereby authorized to be issued in the aggregate principal amount of not exceeding Six Hundred Three Thousand Dollars ($603,000) for the purpose of financing the cost of the construction and acquisition of the Project.

Section 2.02. Description of Bond. The Bond shall be issued in single form, No. 1, and shall be dated on the date of delivery. The Bond shall bear interest from date, payable monthly at the rate of five per centum (5%) per annum, and shall be sold for the par value thereof.

The Bond shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 2.03. Execution of Bond. The Bond shall be executed in the name of the Issuer by the Chairman and its corporate seal shall be affixed thereto and attested by the Secretary.

Section 2.04. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Bond so surrendered shall be canceled and held for the account of the Issuer. If the Bond shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 2.05. Bond Secured by Pledge of Revenues. The payment of the debt service of the Bond shall be secured forthwith by a first lien on the net revenues derived from the System in addition to the statutory mortgage lien on the System hereinafter provided for. The net revenues derived from the System in an amount sufficient to pay the principal of and interest on the Bond, and to make the payments as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bond as the same become due.

Section 2.06. Form of Bond. Subject to the provisions hereof, the text of the Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or any resolution adopted after the date of adoption hereof and prior to the issuance thereof:

(Form of Bond)

WATER AND SEWER REVENUE BOND, SERIES 1980

CAMP CONLEY PUBLIC SERVICE DISTRICT

$505,000

No. 1 Date: April 16, 1981

FOR VALUE RECEIVED, CAMP CONLEY PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (the "Government"), at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designated in writing, the principal sum of Five Hundred Five Thousand Dollars ($505,000) plus interest on the unpaid principal balance at the rate of five per cent (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only, commencing on the 30th day following delivery of the Bond and continuing on the corresponding day of each month for the first twelve months after the date hereof and $2,460, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or,

except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain suficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction and acquisition of additions, extensions and improvvements to the existing combined waterworks and sewerage system (the "System") of the Borrower and to refund and redeem the outstanding Waterworks and Sewerage System Revenue Bonds of the Borrower, dated June 1, 1961, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Article 13A of Chapter 16 of the West Virginia Code and a Resolution of the Borrower.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Rural Development Act. This Bond shall be subject to the present regulations of the Farmers Home Administration and to its

future regulations not inconsistent with the express provisions hereof.

CAMP CONLEY PUBLIC SERVICE DISTRICT
(Name of Borrower)

[CORPORATE SEAL]

(Signature of Executive Official)

Chairman, Public Serice Board
(Title of Executive Official)

(Post Office Box No. or Street Address)

Point Pleasant, West Virginia. 25550
(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

Secretary, Public Service Board
(Title of Attesting Official)

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(6)	$	
(2)	$		(7)	$	
(3)	$		(8)	$	
(4)	$		(9)	$	
(5)	$		(10)	$	

TOTAL $ _____

ASSIGNMENT

Pay to the Order of _____

_____

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

By _____

_____
(Title)

ARTICLE III

BOND PROCEEDS; REVENUES AND APPLICATION THEREOF

Section 3.01. Bond Proceeds; Project Construction Account. The proceeds of sale of the Bond shall be deposited on receipt by the Issuer in THE CITIZENS NATIONAL BANK, Point Pleasant, West Virginia, a member of Federal Deposit Insurance Corporation ("FDIC"), in a special account hereby created and designated as "Camp Conley Public Service District Construction Account" (herein called the "Project Construction Account"). The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by such bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account, less the amount required to redeem and refund the 1961 Bonds outstanding on the date hereof, shall be expended by the Issuer solely for the purposes provided herein.

Until completion of construction of the Project, the Issuer will transfer from the Project Construction Account and pay to the Purchaser on or before the fifteenth day of each month, such sums as shall be from time to time required to make the monthly installments on the Bond if there are not sufficient Net Revenues to make such monthly payment.

If the Issuer shall determine at any time that all funds on deposit in the Project Construction Account exceed the estimated disbursements on account of the Project for the ensuing 90 days, the Issuer may invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, which shall mature not later than eighteen months after the date of such investment. All such investments and the income therefrom shall be carried to the credit of the Project Construction Account.

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

Section 3.02. Covenants of the Issuer as to Revenues and Funds. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Fund hereinafter established, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bond remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Bond as follows:

(A) Revenue Fund. The entire gross revenues derived from the operation of the System, and all parts thereof, and all tap fees received, shall be deposited as collected by the Issuer in a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund, known as the "Revenue Fund" is hereby established initially with the Bank named in Section 3.01. The Revenue Fund shall constitute a trust fund for the purposes

provided herein and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner provided herein.

(B) Disposition of Revenues. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

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

(2) The Issuer shall next, on or before the due date of payment of each installment on the Bond, transfer from the Revenue Fund and pay to the National Finance Office designated in the Bond the amount required to pay the interest on the Bond, and to amortize the principal of the Bond over the life of the Bond issue.

(3) The Issuer shall next, by the fifteenth day of each month, transfer from the Revenue Fund and deposit with the said Bank in the Reserve Fund hereby initially established with said Bank, 1/12th of 1/10th of the amount of principal and interest becoming due on the Bond in any year until the amount in the Reserve Fund equals the sum of $30,000, such sum being herein called the "Minimum Reserve." After the Minimum Reserve has been accumulated in the Reserve Fund, the Issuer shall monthly deposit into the Reserve Fund such part of the moneys remaining in the Revenue Fund, after such provision for payment of monthly installments on the Bond and for payment of operating expenses of the System, as shall be required to maintain the Minimum Reserve in the Reserve Fund. Moneys in the Reserve Fund shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Bond to said National Finance Office as the same shall become due or for prepayment of installments on the Bond, or for mandatory prepayment of the Bond as hereinafter provided, and for no other purpose.

(4) The Issuer shall next, by the fifteenth day of each month, transfer from the Revenue Fund and deposit in the Depreciation Reserve, hereby initially established with said Bank, the moneys remaining in the Revenue Fund and not permitted to be retained therein, until there has been accumulated in the Depreciation Reserve the aggregate sum of $15,000, and thereafter such sums as shall be required to maintain such amount therein. Moneys in the Depreciation Reserve shall be used first to make up any deficiencies for monthly payments of principal of and interest on the Bond as the same become due, and next to restore to the Reserve Fund any sum or sums transferred therefrom. Thereafter, and provided that payments into the Reserve Fund are current and in accordance with the foregoing provisions, moneys in the Depreciation Reserve may be withdrawn by the Issuer and used for extraordinary repairs and for replacements of equipment and improvements for the System, or any part thereof.

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

Whenever the moneys in the Reserve Fund shall be sufficient to prepay the Bond in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding,

to prepay the Bond at the earliest practical date and in accordance with applicable provisions hereof.

The aforesaid Bank (and any successor appointed by the Issuer) is hereby designated as the Fiscal Agent for the administration of the Reserve Fund and the Depreciation Reserve as herein provided, and all amounts required therefor will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such Fund.

All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Bond and the interest thereon, but the aforesaid Bank shall not be a trustee as to such funds. The moneys in excess of the sum insured by FDIC in any of such funds shall at all times be secured, to the full extent thereof in excess of such insured sum, in a manner lawful for securing deposits of State and municipal funds under the laws of the State of West Virginia.

If on any payment date the revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates.

The Fiscal Agent shall keep the moneys in the Reserve Fund and the Depreciation Reserve invested and reinvested to the fullest extent practicable in direct obligations of, or obligations the payment of the principal of and interest on which are guaranteed by, the United States of America and having maturities not exceeding two years. Earnings upon moneys in the Reserve Fund, so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually in January into the Revenue Fund by the Fiscal Agent.

(C) Change of Fiscal Agent. The Issuer may designate another bank insured by FDIC as Fiscal Agent if the aforesaid Bank should cease for any reason to serve or if the Governing Body determines by resolution that said Bank or its successor should no longer serve as Fiscal Agent. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

ARTICLE IV

GENERAL COVENANTS

Section 4.01. General Statement. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Fund a sum sufficient to prepay the entire principal of the Bond remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Purchaser.

Section 4.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide revenues in each fiscal year sufficient to produce net revenues equal to not less than 110% of the annual debt service on the Bond and to make the payments required herein into the Reserve Fund and the Depreciation Reserve and all the necessary expenses of operating and maintaining the System during such fiscal year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate revenues for such purposes.

Section 4.03. Sale of the System. The System will not be sold without the prior written consent of the Purchaser so long as the Bond is outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 4.04. Issuance of Additional Parity Bonds. No additional parity bonds payable out of the revenues of the System shall be issued after the issuance of the Bond pursuant hereto except with the prior written consent of the Purchaser.

Section 4.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Bond remains outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

(a) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System in an amount equal to the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

(b) Public Liability Insurance, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or

death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Bond.

(c) Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

(d) Workmen's Compensation Coverage for all Employees of the District Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Clerk of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39.

(e) Fidelity Bonds will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any revenues or other funds of the Issuer in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of $10,000 upon the treasurer, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned so long as checks thereon require the signature of a representative of the Purchaser.

(f) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Bond is outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 4.06. Statutory Mortgage. For the further protection of the holder of the Bond, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Bond.

Section 4.07. Events of Default. Each of the following events is hereby declared an "Event of Default":

(A) Failure to make payment of any monthly amortization installment upon the Bond at the date specified for payment thereof;

(B) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Bond or herein, or violation of or failure to observe any provision of any pertinent law.

Section 4.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Purchaser may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

Upon application by the Purchaser, such court may, upon proof of such default appoint a receiver for the affairs of the Issuer and the System. The receiver so appointed shall administer the System on behalf of the Issuer, shall exercise all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the System, and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct.

Section 4.09. Fiscal Year; Budget. While the Bond is outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a fiscal year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty days prior to the beginning of each fiscal year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such fiscal year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser by the beginning of each fiscal year.

If for any reason the Issuer shall not have adopted the Annual Budget before the first day of any fiscal year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the next year preceding by more than ten per centum; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser.

Section 4.10. Compensation of Members of Governing Body. The Issuer hereby covenants and agrees that no compensation for policy direction shall be paid to the members of the Governing Body in excess of the amount permitted by the Act. Payment of any compensation to any such member for policy direction shall not be made if such payment would cause the Net Revenues to fall below the amount required to meet all payments provided for herein, nor when there is default in the performance of or compliance with any covenant or provision hereof.

Section 4.11. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the Secretary on the date of adoption hereof, subject to permitted changes.

Section 4.12. Books and Records. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the Purchaser shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the Purchaser.

Section 4.13. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Bond is outstanding.

Section 4.14. No Competition. The Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

Section 4.15. Concerning Arbitrage. The proceeds of sale of the Bond will not be invested in such a way as to violate the regulations of the Internal Revenue Service or of the Treasury Department of the United States of America in connection with the arbitrage provisions of Section 103(c) of the Internal Revenue Code of 1954, as amended.

ARTICLE V

RATES, ETC.

Section 5.01. Initial Schedule of Rates and Charges; Rules. A. The schedule of rates and charges for the services and facilities of the System shall be as set forth in the Order of the Public Service Commission, dated February 11, 1980, the time for appeal of which has expired.

B. There shall not be any discrimination or differential in rates between customers in similar circumstances.

C. All delinquent fees, rates and charges for services or facilities of the System shall be liens on the premises served of equal degree, rank and priority with the lien on such premises of state, county, school and municipal taxes, as provided in the Act. When such fees, rates and charges have been delinquent for thirty days, the Issuer shall have power pursuant to the Act forthwith to foreclose the lien on the premises served in the same manner provided by the laws of the State of West Virginia for the foreclosure of mortgages on real property.

D. The Issuer will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the Issuer or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other revenues of the System.

E. The Issuer may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

F. The Issuer, to the extent permitted by law, will not accept payment of any water bill from a customer served with water and sewer services by the Issuer without payment at the same time of a sewer bill owed by such customer for the same premises.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Delivery of Bond No. 1. The Chairman, Secretary and Treasurer of the Governing Body are hereby authorized and directed to cause Bond No. 1, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 6.02. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Bond.

Section 6.03. Conflicting Provisions Repealed. All resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this Section shall not be applicable to the Loan Resolution (Form FmHA 442-47).

Section 6.04. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 6.05. Effective Time. This Resolution shall take effect immediately upon its adoption.

Adopted ~~April 17, 1981~~ July 17, 1980.

Chairman of Public Service Board

Member

Member

SPECIMEN

WATER AND SEWER REVENUE BOND, SERIES 1980

CAMP CONLEY PUBLIC SERVICE DISTRICT

$505,000

No. 1 Date: April 16, 1981

FOR VALUE RECEIVED, CAMP CONLEY PUBLIC SERVICE DISTRICT (herein called "Borrower") promises to pay to the order of the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (the "Government"), at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designated in writing, the principal sum of Five Hundred Five Thousand Dollars ($505,000) plus interest on the unpaid principal balance at the rate of five per cent (5%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Installments of interest only, commencing on the 30th day following delivery of the Bond and continuing on the corresponding day of each month for the first twelve months after the date hereof and $2,460, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of forty (40) years from the date of this Bond, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Farmers Home Administration according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain suficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction and acquisition of additions, extensions and improvvements to the existing combined waterworks and sewerage system (the "System") of the Borrower and to refund and redeem the outstanding Waterworks and Sewerage System Revenue Bonds of the Borrower, dated June 1, 1961, is payable solely from the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Article 13A of Chapter 16 of the West Virginia Code and a Resolution of the Borrower.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

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

CAMP CONLEY PUBLIC SERVICE DISTRICT
(Name of Borrower)

[CORPORATE SEAL]

(Signature of Executive Official)

Chairman, Public Service Board
(Title of Executive Official)

(Post Office Box No. or Street Address)

Point Pleasant, West Virginia 25550
(City, State and Zip Code)

ATTEST:

(Signature of Attesting Official)

Secretary, Public Service Board
(Title of Attesting Official)

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$ 505,000.	1/16/81	(6)	$	
(2)	$		(7)	$	
(3)	$		(8)	$	
(4)	$		(9)	$	
(5)	$		(10)	$	

TOTAL $ _____

ASSIGNMENT

Pay to the Order of _____

_____

UNITED STATES OF AMERICA
FARMERS HOME ADMINISTRATION

By _____

_____
(Title)

United States Department of Agriculture
Rural Development
West Virginia State Office

March 3, 2006

CAMP CONLEY PUBLIC SERVICE DISTRICT

TO WHOM IT MAY CONCERN:

The undersigned STATE DIRECTOR of the United States Department of Agriculture, Rural Development, the present holder of the Water and Sewer Revenue Bond, Series 1980, dated the 16th day of April, 1981, issued in the total aggregate principal amount of $505,000 (the "Bond"), of Camp Conley Public Service District (the "District"), hereby consents to (i) the sale of all of the assets of the existing sewerage system, including, but not limited to, all real property, personal property, tangible property, intangible property, rights of way, easements, licenses and permits of the District to the Mason County Public Service District; (ii) the assumption of the payment of the Bond by Mason County Public Service District; and (iii) the pledge of the net revenues of the sewerage system of Mason County Public Service District to the payment of the Bond.

ROBERT M. STEPTOE III
State Director
USDA-Rural Development

Federal Building • 75 High Street • Suite 320 • Morgantown, WV 26705-7500
Phone: (304) 284-4860 OR 1-800-295-8228 • Fax: (304) 284-4893 • TDD: (304) 284-4836
Web: http://www.rurdev.usda.gov/wv

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202) 720-6382 (TDD).

United States Department of Agriculture
Rural Development
West Virginia State Office

MASON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

CONSENT TO ISSUANCE OF PARITY BONDS

The undersigned duly authorized representative of the United States of America, acting through the United States Department of Agriculture, Rural Development, the registered owner of the Prior Bonds, hereinafter defined and described, hereby (i) consents to the issuance of the Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund) (the "Series 2008 A Bonds"), by Mason County Public Service District (the "Issuer"), under the terms of the resolutions authorizing the Series 2008 A Bonds (collectively, the "Resolution"), on a parity as to liens, pledge and source of and security for payment with the Water and Sewer Revenue Bonds, Series 1980 ("Prior Bonds"), which the Issuer assumed from Camp Conley Public Service District; (ii) waives any requirements imposed by the Prior Bonds or the resolution authorizing the Prior Bonds (the "Prior Resolution"), regarding the issuance of parity bonds which are not met by the Series 2008 A Bonds or the Resolution; and (iii) consents to any amendments made to the Prior Resolution by the Resolution.

WITNESS my signature on this 19th day of June, 2008.

UNITED STATES OF AMERICA,
UNITED STATES DEPARTMENT OF
AGRICULTURE, RURAL DEVELOPMENT

State Director

Federal Building, Suite 320 • 75 High Street • Morgantown, WV 26505-7500
Phone: (304) 284-4860 OR (800) 295-8228 • Fax: (304) 284-4893 • TDD: (304) 284-4836 • Web: http://www.rurdev.usda.gov/wv

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MASON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

3.1

GENERAL CERTIFICATE ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. SIGNATURES AND DELIVERY
6. PUBLIC SERVICE COMMISSION ORDER
7. RATES
8. INCUMBENCY AND OFFICIAL NAME
9. LAND AND RIGHTS-OF-WAY
10. MEETINGS
11. INSURANCE
12. LOAN AGREEMENT
13. SPECIMEN BOND
14. BOND PROCEEDS
15. CONFLICTS OF INTEREST
16. VERIFICATION OF SCHEDULE
17. PROCUREMENT OF ENGINEERING SERVICES
18. COMPLIANCE WITH WEST VIRGINIA JOBS ACT
19. WETLANDS COVENANT
20. GRANT
21. COUNTERPARTS

On this 28th day of October, 2008, we, the undersigned CHAIRPERSON and the undersigned SECRETARY of the Public Service Board of Mason County Public Service District (the "Issuer") and the undersigned ATTORNEY for the Issuer, hereby certify in connection with the Mason County Public Service District Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds" or the "Series 2008 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined shall have the same meaning set forth in the Bond Resolution duly adopted by the Issuer on September 18, 2008, the Supplemental Resolution duly adopted by the Issuer on September 18, 2008 (collectively, the "Resolution"), 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 September 24, 2008 (the "Loan Agreement").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting in any manner the authorization, issuance, sale and delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection or use of the revenues of the System, or the pledge and security of the Net Revenues for the Bonds; nor affecting the validity of the Bonds or any provisions made or authorized for the payment thereof; nor questioning the existence of the Issuer or the title of the members or officers of the Issuer or the Board thereof to their respective offices; nor questioning any proceedings of the Issuer taken with respect to the authorization, issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection or use of the revenues of the System, or the pledge and security of the Net Revenues for the Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals, permits, exemptions, consents, authorizations, registrations, licenses, orders and certificates required by law for the creation and existence of the Issuer, the acquisition and construction of the Project, the operation of the System, the imposition of rates and charges and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project have been solicited by the Issuer in accordance with Chapter 5, Article 22, Section 1 of the Code of West Virginia, 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. The Issuer has met all conditions set forth in the Loan Agreement and will provide the financial, institutional, legal and managerial capabilities necessary to complete and operate the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2008 A Bonds as to liens, pledge and source of and security for payment, being the Water and Sewer Revenue Bonds, Series 1980, dated April 16, 1981, issued in the original aggregate principal amount of $505,000 (the "Prior Bonds"), which the Issuer assumed from Camp Conley Public Service District ("Camp Conley") when the Issuer took over Camp Conley's sewerage system.

The Series 2008 A Bonds shall be issued on a parity with the Prior Bonds, with respect to liens, pledge and source of security for payment and in all other respects. The Issuer has obtained (a) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and (b) the written consent of the Registered Owners of the Prior Bonds to the issuance of the Series 2008 A

Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

5. SIGNATURES AND DELIVERY: The undersigned Chairperson and Secretary are the duly elected or appointed, qualified and acting officers of the Issuer as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Bonds for the Issuer. The seal impressed upon the Bonds and this Certificate is the duly authorized, proper and only seal of the Issuer. On the date hereof, the undersigned Chairperson did officially sign all of the Bonds, consisting upon original issuance of a single Bond, dated the date hereof, by his or her manual signature; the undersigned Secretary did officially cause the 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.

6. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision entered on February 1, 2008, and the Orders of the Public Service Commission of West Virginia (the "PSC") entered on April 4, 2008, and April 28, 2008, in Case No. 07-1655-PSD-CN adopting the Recommended Decision, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the rates for the System and the financing for the Project. The time for appeal of such Orders has expired prior to the date hereof. Such Orders remain in full force and effect.

7. RATES: The rates for the System, as approved by the PSC Order entered on April 4, 2008, in Case No. 07-1655-PSD-CN, will become effective when the Project is substantially complete. The time for appeal for such Order has expired prior to the date hereof and such Order remains in full force and effect.

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

Name	Date of Termination Of Office
Dorsel F. Keefer	August 2008

Curtis Hunt	August 2010
Charles R. Lanier	August 2012

The duly elected or appointed officers of the Board for 2008 are as follows:

Dorsel F. Keefer	-	Chairperson
Mary Smith	-	Secretary
Charles R. Lanier	-	Treasurer

The duly appointed and acting attorney for the Issuer is Casto & Casto, L.C., Point Pleasant, West Virginia. The duly appointed and acting PSC counsel for the Issuer is James V. Kelsh, Esquire, Charleston, West Virginia.

9. LAND AND RIGHTS-OF-WAY: All land, 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 that would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties that 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.

10. MEETINGS: All actions, resolutions, orders and agreements taken, adopted 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 or the System were authorized or adopted at meetings of the Board duly and regularly or specifically called and held pursuant to all applicable statutes and the rules of procedure of the Board, and a quorum of duly appointed, qualified and acting members of the Board 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.

11. INSURANCE: The Issuer will maintain or, as appropriate, will require all contractors to maintain worker's compensation, public liability insurance, property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Resolution and the Loan Agreement. All insurance for the System required by the Resolution and the Loan Agreement are in full force and effect.

12. 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 statements 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 therein not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

13. SPECIMEN BOND: Attached hereto as Exhibit A is a specimen of the Bond which, except as to execution and authentication, is identical in all respects with the Bond this day delivered to the Authority and being substantially in the form prescribed in the Resolution.

14. BOND PROCEEDS: On the date hereof, the Issuer received the sum of $158,248 from the Authority and the Council, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer from time to time as acquisition and construction of the Project progresses.

15. CONFLICTS 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 the sale of any land, materials, supplies or services to the Issuer, or to any contractor supplying the Issuer, relating to the Bonds, the Resolution and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

16. VERIFICATION OF SCHEDULE: The final amended Schedule B attached to the Certificate of Consulting Engineer, with the signature of the Chairperson and the Consulting Engineer, accurately represents the estimated costs of the Project, the sources of funds available to pay the costs of the Project and the costs of financing of the Bonds.

17. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied with all the requirements of Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended, in the procurement of the engineering services of the Consulting Engineer.

18. 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.

19. WETLANDS COVENANT: The Issuer hereby certifies that it will not use any proceeds of the Bonds for a purpose that will contribute to excessive erosion of highly erodible lands or to the conversion of wetlands to produce an agricultural commodity.

20. GRANT: As of the date hereof, the grant from the Council in the amount of $500,000 is committed for the Project and in full force and effect.

21. COUNTERPARTS: This Certificate may be executed in counterparts and all counterparts shall be deemed to be the Certificate.

WITNESS our signatures and the official corporate seal of Mason County Public Service District as of the date first written above.

[SEAL]

Signature	Official Title
	Chairperson
Mary L. Smith	Secretary
	Attorney

EXHIBIT A

See Specimen Bond (Tab No. 14).

100424/00308

MASON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

3.2

CERTIFICATE AS TO USE OF PROCEEDS

On this 28th day of October, 2008, the undersigned Chairperson of the Public Service Board of Mason County Public Service District in Mason County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $500,000 Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), of the Issuer, dated October 28, 2008 (the "Bonds" or the "Series 2008 A Bonds"), hereby certifies as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Resolution duly adopted by the Issuer on September 18, 2008 (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 October 28, 2008, the date on which the Bonds are being physically delivered in exchange for an initial advance of the principal amount of the Series 2008 A Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Resolution pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority") 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 Bonds were sold on October 28, 2008, to the Authority, pursuant to a loan agreement dated September 24, 2008, by and between the Issuer and the Authority, on behalf of the Council, for an aggregate purchase price of $500,000 (100% of par), at which time, the Issuer received $158,248 from the Authority and the Council, being the first advance of the principal amount of the Bonds. No accrued interest has been or will be paid on the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Bonds are being delivered simultaneously with the delivery of this Certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance of the Bonds and related costs.

7. The Issuer shall, on the date hereof or immediately hereafter, enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds for the acquisition and construction of the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Reserve Accounts for the Bonds, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before April 1, 2009. The acquisition and construction of the Project is expected to be completed by May 1, 2009.

8. The total cost of the Project is estimated at $1,000,000. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of Bonds	$ 500,000
Council Grant	$ 500,000
Total Sources	$1,000,000

USES

Costs of the Project	$ 981,500
Costs of Issuance	$ 18,500
Total Uses	$1,000,000

{M0467771.1}

9. Pursuant to Article V of the Bond Resolution, the following special funds or accounts have been created or continued with respect to the Series 2008 A Bonds:

(1) Revenue Fund;

(2) Depreciation Reserve;

(3) Renewal and Replacement Fund;

(4) Series 2008 A Bonds Construction Trust Fund;

(5) Series 2008 A Bonds Sinking Fund; and

(6) Series 2008 A Bonds Reserve Account.

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

(1) Series 2008 A Bonds proceeds in the amount of $-0- will be deposited in the Series 2008 A Bonds Reserve Account.

(2) The balance of the proceeds of the Bonds will be deposited in the Series 2008 A Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Bonds and related costs.

11. Moneys held in the Series 2008 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2008 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account shall be returned, after fully funded, 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 2008 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 due, if any, on the Series 2008 A Bonds and then to the next ensuing principal payment due thereon.

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 6 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 2008 A Bonds Reserve Account, if any, all of the proceeds of the Series 2008 A Bonds will be expended on the Project within 8 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. The Issuer covenants that it shall maintain thorough and accurate accounting records, in conformance with generally accepted accounting principles, relative to the proceeds of the Bonds so that use of the proceeds of the Bonds can be accounted for.

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

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 2008 A Bonds Reserve Account at the maximum amount of principal and interest, if any, which will mature and become due on the Series 2008 A Bonds in the then current or any succeeding year with the proceeds of the Series 2008 A Bonds, or (b) created the Series 2008 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2008 A Bonds Reserve Account hold an amount equal to the maximum amount of principal and interest, if any, which will mature and become due on the Series 2008 A Bonds in the then current or any succeeding year. Moneys in the Series 2008 A Bonds Reserve Account and the Series 2008 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2008 A Bonds and will not be available to pay costs of the Project.

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

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

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

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

WITNESS my signature as of the date first written above.

Chairperson

100424/00308

MASON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

3.3

CERTIFICATE OF SECRETARY
AS TO TRUTH AND ACCURACY OF DOCUMENTS DELIVERED

On this 28th day of October, 2008, the undersigned duly appointed Secretary of Mason County Public Service District (the "Issuer") hereby certifies that the copies of the following documents being delivered in connection with the closing of the sale of the Mason County Public Service District Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), are, as of the date hereof, true and accurate copies of the originals of those documents maintained on file with the Issuer and delivered in the transcript of proceedings, that said documents have been duly adopted or approved by the Public Service Board (the "Board") of the Issuer and that said documents are still in full force and effect as of the date hereof and have not been repealed, rescinded, superseded, amended or modified in any way unless the document effecting such repeal, rescission, supersedence, amendment or modification is also listed below:

1. Orders of The County Commission of Mason County Creating and Enlarging the Issuer.

2. Orders of The County Commission of Mason County Appointing the Members of the Board.

3. Oaths of Office of the Board Members.

4. Rules of Procedure.

5. Minutes of Current Year Organizational Meeting.

6. Public Service Commission Order.

7. Infrastructure Council Approval Letter.

8. Loan Agreement.

9. Bond Resolution.

10. Supplemental Resolution.

11. Minutes of the Board Meeting on Adoption of Bond Resolution and Supplemental Resolution.

12. Affidavits of Publication on Notice of Filing and Notice of Meeting to Adopt Bond Resolution and Supplemental Resolution.

13. 1980 Bond Resolution and USDA Consents to Assumption of 1980 Bond.

14. USDA Consent to Issuance of Parity Bonds.

15. NPDES Permit.

16. Infrastructure Council Grant Agreement.

17. Insurance Certificates.

WITNESS my signature and the official seal of the Issuer as of the date first written above.

[SEAL]

Mary L. Smith
Secretary

100424/00308

MASON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

3.4

CERTIFICATE OF CONSULTING ENGINEER

On this 28th day of October, 2008, I, Manning Frymier, Registered Professional Engineer, West Virginia License No. 8497, of Cerrone Associates, Inc., Wheeling, 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 sewer facilities (the "System") of Mason County Public Service District (the "Issuer"), to be constructed primarily in Mason County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. All capitalized words used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on September 18, 2008 (the "Resolution"), 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 September 24, 2008 (the "Loan Agreement").

2. The Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; and (ii) paying certain 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 West Virginia Department of Environmental Protection (the "DEP"), 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 will have a useful life of at least 40 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 in reliance upon the opinion of the Issuer's counsel, Casto & Casto, L.C., dated the date hereof, 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 DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) in reliance upon the certificate of Smith, Cochran & Hicks, PLLC, CPA, dated the date hereof, 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 approved by the Council; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal as of the date first written above.

[SEAL]

CERRONE ASSOCIATES, INC.

Manning Frymier

Manning Frymier, P.E.
West Virginia License No. 8497

100424/00308

SCHEDULE B 10/28/2008

MASON COUNTY PUBLIC SERVICE DISTRICT
Wadsworth Avenue Wastewater System Improvements

	TOTAL	IJDC Grant	IJDC Loan
A. COST OF PROJECT			
1 a. Construction	683,313.00	500,000.00	183,313.00
b. Construcion Contingency	34,166.00		34,166.00
2 Technical Services - Cerrone			
a. Facility Plan	14,000.00	0.00	14,000.00
b. SSES	20,000.00	0.00	20,000.00
c. Basic	50,000.00	0.00	50,000.00
d. Resident Project Representative	42,000.00	0.00	42,000.00
e. Stakeout/Rec. Dwgs/O&M Manual	10,000.00	0.00	10,000.00
f. Special Services	26,000.00	0.00	26,000.00
3 Legal & Fiscal			
a. Project Attorney	10,000.00	0.00	10,000.00
b. Special Legal	20,000.00	0.00	20,000.00
c. Accounting	6,000.00	0.00	6,000.00
4 Administrative	6,000.00	0.00	6,000.00
5 Design Fee Interest	25,133.93		25,133.93
6 Sites & Other Lands	10,000.00	0.00	10,000.00
7 Interim Financing	0.00	0.00	0.00
8 Miscellaneous	0.00	0.00	0.00
9 Project Contingency	24,887.07	0.00	24,887.07
10 TOTAL of Lines 1 through 9	981,500.00	500,000.00	481,500.00
B. SOURCES OF FUNDS			
11 Federal Grants	0.00	0.00	0.00
12 Any Other Source - WVIJDC Grant	500,000.00	500,000.00	0.00
13 TOTAL Lines 11 & 12	500,000.00	500,000.00	0.00
14 Net Proceeds from Bond Issue	481,500.00	0.00	481,500.00
C. COST OF FINANCING			
15 Funded Reserve	0.00	0.00	0.00
16 Other Costs			
a. Registrar Fees	500.00	0.00	500.00
b. Bond Counsel	18,000.00	0.00	18,000.00
17 Cost of Financing	18,500.00	0.00	18,500.00
18 Size of Bond Issue	500,000.00	0.00	500,000.00

MASON COUNTY PUBLIC SERVICE DISTRICT

Signature of Authorized Representative

Date: 10/28/08

CERRONE ASSOCIATES, INC.

Signature of Consulting Engineer

Date: 10/28/2008

Smith, Cochran & Hicks, P.L.L.C.
Certified Public Accountants Oak Hill Bridgeport Charleston Montgomery
405 Capitol Street • Suite 908 • Charleston, West Virginia 25301 • 304-345-1151 • Fax 304-346-6731

October 28, 2008

MASON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

Mason County Public Service District
Point Pleasant, 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 reviewed the sewer rates of Mason County Public Service District (the "Issuer"), as approved by the Recommended Decision of the Public Service Commission of West Virginia entered February 1, 2008, in Case No. 07-1655-PSD-CN and the orders of the Public Service Commission of West Virginia entered April 4, 2008 and April 28, 2008, respectively, in Case No. 07-1655-PSD-CN, the projected operating expenses and the anticipated customer usage provided by Cerrone Associates, Inc., the consulting engineer of the Issuer. It is our opinion that such rates, together with other revenues of the sewer facilities of the Issuer (the "System"), are sufficient (i) to provide for all operating expenses of the System and (ii) to leave a balance each fiscal year equal to at least 115% of the maximum amount required in any succeeding fiscal year for the payment of principal of and interest, if any, on the Issuer's Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund) (the "Series 2008 A Bonds"), and Water and Sewer Revenue Bonds, Series 1980 (the "Prior Bonds").

It is further our opinion that the Net Revenues for the fiscal year following the year in which the Series 2008 A Bonds are to be issued will be at least 115% of the average annual debt service requirements on the Prior Bonds and the Series 2008 A Bonds.

The Issuer is current on all payments to the funds and accounts established under the Bond Resolutions, including RUS reserve accounts.

Smith Cochran & Hicks, PLLC

Smith, Cochran & Hicks, PLLC

{M0467789.1}

MASON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

3.6

RECEIPT FOR BONDS

On this 28th day of October, 2008, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, hereby certifies as follows:

1. On the date hereof, in Charleston, West Virginia, the Authority received the Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), of Mason County Public Service District (the "Issuer"), dated October 28, 2008, issued in the principal amount of $500,000, in the form of one bond, fully registered to the Authority, and numbered AR-1 (the "Bonds").

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

WITNESS my signature as of the date first written above.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

Barbara B Meadows
Authorized Representative

100424/00308

MASON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

3.7

RECEIPT FOR BOND PROCEEDS

On this 28th day of October, 2008, the undersigned Chairperson of Mason County Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certifies as follows:

On the date hereof, the Issuer received from the West Virginia Water Development Authority (the "Authority"), as the original purchaser of the $500,000 Mason County Public Service District Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), dated October 28, 2008 (the "Bonds"), the sum of $158,248, being a portion of the principal amount of the Bonds. The Issuer understands that the remaining proceeds of the Bonds will be advanced to the Issuer from time to time as construction proceeds to completion.

WITNESS my signature as of the date first written above.

MASON COUNTY PUBLIC SERVICE DISTRICT

Chairperson

100424/00308

MASON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

3.8

REQUEST AND AUTHORIZATION TO
AUTHENTICATE, REGISTER AND DELIVER BONDS

The Ohio Valley Bank Company
Point Pleasant, West Virginia

Ladies and Gentlemen:

On this 28th day of October, 2008, we herewith hand to you, duly executed, the $500,000 Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), in the form of one bond, numbered AR-1, dated October 28, 2008 (the "Bonds"), of Mason County Public Service District (the "Issuer"), authorized to be issued under and pursuant to a Bond Resolution and a Supplemental Resolution duly adopted by the Issuer on September 18, 2008.

You are hereby requested and authorized to authenticate, register and deliver the Bonds on behalf of the Issuer to the West Virginia Water Development Authority.

WITNESS our signatures as of the date first written above.

MASON COUNTY PUBLIC SERVICE DISTRICT

Chairperson

(SEAL)

Attest:

Mary L. Smith
Secretary

100424/00308

{M0467793.1}

MASON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 28th day of October, 2008, by and between MASON COUNTY PUBLIC SERVICE DISTRICT, a public corporation (the "Issuer"), and THE OHIO VALLEY BANK COMPANY, Point Pleasant, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $500,000 Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds"), in the form of one bond, numbered AR-1, in fully registered form, pursuant to a Bond Resolution and a Supplemental Resolution, both adopted by the Issuer on September 18, 2008 (collectively, the "Resolution");

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 Resolution, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Resolution provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Resolution and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Resolution 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 Resolution, 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, if any, 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 heretofore agreed by the parties and set forth in the attached invoice.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Resolution with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Resolution, the terms of the Resolution 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 Resolution 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 address:

ISSUER:

Mason County Public Service District
332 Viand Street
Point Pleasant, WV 25550
Attention: Chairperson

REGISTRAR:

The Ohio Valley Bank Company

328 Viand Street
Point Pleasant, WV 25550
Attention: President

The Issuer and the Registrar shall notify the other in writing of any change of address.

8. The Registrar is hereby requested and authorized to authenticate, register and deliver the Bonds in accordance with the Resolution.

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 date first written above.

MASON COUNTY PUBLIC SERVICE DISTRICT

Chairperson

THE OHIO VALLEY BANK COMPANY,
as Registrar

Authorized Officer

100424/00308

{M0467794.1}

EXHIBIT A

See Bond Resolution (Tab No. 10)

See Supplemental Resolution (Tab No. 11)

MASON COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

3.10

CERTIFICATE OF REGISTRATION OF BONDS

On this 28th day of October, 2008, THE OHIO VALLEY BANK COMPANY, Point Pleasant, West Virginia, as Registrar (the "Registrar"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), of Mason County Public Service District (the "Issuer"), dated October 28, 2008, in the principal amount of $500,000, numbered AR-1, was registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of the Registrar.

WITNESS my signature as of the date first written above.

THE OHIO VALLEY BANK COMPANY,
as Registrar

Mario P Liberatore
Authorized Officer

100424/00308

MASON COUNTY PUBLIC SERVICE DISTRICT 3.11
SEWER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

On this 28th day of October, 2008, THE OHIO VALLEY BANK COMPANY, Point Pleasant, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Resolution and a Supplemental Resolution adopted by Mason County Public Service District (the "Issuer") on September 18, 2008 (collectively, the "Resolution"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), in the aggregate principal amount of $500,000, dated October 28, 2008, and agrees to serve as Depository Bank, all as set forth in the Resolution.

WITNESS my signature as of the date first written above.

THE OHIO VALLEY BANK COMPANY

Mario P Liberatore
Authorized Officer

100424/00308

WV MUNICIPAL BOND COMMISSION
1207 Quarrier Street, Suite 401
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM
Date of Report: October 28, 2008

ISSUE: Mason County Public Service District Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund)
ADDRESS: 332 Viand Street, Point Pleasant, West Virginia 25550 COUNTY: Mason
PURPOSE OF ISSUE: New Money X
Refunding _____ Refunds issue(s) dated: _____
ISSUE DATE: October 28, 2008 CLOSING DATE: October 28, 2008
ISSUE AMOUNT: $500,000 RATE: 0%
1st DEBT SERVICE DUE: December 1, 2009 1st PRINCIPAL DUE: $3,206.00
1st DEBT SERVICE AMOUNT: $3,206.00 PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Jackson Kelly PLLC UNDERWRITERS COUNSEL: _____
Contact Person: Samme L. Gee, Esquire Contact Person: _____
Phone: (304) 340-1318 Phone: _____

CLOSING BANK: The Ohio Valley Bank Company ESCROW TRUSTEE: _____
Contact Person: Mario Liberatore Contact Person: _____
Phone: (304) 675-8660 Phone: _____

KNOWLEDGEABLE ISSUER CONTACT: OTHER: West Virginia Infrastructure Council
Contact Person: David H. Nibert Contact Person: Jeff Brady
Position: Assistant Manager Function: Executive Director
Phone: (304) 675-8940 Phone: (304) 558-4607
E-Mail: dhnibert@verizon.net

DEPOSITS TO MBC AT CLOSE: _____ Accrued Interest: $_____
_____ Capitalized Interest: $_____
By _____ Wire _____ Reserve Account: $_____
_____ Check _____ Other: _____ $_____

REFUNDS & TRANSFERS BY MBC AT CLOSE:
By _____ Wire _____ To Escrow Trustee: $_____
_____ Check _____ To Issuer: $_____
_____ IGT _____ To Cons. Invest. Fund $_____
_____ To Other: _____ $_____

NOTES: The Series 2008 A Bonds Reserve Account will be funded over 10 years.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required: _____
Transfers Required: _____

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.: WV0086886
SUBJECT: Sewage

ISSUE DATE: November 16, 2007
EFFECTIVE DATE : December 16, 2007
EXPIRATION DATE: November 15, 2012
SUPERSEDES: Permit No. WV0086886 dated August 02, 2002

LOCATION:	POINT PLEASANT	Mason	Middle Ohio River 2
	(City)	**(County)**	**(Drainage Basin)**

See the next page for a list of Outlets.

TO WHOM IT MAY CONCERN:

This is to certify that: MASON CNTY PSD
332 VIAND ST
POINT PLEASANT, WV 25550-1141

is hereby granted a West Virginia NPDES Water Pollution Control Permit to:
operate and maintain an existing wastewater collection system and an existing 0.12 million gallons per day (MGD) extended aeration wastewater treatment plant, which are further described as follows.

A wastewater collection system comprised of approximately 5,500 linear feet of four (4) inch diameter gravity sewer line, 2,100 linear feet of six (6) inch diameter gravity sewer line, 11,800 linear feet of eight (8) diameter gravity sewer line, 4,800 linear feet of 10 inch diameter gravity sewer line, 65 manholes, five (5) cleanouts, two (2) lift stations, 6,000 linear feet of four (4) inch diameter force main, and all requisite appurtenances.

A wastewater treatment plant comprised of a bar screen, a comminutor, two (2) aeration chambers with a volume of 61,100 gallons each, two (2) clarifiers with a volume of 14,200 gallons each, a chlorine contact chamber with a volume of 5,500 gallons, dechlorination facilities, an aerated sludge holding tank with a volume of 13,500 gallons, four (4) sludge drying beds with a surface area of 600 square feet each, and all requisite appurtenances.

These facilities are to serve a population equivalent of approximately 1,200 persons in the Mason County Public Service District, Camp Conley area, and environs, and discharge treated wastewater to the Ohio River at Mile Point 260.3 through Outlet No. 001.

To acquire, construct, install, operate, and maintain a wastewater collection system extension comprised of approximately 6,100 linear feet of eight (8) inch diameter gravity sewer line, 140 linear feet of 15 inch diameter gravity sewer line, necessary manholes, one (1) lift station, 5,400 linear feet of four (4) inch diameter force main, and all requisite appurtenances. Further, to rehabilitate numerous portions of the existing wastewater collection system in order to reduce infiltration and inflow.

These facilities are to serve approximately 55 residential customers, the West Virginia Farm Museum, the Mason County Fairgrounds, and PTI along Wadsworth Avenue, State Route 12, in the Mason County Public Service

District and convey wastewater to the PSD's Camp Conley wastewater treatment plant for subsequent treatment and discharge to the Ohio River at Mile Point 260.3 through Outlet No. 001.

The Wadsworth Avenue, State Route 12, wastewater collection system extension project shall, also, be subject to the terms and conditions of the Bureau for Public Health, Office of Environmental Health Services, Permit No. 16,191, dated the 18th day of August 2004.

This permit is subject to the following terms and conditions :
The information submitted on, and with, Permit Application No. WV0086886, dated the 8th day of March 2007, additional information, dated the 1st day of May 2007, and additional information, dated the 2nd day of October 2007, are all hereby made terms and conditions of this Permit with like effect as if all such permit application information were set forth herein and with other conditions set forth in Sections A, B, C, D, and 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.

IC-2

(7/30/01)

GRANT AGREEMENT

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council") and the MASON COUNTY PUBLIC SERVICE DISTRICT (the "Governmental Agency").

RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed $500,000 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit A attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

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

TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

4. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit A.

5. The Governmental Agency shall comply with and is bound by the Council's rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.

6. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

7. The Governmental Agency shall list the Grant provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

8. This Grant Agreement shall be governed by the laws of the State of West Virginia.

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

MASON COUNTY PUBLIC SERVICE DISTRICT

By: Dorrel Kerby

Its: Chairman

Date: September 24, 2008

(SEAL)

Attest:

Mary L. Smith

Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By:

Its: Executive Director

Date: September 24, 2008

(SEAL)

Attest:

Barbara B Meadows

Its: Secretary-Treasurer

{C1401024.1}

Exhibit A

Project Description

The Project consists of the acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the Issuer, consisting of an extension of its Camp Conley sewer system to serve 60 new customers, together with all appurtenant facilities.

ACORD™ CERTIFICATE OF PROPERTY INSURANCE

DATE 07/08/08

PRODUCER

Mason County Insurance Agency, Inc.
1506 Jefferson Blvd.
Point Pleasant, WV 25550

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY A	Westchester Fire Insurance Company
COMPANY B	The Hartford Steam Boiler Inspection and Insurance Co.
COMPANY C	
COMPANY D	

INSURED

Mason County Public Service District
332 Viand Street
Point Pleasant, WV 25550

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	COVERED PROPERTY	LIMITS
A	X PROPERTY	2621	July 1, 2008	July 1, 2009	BUILDING	$
	CAUSES OF LOSS				PERSONAL PROPERTY	$
	BASIC				X BUSINESS INCOME	$ 12 Months
	BROAD				X EXTRA EXPENSE	$ 12 Months
	X SPECIAL Manuscript				BLANKET BUILDING	$
	EARTHQUAKE				BLANKET PERS PROP	$
	FLOOD				X BLANKET BLDG & PP	$
						$
						$
	INLAND MARINE		July 1, 2008	July 1, 2009		$
	TYPE OF POLICY					$
						$
	CAUSES OF LOSS					$
	NAMED PERILS					$
	OTHER					$
A	X CRIME	2621	July 1, 2008	July 1, 2009		$ 2,000,000.00
	TYPE OF POLICY					$
						$
B	X BOILER & MACHINERY	2621	July 1, 2008	July 1, 2009		$
						$ 1,000,000.00
	OTHER					

LOCATION OF PREMISES/DESCRIPTION OF PROPERTY

Subject to the provisions, conditions, and exclusions of the policies listed above. It is agreed that the certificate holder is additional insured.

SPECIAL CONDITIONS/OTHER COVERAGES

CERTIFICATE HOLDER

West Virginia Water Development Authority

Charleston, WV

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE Jerry W. Gladwell

© ACORD CORPORATION 1995

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY) 07/09/2008

Serial # A12035

PRODUCER
WV BOARD OF RISK & INSURANCE MGT.
90 MACCORKLE AVE. SW, SUITE 203
SOUTH CHARLESTON, WV 25303

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
MASON COUNTY PUBLIC SERVICE DISTRICT
332 VIAND STREET
POINT PLEASANT WV 25550

INSURERS AFFORDING COVERAGE

INSURER A:	NATIONAL UNION FIRE CO OF PITTSBURGH, PA
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE / OCCUR X WRONGFUL ACT X PROFESSIONAL GEN'L AGGREGATE LIMIT APPLIES PER: POLICY / PRO-JECT / LOC	L 2621	07/01/2008	07/01/2009	EACH OCCURRENCE FIRE DAMAGE (Any one fire) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 100,000 $ 0 $ INCLUDED $ N/A $ N/A
A	AUTOMOBILE LIABILITY ANY AUTO X ALL OWNED AUTOS X SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS	L 2621	07/01/2008	07/01/2009	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC / AGG	$ $ $
	EXCESS LIABILITY OCCUR / CLAIMS MADE DEDUCTIBLE RETENTION $				EACH OCCURRENCE AGGREGATE	$ $ $ $ $
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY STOPGAP*	L 2621	07/01/2008	07/01/2009	WC STATU-TORY LIMITS / OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
SUBJECT TO THE PROVISIONS, CONDITIONS, AND EXCLUSIONS OF THE POLICIES LSITED ABOVE, IT IS AGREED THAT THE CERTIFICATE HOLDER IS AN "ADDITIONAL INSURED".

CERTIFICATE HOLDER | ADDITIONAL INSURED; INSURER LETTER: ____

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY
180 ASSOCIATION DRIVE
CHARLESTON WV 25311 1571

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE Jerry W. Gladwell

© ACORD CORPORATION 1988

CLOSING MEMORANDUM

3.16

To: **David Nibert**
Jeff Brady
Barbara Meadows
Samme Gee

From: **Ryan White**

Date: **October 28, 2008**

Re: **Mason County Public Service District Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund)**

---

1. DISBURSEMENTS TO DISTRICT

Payor:	West Virginia Infrastructure Fund
Source:	Series 2008 A Bonds Proceeds
Amount:	$158,248
Date:	October 28, 2008
Form:	Wire Transfer
Payee:	Mason County Public Service District
Bank:	The Ohio Valley Bank Company
Account:	Series 2008 A Bonds Construction Trust Fund
Routing No.:	044204370
Account No.:	0541478

100424/00308

JACKSONKELLY
ATTORNEYS AT LAW PLLC

1600 LAIDLEY TOWER • P.O. BOX 553 • CHARLESTON, WEST VIRGINIA 25322 • TELEPHONE: 304-340-1000 • TELECOPIER: 304-340-1130
www.jacksonkelly.com

October 28, 2008

Mason County Public Service District
Point Pleasant, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Re: Mason County Public Service District Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund)

Ladies and Gentlemen:

We have served as bond counsel to Mason County Public Service District (the "Issuer") in connection with the issuance of its Sewer Revenue Bonds, Series 2008 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined certified copies of proceedings and other papers relating to the authorization of (i) a loan agreement for the Bonds, dated September 24, 2008, 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 (ii) the Bonds to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are issued in the principal amount of $500,000, in the form of one bond, registered to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2009, 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 Code of West Virginia, 1931, as amended

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(collectively, the "Act"), for the purposes of (i) paying the costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and a Bond Resolution duly adopted by the Issuer on September 18, 2008, as supplemented by a Supplemental Resolution duly adopted by the Issuer on September 18, 2008 (collectively, the "Resolution"), pursuant to and under which Act and Resolution the Bonds are authorized and issued, and the Loan Agreement is 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 Resolution and the Loan Agreement. 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.

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

1. The Issuer is a duly created and validly existing public service district and is a public corporation and a 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 Resolution 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 and is a valid and binding special obligation of the Issuer, enforceable in accordance with the terms thereof.

3. 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 and the Council or diminish the obligations of the Issuer without the written consent of the Authority and the Council.

4. The Issuer has legally and effectively adopted the Resolution and all other necessary resolutions in connection with the issuance and sale of the Bonds. The Resolution constitutes a valid and binding obligation of the Issuer, enforceable against

the Issuer in accordance with its terms thereof and contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. 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, on a parity with respect to liens, pledge and source of and security for payment with the Prior Bonds, all in accordance with the terms of the Bonds and the Resolution.

6. Under the Act, the Bonds and any interest thereon are exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

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

No opinion is given herein as to the effect upon the enforceability of the Bonds under any applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights or the exercise of judicial discretion or principles of equity 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,

Jackson Kelly PLLC

100424/00308

CASTO & CASTO, L.C.
214 Fourth St.
Pt. Pleasant, WV 25550

Phone 304 675-2050 *Facsimile 304 675-2003*
Carroll W. Casto (1925-1995) *Barry L. Casto*

October 28, 2008

Mason County Public Service District
Point Pleasant, WV

West Virginia Infrastructure and Jobs Development Council
Charleston, WV

West Virginia Water Development Authority
Charleston, WV

Jackson Kelly PLLC
Charleston, WV

Re: Mason County Public Service District Water Revenue Bonds
Series 2008 A (West Virginia Infrastructure Fund)

Ladies and Gentlemen:

I am counsel to Mason County Public Service District (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Jackson Kelly PLLC, as bond counsel, relating to the above-captioned bonds of the Issuer (the "Bonds"), a loan agreement for the Bonds dated September 24, 2008, 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"), a Bond Resolutions duly adopted by the Public Service Board of the Issuer (the "Board") on September 18, 2008, as supplemented by a Supplemental Resolution duly adopted on September 18, 2008, (collectively, the "Resolution"), orders of the County Commission of Mason County relating to the Issuer and the appointment of members of the Board, and other documents 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 Resolutions when used herein.

I am of the opinion that:

1. The Issuer is duly created and validly existing public service district and is a 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 and to Adopt the Resolution, all under the Act and other applicable provisions of law.

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

3. The Loan Agreement has been duly authorized, excuted, and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority, constitutes a valid and binding agreement of the Issuer, enforceable in accordance with its terms.

4. The Resolution has been duly adopted by the Board 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 Bonds, the Loan Agreement and the Resolution, and the carrying out of the terms therof, 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 resolution, agreement or other instrument to which the Issuer is a party 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, certificates, orders exemptions, registrations 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 permits, approvals, orders and certificates from the County Commission of Mason County, the West Virginia Department of Environmental Protection and the Council. The issuer has taken all actions required for the imposition of such rates and charges, including, without limitation the adoption of a resolutions prescribing such rates and charges.

7. To the best of my knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreement, the Bonds and the Resolution, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds, he collection of the Gross Revenues or the pledge of the Net Revenues for payment of 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 interest of the Issuer: (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act and the Resolution; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,

Casto & Casto, L.C.

CASTO & CASTO, L.C.
214 Fourth St.
Pt. Pleasant, WV 25550
Phone 304 675-2050
Facsimile 304 675-2003

Carroll W. Casto (1925-1995) *Barry L. Casto*

FINIAL TITLE OPINION

WATER/WASTEWATER PROJECT
INFRASTRUCTURE FUND FINANCING

October 28, 2008

Jefferson E. Brady, P. E., Executive Director
West Virginia Infrastructure and Jobs Development Council
300 Summers Street, Suite 980
Charleston, West Virginia 25301

Re: Mason County Public Service District}
Wadsworth Project

Dear Mr. Brady:

This firm represents the Mason County Public Service District with regard to a proposed project to construct the Wadsworth Sewer System (the "Project"), and provides this final title opinion on behalf of the Mason County Public Service District} to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council") with regard to the Infrastructure Fund financing proposed for the Project. Please be advised of the following:

1. That I am of the opinion that the Mason County Public Service District is a duly created and existing public service district possessed with all the powers and authority granted to public service districts under the laws of the State of West Virginia and has full power and authority to construct, operate and maintain the Project as approved by the West Virginia Bureau for Public Health, Office of Environmental Health Services, Environmental Engineering Division.

2. That the Mason County Public Service District has obtained approval for all necessary permits and approvals for the construction of the Project.

3. That I have investigated and ascertained the location of and am familiar with the legal description of the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Cerrone & Associates, the consulting engineers for the Project.

4. That I have examined the records on file in the Office of the Clerk of the County Commission of Mason County, West Virginia, the county in which the Project is to be located, and in my opinion, the Mason County Public Service District has acquired legal title or such other estate or interest in the necessary site components for the Project sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the facilities to be constructed, {except and subject to the following:

The following listed properties are being acquired by eminent domain and the necessary filings have been made {or will be made prior to closing} in the Office(s) of the Clerk of the County Commission of Mason County, West Virginia to permit the Mason County Public service district a right-of-entry for the purpose of construction, operation and maintenance of the subject facilities on the subject properties. The Mason County Public Service District's title thereto is defensible in the event the Mason County Public Service District does not satisfy any resulting judgment and/or award in the proceedings for acquisition of said properties, and our certification is subject to the pending litigation:}

{List property owners name, tax map number, parcel number}

5. That all deeds or other documents which have been acquired to date by the Mason County Public Service District have been duly recorded in the aforesaid Clerk's Office in order to protect the legal title to and interest of the Mason County Public Service District.

Sincerely,

cc: Samme L. Gee, Esquire

LAW OFFICE OF
JAMES V. KELSH
300 Summers St., Ste. 1230
P.O. Box 3713
Charleston, WV 25337-3713
kelshlaw@yahoo.com
WV State Bar #6617

Telephone
(304) 343-1654

Facsimile
(304) 343-1657

October 28, 2008

Mason County Public Service District
Point Pleasant, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Jackson Kelly PLLC
Charleston, West Virginia

Re: Mason County Public Service District Sewer Revenue Bonds,
Series 2008 A (West Virginia Infrastructure Fund)

Ladies and Gentlemen:

I am special counsel to Mason County Public Service District (the "Issuer") in connection with certain matters before the Public Service Commission of West Virginia (the "PSC"). As such counsel, I am of the opinion that the Issuer has received the Recommended Decision entered on February 1, 2008, and the PSC orders entered on April 4, 2008, and April 28, 2008, in Case No. 07-1655-PSD-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the rates for the System and the financing for the Project. The time for appeal of such orders has expired prior to the date hereof without any appeal having been filed. Such orders remain in full force and effect.

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

Very truly yours,

James V. Kelsh

James V. Kelsh

JVK/bg
wadsworth\bond issue\opinion of counsel