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February 24, 2006

MINGO COUNTY PUBLIC SERVICE DISTRICT

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

TO PERSONS ON THE ATTACHED DISTRIBUTION LIST:

Enclosed is your copy of the transcript of documentation for the above-referenced bond issue. Please briefly review this transcript before filing it and call me if you have any questions. It was a pleasure working with you on this issue.

My best regards.

Very truly yours,

A handwritten signature in black ink, appearing to read 'John C. Stump'. The signature is fluid and cursive.

John C. Stump

JCS/rmc
Enclosure
610170.99003

CH808319.1

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

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MINGO COUNTY PUBLIC SERVICE DISTRICT

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

DATE OF CLOSING: NOVEMBER 9, 2005

BONDS TRANSCRIPT

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MINGO COUNTY PUBLIC SERVICE DISTRICT

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

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MINGO COUNTY PUBLIC SERVICE DISTRICT

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

BOND RESOLUTION

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MINGO COUNTY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF MINGO COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$2,552,180 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF MINGO 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 West Virginia Code of 931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. Mingo 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 Mingo County of said State.

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments, improvements and extensions to the existing public sewerage facilities of the Issuer, consisting of the construction of collection systems and treatment plants to serve approximately 529 customers in the Chattaroy, Delorme, east Kermit and Shadee Woods areas of Mingo County, together with all appurtenant facilities (collectively, the "Project"), which constitute public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the existing public sewerage facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance 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"), which administers the West Virginia Infrastructure Fund pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), in the total aggregate principal amount of not more than \$2,552,180 (the "Series 2005 A Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2005 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2005 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2005 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2005 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2005 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), in form satisfactory to the respective parties (the "Loan Agreement"), approved hereby if not previously approved by resolution of the Issuer.

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

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest, if any, on the Series 2005 A Bonds, and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2005 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Project and the financing thereof by the Council and the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2005 A Bonds or such final order will not be subject to appeal.

J. The Project has been reviewed and determined to be technically and financially feasible by the Council as required under Chapter 31, Article 15A of the West Virginia Code of 931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2005 A Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2005 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds, and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2005 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the Council under the Act.

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

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

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

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

"Bonds" means the Series 2005 A Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2005 A Bonds for all or a portion of the proceeds of the Series 2005 A Bonds from the Authority.

"Code" means the Internal Revenue Code of 986, as amended, and the Regulations.

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

"Consulting Engineers" means Thrasher Engineering, Inc., Clarksburg, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System or portion thereof in accordance with Chapter 5G, Article 1 of the West Virginia Code of 931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

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

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

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

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

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

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

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

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

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

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

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

"Investment Property" means

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

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

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

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

"Issuer" means Mingo County Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Mingo 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, or to be entered, by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2005 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

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

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

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

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

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

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

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2005 A Bonds in the Supplemental Resolution.

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

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

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

(a) Government Obligations;

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

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

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

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

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

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

repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the West Virginia Code of 931, as amended; and

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

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

"Registrar" means the Bond Registrar.

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

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

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

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

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

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

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

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

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 2005 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2005 A Bonds, and not so included, may be included in another Supplemental Resolution.

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

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

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

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

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Chairman or the Secretary shall mean that such Bonds, certificates or other document may be executed by an Acting Chairman or Acting Secretary.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION
OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project

There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed \$4,098,000, 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 2005 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and has entered into or will enter into contracts for the acquisition and construction of the Project, in an amount compatible with the financing plan submitted to the Authority and the Council.

The cost of the Project is estimated at not to exceed \$4,098,000, of which \$2,552,180 will be obtained from proceeds of the Series 2005 A Bonds, \$506,020 will be obtained from a grant from the Army Corps of Engineers, and \$1,039,800 will be obtained from a grant from 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 2005 A Bonds, funding a reserve account for the Series 2005 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2005 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2005 A Bonds of the Issuer. The Series 2005 A Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund)," in the principal amount of not more than \$2,552,180, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2005 A Bonds remaining after funding of the Series 2005 A Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest on the Series 2005 A Bonds, if any, shall be deposited in or credited to the Series 2005 A Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2005 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2005 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2005 A Bonds, if any, shall be paid by check or draft of the Paying Agent, or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2005 A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2005 A Bonds. The Series 2005 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

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

Section 3.04. Authentication and Registration. No Series 2005 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bonds, substantially in the forms set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bonds shall be conclusive evidence that such Bonds have been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on the Series 2005 A Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2005 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2005 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

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

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

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

In all cases in which the privilege of exchanging Series 2005 A Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Series 2005 A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2005 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 2005 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2005 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2005 A Bonds shall be secured by a first lien on the Net Revenues derived from the System. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2005 A Bonds, and to

make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2005 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2005 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2005 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2005 A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2005 A Bonds.

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

(FORM OF SERIES 2005 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MINGO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2005 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$2,552,180

KNOW ALL MEN BY THESE PRESENTS: That on this the 9th day of November, 2005, MINGO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Mingo 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 TWO MILLION FIVE HUNDRED FIFTY-TWO THOUSAND ONE HUNDRED EIGHTY DOLLARS (\$2,552,180), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2007, 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 November 9, 2005.

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

"System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on November 8, 2005, and a Supplemental Resolution duly adopted by the Issuer on November 8, 2005 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

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

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2005 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2005 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided however, that so long as there exists in the Series 2005 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

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

IN WITNESS WHEREOF, MINGO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated as of the date written above.

[SEAL]

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 2005 A Bond described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: November 9, 2005.

THE HUNTINGTON NATIONAL BANK,
as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A
RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$356,193	November 9, 2005	(19) \$	
(2) \$		(20) \$	
(3) \$		(21) \$	
(4) \$		(22) \$	
(5) \$		(23) \$	
(6) \$		(24) \$	
(7) \$		(25) \$	
(8) \$		(26) \$	
(9) \$		(27) \$	
(10) \$		(28) \$	
(11) \$		(29) \$	
(12) \$		(30) \$	
(13) \$		(31) \$	
(14) \$		(32) \$	
(15) \$		(33) \$	
(16) \$		(34) \$	
(17) \$		(35) \$	
(18) \$		(36) \$	

TOTAL \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
12/01/2005	-	-	-
03/01/2006	-	-	-
06/01/2006	-	-	-
09/01/2006	-	-	-
12/01/2006	-	-	-
03/01/2007	-	-	-
06/01/2007	16,572.60	-	16,572.60
09/01/2007	16,572.60	-	16,572.60
12/01/2007	16,572.60	-	16,572.60
03/01/2008	16,572.60	-	16,572.60
06/01/2008	16,572.60	-	16,572.60
09/01/2008	16,572.60	-	16,572.60
12/01/2008	16,572.60	-	16,572.60
03/01/2009	16,572.60	-	16,572.60
06/01/2009	16,572.60	-	16,572.60
09/01/2009	16,572.60	-	16,572.60
12/01/2009	16,572.60	-	16,572.60
03/01/2010	16,572.60	-	16,572.60
06/01/2010	16,572.60	-	16,572.60
09/01/2010	16,572.60	-	16,572.60
12/01/2010	16,572.60	-	16,572.60
03/01/2011	16,572.60	-	16,572.60
06/01/2011	16,572.60	-	16,572.60
09/01/2011	16,572.60	-	16,572.60
12/01/2011	16,572.60	-	16,572.60
03/01/2012	16,572.60	-	16,572.60
06/01/2012	16,572.60	-	16,572.60
09/01/2012	16,572.60	-	16,572.60
12/01/2012	16,572.60	-	16,572.60
03/01/2013	16,572.60	-	16,572.60
06/01/2013	16,572.60	-	16,572.60
09/01/2013	16,572.60	-	16,572.60
12/01/2013	16,572.60	-	16,572.60
03/01/2014	16,572.60	-	16,572.60
06/01/2014	16,572.60	-	16,572.60
09/01/2014	16,572.60	-	16,572.60
12/01/2014	16,572.60	-	16,572.60
03/01/2015	16,572.60	-	16,572.60
06/01/2015	16,572.60	-	16,572.60
09/01/2015	16,572.60	-	16,572.60
12/01/2015	16,572.60	-	16,572.60
03/01/2016	16,572.60	-	16,572.60
06/01/2016	16,572.60	-	16,572.60
09/01/2016	16,572.60	-	16,572.60

Date	Principal	Coupon	Total P+I
12/01/2016	16,572.60	-	16,572.60
03/01/2017	16,572.60	-	16,572.60
06/01/2017	16,572.60	-	16,572.60
09/01/2017	16,572.60	-	16,572.60
12/01/2017	16,572.60	-	16,572.60
03/01/2018	16,572.60	-	16,572.60
06/01/2018	16,572.60	-	16,572.60
09/01/2018	16,572.60	-	16,572.60
12/01/2018	16,572.60	-	16,572.60
03/01/2019	16,572.60	-	16,572.60
06/01/2019	16,572.60	-	16,572.60
09/01/2019	16,572.60	-	16,572.60
12/01/2019	16,572.60	-	16,572.60
03/01/2020	16,572.60	-	16,572.60
06/01/2020	16,572.60	-	16,572.60
09/01/2020	16,572.60	-	16,572.60
12/01/2020	16,572.60	-	16,572.60
03/01/2021	16,572.60	-	16,572.60
06/01/2021	16,572.60	-	16,572.60
09/01/2021	16,572.60	-	16,572.60
12/01/2021	16,572.60	-	16,572.60
03/01/2022	16,572.60	-	16,572.60
06/01/2022	16,572.60	-	16,572.60
09/01/2022	16,572.60	-	16,572.60
12/01/2022	16,572.60	-	16,572.60
03/01/2023	16,572.60	-	16,572.60
06/01/2023	16,572.60	-	16,572.60
09/01/2023	16,572.60	-	16,572.60
12/01/2023	16,572.60	-	16,572.60
03/01/2024	16,572.60	-	16,572.60
06/01/2024	16,572.60	-	16,572.60
09/01/2024	16,572.60	-	16,572.60
12/01/2024	16,572.60	-	16,572.60
03/01/2025	16,572.60	-	16,572.60
06/01/2025	16,572.60	-	16,572.60
09/01/2025	16,572.60	-	16,572.60
12/01/2025	16,572.60	-	16,572.60
03/01/2026	16,572.60	-	16,572.60
06/01/2026	16,572.60	-	16,572.60
09/01/2026	16,572.60	-	16,572.60
12/01/2026	16,572.60	-	16,572.60
03/01/2027	16,572.60	-	16,572.60
06/01/2027	16,572.60	-	16,572.60
09/01/2027	16,572.60	-	16,572.60

Date	Principal	Coupon	Total P+I
12/01/2027	16,572.60	-	16,572.60
03/01/2028	16,572.60	-	16,572.60
06/01/2028	16,572.60	-	16,572.60
09/01/2028	16,572.60	-	16,572.60
12/01/2028	16,572.60	-	16,572.60
03/01/2029	16,572.60	-	16,572.60
06/01/2029	16,572.60	-	16,572.60
09/01/2029	16,572.60	-	16,572.60
12/01/2029	16,572.60	-	16,572.60
03/01/2030	16,572.60	-	16,572.60
06/01/2030	16,572.60	-	16,572.60
09/01/2030	16,572.60	-	16,572.60
12/01/2030	16,572.60	-	16,572.60
03/01/2031	16,572.60	-	16,572.60
06/01/2031	16,572.60	-	16,572.60
09/01/2031	16,572.60	-	16,572.60
12/01/2031	16,572.60	-	16,572.60
03/01/2032	16,572.60	-	16,572.60
06/01/2032	16,572.60	-	16,572.60
09/01/2032	16,572.60	-	16,572.60
12/01/2032	16,572.60	-	16,572.60
03/01/2033	16,572.60	-	16,572.60
06/01/2033	16,572.60	-	16,572.60
09/01/2033	16,572.60	-	16,572.60
12/01/2033	16,572.60	-	16,572.60
03/01/2034	16,572.60	-	16,572.60
06/01/2034	16,572.60	-	16,572.60
09/01/2034	16,572.60	-	16,572.60
12/01/2034	16,572.60	-	16,572.60
03/01/2035	16,572.60	-	16,572.60
06/01/2035	16,572.60	-	16,572.60
09/01/2035	16,572.60	-	16,572.60
12/01/2035	16,572.59	-	16,572.59
03/01/2036	16,572.59	-	16,572.59
06/01/2036	16,572.59	-	16,572.59
09/01/2036	16,572.59	-	16,572.59
12/01/2036	16,572.59	-	16,572.59
03/01/2037	16,572.59	-	16,572.59
06/01/2037	16,572.59	-	16,572.59
09/01/2037	16,572.59	-	16,572.59
12/01/2037	16,572.59	-	16,572.59
03/01/2038	16,572.59	-	16,572.59
06/01/2038	16,572.59	-	16,572.59
09/01/2038	16,572.59	-	16,572.59

Date	Principal	Coupon	Total P+I
12/01/2038	16,572.59	-	16,572.59
03/01/2039	16,572.59	-	16,572.59
06/01/2039	16,572.59	-	16,572.59
09/01/2039	16,572.59	-	16,572.59
12/01/2039	16,572.59	-	16,572.59
03/01/2040	16,572.59	-	16,572.59
06/01/2040	16,572.59	-	16,572.59
09/01/2040	16,572.59	-	16,572.59
12/01/2040	16,572.59	-	16,572.59
03/01/2041	16,572.59	-	16,572.59
06/01/2041	16,572.59	-	16,572.59
09/01/2041	16,572.59	-	16,572.59
12/01/2041	16,572.59	-	16,572.59
03/01/2042	16,572.59	-	16,572.59
06/01/2042	16,572.59	-	16,572.59
09/01/2042	16,572.59	-	16,572.59
12/01/2042	16,572.59	-	16,572.59
03/01/2043	16,572.59	-	16,572.59
06/01/2043	16,572.59	-	16,572.59
09/01/2043	16,572.59	-	16,572.59
12/01/2043	16,572.59	-	16,572.59
03/01/2044	16,572.59	-	16,572.59
06/01/2044	16,572.59	-	16,572.59
09/01/2044	16,572.59	-	16,572.59
12/01/2044	16,572.59	-	16,572.59
03/01/2045	16,572.59	-	16,572.59
06/01/2045	16,572.59	-	16,572.59
09/01/2045	16,572.59	-	16,572.59
Total	\$2,552,180.00	-	\$2,552,180.00

ASSIGNMENT

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

Dated: _____, _____.

In the presence of:

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

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

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

The following special funds or accounts are hereby created with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund;
- (3) Series 2005 A Bonds Construction Trust Fund

Section 5.02. Establishment of Funds and Accounts with Commission.

The following special funds or accounts are hereby created with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

- (1) Series 2005 A Bonds Sinking Fund; and
- (2) Series 2005 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds .

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

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

quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2005 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

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

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

Monies in the Series 2005 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2005 A Bonds, as the same shall become due. Monies in the Series 2005 A Bonds Reserve Account shall, be used only for

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

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

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

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

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

The Commission is hereby designated as the fiscal agent for the administration of the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

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

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

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2005 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

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

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

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

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

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

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

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the Series 2005 A Bonds Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2005 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2005 A Bonds, there shall first be deposited with the Commission in the Series 2005 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2005 A Bonds for the period commencing on the date of issuance of the Series 2005 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

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

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2005 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2005 A Bonds Construction Trust Fund and applied solely to payment of the costs of the acquisition and construction of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2005 A Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2005 A Bonds shall be applied as directed by the Council.

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

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

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

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

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

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

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2005 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2005 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2005 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2005 A Bond shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2005 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2005 A Bonds shall be secured by a first lien on the Net Revenues derived from the System. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 2005 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in and approved by the Final Order of the Public Service Commission of West Virginia entered on November 4, 2005 in case number 04-0807-PSD-CN-PC, and such rates are hereby adopted.

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

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

Section 7.05. Sale of the System. So long as the Series 2005 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2005 A Bonds, immediately be remitted to the Commission for deposit in the Series 2005 A Bonds Sinking Fund, and, with the written permission of the Authority and the Council, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2005 A Bonds. Any balance remaining after the payment of the Series 2005 A Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine upon consultation with a professional engineer that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amount required to be paid into such account by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for

execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2005 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2005 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, and source of and security for payment from such revenues and in all other respects, to the Series 2005 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2005 A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2005 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2005 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the Council and without complying with the conditions and requirements herein provided.

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

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

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within

the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

- (1) The Bonds then Outstanding;
- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and
- (3) The Parity Bonds then proposed to be issued.

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

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

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 2005 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank

prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2005 A Bonds.

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

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

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

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

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

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

- (A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.
- (B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation, and the status of all said funds and accounts.
- (C) The amount of any Bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2005 A Bonds, and shall submit said report to the Council and the Authority, or any other original purchaser of the Series 2005 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

Section 7.09. Rates. Prior to the issuance of the Series 2005 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be established

all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2005 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2005 A Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Series 2005 A Bonds Reserve Account and the reserve accounts for obligations on a parity with the Series 2005 A Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2005 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2005 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report . The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall within 30 days of adoption thereof mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the Council and to any Holder of any Bonds, who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the Council and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

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

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

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

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

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges,

if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either the water system or the System until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the waterworks facilities are not owned by the Issuer, the Issuer shall use diligent efforts to enter into a termination agreement with the provider of such water services, subject to any required approval of such agreements by the Public Service Commission of West Virginia.

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer, and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2005 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to

the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

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

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

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

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

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

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

insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear. The Issuer shall verify such insurance prior to commencement of construction.

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

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

Section 7.17. Completion and Operation of Project; Permits and Orders. The Issuer shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and State requirements and standards. The Issuer shall take all steps to properly operate and maintain the System and make the necessary replacements due to normal wear and tear so long as the Series 2005 A Bonds are outstanding.

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2005 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2005 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2005 A Bonds during the term thereof is, under the terms of the Series 2005 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed monies used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2005 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2005 A Bonds during the term thereof is, under the terms of the Series 2005 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed monies used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2005 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2005 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% or \$5,000,000 of the Net Proceeds of the Series 2005 A Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2005 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

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

E. FURTHER ACTIONS. The Issuer shall take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest, if any, on the Series 2005 A Bonds will be and remain excludable from gross income for federal income tax purposes, and shall not take any actions or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2005 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, and shall take effect immediately upon delivery of the Series 2005 A Bonds.

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

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

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

Section 7.22. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2005 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council for written approval. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2005 A Bonds held in "contingency" as set forth in the schedule attached to the Certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2005 A Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENT OF FUNDS; USE OF PROCEEDS

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank, may make any and all investments permitted by this section through its own investment or trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2005 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 2005 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to the Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2005 A Bonds as a condition to issuance of the Series 2005 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2005 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2005 A Bonds which would cause any bonds, the interest on which is exempt from

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

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

ARTICLE IX

DEFAULT AND REMEDIES

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

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

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2005 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2005 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, or Paying Agent, or any other Paying Agent or a Holder of a Bond; or

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 2005 A Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2005 A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2005 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2005 A Bonds, or the rights of such Registered Owners.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Series 2005 A Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the

application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

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

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2005 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2005 A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2005 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2005 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 2005 A Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 2005 A Bonds.

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

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

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be

taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 8th day of November, 2005.



Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board
of MINGO COUNTY PUBLIC SERVICE DISTRICT on the 8th day of November, 2005.

Dated: November 9, 2005.

[SEAL]


Secretary

10/20/05
610710.99003

EXHIBIT A

Loan Agreement included in bond transcript as Document 3.

MINGO COUNTY PUBLIC SERVICE DISTRICT

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

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF MINGO COUNTY PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO THE BONDS; AUTHORIZING AND APPROVING THE SALE OF THE BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Mingo County Public Service District (the "Issuer") has duly and officially adopted a bond resolution on November 8, 2005, (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF MINGO COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$2,552,180 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND

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

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

WHEREAS, the Bond Resolution provides for the issuance of Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the Issuer (the "Bonds" or "Series 2005 A Bonds"), in the principal amount not to exceed \$2,552,180, and has authorized the execution and delivery of the loan agreement relating to the Series 2005 A Bonds (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 931, as amended (collectively, the "Act"); and in the Bond Resolution it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale prices and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

WHEREAS, the Series 2005 A Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF MINGO COUNTY PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$2,552,180. The Series 2005 A Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2045, and shall bear no interest. The principal of the Series 2005 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2007, and maturing September 1, 2045, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2005 A Bonds. The Series 2005 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2005 A Bonds.

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

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

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2005 A Bonds under the Bond Resolution and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2005 A Bonds under the Bond Resolution.

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

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

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

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

Section 10. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Series 2005 A Bonds may be delivered on or about November 9, 2005, to the Authority pursuant to the Loan Agreement.

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

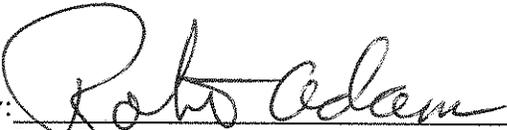
Section 12. The Issuer hereby determines that it is in the best interest of the Issuer to invest all monies in the funds and accounts established by the Bond Resolution held by the Depository Bank until expended, subject to any limitation of the Purchaser with respect of the proceeds of the Bonds, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Monies in the Series 2005 A Bonds Sinking Fund and the Series 2005 A Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

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

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

Adopted this 8th day of November, 2005.

MINGO COUNTY PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

CERTIFICATION

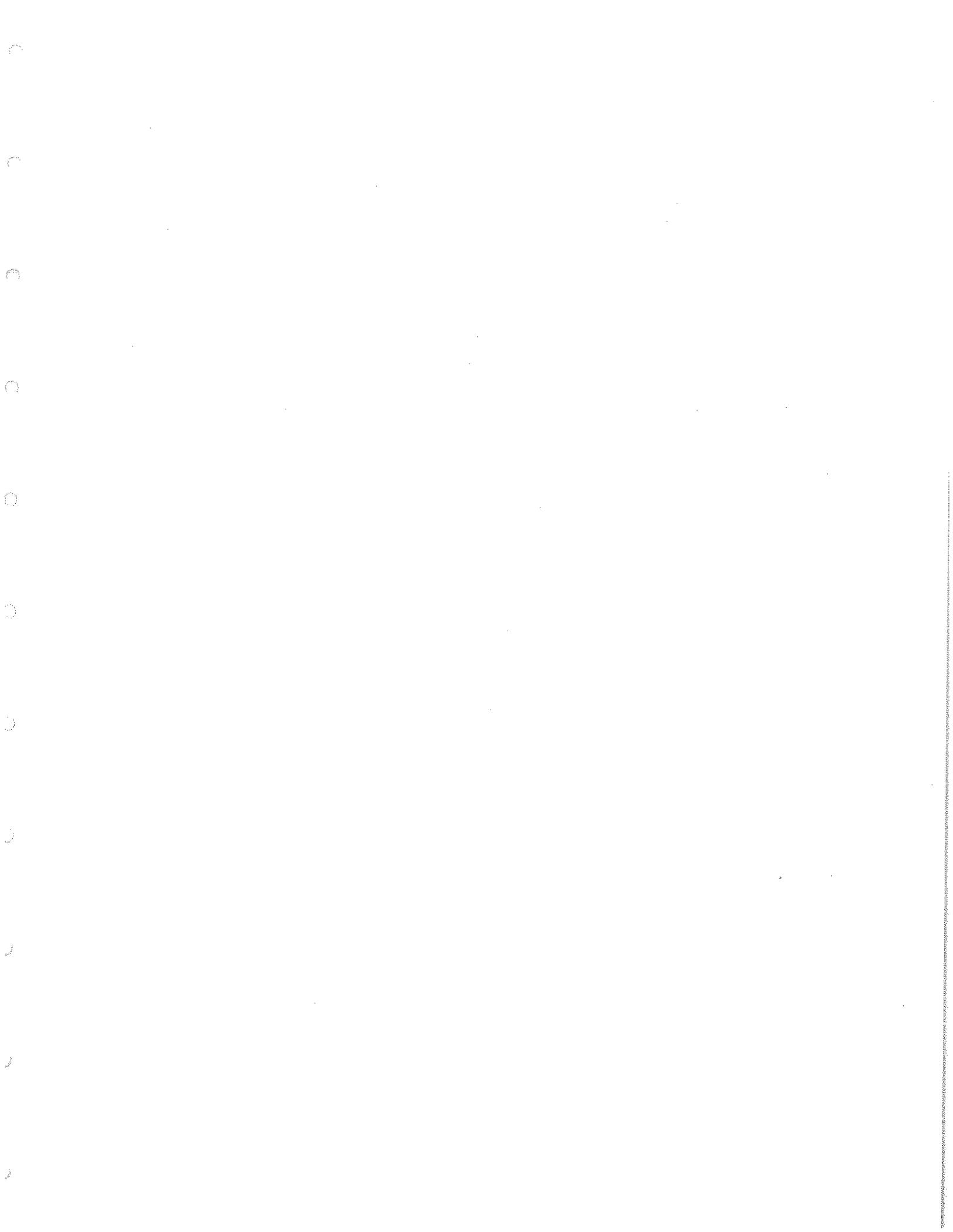
Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Mingo County Public Service District on this 8th day of November, 2005.

Dated: November 9, 2005.

[SEAL]


Secretary

10/20/05
610170.99003



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").

MINGO 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 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.

MINGO COUNTY PUBLIC SERVICE DISTRICT

(SEAL)

By: Robert Adams

Its: Chairperson

Date: 11/8/05

Attest:

AB Hill
Its: Secretary

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By: Janice B. Byrnes

Its: Director

Date: November 9, 2005

Attest:

Barbara B. Meadows
Its: Secretary-Treasurer

10/26/05

017542/00301

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

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

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

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

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

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

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

[SEAL]

By: _____
West Virginia License No. _____

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

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

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

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

Ladies and Gentlemen:

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

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

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

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly adopted or enacted by the Governmental Agency on _____, as supplemented by the supplemental resolution duly adopted by the

Governmental Agency on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

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

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

 Name of Person Completing Form

 Address

 Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest \$ _____

Principal \$ _____

Total: \$ _____

Reserve Account: \$ _____

Witness my signature this ___ day of _____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$2,552,180
Purchase Price of Local Bonds \$2,552,180

The Local Bonds shall bear no interest. Commencing June 1, 2007, principal of the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

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

None.

SCHEDULE Y

\$2,552,180

Mingo County Public Service District

40 Years, 0% Interest Rate

Closing Date: November 9, 2005

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Total P+I
12/01/2005	-	-	-
03/01/2006	-	-	-
06/01/2006	-	-	-
09/01/2006	-	-	-
12/01/2006	-	-	-
03/01/2007	-	-	-
06/01/2007	16,572.60	-	16,572.60
09/01/2007	16,572.60	-	16,572.60
12/01/2007	16,572.60	-	16,572.60
03/01/2008	16,572.60	-	16,572.60
06/01/2008	16,572.60	-	16,572.60
09/01/2008	16,572.60	-	16,572.60
12/01/2008	16,572.60	-	16,572.60
03/01/2009	16,572.60	-	16,572.60
06/01/2009	16,572.60	-	16,572.60
09/01/2009	16,572.60	-	16,572.60
12/01/2009	16,572.60	-	16,572.60
03/01/2010	16,572.60	-	16,572.60
06/01/2010	16,572.60	-	16,572.60
09/01/2010	16,572.60	-	16,572.60
12/01/2010	16,572.60	-	16,572.60
03/01/2011	16,572.60	-	16,572.60
06/01/2011	16,572.60	-	16,572.60
09/01/2011	16,572.60	-	16,572.60
12/01/2011	16,572.60	-	16,572.60
03/01/2012	16,572.60	-	16,572.60
06/01/2012	16,572.60	-	16,572.60
09/01/2012	16,572.60	-	16,572.60
12/01/2012	16,572.60	-	16,572.60
03/01/2013	16,572.60	-	16,572.60
06/01/2013	16,572.60	-	16,572.60
09/01/2013	16,572.60	-	16,572.60
12/01/2013	16,572.60	-	16,572.60
03/01/2014	16,572.60	-	16,572.60
06/01/2014	16,572.60	-	16,572.60
09/01/2014	16,572.60	-	16,572.60
12/01/2014	16,572.60	-	16,572.60
03/01/2015	16,572.60	-	16,572.60
06/01/2015	16,572.60	-	16,572.60
09/01/2015	16,572.60	-	16,572.60
12/01/2015	16,572.60	-	16,572.60
03/01/2016	16,572.60	-	16,572.60
06/01/2016	16,572.60	-	16,572.60
09/01/2016	16,572.60	-	16,572.60

\$2,552,180

Mingo County Public Service District

40 Years, 0% Interest Rate

Closing Date: November 9, 2005

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Total P+I
12/01/2016	16,572.60	-	16,572.60
03/01/2017	16,572.60	-	16,572.60
06/01/2017	16,572.60	-	16,572.60
09/01/2017	16,572.60	-	16,572.60
12/01/2017	16,572.60	-	16,572.60
03/01/2018	16,572.60	-	16,572.60
06/01/2018	16,572.60	-	16,572.60
09/01/2018	16,572.60	-	16,572.60
12/01/2018	16,572.60	-	16,572.60
03/01/2019	16,572.60	-	16,572.60
06/01/2019	16,572.60	-	16,572.60
09/01/2019	16,572.60	-	16,572.60
12/01/2019	16,572.60	-	16,572.60
03/01/2020	16,572.60	-	16,572.60
06/01/2020	16,572.60	-	16,572.60
09/01/2020	16,572.60	-	16,572.60
12/01/2020	16,572.60	-	16,572.60
03/01/2021	16,572.60	-	16,572.60
06/01/2021	16,572.60	-	16,572.60
09/01/2021	16,572.60	-	16,572.60
12/01/2021	16,572.60	-	16,572.60
03/01/2022	16,572.60	-	16,572.60
06/01/2022	16,572.60	-	16,572.60
09/01/2022	16,572.60	-	16,572.60
12/01/2022	16,572.60	-	16,572.60
03/01/2023	16,572.60	-	16,572.60
06/01/2023	16,572.60	-	16,572.60
09/01/2023	16,572.60	-	16,572.60
12/01/2023	16,572.60	-	16,572.60
03/01/2024	16,572.60	-	16,572.60
06/01/2024	16,572.60	-	16,572.60
09/01/2024	16,572.60	-	16,572.60
12/01/2024	16,572.60	-	16,572.60
03/01/2025	16,572.60	-	16,572.60
06/01/2025	16,572.60	-	16,572.60
09/01/2025	16,572.60	-	16,572.60
12/01/2025	16,572.60	-	16,572.60
03/01/2026	16,572.60	-	16,572.60
06/01/2026	16,572.60	-	16,572.60
09/01/2026	16,572.60	-	16,572.60
12/01/2026	16,572.60	-	16,572.60
03/01/2027	16,572.60	-	16,572.60
06/01/2027	16,572.60	-	16,572.60
09/01/2027	16,572.60	-	16,572.60

\$2,552,180

Mingo County Public Service District

40 Years, 0% Interest Rate

Closing Date: November 9, 2005

Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Total P+I
12/01/2027	16,572.60	-	16,572.60
03/01/2028	16,572.60	-	16,572.60
06/01/2028	16,572.60	-	16,572.60
09/01/2028	16,572.60	-	16,572.60
12/01/2028	16,572.60	-	16,572.60
03/01/2029	16,572.60	-	16,572.60
06/01/2029	16,572.60	-	16,572.60
09/01/2029	16,572.60	-	16,572.60
12/01/2029	16,572.60	-	16,572.60
03/01/2030	16,572.60	-	16,572.60
06/01/2030	16,572.60	-	16,572.60
09/01/2030	16,572.60	-	16,572.60
12/01/2030	16,572.60	-	16,572.60
03/01/2031	16,572.60	-	16,572.60
06/01/2031	16,572.60	-	16,572.60
09/01/2031	16,572.60	-	16,572.60
12/01/2031	16,572.60	-	16,572.60
03/01/2032	16,572.60	-	16,572.60
06/01/2032	16,572.60	-	16,572.60
09/01/2032	16,572.60	-	16,572.60
12/01/2032	16,572.60	-	16,572.60
03/01/2033	16,572.60	-	16,572.60
06/01/2033	16,572.60	-	16,572.60
09/01/2033	16,572.60	-	16,572.60
12/01/2033	16,572.60	-	16,572.60
03/01/2034	16,572.60	-	16,572.60
06/01/2034	16,572.60	-	16,572.60
09/01/2034	16,572.60	-	16,572.60
12/01/2034	16,572.60	-	16,572.60
03/01/2035	16,572.60	-	16,572.60
06/01/2035	16,572.60	-	16,572.60
09/01/2035	16,572.60	-	16,572.60
12/01/2035	16,572.59	-	16,572.59
03/01/2036	16,572.59	-	16,572.59
06/01/2036	16,572.59	-	16,572.59
09/01/2036	16,572.59	-	16,572.59
12/01/2036	16,572.59	-	16,572.59
03/01/2037	16,572.59	-	16,572.59
06/01/2037	16,572.59	-	16,572.59
09/01/2037	16,572.59	-	16,572.59
12/01/2037	16,572.59	-	16,572.59
03/01/2038	16,572.59	-	16,572.59
06/01/2038	16,572.59	-	16,572.59
09/01/2038	16,572.59	-	16,572.59

\$2,552,180

Mingo County Public Service District

40 Years, 0% Interest Rate

Closing Date: November 9, 2005

Debt Service Schedule

Part 4 of 4

Date	Principal	Coupon	Total P+I
12/01/2038	16,572.59	-	16,572.59
03/01/2039	16,572.59	-	16,572.59
06/01/2039	16,572.59	-	16,572.59
09/01/2039	16,572.59	-	16,572.59
12/01/2039	16,572.59	-	16,572.59
03/01/2040	16,572.59	-	16,572.59
06/01/2040	16,572.59	-	16,572.59
09/01/2040	16,572.59	-	16,572.59
12/01/2040	16,572.59	-	16,572.59
03/01/2041	16,572.59	-	16,572.59
06/01/2041	16,572.59	-	16,572.59
09/01/2041	16,572.59	-	16,572.59
12/01/2041	16,572.59	-	16,572.59
03/01/2042	16,572.59	-	16,572.59
06/01/2042	16,572.59	-	16,572.59
09/01/2042	16,572.59	-	16,572.59
12/01/2042	16,572.59	-	16,572.59
03/01/2043	16,572.59	-	16,572.59
06/01/2043	16,572.59	-	16,572.59
09/01/2043	16,572.59	-	16,572.59
12/01/2043	16,572.59	-	16,572.59
03/01/2044	16,572.59	-	16,572.59
06/01/2044	16,572.59	-	16,572.59
09/01/2044	16,572.59	-	16,572.59
12/01/2044	16,572.59	-	16,572.59
03/01/2045	16,572.59	-	16,572.59
06/01/2045	16,572.59	-	16,572.59
09/01/2045	16,572.59	-	16,572.59
Total	\$2,552,180.00	-	\$2,552,180.00

Yield Statistics

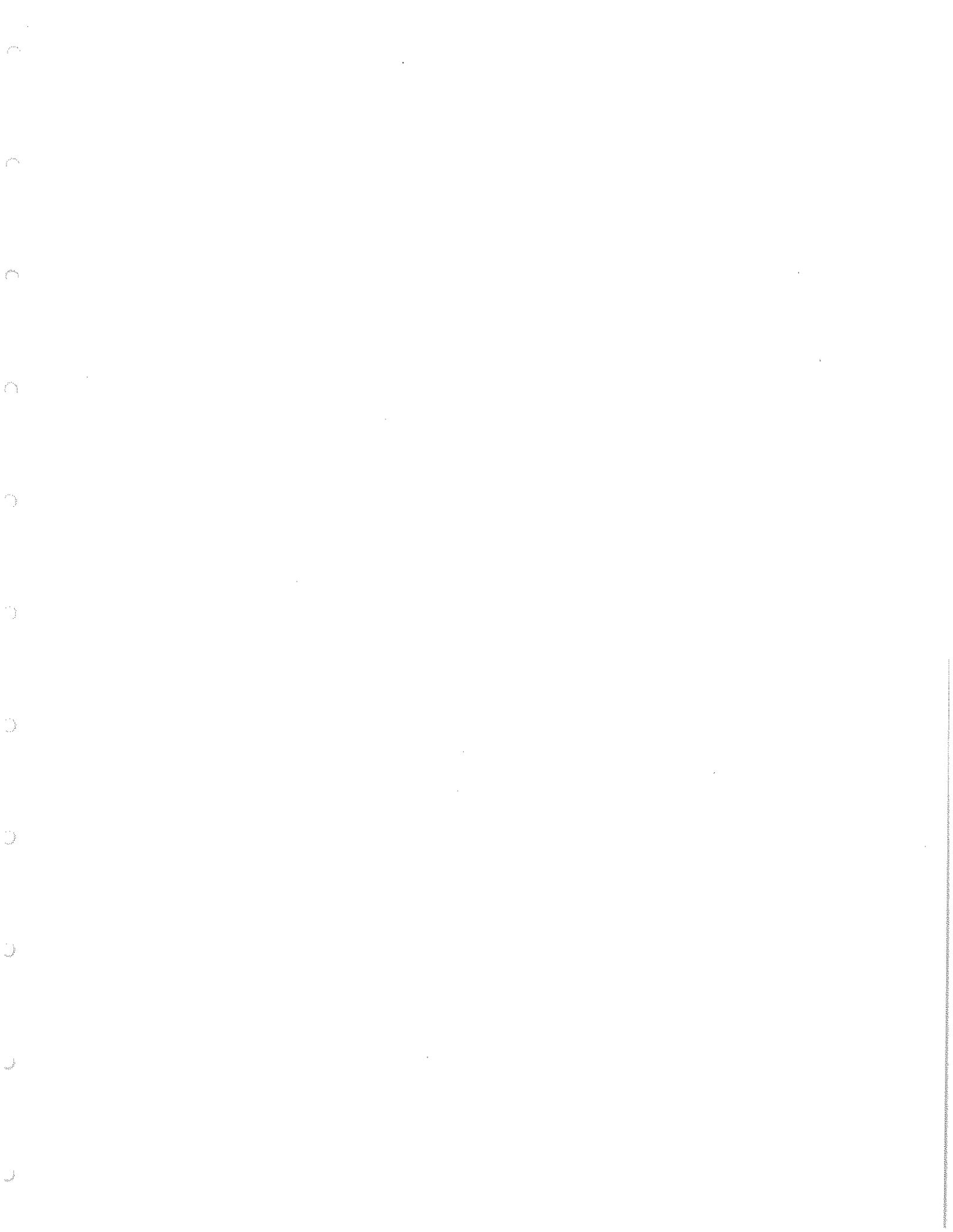
Bond Year Dollars	\$52,794.67
Average Life	20.686 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	8.29E-11
Bond Yield for Arbitrage Purposes	8.29E-11
All Inclusive Cost (AIC)	8.29E-11

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	20.686 Years

SCHEDULE Z

None.



ENTERED

Order Book 05-P

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

040807alj041805.wpd

ORIGINAL

Issued: April 18, 2005

FINAL
5-8-05

CASE NO. 04-0807-PSD-CN-PC

MINGO COUNTY PUBLIC SERVICE DISTRICT

Application for a certificate of convenience and necessity for the construction, operation and maintenance of a wastewater collection system and petition for approval of a wastewater treatment agreement between the District and Mountain Water District and between the District and the City of Williamson.

RECOMMENDED DECISION

On May 26, 2004, Mingo County Public Service District ("District"), by counsel James V. Kelsh, filed with the Public Service Commission ("Commission") an application for a certificate of convenience and necessity to construct collection systems and treatment plants to serve approximately 529 customers in the Chattaroy, Delorme, East Kermit and Shadee Woods areas of Mingo County. The District requested that its sewer rates be increased. The District further requested approval of an agreement between it and Mountain Water District ("Mountain Water"), a Kentucky utility, for Mountain Water to treat the wastewater generated by the Delorme area, and approval of a bulk rate of \$2.50 per 1,000 gallons for it to pay the City of Williamson ("Williamson") for Williamson to treat the wastewater generated by the Chattaroy area; Williamson has no bulk rate in its tariff. Numerous supporting documents were filed, including the following: an unexecuted agreement between the District and Mountain Water for Mountain Water to treat the District's wastewater at the rates of \$3.58 per thousand gallons up to 5,500,000 gallons annually and \$4.01 per thousand gallons in excess of 5,500,000 gallons; a letter from the Williamson Utility Board, offering to the District the treatment rate of \$2.50 per thousand gallons; and permits from the West Virginia Division of Highways, the Office of Environmental Health Services (No. 15,581, issued April 15, 2003), and the West Virginia Division of Culture and History.

On May 27, 2004, the Commission ordered the District to publish a Notice of Filing. By cover letter to the Order, the Executive Secretary of the Commission explained that Rule 10.3.d. of

Mingo

the Commission's Rules of Practice and Procedure ("Procedural Rules") requires that, whenever a utility seeks a rate increase in a certificate application, it must further provide individual notice to its customers.

On July 6, 2004, Staff Attorney Ronald E. Robertson, Jr., filed an Initial Joint Staff Memorandum, with an attached memorandum from Jefferson E. Brady, of the Engineering Division, and Karen L. Buckley, of the Water and Wastewater Division, itemizing information needed from the District for their review of this matter. The discovery requests Staff was serving on the District were also filed.

On July 14, 2004, the Commission, by Order, referred this matter to the Division of Administrative Law Judges ("ALJ Division") for decision on or before December 22, 2004.

On July 26 and August 4, 2004, the District, by counsel, filed its responses to Staff's discovery requests. Also on August 4, 2004, the District, by counsel, filed a letter explaining the following: Shortly after the District filed its application, Staff informed the District that it could not switch from a four-block tariff to a three-block tariff, as it had proposed in its original Rule 42 Exhibit. The District therefore did not publish the Notice of Filing of May 27, 2004, and filed a revised Rule 42 Exhibit. Accordingly, it was requesting an order to publish an attached Notice of Filing, which it had prepared and which reflected the revised Rule 42 Exhibit rates. On August 16, 2004, the District, by counsel, filed a renewal of its request.

On August 18, 2004, the undersigned issued a Procedural Order requiring the District to cause the Notice of Filing filed with the Commission to be published in Mingo County and that the District otherwise comply with the notice requirements of Procedural Rule 10.3.d. Commission Staff was ordered to file its final memorandum no later than August 23, 2004, as required by Commission policy.

On August 19, 2004, Mr. Robertson filed a motion for a thirty-day extension of the deadline for Staff to file its final memorandum. Attached was a memorandum from Mr. Brady and Ms. Buckley stating that the recent receipt of the District's responses to Staff's discovery requests necessitated an extension.

On August 20, 2004, the undersigned issued a Procedural Order granting the request; Staff was ordered to file its final memorandum no later than September 22, 2004.

On September 23, 2004, Mr. Robertson filed a Final Joint Staff Memorandum, with an attached memorandum from Ms. Buckley and Mr. Brady, who related that Technical Staff had raised concerns regarding the District's estimated operation and maintenance costs and that the District, though its consulting engineer, had not responded to those concerns. Also, the Rule 42 exhibit filed by the District demonstrated that the proposed rates were insufficient to cover the debt that would

result from the project. A revised exhibit had been requested but had not been submitted. Staff, accordingly, recommended that the application be dismissed.

On October 4, 2004, the District, by counsel, filed a revised Rule 42 exhibit, and stated that it would request tolling of the statutory period and extension of the ALJ decision due date.

On October 19, 2004, Supervising Attorney Caryn Watson Short filed a letter stating that a 120-day tolling period would be necessary; that Staff would need until January 22, 2005, to file its report; and that a ninety-day extension would be needed for the ALJ to issue her decision.

On October 27, 2004, the District, by counsel, filed motions requesting the tolling and extension period for the ALJ decision due date suggested by Staff.

On November 8, 2004, the Commission granted the motions, tolling the statutory period to June 22, 2005, and extending the ALJ decision due date until April 22, 2005.

On November 10, 2004, the undersigned issued a Procedural Order, which ordered that the District revise the proposed Notice of Filing filed with the Commission on August 4, 2004, to reflect the revised proposed rates provided in the Rule 42 Exhibit filed October 4, 2004, and that the District otherwise comply with Procedural Rule 10.3.d. Staff was ordered to file its final memorandum in this matter no later than January 22, 2005.

On November 29, 2004, the District, by counsel, filed an affidavit establishing publication of a revised Notice of Filing on November 23, 2004, in The Logan Banner.

On January 28, 2005, Mr. Robertson filed a Second Further Joint Staff Memorandum, with an attached memorandum from Ms. Buckley and Mr. Brady, requesting an extension of the deadline for filing Staff's final memorandum until February 3, 2005, on the grounds that the District had filed its 2004 Annual Report on January 11, 2005, and Staff had encountered problems with the Rule 42 Exhibit filed October 4, 2004.

On January 31, 2005, the undersigned issued a Procedural Order granting Staff's request; Staff was accordingly ordered to file its final memorandum no later than February 3, 2005. The District was reminded that the notice requirements of Procedural Rule 10.3.d had not been fulfilled.

On February 16, 2005, Mr. Robertson filed the Final Joint Staff Memorandum, with an attached memorandum from Ms. Buckley and Mr. Brady. Staff recommended that the agreement be approved and that the application be granted and the certificate and its funding be approved. The project has been divided into four contracts. Contracts 1 through 4, respectively, are the Chattaroy Sanitary Sewer System Improvements (includes converting the Chattaroy treatment plant into a pump station and stormwater treatment unit and upgrading the Fairview lift station), East Kermit Sanitary

Sewer Collection and Treatment System (includes installing sewer main and replacing the present wastewater treatment plant with a new 12,000 GPD wastewater treatment plant), Delorme Sanitary Sewer Collection System (includes installing sewer line, and constructing a pump station and a connection to the Mountain Water sewer system), and Shadee Woods Subdivision Sanitary Sewer Collection System (includes constructing a 15,000 GPD wastewater treatment plant). The four-part project will cost \$3,250,000, and funding will be provided by a \$506,020 grant from the United States Army Corps of Engineers, an \$891,800 grant from the West Virginia Infrastructure & Jobs Development Council ("WVIJDC") and a \$1,852,180 interest-free loan, payable over forty years, from WVIJDC. Finally, Staff recommended that the sewer rates be increased by 143%, lower than the 173% increase proposed by the District, and also recommended that the District be ordered to file a rate case after one full year of operations with the Staff-recommended rates.

On February 24, 2005, the District, by counsel, filed an affidavit of publication of the revised Notice of Filing on February 4, 2005, in the Williamson Daily News, published in Mingo County, and an affidavit that the District had individually notified its customers that it was seeking a rate increase, as required by Procedural Rule 10.3.d.

Between February 23 and 28, 2005, thirteen letters of protest were filed, all complaining of the plan to put the new Kermit treatment plant where the present treatment plant is located. The essential arguments were that the residents had been promised that the new plant would be sited farther north, that they had made decisions regarding real estate purchases and home improvements based on that promise, and that they had signed right-of-way agreements based on siting the plant farther north.

On March 1, 2005, the District, by counsel, filed motions for extensions of the tolling period and the ALJ decision due date, which were granted by Commission Order of March 8, 2005. The tolling period was extended until August 22, 2005, and the ALJ decision due date was extended until June 22, 2005.

On March 11, 2005, the undersigned issued a Procedural Order scheduling this matter for hearing at 1:00 p.m. on March 30, 2005, in Kermit City Hall, Council Chambers, 101 Main Street, Kermit, West Virginia, and ordering the District to publish a Notice of Hearing, which was attached to the order.

Between March 18 and 28, 2005, seven of those who had filed protests filed identical letters stating that the customer was rescinding his or her protest to the construction of the sewer packaging plant in East Kermit, upon "the understanding that the plant will not be buil[t] in the area of the East Gate Shopping Center and that the new location is near the old Kermit Coal bridge on the old route 52."

On March 28, 2005, the District, by counsel, filed an affidavit of publication of the Notice of Hearing on March 17, 2005, in the Williamson Daily News.

Hearing was held as scheduled, at which Mr. Robertson and Mr. Kelsh made their appearances. No customer appeared in protest. (Tr. 5). Mr. Kelsh called Jonathan Carpenter, an engineer employed by Thrasher Engineering, who testified that he has been involved in the project. He further testified that the Public Land Corporation and the Norfolk Southern Railroad permits will be available when the District closes the loan, that the Army Corps and the DEP storm water permit have been received, and that, while the District has been issued a Public Health permit, the permit will need to be amended because of the relocation of the East Kermit wastewater treatment plant. (Tr. 7). Submitted into evidence as District Exhibits 1 through 3, respectively, were a letter from the Army Corps of Engineer permitting the crossing of streams; the DEP NPDES storm water permit, registration number WVR101310, authorizing the District to operate under WV/NPDES General Water Pollution Control Permit No. WV0115924, which had been issued on November 5, 2002; and the Public Land Corporation permit. (Tr. 8-10). The license agreement between the District and the Public Land Corporation was entered into evidence as District Exhibit 4 and the application agreement between the District and the Norfolk Southern Railway Company was entered into evidence as District Exhibit 5. Upon Mr. Carpenter's testifying that the revised Health Department permit will not be available for up to two months, the undersigned advised Mr. Kelsh that she would order in her decision that all outstanding permits be filed as soon as possible. (Tr. 11).

Mr. Carpenter further testified that, regarding the Chattaroy improvements part of the project, the District will install a flow meter, so that the City of Williamson can measure the flow of the wastewater that it will be treating. (Tr. 12). He confirmed that the East Kermit treatment plant will not be built at the location of the former shopping center. (Tr. 17). Upon questioning by Mr. Robertson, Mr. Carpenter clarified that the wastewater from the Shadee Woods area will be treated by a package system located at Shadee Woods; that the wastewater from Delorme area will be treated by the Mountain District in Kentucky; and that the project will add new customers in all of the areas, except for Chattaroy. (Tr. 19).

Also called as a witness was J. B. Heflin, the general manager for the District, who testified that he had reviewed the Final Joint Staff Memorandum and that the District supported Staff's rate recommendations. (Tr. 21). He further testified that the District was agreeable to filing a rate case one year after beginning operation of the project's improvements. (Tr. 21). Mr. Heflin recounted the District's considerations in siting the East Kermit treatment plant, confirming that the District had abandoned its plan to locate the plant beside the old plant that had served the shopping mall and had settled on a site owned by the West Virginia Department of Highways. (Tr. 23). Under the abandoned plan, the buffer zone would have been barely one hundred feet; at the selected location, the plant will be approximately one thousand feet from any residence or business. (Tr. 23).

Mr. Robertson submitted into evidence the Final Joint Staff Memorandum as Staff Exhibit 1.

DISCUSSION

In that Williamson has no bulk rate, the District is correct that the bulk rate of \$2.50 per thousand gallons to be charged the District by Williamson requires approval. That is, the letter from Williamson is an offer that the District has accepted. The rate will be approved.

FINDINGS OF FACT

1. On May 26, 2004, Mingo County Public Service District filed with the Public Service Commission an application for a certificate of convenience and necessity to construct collection systems and treatment plants to serve approximately 529 customers in the Chattaroy, Delorme, East Kermit and Shadee Woods areas of Mingo County. The District requested that its sewer rates be increased. The District further requested approval of an agreement between it and Mountain Water District, a Kentucky utility, for Mountain Water to treat the wastewater generated by the Delorme area, and approval of a bulk rate of \$2.50 per 1,000 gallons for it to pay the City of Williamson for Williamson to treat the wastewater generated by the Chattaroy area; Williamson has no bulk rate in its tariff. Numerous supporting documents were filed, including the following: an unexecuted agreement between the District and Mountain Water for Mountain Water to treat the District's wastewater at the rates of \$3.58 per thousand gallons up to 5,500,000 gallons annually and \$4.01 per thousand gallons in excess of 5,500,000 gallons annually; a letter from the Williamson Utility Board, offering to the District the treatment rate of \$2.50 per thousand gallons; and permits from the West Virginia Division of Highways, the Office of Environmental Health Services (No. 15,581, issued April 15, 2003), and the West Virginia Division of Culture and History. (See filing).

2. The project has been divided into four contracts. Contracts 1 through 4, respectively, are the Chattaroy Sanitary Sewer System Improvements (includes converting the Chattaroy treatment plant into a pump station and storm water treatment unit and upgrading the Fairview lift station), East Kermit Sanitary Sewer Collection and Treatment System (includes installing sewer main and replacing the present wastewater treatment plant with a new 12,000 GPD wastewater treatment plant), Delorme Sanitary Sewer Collection System (includes installing sewer line, and constructing a pump station and a connection to the Mountain Water sewer system), and Shadee Woods Subdivision Sanitary Sewer Collection System (includes constructing a 15,000 GPD wastewater treatment plant).

3. The project is needed because all of the existing systems are old and unsound. Additionally, the Chattaroy wastewater treatment plant is within the 100-year flood plain, and fails to meet NPDES effluent discharge limitations. The Shadee Woods subdivision sewer system has been abandoned by its owner and, while the system collects wastewater, it does not treat it. (See Staff Exhibit 1).

4. Protests were filed to the siting of the East Kermit treatment plant at the East Gate Shopping Center. Thereafter, the District abandoned its plan to locate the plant at that site, and chose an alternative site, which is presently owned by the West Virginia Department of Highways, as the location of the treatment plant. (See protests filed February 23--28, 2005; Tr. 17, 23).

5. The District published a notice of hearing, and hearing was held. Prior to hearing, some protests were withdrawn and no protestants appeared at the hearing. (See affidavit filed March 28, 2005; March 18 -- 28, 2005 filings; Tr. 5).

6. The District has received permits for the project from the West Virginia Division of Highways, the Office of Environmental Health Services (No. 15,581, issued April 15, 2003), the West Virginia Division of Culture and History, the Army Corps of Engineers and the Public Land Corporation. The District has also received from DEP a NPDES storm water permit. The District has received a permit from the Health Department, but the permit will need to be revised because of the change of situs of the East Kermit treatment plant, and will not be available for several weeks. (See attachments to the application; District Exhibits 1-3; Tr. 11).

7. The estimated cost of the four-part project is \$3,250,000, including a construction cost of \$2,619,271. (See application; Staff Exhibit 1).

8. The project will be funded by a \$506,020 grant from the United States Army Corps of Engineers, an \$891,800 grant from the West Virginia Infrastructure & Jobs Development Council and a \$1,852,180 interest-free loan from WVLIJC, payable over forty years. (See application; Staff Exhibit 1).

9. Staff recommended that the project, its funding, the agreement between the District and Mountain Water, and a bulk rate of \$2.50 for the District to pay the City of Williamson be approved. Staff recommended that the sewer rates be increased by 143%, and also recommended that the District be ordered to file a rate case after one full year of operations with the Staff-recommended rates. (See Staff Exhibit 1).

10. The District accepted Staff's recommendations. (See Tr. 21).

11. The extraordinary rate increase associated with this project is required because the District's existing rates could not support the project. The District's current rates generate annual revenues of only \$68,545. However, the O&M expenses associated with the project will increase the District's expenses by \$184,651 and the District's debt service will increase from \$0 to \$56,057. (See Staff Exhibit 1, Attachment 4).

CONCLUSIONS OF LAW

1. It is appropriate to grant the application, pursuant to W.Va.Code §§16-13A and 24-2-11, and to approve the project, its funding and the rates that Staff recommended and the District accepted, as provided in Appendix A, because the public convenience and necessity require the project; the funding is appropriate; the rates will provide revenue sufficient, but not more than sufficient, to cover the District's expenses; and no protest statements were made at the hearing.
2. It is appropriate to order the District to petition for a rate review one year after the plant begins operations.
3. It is appropriate to approve the agreement between the District and Mountain Water District, a Kentucky utility, and to approve the bulk rate of \$2.50 for the District to pay the City of Williamson for treatment of wastewater.
4. It is appropriate to order the District to file as soon as possible all outstanding permits.

ORDER

IT IS, THEREFORE, ORDERED that the application for a certificate of convenience and necessity filed on May 26, 2004, by Mingo County Public Service District to construct collection systems and treatment plants to serve approximately 529 customers in the Chattaroy, Delorme, East Kermit and Shadee Woods areas, is granted and the project is approved.

IT IS FURTHER ORDERED that the funding for the project, a \$506,020 grant from the United States Army Corps of Engineers, an \$891,800 grant from the West Virginia Infrastructure & Jobs Development Council and a \$1,852,180 interest-free loan from WVIJDC, payable over forty years, is approved.

IT IS FURTHER ORDERED that Mingo County Public Service District file as soon as possible all outstanding permits.

IT IS FURTHER ORDERED that, if there is any change in the terms, conditions, scheduling or financing of the project, estimated to cost \$3,250,000, Mingo County Public Service District notify the Public Service Commission and file for Commission approval of any such revision.

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

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

IT IS FURTHER ORDERED that the agreement filed May 26, 2005, between the District and Mountain Water District, a Kentucky utility, be approved.

IT IS FURTHER ORDERED that Mingo County Public Service District file an executed copy of the agreement between it and Mountain Water District as soon as possible.

IT IS FURTHER ORDERED that a bulk rate of \$2.50 per thousand gallons for the District to pay the City of Williamson for treatment of wastewater be approved.

IT IS FURTHER ORDERED that Mingo County Public Service District file with the Commission a request for a sewer rate review approximately twelve (12) months after completion of the project.

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

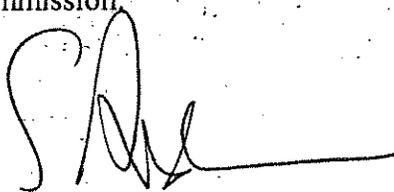
IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this order upon Commission Staff by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

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

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

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

any Administrative Law Judge's Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission



Sunya Anderson
Administrative Law Judge

SA:s
040807ae.wpd

MINGO COUNTY PUBLIC SERVICE DISTRICT
CASE NO. 04-0807-PSD-CN-PC
APPROVED RATES

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for general domestic, commercial and industrial service.

RATES

First	3,000 gallons used per month	\$ 6.83 per 1,000 gallons
Next	4,000 gallons used per month	\$ 6.15 per 1,000 gallons
Next	3,000 gallons used per month	\$ 4.37 per 1,000 gallons
All Over	10,000 gallons used per month	\$ 3.33 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than \$20.49 per month, which is the equivalent of 3,000 gallons of usage.

FLAT RATE CHARGE (Customers with non-metered water supply)

Equivalent of 4,500 gallons of water usage, \$29.72 per month.

TAP FEE

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

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

RECONNECTION FEES

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

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.

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 their bank due to insufficient funds.

LEAK ADJUSTMENT

\$0.43 per 1,000 gallons of water is to be used when the bill reflects unusual consumption which can be attributed to eligible water leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 4th day of November, 2005.

CASE NO. 04-0807-PSD-CN-PC

MINGO COUNTY PUBLIC SERVICE DISTRICT

Application for a certificate of convenience and necessity for the construction, operation and maintenance of a wastewater collection system and petition for approval of a wastewater treatment agreement between the District and Mountain Water District and between the District and the City of Williamson.

COMMISSION ORDER

On April 18, 2005 the Administrative Law Judge assigned to this matter issued a Recommended Decision which concluded and ordered the following:

1. It is appropriate to grant the application, pursuant to W. Va. Code §§16-13A and 24-2-11, and to approve the project, its funding and the rates that Staff recommended and the District accepted, as provided in Appendix A, because the public convenience and necessity require the project; the funding is appropriate; the rates will provide revenue sufficient, but not more than sufficient, to cover the District's expenses; and no protest statements were made at the hearing.

2. It is appropriate to order the District to petition for a rate review one year after the plant begins operations.

3. It is appropriate to approve the agreement between the District and Mountain Water District, a Kentucky utility, and to approve the bulk rate of \$2.50 for the District to pay the City of Williamson for treatment of wastewater.

4. It is appropriate to order the District to file as soon as possible all outstanding permits.

ORDER

IT IS, THEREFORE, ORDERED that the application for a certificate of convenience and necessity filed on May 26, 2004, by Mingo County Public Service District to construct collection systems and treatment plants to serve approximately 529 customers in the Chattaroy, Delorme, East Kermit and Shadee Woods areas, is granted and the project is approved.

IT IS FURTHER ORDERED that the funding for the project, a \$506,020 grant from the United States Army Corps of Engineers, an \$891,800 grant from the West Virginia Infrastructure & Jobs Development Council and a \$1,852,180 interest-free loan from WVIJDC, payable over forty years, is approved.

IT IS FURTHER ORDERED that Mingo County Public Service District file as soon as possible all outstanding permits.

IT IS FURTHER ORDERED that, if there is any change in the terms, conditions, scheduling or financing of the project, estimated to cost \$3,250,000, Mingo County Public Service District notify the Public Service Commission and file for Commission approval of any such revision.

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

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

IT IS FURTHER ORDERED that the agreement filed May 26, 2005, between the District and Mountain Water District, a Kentucky utility, be approved.

IT IS FURTHER ORDERED that Mingo County Public Service District file an executed copy of the agreement between it and Mountain Water District as soon as possible.

IT IS FURTHER ORDERED that a bulk rate of \$2.50 per thousand gallons for the District to pay the City of Williamson for treatment of wastewater be approved.

IT IS FURTHER ORDERED that Mingo County Public Service District file with the Commission a request for a sewer rate review approximately twelve (12) months after completion of the project.

The Recommended Decision became a Final Order on May 8, 2005.

On September 23, 2005 the Mingo County Public Service District (District) filed a "Petition to Reopen and Request for Expedited Treatment" noting that the bids opened June 14, 2005 exceeded the estimated project cost of \$3,250,000 by \$848,000, for a total project cost of \$4,098,000.

The District stated that it had obtained a commitment from the West Virginia Infrastructure and Jobs Development Council (WVIJDC) for a \$148,000 grant and a \$700,000 increase to its previously approved WVIJDC loan of \$1,852,180. The increased portion of the loan will carry the same terms as the original loan, i.e., 0% interest over a term of 40 years.

The District stated that its original filing proposed three rate blocks but that the Recommended Decision approved four rate blocks, with all blocks being lower than what the District had originally proposed. The District stated that the increase in rates necessary to support the additional loan is still less than the rates originally noticed in this case.

Bids on the project have been extended until November 12, 2005 but a Commission order approving the revised financing and rates is needed by November 4, 2005 so that the District can close by November 12, 2005.

The District filed a "Sewer Pro Forma 3 Rate Exhibit" on October 14, 2005.

Commission Staff (Staff) filed its "Initial and Final Joint Staff Memorandum" on October 28, 2005. Therein Staff noted that the need for the project has not changed. Staff noted that according to the District's October 14, 2005 filing the District's proposed rates will generate a proforma surplus of \$680 and debt service coverage of 121.58%. Staff noted that the proforma surplus is significantly below the annual amount necessary for the District to adequately fund its annual capital additions. Accordingly, Staff recommended the District file for a rate review six months following completion of the project. Staff recommended approval of the revised project funding and proposed rates.

DISCUSSION

The Commission agrees that the rates contained in the public notice exceed the rates as proposed by the District and agreed to by Staff. Thus, the Commission concludes that no further publication is necessary.

The Commission shall approve the increased project costs, additional funding, and proposed rate increase. The Commission shall also adopt Staff's recommendation to require the District to file for a rate review six months following completion of its project.

Finally, the Commission notes that effective July 8, 2005, *West Virginia Code* §24-2-11(j) became law. This subsection states that, "A public utility which has received a certificate of public convenience and necessity from the commission and has been approved by the infrastructure and jobs development council, is not required to, and cannot be compelled to, reopen the proceeding if the cost of the project changes but the change does not effect the rates established for the project." It should be clarified that this change in the law does not impact public service districts who are required to obtain Commission approval prior to borrowing money. See *West Virginia Code* §16-13A-25. Accordingly, should the financing of the proposed project change, the District will be required, as in the past, to seek and obtain additional regulatory approval from the Commission, irrespective as to whether the plans and/or scope changes. The aforementioned approval should be obtained by filing a request to reopen the instant certificate case since that would be the most expeditious manner to obtain the required approval.

FINDINGS OF FACT

1. The April 18, 2005 Recommended Decision in this case became a Final Order on May 8, 2005.
2. On September 23, 2005 the Mingo County Public Service District (District) filed a "Petition to Reopen and Request for Expedited Treatment" noting that the bids opened June 14, 2005 exceeded the estimated project cost of \$3,250,000 by \$848,000, for a total project cost of \$4,098,000.
3. The District has obtained a commitment from the WVIJDC for a \$148,000 grant and a \$700,000 increase to its previously approved WVIJDC loan of \$1,852,180. The increased portion of the loan will carry the same terms as the original loan, i.e., 0% interest over a term of 40 years.
4. The increase in rates necessary to support the additional loan is less than the rates originally noticed in this case.
5. The District requested expedited consideration of its filing.
6. Staff filed its "Initial and Final Joint Staff Memorandum" on October 28, 2005 recommending approval of the revised project funding and proposed rates.
7. The District's proposed rates will generate a proforma surplus of \$680 and debt service coverage of 121.58%. The proforma surplus is significantly below the annual amount necessary for the District to adequately fund its annual capital additions.

CONCLUSIONS OF LAW

1. The rates contained in the public notice exceed the rates as proposed by the District and agreed to by Staff. Thus, the Commission concludes that no further publication is necessary.
2. It is reasonable to approve the increased project costs and additional funding.
3. It is reasonable to approve the increased rates proposed by the District and agreed to by Staff.

4. It is reasonable to require the District to file for a rate review six months following completion of its project.

ORDER

IT IS THEREFORE ORDERED that the revised project costs of \$4,098,000 are hereby approved.

IT IS FURTHER ORDERED that the additional WVIJDC grant in the amount of \$148,000 and the \$700,000 increase to the District's previously approved WVIJDC loan of \$1,852,180, at 0% interest over a term of 40 years, are hereby approved.

IT IS FURTHER ORDERED that the rates and charges attached hereto supercede those attached to the Recommended Decision and are hereby approved to become effective at the completion of the project.

IT IS FURTHER ORDERED that Mingo County Public Service District file with the Commission's Tariff Office an original and five (5) copies of its tariff showing the approved tariff changes no later than thirty (30) days after the date of this order. This ordering paragraph supercedes the requirement to file the tariff attached to the Recommend Decision.

IT IS FURTHER ORDERED that the District file for a rate review six months following completion of its project. This ordering paragraph supersedes the rate review filing requirement contained in the Recommended Decision.

IT IS FURTHER ORDERED that the Recommended Decision entered April 18, 2005, which became a Final Order of the Commission on May 8, 2005 remains the Final Order of the Commission except as noted above.

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

JJW/klm
040807cc.wpd

**MINGO COUNTY PUBLIC SERVICE DISTRICT
CASE NO. 04-0807-PSD-CN-PC (Reopened)**

Approved Tariff

(C) APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

(C,I) RATES

First	3,000 gallons of water used per month	\$7.63 per 1,000 gallons
Next	4,000 gallons of water used per month	6.87 per 1,000 gallons
Next	3,000 gallons of water used per month	4.88 per 1,000 gallons
All over	10,000 gallons of water used per month	3.72 per 1,000 gallons

(C) MINIMUM CHARGE

No bill will be rendered for less than \$22.89 per month, which is the equivalent of 3,000 gallons of usage.

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

Equivalent of 4,500 gallons of water usage or \$33.20 per month.

(C) TAP FEE

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

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

(C) RECONNECTION FEE

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

(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,I) 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,I) LEAK ADJUSTMENT

\$0.43 per 1,000 gallons of water used when a bill reflects unusual water consumption which can be attributed to eligible leakage on customer's side of meter. This rate shall be applied to all such consumption above the customer's historical average usage.

- (C) Indicates Change
- (I) Indicates Increase

West Virginia Infrastructure & Jobs Development Council

Public Members:

Mark Prince
Cottageville
Dwight Calhoun
Petersburg
C. R. "Rennie" Hill, III
Beckley
Tim Stranko
Morgantown

300 Summers Street, Suite980
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Katy Mallory, PE
Executive Secretary

Katy.Mallory@verizon.net

September 7, 2005

Mr. Robert Adams, Chairman
Mingo County Public Service District
P.O. Box 129
Delbarton, WV 25670

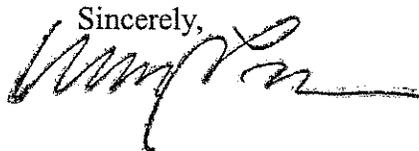
Re: Revised Binding Commitment Letter
Wastewater system project 2000S-514

Dear Mr. Adams:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act and has reviewed the Mingo County Public Service District's (the "District") request for revision to the Infrastructure Council's binding commitment letter of July 7, 2004 to the District for financing its wastewater project. At its September 7, 2005 meeting, the Infrastructure Council voted to revise the binding commitment with an additional \$700,000 Infrastructure Fund loan (0%, 40 yrs) and an additional Infrastructure Fund grant of \$148,000. Total project cost is \$4,098,000. All other conditions of the July 7, 2004 binding commitment remain in effect. A revised Schedule A is enclosed.

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

Sincerely,



Mark Prince

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

Mingo County Public Service District

By: Robert Eden

Its: Chairman

Date: 11/8/05

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Mingo County Public Service District
Wastewater Project
Project 2000S-514
September 7, 2005

SCHEDULE A

- A. Approximate Amount: \$ 1,852,180 Loan
 700,000 Additional Loan
 \$ 891,800 Grant
 148,000 Additional Grant
- B. Total Loan: \$ 2,552,180
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. Total Grant: \$ 1,039,800
1. Grant Advancement Date(s): Monthly, upon receipt of proper requisition and after complete advancement of all IJDC loan funding.
 2. Special Conditions: None
- D. Other Funding Sources:
- Corps of Engineers Grant \$ 506,020
- E. Total Project Cost: \$4,098,000
- F. Proposed User Rates: \$33.41 / 4500 gallons

cc: Samme Gee, Jackson Kelly
Mike Johnson, DEP
Dayton Carpenter, Thrasher
John Stump, Esq.
Jim Kelsh, Esq.

MINGO COUNTY PUBLIC SERVICE DISTRICT

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

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

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

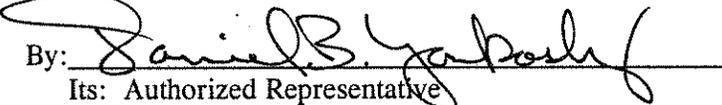
1. On the 9th day of November, 2005, the Authority received the Mingo County Public Service District Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), issued in the principal amount of \$2,552,180, as a single, fully registered Bond, numbered AR-1 and dated November 9, 2005 (the "Bonds").

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

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of the sum of \$356,193, being a portion of the principal amount of the Series 2005 A Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer by the Authority and the Council as acquisition and construction of the Project progresses.

WITNESS our respective signatures on this 9th day of November, 2005.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: 
Its: Authorized Representative

MINGO COUNTY PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

10/20/05
610170.99003

MINGO COUNTY PUBLIC SERVICE DISTRICT

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

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

On this the 9th day of November, 2005, there are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of the Mingo County Public Service District Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), in the principal amount of \$2,552,180, dated November 9, 2005 (the "Bonds"), executed by the Chairman and Secretary of Mingo County Public Service District (the "Issuer"), and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Resolution and a Supplemental Resolution, both duly adopted by the Issuer on November 8, 2005 (the "Bond Legislation");

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

(3) Executed counterparts of the loan agreement dated November 9, 2005, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Loan Agreement"); and

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

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the account of the Issuer of the sum of \$356,193, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

MINGO COUNTY PUBLIC SERVICE
DISTRICT

By: 
Its: Chairman

10/20/05
610170.99003

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
MINGO COUNTY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2005 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

SPECIMEN
\$2,552,180

KNOW ALL MEN BY THESE PRESENTS: That on this the 9th day of November, 2005, MINGO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Mingo 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 TWO MILLION FIVE HUNDRED FIFTY-TWO THOUSAND ONE HUNDRED EIGHTY DOLLARS (\$2,552,180), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2007, 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 November 9, 2005.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on November

8, 2005, and a Supplemental Resolution duly adopted by the Issuer on November 8, 2005 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

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

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2005 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2005 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds; provided however, that so long as there exists in the Series 2005 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, MINGO COUNTY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated as of the date written above.

[SEAL]

Robert Adams

Chairman

SPECIMEN

ATTEST:

J. B. [Signature]

Secretary

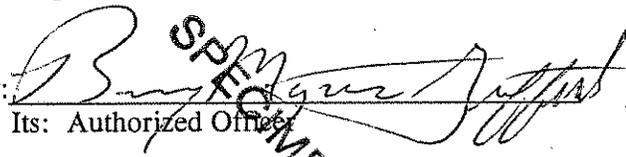
SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is the Series 2005 A Bond described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: November 9, 2005.

THE HUNTINGTON NATIONAL BANK,
as Registrar

By: 
Its: Authorized Officer

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

<u>AMOUNT</u>	<u>DATE</u>	<u>AMOUNT</u>	<u>DATE</u>
(1) \$356,193	November 9, 2005	(19) \$	
(2) \$		(20) \$	
(3) \$		(21) \$	
(4) \$		(22) \$	
(5) \$		(23) \$	
(6) \$		(24) \$	
(7) \$		(25) \$	
(8) \$		(26) \$	
(9) \$		(27) \$	
(10) \$		(28) \$	
(11) \$		(29) \$	
(12) \$		(30) \$	
(13) \$		(31) \$	
(14) \$		(32) \$	
(15) \$		(33) \$	
(16) \$		(34) \$	
(17) \$		(35) \$	
(18) \$		(36) \$	

TOTAL \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
12/01/2005	-	-	-
03/01/2006	-	-	-
06/01/2006	-	-	-
09/01/2006	-	-	-
12/01/2006	-	-	-
03/01/2007	-	-	-
06/01/2007	16,572.60	-	16,572.60
09/01/2007	16,572.60	-	16,572.60
12/01/2007	16,572.60	-	16,572.60
03/01/2008	16,572.60	-	16,572.60
06/01/2008	16,572.60	-	16,572.60
09/01/2008	16,572.60	-	16,572.60
12/01/2008	16,572.60	-	16,572.60
03/01/2009	16,572.60	-	16,572.60
06/01/2009	16,572.60	-	16,572.60
09/01/2009	16,572.60	-	16,572.60
12/01/2009	16,572.60	-	16,572.60
03/01/2010	16,572.60	-	16,572.60
06/01/2010	16,572.60	-	16,572.60
09/01/2010	16,572.60	-	16,572.60
12/01/2010	16,572.60	-	16,572.60
03/01/2011	16,572.60	-	16,572.60
06/01/2011	16,572.60	-	16,572.60
09/01/2011	16,572.60	-	16,572.60
12/01/2011	16,572.60	-	16,572.60
03/01/2012	16,572.60	-	16,572.60
06/01/2012	16,572.60	-	16,572.60
09/01/2012	16,572.60	-	16,572.60
12/01/2012	16,572.60	-	16,572.60
03/01/2013	16,572.60	-	16,572.60
06/01/2013	16,572.60	-	16,572.60
09/01/2013	16,572.60	-	16,572.60
12/01/2013	16,572.60	-	16,572.60
03/01/2014	16,572.60	-	16,572.60
06/01/2014	16,572.60	-	16,572.60
09/01/2014	16,572.60	-	16,572.60
12/01/2014	16,572.60	-	16,572.60
03/01/2015	16,572.60	-	16,572.60
06/01/2015	16,572.60	-	16,572.60
09/01/2015	16,572.60	-	16,572.60
12/01/2015	16,572.60	-	16,572.60
03/01/2016	16,572.60	-	16,572.60
06/01/2016	16,572.60	-	16,572.60
09/01/2016	16,572.60	-	16,572.60

Date	Principal	Coupon	Total P+I
12/01/2016	16,572.60	-	16,572.60
03/01/2017	16,572.60	-	16,572.60
06/01/2017	16,572.60	-	16,572.60
09/01/2017	16,572.60	-	16,572.60
12/01/2017	16,572.60	-	16,572.60
03/01/2018	16,572.60	-	16,572.60
06/01/2018	16,572.60	-	16,572.60
09/01/2018	16,572.60	-	16,572.60
12/01/2018	16,572.60	-	16,572.60
03/01/2019	16,572.60	-	16,572.60
06/01/2019	16,572.60	-	16,572.60
09/01/2019	16,572.60	-	16,572.60
12/01/2019	16,572.60	-	16,572.60
03/01/2020	16,572.60	-	16,572.60
06/01/2020	16,572.60	-	16,572.60
09/01/2020	16,572.60	-	16,572.60
12/01/2020	16,572.60	-	16,572.60
03/01/2021	16,572.60	-	16,572.60
06/01/2021	16,572.60	-	16,572.60
09/01/2021	16,572.60	-	16,572.60
12/01/2021	16,572.60	-	16,572.60
03/01/2022	16,572.60	-	16,572.60
06/01/2022	16,572.60	-	16,572.60
09/01/2022	16,572.60	-	16,572.60
12/01/2022	16,572.60	-	16,572.60
03/01/2023	16,572.60	-	16,572.60
06/01/2023	16,572.60	-	16,572.60
09/01/2023	16,572.60	-	16,572.60
12/01/2023	16,572.60	-	16,572.60
03/01/2024	16,572.60	-	16,572.60
06/01/2024	16,572.60	-	16,572.60
09/01/2024	16,572.60	-	16,572.60
12/01/2024	16,572.60	-	16,572.60
03/01/2025	16,572.60	-	16,572.60
06/01/2025	16,572.60	-	16,572.60
09/01/2025	16,572.60	-	16,572.60
12/01/2025	16,572.60	-	16,572.60
03/01/2026	16,572.60	-	16,572.60
06/01/2026	16,572.60	-	16,572.60
09/01/2026	16,572.60	-	16,572.60
12/01/2026	16,572.60	-	16,572.60
03/01/2027	16,572.60	-	16,572.60
06/01/2027	16,572.60	-	16,572.60
09/01/2027	16,572.60	-	16,572.60

Date	Principal	Coupon	Total P+I
12/01/2027	16,572.60	-	16,572.60
03/01/2028	16,572.60	-	16,572.60
06/01/2028	16,572.60	-	16,572.60
09/01/2028	16,572.60	-	16,572.60
12/01/2028	16,572.60	-	16,572.60
03/01/2029	16,572.60	-	16,572.60
06/01/2029	16,572.60	-	16,572.60
09/01/2029	16,572.60	-	16,572.60
12/01/2029	16,572.60	-	16,572.60
03/01/2030	16,572.60	-	16,572.60
06/01/2030	16,572.60	-	16,572.60
09/01/2030	16,572.60	-	16,572.60
12/01/2030	16,572.60	-	16,572.60
03/01/2031	16,572.60	-	16,572.60
06/01/2031	16,572.60	-	16,572.60
09/01/2031	16,572.60	-	16,572.60
12/01/2031	16,572.60	-	16,572.60
03/01/2032	16,572.60	-	16,572.60
06/01/2032	16,572.60	-	16,572.60
09/01/2032	16,572.60	-	16,572.60
12/01/2032	16,572.60	-	16,572.60
03/01/2033	16,572.60	-	16,572.60
06/01/2033	16,572.60	-	16,572.60
09/01/2033	16,572.60	-	16,572.60
12/01/2033	16,572.60	-	16,572.60
03/01/2034	16,572.60	-	16,572.60
06/01/2034	16,572.60	-	16,572.60
09/01/2034	16,572.60	-	16,572.60
12/01/2034	16,572.60	-	16,572.60
03/01/2035	16,572.60	-	16,572.60
06/01/2035	16,572.60	-	16,572.60
09/01/2035	16,572.60	-	16,572.60
12/01/2035	16,572.59	-	16,572.59
03/01/2036	16,572.59	-	16,572.59
06/01/2036	16,572.59	-	16,572.59
09/01/2036	16,572.59	-	16,572.59
12/01/2036	16,572.59	-	16,572.59
03/01/2037	16,572.59	-	16,572.59
06/01/2037	16,572.59	-	16,572.59
09/01/2037	16,572.59	-	16,572.59
12/01/2037	16,572.59	-	16,572.59
03/01/2038	16,572.59	-	16,572.59
06/01/2038	16,572.59	-	16,572.59
09/01/2038	16,572.59	-	16,572.59

Date	Principal	Coupon	Total P+I
12/01/2038	16,572.59	-	16,572.59
03/01/2039	16,572.59	-	16,572.59
06/01/2039	16,572.59	-	16,572.59
09/01/2039	16,572.59	-	16,572.59
12/01/2039	16,572.59	-	16,572.59
03/01/2040	16,572.59	-	16,572.59
06/01/2040	16,572.59	-	16,572.59
09/01/2040	16,572.59	-	16,572.59
12/01/2040	16,572.59	-	16,572.59
03/01/2041	16,572.59	-	16,572.59
06/01/2041	16,572.59	-	16,572.59
09/01/2041	16,572.59	-	16,572.59
12/01/2041	16,572.59	-	16,572.59
03/01/2042	16,572.59	-	16,572.59
06/01/2042	16,572.59	-	16,572.59
09/01/2042	16,572.59	-	16,572.59
12/01/2042	16,572.59	-	16,572.59
03/01/2043	16,572.59	-	16,572.59
06/01/2043	16,572.59	-	16,572.59
09/01/2043	16,572.59	-	16,572.59
12/01/2043	16,572.59	-	16,572.59
03/01/2044	16,572.59	-	16,572.59
06/01/2044	16,572.59	-	16,572.59
09/01/2044	16,572.59	-	16,572.59
12/01/2044	16,572.59	-	16,572.59
03/01/2045	16,572.59	-	16,572.59
06/01/2045	16,572.59	-	16,572.59
09/01/2045	16,572.59	-	16,572.59
Total	\$2,552,180.00	-	\$2,552,180.00

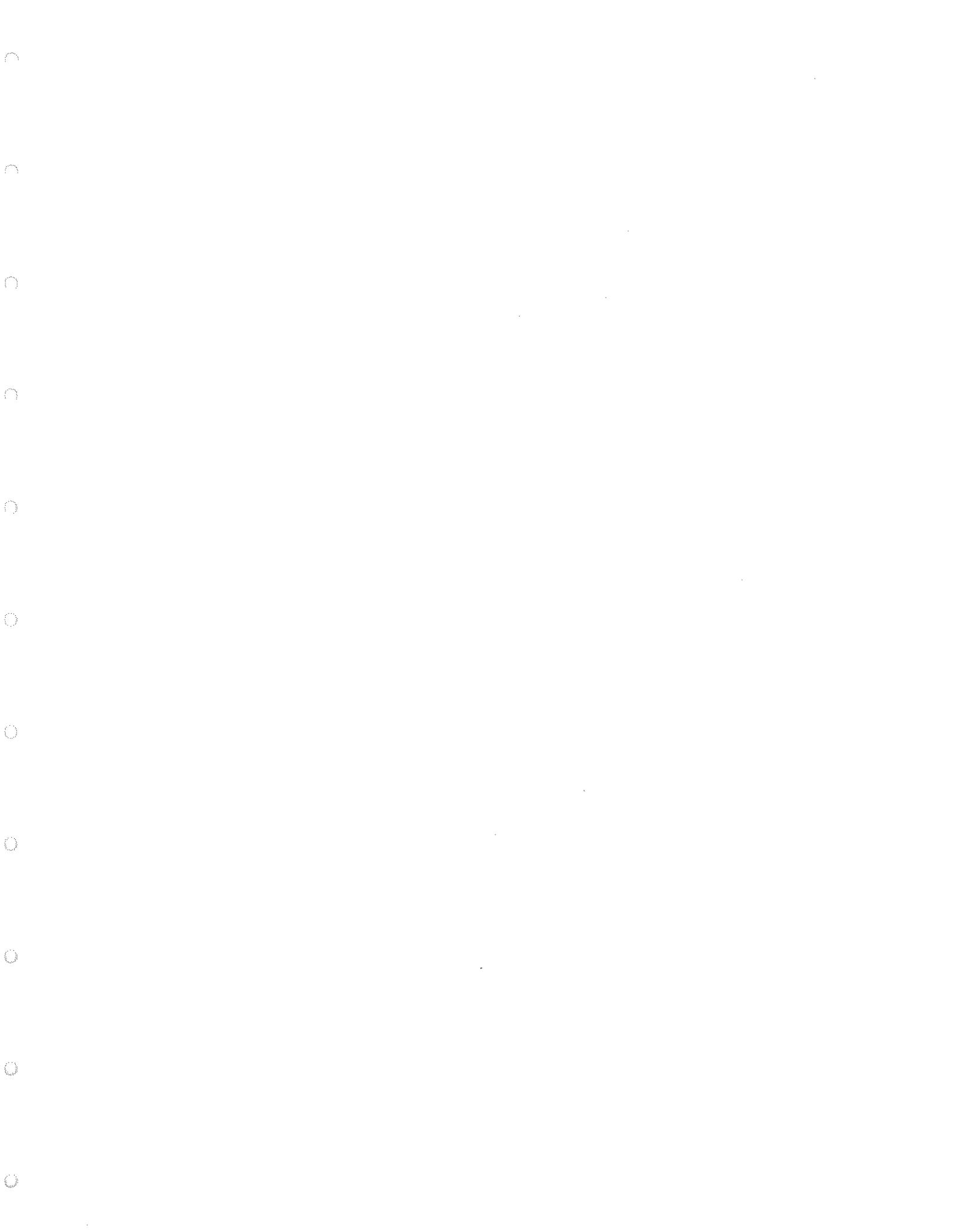
ASSIGNMENT

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

Dated: _____, _____.

In the presence of:

10/20/05
610170.99003





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

Writer's Contact Information

November 9, 2005

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

Mingo County Public Service District
Naugatuck, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs
Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Mingo County Public Service District (the "Issuer"), a public service district, public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its \$2,552,180 Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated November 9, 2005, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2007, and maturing September 1, 2045, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage system of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on November 8, 2005, as supplemented by a Supplemental Resolution duly adopted by the Issuer on November 8, 2005 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

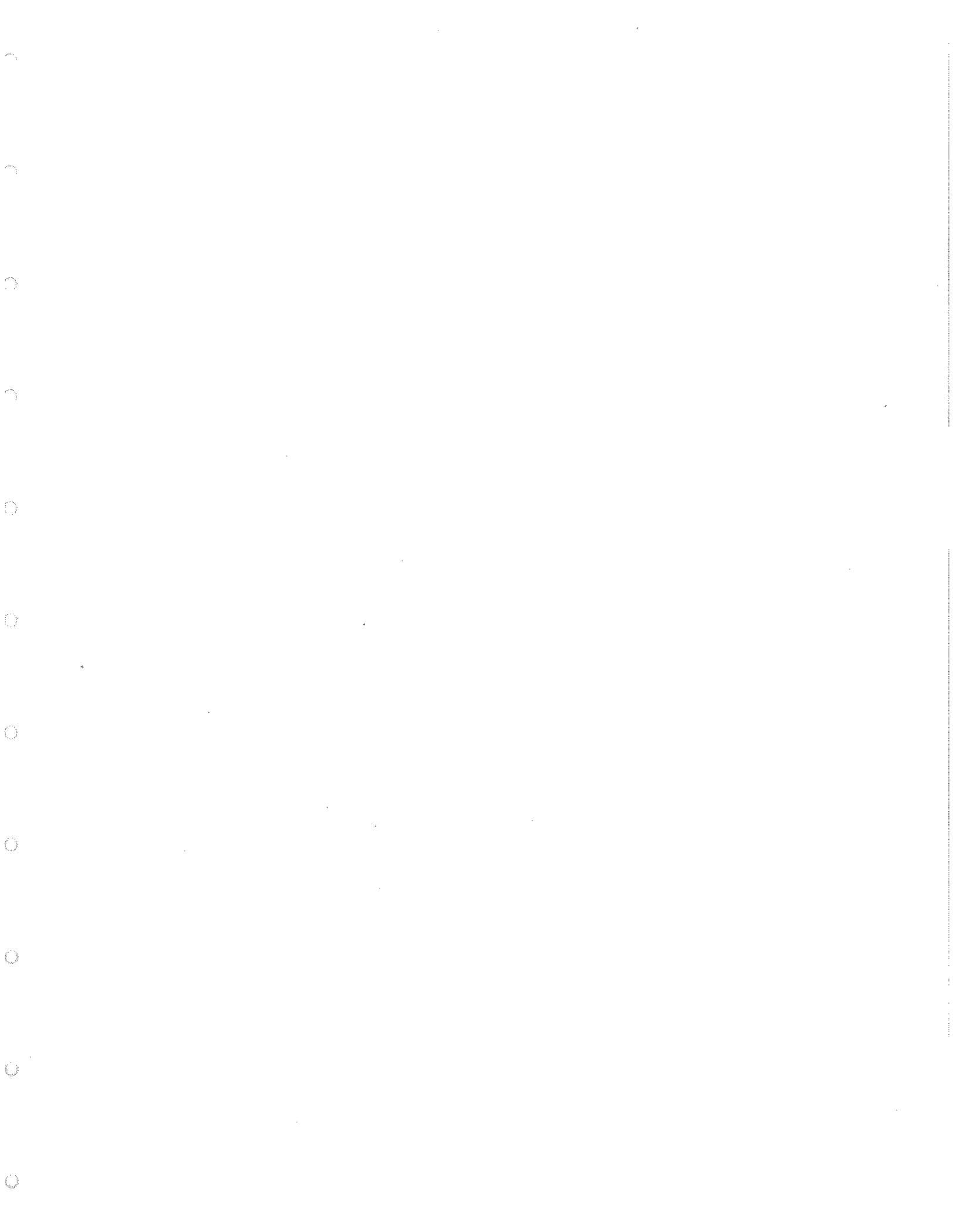
1. The Issuer is a duly created and validly existing public service district, public corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.
2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the Council and cannot be amended by the Issuer so as to affect adversely the rights of the Authority and the Council or diminish the obligations of the Issuer without the written consent of the Authority and the Council.
3. The Bond Legislation and all other necessary orders and resolutions have been duly and effectively adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.
4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, all in accordance with the terms of the Bonds and the Bond Legislation.
5. The Bonds are, under the Act, exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Bonds, if any, is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.
6. The Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

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

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

Very truly yours,


STEPTOE & JOHNSON PLLC



LAW OFFICES
ROBERT R. RODECKER
BB&T SQUARE
300 SUMMERS STREET, SUITE 1230
POST OFFICE BOX 3713
CHARLESTON, WEST VIRGINIA 25337

ROBERT R. RODECKER
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JAMES V. KELSH
OF COUNSEL
kelshlaw@yahoo.com

AREA CODE 304
343-1654

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343-1657

November 9, 2005

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

Mingo County Public Service District
Naugatuck, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Steptoe & Johnson PLLC
Clarksburg, West Virginia

Ladies and Gentlemen:

I am counsel to Mingo County Public Service District, a public service district, in Mingo County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, relating to the above-captioned bonds of the Issuer (the "Bonds"), a loan agreement for the Bonds dated November 9, 2005, including all schedules and exhibits attached thereto, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") (the "Loan Agreement"), the Bond Resolution duly adopted by the Issuer on November 8, 2005, as supplemented by the Supplemental Resolution duly adopted by the Issuer on November 8, 2005 (collectively, the "Resolution"), orders of The County Commission of Mingo County relating to the Issuer and the appointment of members of the Public Service Board of the Issuer, and other documents, papers, agreements, instruments and certificates relating to the Bonds and the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution and the Loan Agreement when used herein.

I am of the opinion that:

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

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

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

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

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

6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, all requisite orders, certificates and approvals from The County Commission of Mingo County, the West Virginia Department of Environmental Protection and the Council, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The Issuer has received all requisite orders and approvals from the Public Service Commission of West Virginia, including the Final Order entered on May 8, 2005, and the Commission Order entered on November 4, 2005, in Case 04-0807-PSD-CN-PC, among other things, granting a certificate of convenience and necessity for the Project, approving the financing for the Project, and approving the rates and charges for the System. The time for appeal of the Final Order has expired prior to the date hereof without any appeal. The time for appeal of the Commission Order has not expired on the date hereof. However, the parties to such Commission Order have stated that they do not intend to appeal such Order, and both Orders remain in full force and effect. The Issuer has certified that it will promptly and diligently obtain the executed Agreement from Mountain Water District and the Public Service Commission of the Commonwealth of Kentucky and file the executed Agreement with the Public Service Commission of West Virginia prior to disbursement of 50% of the proceeds of the Series 2005 A bonds.

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

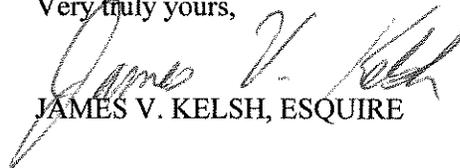
Mingo County Public Service District, et al.

Page 3

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

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

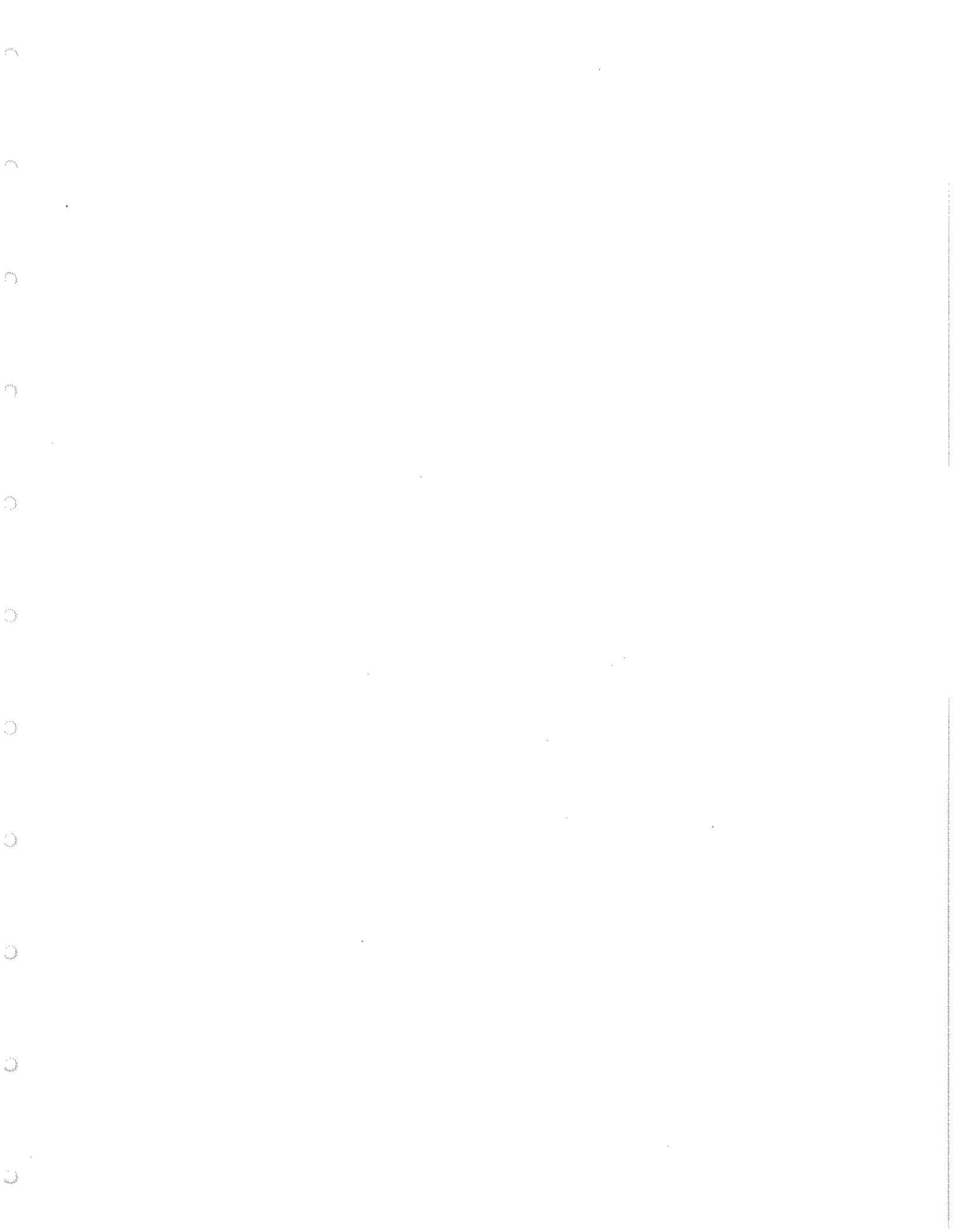
Very truly yours,



JAMES V. KELSH, ESQUIRE

10/20/05
610170.99003

CH785696.1



Law Offices of
James W. Lane, Jr.
Woolworth Building
205 Capitol Street, Suite 400
P. O. Box 11806
Charleston, WV 25339
(304) 342-0081 Facsimile (304) 343-3365
November 9, 2005

Mingo County Public Service District
P.O. Box 98
Naugatuck, West Virginia 25685

West Virginia Infrastructure and
Jobs Development Council
980 One Valley Square
Charleston, West Virginia 25301

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

Steptoe & Johnson PLLC
P.O. Box 1588
Charleston, WV 25326

Re: Mingo County Public Service District

Ladies and Gentlemen:

This firm represents Mingo County Public Service District (the "Issuer") with regard to a proposed project to construct the Chattaroy Sewer Project, the Delorme Sewer Project, the East Kermit Sewer Project and the Shadee Woods Sewer Project (the "Project"), and provides this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council and the West Virginia Water Development Authority for the Project. Please be advised of the following:

1. I am of the opinion that the Issuer is a duly created and validly existing public service district possessed with all the powers and authority granted to public service districts under the laws of the State of West Virginia to construct, operate and maintain the Project as approved by the Bureau of Public Health.
2. The project engineer has confirmed that the Issuer has obtained all necessary permits and approvals for the construction of the Project.

3. Thrasher Engineering, the consulting engineers for the Project, have provided me with a list of the parcels of property, together with the legal descriptions for the said properties, and the consulting engineers have provided me with the location of easements and/or rights of way, required for the Project as set forth in the plans for the Project that Thrasher prepared for the Project.

4. I have examined the records on file in the Office of the Clerk of the County Commission of Mingo County, West Virginia, the county in which the Project is to be located. Based upon sixty (60) year examinations, I am of the opinion that the Issuer has acquired legal title or such other estate or interest in all of the necessary site components for the Project necessary to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project, as provided below:

East Kermit Pump Station Site: The District has acquired title to this tract of land from its owner, Sam Kaporalous, by deed executed November 7, 2005, and to be recorded that same day.

East Kermit Wastewater Treatment Plant: This tract of land is part of a 1.97 acre tract of land owned and occupied by and assessed in the name of the West Virginia Department of Transportation, Division of Highways, pursuant to a highway right of way acquired in 1974. The DOH has issued a permit pursuant to W.Va. Code §17-16-6 to the District permitting construction of the plant.

Delorme Pump Station Site: This tract of land is owned by Howard A. Croaff. Mr. Croaff has given the District an option to purchase the site. The District will exercise the option and acquire the tract immediately upon closing and availability of the funds.

Shadee Woods Treatment Plant: The District has title to the Shadee Woods Treatment plant site.

I have also conducted a twenty (20) year chain of title searches on all of the properties identified on a list prepared by the project engineer which list identifies the properties across which the Issuer must obtain right-of-ways for a wastewater conveyance line, and with the exception of those listed in Paragraph 5 and subject to the accuracy of the tax maps and records in the Mingo County Assessor's office and the Mingo County Clerk's office, the Issuer has obtained sufficient easements and/or rights -of-way to assure undisturbed use and possession for the purpose of construction, operation and

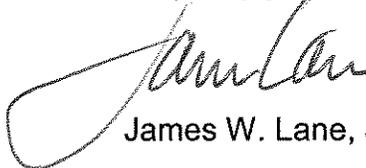
maintenance for the estimated life of the Project.

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

Name	Tax Map	Parcel
Jesse Collins et al.	2	130
Otto Price, Jr., et al.	2	124.1
Marie Sartin, et al.	1	96
David Meade, et al.	1	100
Emma Meade, et al.	1	97, 98

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

Very truly yours,



James W. Lane, Jr.

MINGO COUNTY PUBLIC SERVICE DISTRICT

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

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Mingo County Public Service District in Mingo County, West Virginia (the "Issuer") and the undersigned LOCAL COUNSEL and REAL ESTATE COUNSEL, hereby certify, on this 9th day of November, 2005, in connection with the Issuer's Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds" or the "Series 2005 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond

Resolution of the Issuer duly adopted November 8, 2005, and the Supplemental Resolution duly adopted November 8, 2005 (collectively, the "Bond Legislation").

2. **NO LITIGATION:** No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition or construction of the Project, the operation of the System, the receipt of Grant proceeds or the Net Revenues, or in any way contesting or affecting the validity of the Bonds or the Grants, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Net Revenues or any other monies or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the pledge or application of monies and security or the collection of the Gross Revenues or the pledge of the Net Revenues as security for the Bonds.

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

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

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

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

Bond Resolution

Supplemental Resolution

Loan Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

County Commission Orders on Creation and Enlargement of District

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Affidavit of Publication on Notice of Filing

Minutes of Current Year Organizational Meeting

Excerpt of Minutes on Adoption of Bond Resolution and Supplemental Resolution, Rules of Procedure and First Draw Resolution

NPDES Permit

Environmental Health Services Permit

Evidence of Insurance

Evidence of Army Corps of Engineers Grant

Infrastructure Council Grant Agreement

Agreement with City of Williamson

Agreement with Mountain Water District

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

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Robert Adams	September 4, 2002	September 4, 2008
Mike Adkins	September 3, 2003	September 3, 2008
Herb Savage	April 18, 2001	April 18, 2002*
Earl McCowan	April 18, 2001	April 18, 2005*
Mark Redwine	May 4, 2005	May 4, 2011**

* Terms have expired; however, pursuant to §16-13A-3, "the terms of office shall continue until successors have been appointed and qualified."

** Board was unaware of this appointment, Mr. Redwine has not taken his Oath of Office to finalize his appointment.

The names of the duly elected and/or appointed, qualified and acting officers of the Public Service Board of the Issuer for the calendar year 2005 are as follows:

Chairman	-	Robert Adams
Secretary	-	J.B. Heflin
Treasurer	-	Mike Adkins

The duly appointed and acting local and PSC counsel to the Issuer is James V. Kelsh, Esquire, of the law office of Robert R. Rodecker in Charleston, West Virginia. The duly appointed and acting real estate counsel to the Issuer is James Lane, Esquire, in Charleston, West Virginia.

7. **LAND AND RIGHTS-OF-WAY:** All land in fee simple and all rights-of-way and easements necessary for the acquisition and construction of the Project and the operation and maintenance of the System have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of real estate counsel, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds. The Issuer has the ability to acquire through condemnation, if necessary, any property or interest in property necessary for the operation and maintenance of the System should the Issuer determine it to be necessary. The local counsel makes no representation regarding this paragraph.

8. **MEETINGS, ETC.:** All actions, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the acquisition, construction, operation and financing of the Project

and the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. **CONTRACTORS' INSURANCE, ETC.:** All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. All insurance for the System required by the Bond Legislation and Loan Agreement is in full force and effect.

10. **LOAN AGREEMENT:** As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with all covenants, terms and representations in the Loan Agreement.

11. **RATES:** The Issuer has received the Commission Order of the Public Service Commission of West Virginia entered on November 4, 2005, in Case No. 04-0807-PSD-CN-PC, approving the rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. The time for appeal of such Order has not expired on the date hereof. However, the parties to such Order have stated that they will not appeal such Order. The Issuer hereby certifies that it will not appeal such Order. Such rates and charges will become effective upon completion of the Project.

12. **PUBLIC SERVICE COMMISSION ORDER:** The Issuer has received the Final Order of the Public Service Commission of West Virginia entered May 8, 2004, and the Commission Order entered on November 4, 2005, in Case No. 04-0807-PSD-CN-PC, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project, approving the financing for the Project and approving the rates and charges of the System. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. The time for appeal of the Commission Order has not expired on the date hereof. However, the parties to such Commission Order have stated that they will not appeal such Order. The Issuer hereby certifies that it will not appeal such Order. Both Orders remain in full force and effect.

13. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Chairman did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond, numbered AR-1, dated the date hereof, by his or her manual signature, and the undersigned Secretary did officially cause the official seal of the Issuer to be affixed upon the Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate, register and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal is also impressed above the signatures appearing on this certificate.

14. BOND PROCEEDS: On the date hereof, the Issuer received \$356,193 from the Authority and the Council, being a portion of the principal amount of the Series 2005 A Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

15. GRANTS: As of the date hereof, the grant from the Army Corps of Engineers in the amount of \$506,020 and the grant from the Council in the amount of \$1,039,800 are committed for the project and in full force and effect.

16. SPECIMEN BOND: Delivered concurrently herewith is a true and accurate specimen of the Bond.

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

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

19. COMPLIANCE WITH WEST VIRGINIA JOBS ACT: Unless it shall hereafter be qualified for an exception, the Issuer shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act"), and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Issuer hereby certifies to the Council and the Authority that (i) the Issuer will comply with all the requirements of the West Virginia Jobs Act; (ii) the Issuer has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (iii) the Issuer has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance

with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (iv) the Issuer will file with the DOL and the Council copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The Issuer will also certify in the monthly requisitions submitted to the Council that the Issuer is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

20. INTERMUNICIPAL AGREEMENT: The Issuer hereby certifies that it will promptly and diligently obtain the executed Agreement from Mountain Water District and the Public Service Commission of the Commonwealth of Kentucky and file the executed Agreement with the Public Service Commission of West Virginia prior to 50% of the proceeds of the Series 2005 A Bonds being disbursed.

21. EXECUTION OF COUNTERPARTS: This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

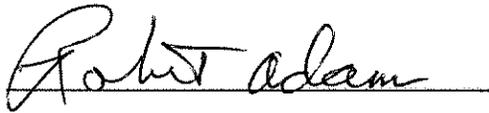
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WITNESS our signatures and the official seal of MINGO COUNTY
PUBLIC SERVICE DISTRICT as of the date first written above.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE



Chairman



Secretary

Local and PSC Counsel

Real Estate Counsel
[Regarding Paragraph
No. 7 only]

10/20/05
610170.99003

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

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Chairman

Secretary

Local and PSC Counsel

 _____

Real Estate Counsel
[Regarding Paragraph
No. 7 only]

10/20/05
610170.99003

MINGO COUNTY PUBLIC SERVICE DISTRICT

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

CERTIFICATE OF ENGINEER

I, H. Wood Thrasher, Registered Professional Engineer, West Virginia License No. 9478, of Thrasher Engineering, Inc., Clarksburg, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain improvements and extensions (the "Project") to the existing public sewerage facilities (the "System") of Mingo County Public Service District (the "Issuer") to be constructed primarily in Mingo County, West Virginia, which acquisition and construction are being financed by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on November 8, 2005 (the "Resolution"), and the Loan Agreement for the Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated November 9, 2005 (the "Loan Agreement").

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

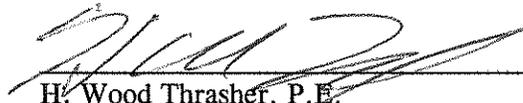
3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my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

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

WITNESS my signature and seal on this 9th day of November, 2005.

THRASHER ENGINEERING, INC.

(SEAL)



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

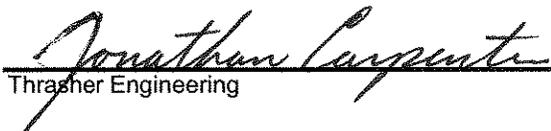
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SCHEDULE B
MINGO COUNTY PSD
2000S-514 SEWER PROJECT

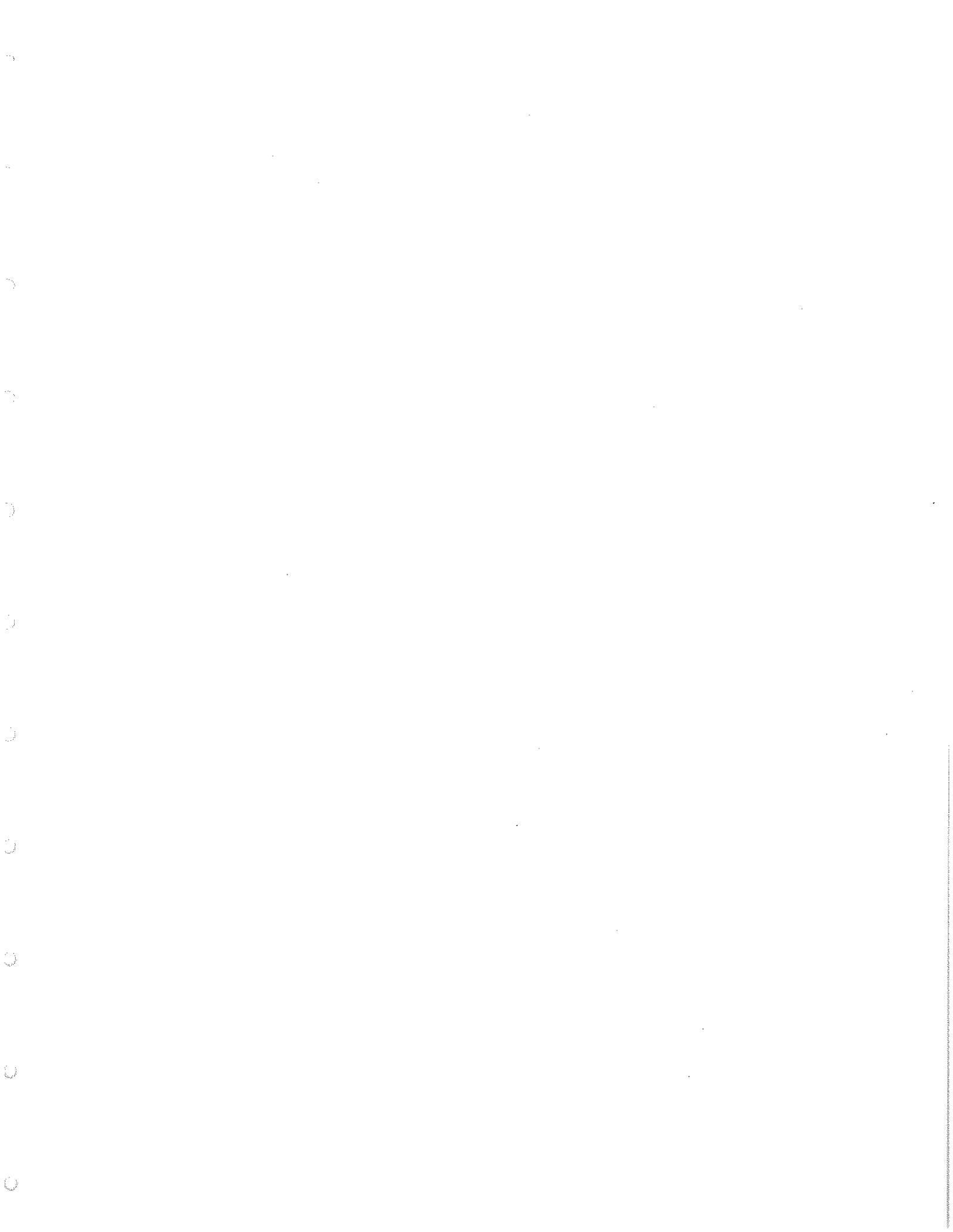
A. COST OF PROJECT		TOTAL	IJDC	COE
1 Construction				
Contract 1	FAMCO	1,561,638.00	1,561,638.00	0.00
Contract 2	FAMCO	738,879.00	422,279.00	316,600.00
Contract 3	Pipe Plus	619,098.00	429,678.00	189,420.00
Contract 4	Ground Breakers	405,000.00	405,000.00	0.00
2 Technical Services Thrasher				
a.	Planning	55,000.00	55,000.00	
b.	Design	232,360.00	232,360.00	
c.	Construction	189,000.00	189,000.00	
3 Legal & Fiscal				
a.	Legal Lane	20,000.00	20,000.00	
b.	Legal (PSC) Rodecker	15,000.00	15,000.00	
c.	Accounting Vallet	10,000.00	10,000.00	
4 Administrative		25,000.00	25,000.00	
5 Sites & Other Lands				
a.	Land acquisition / ROW	37,500.00	37,500.00	
6 Interim Financing				
7 Miscellaneous				
8	Contingency 5%	170,525.00	170,525.00	
9	TOTAL of Lines 1 through 8	4,079,000.00	3,572,980.00	506,020.00
B. COST OF FINANCING				
10 reserves				
11 Other Costs				
a.	Registrar fees	500.00	500.00	
b.	Bond Counsel (S&J)	18,500.00	18,500.00	
12 Cost of Issuance		19,000.00	19,000.00	
13 TOTAL PROJECT COST line 9 plus line 12		4,098,000.00	3,591,980.00	506,020.00
C. SOURCES OF OTHER FUNDS				
14 Federal Grants (COE)		506,020.00		506,020.00
15 State Grants (IJDC)		891,800.00	891,800.00	
16 Other Grants IJDC		148,000.00	148,000.00	
17 Any Other Source				
18 TOTAL GRANTS Lines 14 through 17		1,545,820.00	1,039,800.00	506,020.00
19 Size of Bond Issue		2,552,180.00	2,552,180.00	0.00


Mingo County Public Service District


Date 11/8/05⁺


Thrasher Engineering


Date 11/8/05



November 9, 2005

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

Mingo County Public Service District
Naugatuck, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs
Development Council
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the sewer rates and charges set forth in the Commission Order of the Public Service Commission of West Virginia in Case No. 04-0807 PSD-CN-PC, entered November 4, 2005, the projected operating expenses and the anticipated customer usage as furnished to me by Thrasher Engineering, Inc., Consulting Engineer, it is my opinion that such rates and charges will be sufficient to provide for all Operating Expenses of the System and to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund) to be issued on the date hereof.

Very truly yours,



Griffith & Associates

MINGO COUNTY PUBLIC SERVICE DISTRICT

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

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Chairman of the Public Service Board of Mingo County Public Service District in Mingo County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of \$2,552,180 Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the Issuer, dated November 9, 2005 (the "Series 2005 A Bonds" or "Bonds"), hereby certify, on this the 9th day of November, 2005, as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Resolution duly adopted by the Issuer on November 8, 2005 (the "Bond Resolution"), authorizing the Bonds.

2. This certificate may be relied upon as the certificate of the Issuer.

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on November 9, 2005, the date on which the Bonds are being physically delivered in exchange for a portion of the principal amount of the Series 2005 A Bonds (100% par value), and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

5. The Series 2005 A Bonds were sold on November 9, 2005, to the Authority, pursuant to a loan agreement dated November 9, 2005, by and between the Issuer and the Authority, on behalf of the Council, for an aggregate purchase price of \$2,552,180 (100% of par), at which time, the Issuer received \$356,193 from the Authority and the Council, being a portion of the principal amount of the Series 2005 A Bonds. No accrued interest has been or will be paid on the Series 2005 A Bonds. The balance of the principal amount of the Series 2005 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2005 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage system of the Issuer (the "Project"); and (ii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the acquisition and construction of the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2005 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the acquisition and construction of the Project on or before March, 2007. The acquisition and construction of the Project is expected to be completed by December, 2006.

8. The total cost of the Project is estimated at \$4,098,000. Sources and uses of funds for the Project are as follows:

SOURCES

Gross Proceeds of the Series 2005 A Bonds	\$2,552,180
Army Corp of Engineers Grant	506,020
Infrastructure Council Grant	1,039,800
Total Sources	<u>\$4,098,000</u>

USES

Acquisition and Construction of Project	\$4,079,000
Costs of Issuance	<u>\$ 19,000</u>
Total Uses	<u>\$4,098,000</u>

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

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

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

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

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

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

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

14. With the exception of the amount deposited in the Series 2005 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the acquisition and construction of the Project within 15 months from the date of issuance thereof.

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

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

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

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

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

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

21. The Bonds are not federally guaranteed.

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

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

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

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

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

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

WITNESS my signature as of the date first written above.

MINGO COUNTY PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

10/20/05
610170.99003

BEFORE THE COUNTY COMMISSION OF MINGO COUNTY

A RESOLUTION AND ORDER PROPOSING THE CREATION OF
MINGO COUNTY PUBLIC SERVICE DISTRICT

WHEREAS, there are substantial areas of Mingo County which currently have no public water and sewer service; and

WHEREAS, West Virginia Code §16-13A-2 provides that a County Commission may on its own motion propose the creation of a public service district for the provision of water and sewer service; and

WHEREAS, the County Commission has determined that it is in the public interest to establish a new public service district to provide water and sewer service to unserved areas of the county which are not located within the boundaries of any existing public service district heretofore created by the County Commission, or any municipality or private utility; and

WHEREAS, it is now deemed desirable by said County Commission to adopt a resolution and order proposing the creation of a new public service district to be named the Mingo County Public Service District and to include within its territory those areas of Mingo County which are not presently contained in the boundaries of any other Public Service District heretofore created by said County Commission, or any municipal or private water or sewer system.

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

1. That the County Commission of Mingo County, West Virginia, upon its own motion, proposes the creation of the Mingo County Public Service District, and to include within its boundaries the territory located within Mingo County, West Virginia, which is not currently contained within the boundaries of any other Public Service District heretofore created by said County Commission, or within the boundaries of any municipal or private utility, for the provision of both water and sewer service.

2. That the County Commission of Mingo County, West Virginia, upon its own motion, proposes that the Mingo County Public Service District be more particularly defined as the following areas:

The entirety of Mingo County, West Virginia, excepting the municipalities of Delbarton, Gilbert, Kermit, Matewan, and Williamson, and the following five (5) tracts of land which describe the lands under the jurisdiction of the Chattaroy Public Service District, the Justice Public Service District, the Nolan Public Service District, the Ragland Public Service District, and the Red Jacket Public Service District:

TRACT I -- Chattaroy Public Service District

Beginning at a point on the Tug Fork, near Chattaroy, Mingo County, West Virginia, near West Virginia State Plane South Zone Coordinates, 1624850 N, 258500 E;

thence, along the ridge line between Alley Branch and Buffalo Creek, to a point, approximately 4,400 feet, N 52° 29' E;

thence, along the ridge line between Cain Fork and Dans Branch, to a point in the District boundary line between Hardee District and Tug River District, approximately 5,200 feet, N 46° 13' E;

thence, along said District line, to a point, said point being the intersection of the District lines of Hardee, Tug River, and Lee Districts, approximately 12,250 feet, S 74° 55' E;

thence, along the District boundary line between Lee District and Tug River District, to a point on the ridge of Buffalo Mountain, approximately 7,650 feet, S 68° 21' E;

thence, along the District boundary line between Lee District and Tug River District on Buffalo Mountain to a high point, approximately 5,250 feet, S 2° 30' W;

thence, along the meanders of Sycamore Creek, to a point, approximately 6,750 feet, S 82° 08' W;

thence, leaving Sycamore Creek and going approximately 7,000 feet, N 84° 16' W, to a point in the Williamson Corporate Boundary;

thence, along the Williamson Corporate Boundary, approximately 12,100 feet, S 76° 17' W, to a point;

thence, leaving said boundary and going approximately 1,550 feet, N 30° 38' W, to a point on the Tug Fork;

thence, along the meanders of the Tug Fork to the Point of Beginning, approximately 6800 feet, N 2° 10' E.

Containing 5700 acres more or less, in Tug River District, Mingo County, West Virginia.

TRACT II -- Justice Public Service District

Beginning at a point where Lost Branch Creek enters the Guyandotte River, said point having a latitude of N 37° 35' 54" and a longitude of W 81° 49' 41", and being in the Mingo County Boundary;

thence, in a southwestern direction 0.14 mile with the river and the Mingo County line to a point where Huff Creek enters the Guyandotte River having a latitude of N 37° 35' 48" and a longitude of W 81° 49' 48";

thence, in a southern direction 0.92 mile leaving the Guyandotte river and continuing with the Mingo County line and crossing the Norfolk and Western Railroad and U. S. Route 52 to a point having a latitude of N 37° 35' 06" and a longitude of W 81° 49' 54";

thence, west, 0.50 mile leaving the Mingo County line and running to a point having a latitude of N 37° 35' 06" and a longitude of W 81° 50' 21";

thence, N 52° 18' W, 1.15 miles to a point having a latitude of N 37° 35' 40" and a longitude of 81° 51' 05";

thence, S 69° 09' W 0.65, mile crossing WV Route 52/4 to a point having a latitude of N 37° 35' 30" and a longitude of W 81° 52' 07";

thence, N 65° 07' W, 0.69 mile to a point having a latitude of N 37° 35' 46" and a longitude of W 81° 52' 48";

thence, S 24° 53' E, 0.93 mile to a point in the boundary of the town of Gilbert, said point having a latitude of N 37° 36' 30" and a longitude of W 81° 52' 22";

thence, S 65° 07' E, 0.66 mile with the Gilbert line and crossing the Norfolk and Western Railroad, the Guyandotte River and U. S. Route 52 to a point having a latitude N 37° 36' 15" and a longitude of W 81° 51' 43";

thence, N 21° 12' E, 0.19 mile continuing with the Gilbert line to a point having a latitude of N 37° 36' 24" and a longitude of W 81° 51' 38";

thence, S 68° 48' E, 1.36 miles leaving the Gilbert line and running to a point having a latitude of N 37° 35' 59" and a longitude W 81° 50' 15";

thence, N 58° 55' E, 0.52 mile to a point in Lost Branch Creek having latitude of N 37° 36' 13" and a longitude of W 81° 49' 45";

thence, in a southern direction 0.38 mile with Lost Branch Creek to the Beginning Point, containing a total area of 2.39 square miles, more or less, located in Stafford District, Mingo County, West Virginia.

TRACT III -- Nolan Public Service District

Beginning at a point on the Tug Fork, near Chattaroy, Mingo County, West Virginia, near West Virginia State Plane South Zone Coordinates, 1624850 N, 258500 E;

thence, along the ridge line between Alley Branch and Buffalo Creek, to a point, approximately 4,400 feet, N 52° 29' E;

thence, along the ridge line between Cain Fork and Dans Branch, to a point in the District boundary line between Hardee District and Tug River District, approximately 5,200 feet, N 46° 13' E;

thence, along said District boundary line, to a point, approximately 9,000 feet, N 73° 35' W;

thence, continuing along said District boundary line, to a point, approximately 8,500 feet, N 26° 08' W;

thence, leaving said District boundary line and going approximately 2,400 feet, N 64° 11' W, to a point on the Tug Fork;

thence, along the meanders of Tug Fork to a point, approximately 4,400 feet, S 49° 08' W;

thence, continuing along the meanders of the Tug Fork, to a point, approximately 5,425 feet, S 55° 11' E;

thence, continuing further along the meanders of the Tug Fork, to a point, approximately 8,000 feet, S 15° 30' E;

thence, continuing along the meanders of the Tug Fork, approximately 5,550 feet, S 46° 48' E, to the Point of Beginning.

Containing 2300 acres more or less, in Tug River District, Mingo County, West Virginia.

TRACT IV -- Ragland Public Service District

Beginning at a point on Rockhouse Fork, in the boundary line of the town limits of Delbarton, Mingo County, West Virginia, near West Virginia State Plane South Zone Coordinates, 1661050 N, 260550 E;

thence, approximately 7,900 feet, N 75° 52' E, to a point at the head waters of the eastern tributary to the Right Fork of Elk Creek;

thence, approximately 7,350 feet, N 74° 47' E, to a high point on the ridge between the Middle Fork of Elk Creek and the South Branch of Rockhouse Fork;

thence, approximately 4,150 feet, N 82° 16' E, to a point on a ridge at the head waters of a tributary of South Branch of Rockhouse Fork;

thence, approximately 6,600 feet, S 61° 58' E, to a point at the head waters of the Middle Fork of Elk Creek;

thence, approximately 11,550 feet, S 01° 43' E, to a point in the District boundary line between Lee District and Magnolia District;

thence, approximately 17,750 feet, N 74° 48' W, along said boundary line to a point;

thence, leaving said boundary line, and going approximately 3,550 feet, N 56° 25' W, to a point at the head waters of Curry Branch;

thence, approximately 5,425 feet, N 63° 53' W, to a point in the boundary line of the aforesaid town limits of Delbarton, West Virginia;

thence, following said boundary line, approximately 4950 feet, N 01° 08' W to a point being the Point of Beginning;

Containing 6050 acres, more or less, in Magnolia District, Mingo County, West Virginia.

TRACT V -- Red Jacket Public Service District

Beginning at a point on a hill north-east of Beech Creek School, near West Virginia State Plane South Zone Coordinates 1697650 N, 213900 E;

thence, across country in a straight line approximately 38,250 feet, N 58° 27' W to a point;

thence, across country in a straight line approximately 9,850 feet, N 31° 07' E to a point;

thence, across country in a straight line approximately 40,100 feet, S 67° 34' E to a point;

thence, across country in a straight line approximately 16,250 feet, S 36° 02' W to the Point of Beginning.

Containing 11,600 acres, more or less, in Magnolia District, Mingo County, West Virginia.

The above describes the lands to be served by the Mingo County Public Service District, Mingo County, West Virginia, and as shown on a map entitled "Lands to be Served by Mingo County PSD" dated November 14, 1995, prepared by Haworth, Meyer & Boleyn.

3. That the County Commission of Mingo County, West Virginia, shall hold a hearing on the proposed creation of the Mingo County Public Service District on the 7th day of February, 1996, in the Mingo County Courthouse in Williamson at 6:00 p.m.

4. That the Clerk of the County Commission shall cause notice of hearing and a description of all of the territory proposed to be included in the boundaries of the Mingo County Public Service District to be published as a Class I legal advertisement at least ten (10) days prior to the hearing.

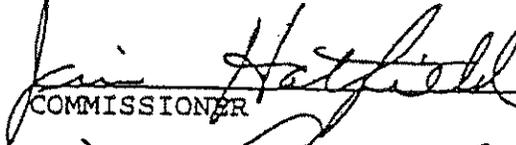
5. That the County Commission of Mingo County shall post the notice of the hearing and description of the new Public Service District's boundaries in at least five (5) conspicuous places within the proposed service territory of the Public Service District.

6. That the Clerk of the County Commission shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission of West Virginia not later than ten (10) days prior to the hearing set forth herein.

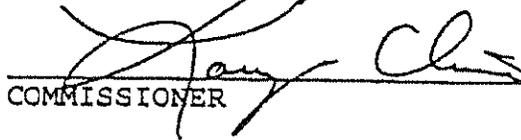
ENTERED into the permanent record of Mingo County, West Virginia, this 3rd day of January, 1996.



PRESIDENT



COMMISSIONER



COMMISSIONER

ATTEST:



CLERK

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BEFORE THE COUNTY COMMISSION OF MINGO COUNTY

A RESOLUTION AND ORDER CREATING THE
MINGO COUNTY PUBLIC SERVICE DISTRICT

WHEREAS, the County Commission of Mingo County, West Virginia, did heretofore, by Resolution and Order adopted on January 3, 1996, propose the creation of the Mingo County Public Service District to include within the boundaries of said Mingo County Public Service District those areas of Mingo County which are not currently located within the boundaries of any other public service district heretofore created by said County Commission or any other municipal or private utility, for the provision of both water and sewer service; and,

WHEREAS, by said January 3, 1996 Resolution and Order, the County Commission did set a hearing on the proposed creation of said public service district for February 7, 1996, required notice of said hearing be given by Class I legal publication and by posting of notice in at least five (5) conspicuous places within the territory of the proposed public service district, and required the Clerk of the County Commission to cause a copy of the Resolution and Order to be filed with the Executive Secretary of the Public Service Commission; and,

WHEREAS, notice of the February 7, 1996 hearing was given in the manner provided and required by said Resolution and Order; and,

WHEREAS, in a regular meeting of the County Commission held February 7, 1996, the County Commission voted to continue the hearing on the proposed creation of the Mingo County Public Service District until March 5, 1996, so as to provide the opportunity for members of the public to appear and be heard; and,

WHEREAS, notice of the continued hearing was given in the same manner as provided and required by West Virginia Code §16-13A-2 and all interested parties have been afforded an opportunity of being heard for and against the creation of the Mingo County Public Service District, but no written protest has been filed by the requisite number of qualified voters registered and residing within the boundaries of the public service district, and said County Commission has given due consideration to all matters for which such hearing was offered; and,

WHEREAS, it is now deemed desirable by said County Commission to adopt a Resolution and Order adopting the creation of Mingo County Public Service District to include the territory of Mingo County which is not currently contained within the boundaries of any other public service district heretofore created by said County Commission or that of any municipal or private utility, for the provision of water and sewer service.

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

1. That the County Commission of Mingo County, West Virginia, upon its own motion, subject to the approval of the Public Service Commission of West Virginia, adopts the creation of the Mingo County Public Service District to include the territory of Mingo County, West Virginia, which is not currently located within the boundaries of any other public service district heretofore created by said County Commission, or that of any municipal or private utility, for the provision of both water and sewer service.

2. That the County Commission of Mingo County, West Virginia, upon its own motion, subject to the approval of the Public Service Commission of West Virginia, adopts the creation of the Mingo County Public Service District as more particularly defined as the following areas:

The entirety of Mingo County, West Virginia, excepting the municipalities of Delbarton, Gilbert, Kermit, Matewan, and Williamson, and the following five (5) tracts of land which describe the lands under the jurisdiction of the Chattaroy Public Service District, the Justice Public Service District, the Nolan Public Service District, the Ragland Public Service District, and the Red Jacket Public Service District:

TRACT I -- Chattaroy Public Service District

Beginning at a point on the Tug Fork, near Chattaroy, Mingo County, West Virginia, near West Virginia State Plane South Zone Coordinates, 1624850 N, 258500 E;

- thence, along the ridge line between Alley Branch and Buffalo Creek, to a point, approximately 4,400 feet, N 52° 29' E;
- thence, along the ridge line between Cain Fork and Dans Branch, to a point in the District boundary line between Hardee District and Tug River District, approximately 5,200 feet, N 46° 13' E;
- thence, along said District line, to a point, said point being the intersection of the District lines of Hardee, Tug River, and Lee Districts, approximately 12,250 feet, S 74° 55' E;
- thence, along the District boundary line between Lee District and Tug River District, to a point on the ridge of Buffalo Mountain, approximately 7,650 feet, S 68° 21' E;
- thence, along the District boundary line between Lee District and Tug River District on Buffalo Mountain to a high point, approximately 5,250 feet, S 2° 30' W;
- thence, along the meanders of Sycamore Creek, to a point, approximately 6,750 feet, S 82° 08' W;
- thence, leaving Sycamore Creek and going approximately 7,000 feet, N 84° 16' W, to a point in the Williamson Corporate Boundary;
- thence, along the Williamson Corporate Boundary, approximately 12,100 feet, S 76° 17' W, to a point;
- thence, leaving said boundary and going approximately 1,550 feet, N 30° 38' W, to a point on the Tug Fork;
- thence, along the meanders of the Tug Fork to the Point of Beginning, approximately 6800 feet, N 2° 10' E.
- Containing 5700 acres more or less, in Tug River District, Mingo County, West Virginia.

TRACT II -- Justice Public Service District

- Beginning at a point where Lost Branch Creek enters the Guyandotte River, said point having a latitude of N 37° 35' 54" and a longitude of W 81° 49' 41", and being in the Mingo County Boundary;
- thence, in a southwestern direction 0.14 mile with the river and the Mingo County line to a point where Huff Creek enters the

Guyandotte River having a latitude of N 37° 35' 48" and a longitude of W 81° 49' 48";

thence, in a southern direction 0.92 mile leaving the Guyandotte river and continuing with the Mingo County line and crossing the Norfolk and Western Railroad and U. S. Route 52 to a point having a latitude of N 37° 35' 06" and a longitude of W 81° 49' 54";

thence, west, 0.50 mile leaving the Mingo County line and running to a point having a latitude of N 37° 35' 06" and a longitude of W 81° 50' 21";

thence, N 52° 18' W, 1.15 miles to a point having a latitude of N 37° 35' 40" and a longitude of 81° 51' 05";

thence, S 69° 09' W 0.65, mile crossing WV Route 52/4 to a point having a latitude of N 37° 35' 30" and a longitude of W 81° 52' 07";

thence, N 65° 07' W, 0.69 mile to a point having a latitude of N 37° 35' 46" and a longitude of W 81° 52' 48";

thence, S 24° 53' E, 0.93 mile to a point in the boundary of the town of Gilbert, said point having a latitude of N 37° 36' 30" and a longitude of W 81° 52' 22";

thence, S 65° 07' E, 0.66 mile with the Gilbert line and crossing the Norfolk and Western Railroad, the Guyandotte River and U. S. Route 52 to a point having a latitude N 37° 36' 15" and a longitude of W 81° 51' 43";

thence, N 21° 12' E, 0.19 mile continuing with the Gilbert line to a point having a latitude of N 37° 36' 24" and a longitude of W 81° 51' 38";

thence, S 68° 48' E, 1.36 miles leaving the Gilbert line and running to a point having a latitude of N 37° 35' 59" and a longitude W 81° 50' 15";

thence, N 58° 55' E, 0.52 mile to a point in Lost Branch Creek having latitude of N 37° 36' 13" and a longitude of W 81° 49' 45";

thence, in a southern direction 0.38 mile with Lost Branch Creek to the Beginning Point, containing a total area of 2.39 square miles, more or less, located in Stafford District, Mingo County, West Virginia.

TRACT III -- Nolan Public Service District

Beginning at a point on the Tug Fork, near Chattaroy, Mingo County, West Virginia, near West Virginia State Plane South Zone Coordinates, 1624850 N, 258500 E;

thence, along the ridge line between Alley Branch and Buffalo Creek, to a point, approximately 4,400 feet, N 52° 29' E;

thence, along the ridge line between Cain Fork and Dans Branch, to a point in the District boundary line between Hardee District and Tug River District, approximately 5,200 feet, N 46° 13' E;

thence, along said District boundary line, to a point, approximately 9,000 feet, N 73° 35' W;

thence, continuing along said District boundary line, to a point, approximately 8,500 feet, N 26° 08' W;

thence, leaving said District boundary line and going approximately 2,400 feet, N 64° 11' W, to a point on the Tug Fork;

thence, along the meanders of Tug Fork to a point, approximately 4,400 feet, S 49° 08' W;

thence, continuing along the meanders of the Tug Fork, to a point, approximately 5,425 feet, S 55° 11' E;

thence, continuing further along the meanders of the Tug Fork, to a point, approximately 8,000 feet, S 15° 30' E;

thence, continuing along the meanders of the Tug Fork, approximately 5,550 feet, S 46° 48' E, to the Point of Beginning.

Containing 2300 acres more or less, in Tug River District, Mingo County, West Virginia.

TRACT IV -- Raqland Public Service District

Beginning at a point on Rockhouse Fork, in the boundary line of the town limits of Delbarton, Mingo County, West Virginia, near West Virginia State Plane South Zone Coordinates, 1661050 N, 260550 E;

thence, approximately 7,900 feet, N 75° 52' E, to a point at the head waters of the eastern tributary to the Right Fork of Elk Creek;

- thence, approximately 7,350 feet, N 74° 47' E, to a high point on the ridge between the Middle Fork of Elk Creek and the South Branch of Rockhouse Fork;
- thence, approximately 4,150 feet, N 82° 16' E, to a point on a ridge at the head waters of a tributary of South Branch of Rockhouse Fork;
- thence, approximately 6,600 feet, S 61° 58' E, to a point at the head waters of the Middle Fork of Elk Creek;
- thence, approximately 11,550 feet, S 01° 43' E, to a point in the District boundary line between Lee District and Magnolia District;
- thence, approximately 17,750 feet, N 74° 48' W, along said boundary line to a point;
- thence, leaving said boundary line,--and going approximately 3,550 feet, N 56° 25' W, to a point at the head waters of Curry Branch;
- thence, approximately 5,425 feet, N 63° 53' W, to a point in the boundary line of the aforesaid town limits of Delbarton, West Virginia;
- thence, following said boundary line, approximately 4950 feet, N 01° 08' W to a point being the Point of Beginning;
- Containing 6050 acres, more or less, in Magnolia District, Mingo County, West Virginia.

TRACT V -- Red Jacket Public Service District

- Beginning at a point on a hill north-east of Beech Creek School, near West Virginia State Plane South Zone Coordinates 1697650 N, 213900 E;
- thence, across country in a straight line approximately 38,250 feet, N 58° 27' W to a point;
- thence, across country in a straight line approximately 9,850 feet, N 31° 07' E to a point;
- thence, across country in a straight line approximately 40,100 feet, S 67° 34' E to a point;

thence, across country in a straight line approximately 16,250 feet, S 36° 02' W to the Point of Beginning.

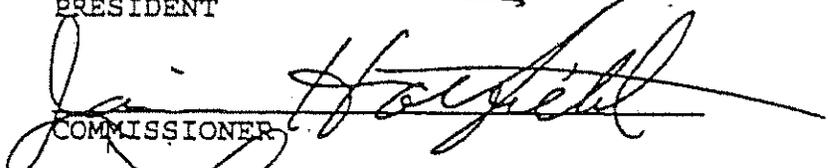
Containing 11,600 acres, more or less, in Magnolia District, Mingo County, West Virginia.

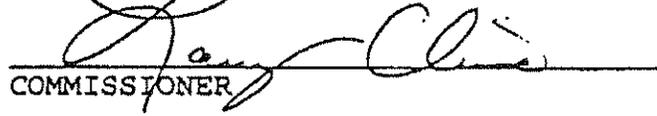
The above describes the lands to be served by the Mingo County Public Service District, Mingo County, West Virginia, and as shown on a map entitled "Lands to be Served by Mingo County PSD" dated November 14, 1995, prepared by Haworth, Meyer & Boleyn.

3. That the Clerk of the County Commission shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission not later than ten (10) days following the adoption hereof.

ENTERED into the permanent record of Mingo County, West Virginia, this 5th day of March, 1996.


PRESIDENT


COMMISSIONER


COMMISSIONER

ATTEST:


CLERK
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BEFORE THE COUNTY COMMISSION OF MINGO COUNTY

A RESOLUTION AND ORDER PROPOSING THE
MERGER OF THE
RAGLAND PUBLIC SERVICE DISTRICT AND THE
MINGO COUNTY PUBLIC SERVICE DISTRICT TO FORM
A NEW PUBLIC SERVICE DISTRICT HEREINAFTER TO BE
KNOWN AS THE MINGO COUNTY PUBLIC SERVICE DISTRICT

WHEREAS, the County Commission of Mingo County desires to facilitate the expansion of development in Mingo County; and

WHEREAS, West Virginia Code §16-13A-2 provides that a County Commission may merge public service districts in order to achieve efficiency of operations; and

WHEREAS, it is now deemed desirable by said County Commission to adopt a Resolution and Order proposing the merger of the Ragland Public Service District and Mingo County Public Service District to form a new public service district hereinafter to be known as the Mingo County Public Service District to provide water and sewer service.

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

1. That the County Commission of Mingo County, West Virginia, upon its own motion, proposes the merger of the Ragland Public Service District and Mingo County Public Service District to form a new public service district to be hereinafter known as the Mingo County Public Service District, located within Mingo County, West Virginia, for the provision of water and sewer service.

2. That the County Commission of Mingo County, West Virginia, upon its own motion, proposes through the merger of the

Ragland Public Service District and Mingo County Public Service District to create the resulting Mingo County Putnam Public Service District.

3. That the County Commission of Mingo County, West Virginia, upon its own motion, proposes through said merger, the resulting creation of the Mingo County Public Service District, and to include within its boundaries the territory located within Mingo County, West Virginia, which is not currently contained within the boundaries of any other Public Service District heretofore created by said County Commission, or within the boundaries of any municipal or private utility, for the provision of both water and sewer service.

4. That the County Commission of Mingo County, West Virginia, upon its own motion, proposes that the Mingo County Public Service District be more particularly defined as the following areas:

The entirety of Mingo County, West Virginia, excepting the municipalities of Delbarton, Gilbert, Kermit, Matewan, and Williamson, and the following four (4) tracts of land which describe the lands under the jurisdiction of the Chattaroy Public Service District, the Justice Public Service District, the Nolan Public Service District, and the Red Jacket Public Service District:

TRACT I -- Chattaroy Public Service District

Beginning at a point on the Tug Fork, near Chattaroy, Mingo County, West Virginia, near West Virginia State Plane South Zone Coordinates, 1624850 N, 258500 E;

thence, along the ridge line between Alley Branch and Buffalo Creek, to a point, approximately 4,400 feet, N 52° 29' E;

thence, along the ridge line between Cain Fork and Dans Branch, to a point in the District boundary line between Hardee District and Tug River District, approximately 5,200 feet, N 46° 13' E;

thence, along said District line, to a point, said point being the intersection of the District lines of Hardee, Tug River, and Lee Districts, approximately 12,250 feet, S 74° 55' E;

thence, along the District boundary line between Lee District and Tug River District, to a point on the ridge of Buffalo Mountain, approximately 7,650 feet, S 68° 21' E;

thence, along the District boundary line between Lee District and Tug River District on Buffalo Mountain to a high point, approximately 5,250 feet, S 2° 30' W;

thence, along the meanders of Sycamore Creek, to a point, approximately 6,750 feet, S 82° 08' W;

thence, leaving Sycamore Creek and going approximately 7,000 feet, N 84° 16' W, to a point in the Williamson Corporate Boundary;

thence, along the Williamson Corporate Boundary, approximately 12,100 feet, S 76° 17' W, to a point;

thence, leaving said boundary and going approximately 1,550 feet, N 30° 38' W, to a point on the Tug Fork;

thence, along the meanders of the Tug Fork to the Point of Beginning, approximately 6800 feet, N 2° 10' E.

Containing 5700 acres more or less, in Tug River District, Mingo County, West Virginia.

TRACT II -- Justice Public Service District

Beginning at a point where Lost Branch Creek enters the Guyandotte River, said point having a latitude of N 37° 35' 54" and a longitude of W 81° 49' 41", and being in the Mingo County Boundary;

thence, in a southwestern direction 0.14 mile with the river and the Mingo County line to a point where Huff Creek enters the Guyandotte River having a latitude of N 37° 35' 48" and a longitude of W 81° 49' 48";

thence, in a southern direction 0.92 mile leaving the Guyandotte river and continuing with the Mingo County line and crossing the Norfolk and Western Railroad and U. S. Route 52 to a point having a latitude of N 37° 35' 06" and a longitude of W 81° 49' 54";

thence, west, 0.50 mile leaving the Mingo County line and running to a point having a latitude of N 37° 35' 06" and a longitude of W 81° 50' 21";

thence, N 52° 18' W, 1.15 miles to a point having a latitude of N 37° 35' 40" and a longitude of 81° 51' 05";

thence, S 69° 09' W 0.65, mile crossing WV Route 52/4 to a point having a latitude of N 37° 35' 30" and a longitude of W 81° 52' 07";

thence, N 65° 07' W, 0.69 mile to a point having a latitude of N 37° 35' 46" and a longitude of W 81° 52' 48";

thence, S 24° 53' E, 0.93 mile to a point in the boundary of the town of Gilbert, said point having a latitude of N 37° 36' 30" and a longitude of W 81° 52' 22";

thence, S 65° 07' E, 0.66 mile with the Gilbert line and crossing the Norfolk and Western Railroad, the Guyandotte River and U. S. Route 52 to a point having a latitude N 37° 36' 15" and a longitude of W 81° 51' 43";

thence, N 21° 12' E, 0.19 mile continuing with the Gilbert line to a point having a latitude of N 37° 36' 24" and a longitude of W 81° 51' 38";

thence, S 68° 48' E, 1.36 miles leaving the Gilbert line and running to a point having a latitude of N 37° 35' 59" and a longitude W 81° 50' 15";

thence, N 58° 55' E, 0.52 mile to a point in Lost Branch Creek having latitude of N 37° 36' 13" and a longitude of W 81° 49' 45";

thence, in a southern direction 0.38 mile with Lost Branch Creek to the Beginning Point, containing a total area of 2.39 square miles, more or less, located in Stafford District, Mingo County, West Virginia.

TRACT III -- Nolan Public Service District

Beginning at a point on the Tug Fork, near Chattaroy, Mingo County, West Virginia, near West Virginia State Plane South Zone Coordinates, 1624850 N, 258500 E;

thence, along the ridge line between Alley Branch and Buffalo Creek, to a point, approximately 4,400 feet, N 52° 29' E;

thence, along the ridge line between Cain Fork and Dans Branch, to a point in the District boundary line between Hardee District and Tug River District, approximately 5,200 feet, N 46° 13' E;

thence, along said District boundary line, to a point, approximately 9,000 feet, N 73° 35' W;

thence, continuing along said District boundary line, to a point, approximately 8,500 feet, N 26° 08' W;

thence, leaving said District boundary line and going approximately 2,400 feet, N 64° 11' W, to a point on the Tug Fork;

thence, along the meanders of Tug Fork to a point, approximately 4,400 feet, S 49° 08' W;

thence, continuing along the meanders of the Tug Fork, to a point, approximately 5,425 feet, S 55° 11' E;

thence, continuing further along the meanders of the Tug Fork, to a point, approximately 8,000 feet, S 15° 30' E;

thence, continuing along the meanders of the Tug Fork, approximately 5,550 feet, S 46° 48' E, to the Point of Beginning.

Containing 2300 acres more or less, in Tug River District, Mingo County, West Virginia.

TRACT IV -- Red Jacket Public Service District

Beginning at a point on a hill north-east of Beech Creek School, near West Virginia State Plane South Zone Coordinates 1697650 N, 213900 E;

thence, across country in a straight line approximately 38,250 feet, N 58° 27' W to a point;

thence, across country in a straight line approximately 9,850 feet, N 31° 07' E to a point;

thence, across country in a straight line approximately 40,100 feet, S 67° 34' E to a point;

thence, across country in a straight line approximately 16,250 feet, S 36° 02' W to the Point of Beginning.

Containing 11,600 acres, more or less, in Magnolia District, Mingo County, West Virginia.

The above describes the lands to be served by the Mingo County Public Service District, Mingo County, West Virginia, and as shown on a map entitled "Lands to be Served by Mingo County PSD" dated November 14, 1995, prepared by Haworth, Meyer & Boleyn.

5. That the County Commission of Mingo County, West Virginia, shall hold a hearing on the proposed merger of the Ragland and the Mingo County Public Service Districts on the 7th day of February, 1996, in the Mingo County Courthouse in Williamson at 5:00 p.m.

6. That the Clerk of the County Commission shall cause notice of hearing and a description of all of the territory proposed to be included in the boundaries of the merged Mingo County Public Service District to be published as a Class I legal advertisement at least ten (10) days prior to the hearing.

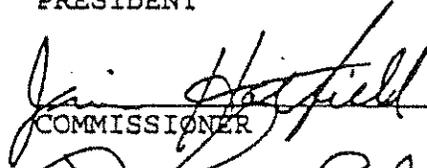
7. That the County Commission of Mingo County shall post the notice of the hearing and description of the new Public Service District's boundaries in at least five (5) conspicuous places within the proposed service territory of the merged Mingo County Public Service District.

8. That the Clerk of the County Commission shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission of West Virginia not later than ten (10) days prior to the hearing set forth herein.

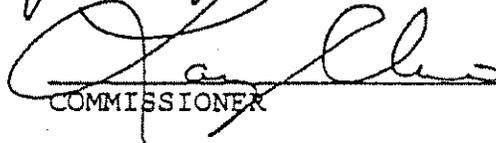
ENTERED into the permanent record of Mingo County, West Virginia, this 3rd day of ~~December~~^{January 1996}, 1995.



PRESIDENT



COMMISSIONER



COMMISSIONER

ATTEST:



CLERK

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BEFORE THE COUNTY COMMISSION OF MINGO COUNTY

A RESOLUTION AND ORDER MERGING RAGLAND PUBLIC SERVICE DISTRICT AND MINGO COUNTY PUBLIC SERVICE DISTRICT TO FORM A NEW PUBLIC SERVICE DISTRICT HEREINAFTER TO BE KNOWN AS THE MINGO COUNTY PUBLIC SERVICE DISTRICT

WHEREAS, the County Commission of Mingo County, West Virginia, did heretofore, by Resolution and Order adopted on January 3, 1996, propose the merger of the Ragland Public Service District and the Mingo County Public Service District to form a new public service district hereinafter to be known as the Mingo County Public Service District to provide water and sewer service; and,

WHEREAS, by said January 3, 1996 Resolution and Order, the County Commission did set a hearing on the proposed merger and consolidation for February 7, 1996, required notice of said hearing be given by Class I legal publication and by posting of notice in at least five (5) conspicuous places within the territories of each of the public service districts, and required the Clerk of the County Commission to cause a copy of the Resolution and Order to be filed with the Executive Secretary of the Public Service Commission; and,

WHEREAS, notice of the February 7, 1996 hearing was given in the manner provided and required by said Resolution and Order; and,

WHEREAS, in a regular meeting of the County Commission held February 7, 1996, the County Commission voted to continue the hearing on the proposed merger until March 5, 1996, so as to

provide the opportunity for members of the public to appear and be heard; and,

WHEREAS, notice of the continued hearing was given in the same manner as provided and required by West Virginia Code §16-13A-2 and all interested parties have been afforded an opportunity of being heard for and against the merger of the two public service districts, but no written protest has been filed by the requisite number of qualified voters registered and residing within the existing boundaries of the public service districts, and said County Commission has given due consideration to all matters for which such hearing was offered; and,

WHEREAS, it is now deemed desirable by said County Commission to adopt a Resolution and Order merging Ragland and Mingo County Public Service Districts to form a new public service district to be hereinafter known as the Mingo County Public Service District for the provision of water and sewer service.

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

1. That the County Commission of Mingo County, West Virginia, upon its own motion, subject to the approval of the Public Service Commission of West Virginia, merges Ragland Public Service District and Mingo County Public Service District into the Mingo County Public Service District, to be more particularly defined as the following areas:

The entirety of Mingo County, West Virginia, excepting the municipalities of Delbarton, Gilbert, Kermit, Matewan, and

Williamson, and the following four (4) tracts of land which describe the lands under the jurisdiction of the Chattaroy Public Service District, the Justice Public Service District, the Nolan Public Service District, and the Red Jacket Public Service District:

TRACT I -- Chattaroy Public Service District

- Beginning at a point on the Tug Fork, near Chattaroy, Mingo County, West Virginia, near West Virginia State Plane South Zone Coordinates, 1624850 N, 258500 E;
- thence, along the ridge line between Alley Branch and Buffalo Creek, to a point, approximately 4,400 feet, N 52° 29' E;
- thence, along the ridge line between Cain Fork and Dans Branch, to a point in the District boundary line between Hardee District and Tug River District, approximately 5,200 feet, N 46° 13' E;
- thence, along said District line, to a point, said point being the intersection of the District lines of Hardee, Tug River, and Lee Districts, approximately 12,250 feet, S 74° 55' E;
- thence, along the District boundary line between Lee District and Tug River District, to a point on the ridge of Buffalo Mountain, approximately 7,650 feet, S 68° 21' E;
- thence, along the District boundary line between Lee District and Tug River District on Buffalo Mountain to a high point, approximately 5,250 feet, S 2° 30' W;
- thence, along the meanders of Sycamore Creek, to a point, approximately 6,750 feet, S 82° 08' W;
- thence, leaving Sycamore Creek and going approximately 7,000 feet, N 84° 16' W, to a point in the Williamson Corporate Boundary;
- thence, along the Williamson Corporate Boundary, approximately 12,100 feet, S 76° 17' W, to a point;

thence, leaving said boundary and going approximately 1,550 feet, N 30° 38' W, to a point on the Tug Fork;

thence, along the meanders of the Tug Fork to the Point of Beginning, approximately 6800 feet, N 2° 10' E.

Containing 5700 acres more or less, in Tug River District, Mingo County, West Virginia.

TRACT II -- Justice Public Service District

Beginning at a point where Lost Branch Creek enters the Guyandotte River, said point having a latitude of N 37° 35' 54" and a longitude of W 81° 49' 41", and being in the Mingo County Boundary;

thence, in a southwestern direction 0.14 mile with the river and the Mingo County line to a point where Huff Creek enters the Guyandotte River having a latitude of N 37° 35' 48" and a longitude of W 81° 49' 48";

thence, in a southern direction 0.92 mile leaving the Guyandotte river and continuing with the Mingo County line and crossing the Norfolk and Western Railroad and U. S. Route 52 to a point having a latitude of N 37° 35' 06" and a longitude of W 81° 49' 54";

thence, west, 0.50 mile leaving the Mingo County line and running to a point having a latitude of N 37° 35' 06" and a longitude of W 81° 50' 21";

thence, N 52° 18' W, 1.15 miles to a point having a latitude of N 37° 35' 40" and a longitude of 81° 51' 05";

thence, S 69° 09' W 0.65, mile crossing WV Route 52/4 to a point having a latitude of N 37° 35' 30" and a longitude of W 81° 52' 07";

thence, N 65° 07' W, 0.69 mile to a point having a latitude of N 37° 35' 46" and a longitude of W 81° 52' 48";

thence, S 24° 53' E, 0.93 mile to a point in the boundary of the town of Gilbert, said point having a latitude of N 37° 36' 30" and a longitude of W 81° 52' 22";

- thence, S 65° 07' E, 0.66 mile with the Gilbert line and crossing the Norfolk and Western Railroad, the Guyandotte River and U. S. Route 52 to a point having a latitude N 37° 36' 15" and a longitude of W 81° 51' 43";
- thence, N 21° 12' E, 0.19 mile continuing with the Gilbert line to a point having a latitude of N 37° 36' 24" and a longitude of W 81° 51' 38";
- thence, S 68° 48' E, 1.36 miles leaving the Gilbert line and running to a point having a latitude of N 37° 35' 59" and a longitude W 81° 50' 15";
- thence, N 58° 55' E, 0.52 mile to a point in Lost Branch Creek having latitude of N 37° 36' 13" and a longitude of W 81° 49' 45";
- thence, in a southern direction 0.38 mile with Lost Branch Creek to the Beginning Point, containing a total area of 2.39 square miles, more or less, located in Stafford District, Mingo County, West Virginia.

TRACT III -- Nolan Public Service District

- Beginning at a point on the Tug Fork, near Chattaroy, Mingo County, West Virginia, near West Virginia State Plane South Zone Coordinates, 1624850 N, 258500 E;
- thence, along the ridge line between Alley Branch and Buffalo Creek, to a point, approximately 4,400 feet, N 52° 29' E;
- thence, along the ridge line between Cain Fork and Dans Branch, to a point in the District boundary line between Hardee District and Tug River District, approximately 5,200 feet, N 46° 13' E;
- thence, along said District boundary line, to a point, approximately 9,000 feet, N 73° 35' W;
- thence, continuing along said District boundary line, to a point, approximately 8,500 feet, N 26° 08' W;
- thence, leaving said District boundary line and going approximately 2,400 feet, N 64° 11' W, to a point on the Tug Fork;

thence, along the meanders of Tug Fork to a point, approximately 4,400 feet, S 49° 08' W;

thence, continuing along the meanders of the Tug Fork, to a point, approximately 5,425 feet, S 55° 11' E;

thence, continuing further along the meanders of the Tug Fork, to a point, approximately 8,000 feet, S 15° 30' E;

thence, continuing along the meanders of the Tug Fork, approximately 5,550 feet, S 46° 48' E, to the Point of Beginning.

Containing 2300 acres more or less, in Tug River District, Mingo County, West Virginia.

TRACT IV -- Red Jacket Public Service District

Beginning at a point on a hill north-east of Beech Creek School, near West Virginia State Plane South Zone Coordinates 1697650 N, 213900 E;

thence, across country in a straight line approximately 38,250 feet, N 58° 27' W to a point;

thence, across country in a straight line approximately 9,850 feet, N 31° 07' E to a point;

thence, across country in a straight line approximately 40,100 feet, S 67° 34' E to a point;

thence, across country in a straight line approximately 16,250 feet, S 36° 02' W to the Point of Beginning.

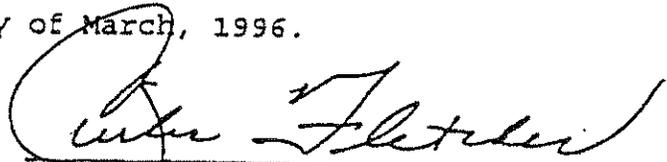
Containing 11,600 acres, more or less, in Magnolia District, Mingo County, West Virginia.

The above describes the lands to be served by the Mingo County Public Service District, Mingo County, West Virginia, and as shown on a map entitled "Lands to be Served by Mingo County PSD" dated November 14, 1995, prepared by Haworth, Meyer & Boleyn.

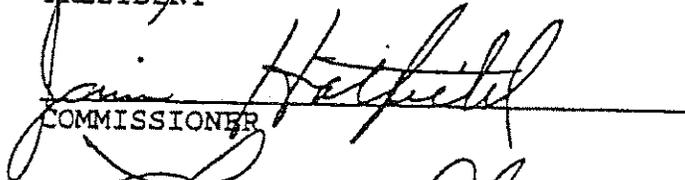
2. That the Clerk of the County Commission shall cause a copy of this Resolution and Order to be filed with the Executive

Secretary of the Public Service Commission not less than ten (10) days following the adoption hereof.

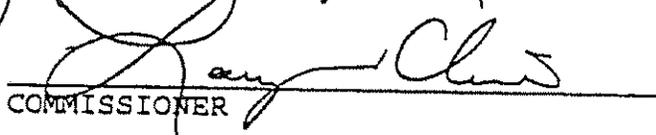
ENTERED into the permanent record of Mingo County, West Virginia, this 5th day of March, 1996.



PRESIDENT



COMMISSIONER



COMMISSIONER

ATTEST:



CLERK

mingo.com\county.wid\merge.fin

BEFORE THE COUNTY COMMISSION OF MINGO COUNTY

A RESOLUTION AND ORDER PROPOSING THE DISSOLUTION OF
RAGLAND PUBLIC SERVICE DISTRICT

WHEREAS, West Virginia Code §16-13A-2 provides that a County Commission may merge public service districts; and

WHEREAS, this Commission has proposed the merger of Ragland Public Service District and Mingo County Public Service District to form a new Mingo County Public Service District; and

WHEREAS, it is now deemed desirous by said County Commission to adopt a resolution and order proposing the dissolution of the Ragland Public Service District upon the completion of said merger into the new Mingo County Public Service District.

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

1. That the County Commission of Mingo County, West Virginia, upon its own motion, subject to the merger of Ragland Public Service District with the Mingo County Public Service District, and subject further to the approval of the Public Service Commission of West Virginia, proposes to dissolve Ragland Public Service District.

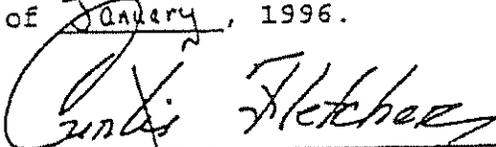
2. That the County Commission of Mingo County, West Virginia, shall hold a hearing on the proposed dissolution on the 7th day of February 1996, in the Mingo County Courthouse in Williamson at 5:00 p.m.

3. That the Clerk of the County Commission shall cause notice of hearing to be published as a Class I legal advertisement at least ten (10) days prior to the hearing.

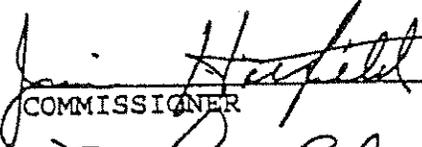
4. That the County Commission of Mingo County shall post the notice of the hearing in at least five (5) conspicuous places within the territory of the Ragland Public Service District.

5. That the Clerk of the County Commission shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission not less than ten (10) days prior to the hearing set forth herein.

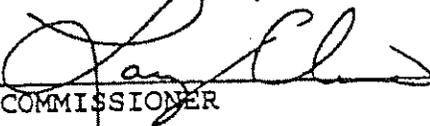
ENTERED into the permanent record of Mingo County, West Virginia, this 3rd day of January, 1996.



PRESIDENT



COMMISSIONER



COMMISSIONER

ATTEST:



CLERK

BEFORE THE COUNTY COMMISSION OF MINGO COUNTY

A RESOLUTION AND ORDER DISSOLVING
RAGLAND PUBLIC SERVICE DISTRICT

WHEREAS, the County Commission of Mingo County, West Virginia, did heretofore, by Resolution and Order adopted on January 3, 1996, propose the dissolution of the Ragland Public Service District; and,

WHEREAS, by said January 3, 1996 Resolution and Order, the County Commission did set a hearing on the proposed dissolution for February 7, 1996, required notice of said hearing be given by Class I legal publication and by posting of notice in at least five (5) conspicuous places within the territory of Ragland Public Service District, and required the Clerk of the County Commission to cause a copy of the Resolution and Order to be filed with the Executive Secretary of the Public Service Commission; and,

WHEREAS, notice of the February 7, 1996 hearing was given in the manner provided and required by said Resolution and Order; and,

WHEREAS, in a regular meeting of the County Commission held February 7, 1996, the County Commission voted to continue the hearing on the proposed dissolution until March 5, 1996, so as to provide the opportunity for members of the public to appear and be heard; and,

WHEREAS, notice of the continued hearing was given in the same manner as provided and required by West Virginia Code §16-13A-2 and all interested parties have been afforded an opportunity of being heard for and against the dissolution of the public service district, but no written protest has been filed by the requisite

number of qualified voters registered and residing within the existing boundaries of the public service district, and said County Commission has given due consideration to all matters for which such hearing was offered; and,

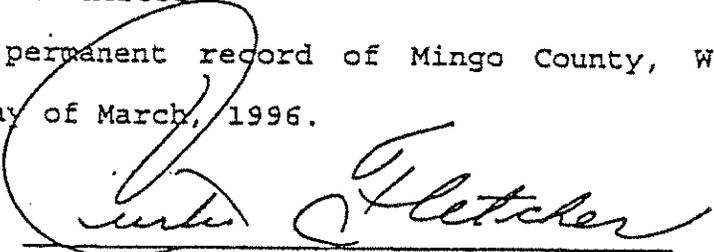
WHEREAS, it is now deemed desirous by said County Commission to adopt a Resolution and Order dissolving the Ragland Public Service District upon the completion of the merger of the Ragland and Mingo County Public Service Districts into the Mingo County Public Service District.

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

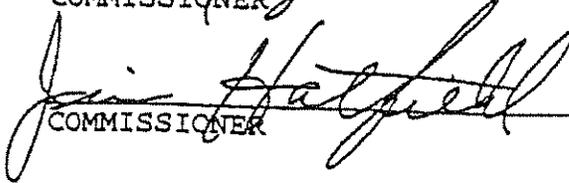
1. That the County Commission of Mingo County, West Virginia, upon its own motion, subject to the approval of the Public Service Commission of West Virginia, and subject further to the merger of the Ragland and Mingo County Public Service Districts, dissolves Ragland Public Service District.

2. That the Clerk of the County Commission shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission not less than ten (10) days following the adoption hereof.

ENTERED into the permanent record of Mingo County, West Virginia, this 5th day of March, 1996.


PRESIDENT


COMMISSIONER


COMMISSIONER

ATTEST:


CLERK

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The Minutes of the Special Session of the County Commission of Mingo County, West Virginia was held on Tuesday, March 5, 1996 at 5:00 p.m. in the Commissioners' Room 136, First Floor of the Courthouse, Williamson, West Virginia were approved as presented this the 6th day of March, 1996.

ORDER:

ENTER:

J. Hatfield
Ray

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

8-1-96

Entered: July 12, 1996

CASE NO. 96-0049-PSWD-PC

MINGO COUNTY COMMISSION

Petition for consent and approval to create a new public service district to provide both water and sewer services to customers in areas which are not presently contained in the boundaries of any other public service district within Mingo County, to dissolve Ragland Public Service District and to merge Ragland Public Service District with the newly created Mingo County Public Service District.

RECOMMENDED DECISION

On March 5, 1996, the Mingo County Commission adopted resolutions to create the Mingo County Public Service District, to provide water and sewer services to customers in areas of Mingo County which are not presently in the boundaries of any other public service district within Mingo County; to dissolve the Ragland Public Service District; and to merge the Ragland Public Service District territory with the newly created Mingo County Public Service District.

On March 12, 1996, the adopted resolutions were submitted for Commission approval, pursuant to West Virginia Code §16-13A-2.

By Order dated February 27, 1996, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before August 15, 1996.

On April 1, 1996, Staff Attorney, Cassius H. Toon, Esquire, filed a Further Joint Staff Memorandum to which was attached the Final Staff Internal Memorandum of Mr. James W. Boggess, Jr., Utilities Analyst II, Public Service District Division. Mr. Toon advised that Staff, after a review of all the pertinent information in this case, recommended approval of the simultaneous dissolution of the Ragland Public Service District and creation of the Mingo County Public Service District and the scheduling of this case for a hearing, in accordance with the provisions of West Virginia de §16-13A-2.

By Order dated May 31, 1996, this matter was set for a hearing to be

held in the Council Chambers, City Building, Williamson, West Virginia, on June 19, 1996, in accordance with the provisions of West Virginia Code §16-13A-2, and said Order required that the Mingo County Commission give notice of the hearing by publishing a copy of the Notice of Hearing, once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Mingo County. In a letter dated June 10, 1996, the proper affidavit of publication was submitted by the Mingo County Commission.

The hearing was held as scheduled. The Mingo County Commission appeared by its Counsel, Robert R. Rodecker, Esquire. Commission Staff appeared by Cassius H. Toon, Esquire.

At the hearing held on June 19, 1996, no one appeared in protest to the petition of the Mingo County Commission. Thus, after receipt of Mingo County Commission Exhibits 1 through 6, which were the resolutions and orders creating the Mingo County Public Service District, merging Ragland Public Service District and Mingo County Public Service District and dissolving Ragland Public Service District, no further evidence was taken and the matter was submitted as an unopposed case.

DISCUSSION

In a resolution adopted March 5, 1996, the Mingo County Commission created the Mingo County Public Service District to provide water and sewer services to customers in areas of Mingo County, which are not presently inside the boundaries of any other public service district within Mingo County. Also, the County Commission passed a resolution to dissolve the Ragland Public Service District and to merge the Ragland Public Service District with the newly-created Mingo Public Service District.

These resolutions and orders were submitted for Commission approval on March 12, 1996, and pursuant to West Virginia Code §16-13A-2, a hearing was held in Williamson, Mingo County, on June 19, 1996. The Mingo County Commission gave a notice of the hearing by publishing a Notice of Hearing, once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Mingo County. Proper publication was made in accordance with the Commission's requirements. At the hearing held in this matter on June 19, 1996, no one appeared in protest to the petition of the Mingo County Commission, whereupon, the matter was submitted as an unopposed case. Since no one appeared in protest to the petition of the Mingo County Commission, after proper publication had been made in accordance with the Commission's requirements, the orders of the Mingo County Commission, as filed on March 12, 1996, should be approved.

FINDINGS OF FACT

1. On March 5, 1996, the Mingo County Commission adopted resolutions and orders to create the Mingo County Public Service District to provide water and sewer services to customers who are not presently in the boundaries of any other public service district within Mingo County; to

dissolve the Ragland Public Service District; and to merge the Ragland Public Service District with the newly-created Mingo County Public Service District. Said resolutions and orders were submitted for Commission approval on March 12, 1996, pursuant to West Virginia Code §16-13A-2. (See, Resolutions filed March 12, 1996).

2. Commission Staff recommended approval of the simultaneous dissolution of the Ragland Public Service District and the creation of the Mingo County Public Service District. (See, Further Joint Staff Memorandum filed April 1, 1996).

3. By Order dated May 31, 1996, this matter was set for a hearing to be held in the Council Chambers, City Building, Williamson, West Virginia, on June 19, 1996, and the the Mingo County Commission was to give notice of said hearing by publishing a Notice of Hearing, once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Mingo County. (See, Order dated May 31, 1996, and Appendix A).

4. In a letter dated June 10, 1996, the Mingo County Commission submitted the Affidavit of Publication reflecting proper publication of the Notice of Hearing, as required by the Order of May 31, 1996. (See, letter dated June 10, 1996).

5. At the hearing held in this matter on June 19, 1996, no one appeared in protest to the petition of the Mingo County Commission, whereupon the matter was submitted as an unopposed case. (See, Tr., p. 4).

CONCLUSION OF LAW

The Administrative Law Judge is of the opinion and finds that, since the Mingo County Commission gave proper notice of the hearing to be held in this matter and no one appeared to give protest to the orders of the Mingo County Commission, the orders adopted on March 5, 1996, should be approved.

ORDER

IT IS, THEREFORE, ORDERED that the resolutions and orders, adopted by the Mingo County Commission on March 5, 1996, to create the Mingo County Public Service District to provide water and sewer services to customers in areas of Mingo County which are not presently in the boundaries of any other public service district within Mingo County; merging the territory of the Ragland Public Service District with the Mingo County Public Service District; and dissolving the Ragland Public Service District, be, and the same hereby are, approved.

The Acting 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 Acting 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 Acting Executive Secretary that all parties of record have been served said exceptions.

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

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



Robert W. Glass
Administrative Law Judge

RWG:jas



IN THE COUNTY COMMISSION OF MINGO COUNTY, WEST VIRGINIA

O R D E R

IN RE:

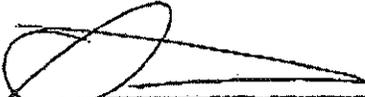
BOOK 0151 PAGE 230

THE COUNTY COMMISSION OF MINGO COUNTY, WEST VIRGINIA, AT A
REGULARLY HELD SESSION ON THE 4th DAY OF May, _____, HEREBY
ORDERS Mark Redwine be appointed to
the Mingo County RSD

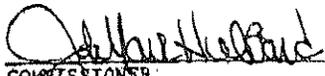
THIS ORDER EFFECTIVE THIS THE 4th DAY OF May 2005

ORDER:

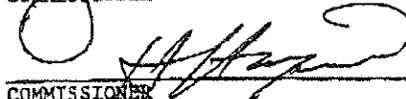
ENTER:



PRESIDENT



COMMISSIONER



COMMISSIONER

STATE OF WEST VIRGINIA

COUNTY OF MINGO, to wit:

The County Commission of Mingo County met in Regular Session on Wednesday, May 4, 2005, at 12:00 noon in Room 136 First Floor, Courthouse, Williamson West Virginia. Present for the meeting was Greg Smith, Halcy Hatfield and John Mark Hubbard, Commissioners.

A quorum being present and the public being duly notified, the meeting was called to order @ 12:15 p.m.

Greg Smith made a motion to approve the Minutes as presented. John Hubbard seconded. The vote was unanimous. Motion carried.

Halcy Hatfield made a motion to approve the Improvers as presented. John Hubbard seconded. The vote was unanimous, Motion carried.

Andy Dillon came before the Commission representing Pocahontas Land Corporation with a proposal of a bill of sale and a lease agreement. Halcy Hatfield made a motion to enter into an agreement with Pocahontas Land Corporation, which the County will receive a communication tower and an 8x10 ft. building on Horsepin Mountain for the sum of \$1.00. The agreement also states the County will have to pay \$25.00 a year to lease the parcel of land in which the 911 tower and building is located. John Hubbard seconded. The vote was unanimous. Motion carried. Commissioner Smith stated because of a prior lease agreement, the county had been paying \$3,600 yearly to Kenova Electronics for the right to use the property for 911 dispatching and on behalf of the county he would like to thank Andy Dillon and Pocahontas Land Corporation.

Assistant 911 Director, Loraine Vance came before the Commission requesting a maintenance contract be approved with Connections 2-Way Radio Inc. John Hubbard made a motion to approve the contract upon the recommendation from 911. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

Halcy Hatfield made a motion to approve the hiring of Tammy Scott as fulltime 911 Mapping Coordinator at \$8.00 per hour, effective May 5, 2005, since she has been acting as temporary 911 Mapping Coordinator while Bethany Cisco was on maternity leave. Greg Smith seconded. The vote was unanimous. Motion carried. Halcy Hatfield made a motion to approve the reassignment of coordinator Bethany Cisco as 911

Terminal Agency Coordinator. John Hubbard seconded. The vote was unanimous.

Motion carried.

Assistant 911 Director, Loraine Vance informed the Commission that the frequency license are now posted and on file.

911 Director, Bill Davis credited Ms. Vance and Mark Miller with obtaining the frequency license.

John Hubbard made a motion to approve the request by Woody Meddings for a letter of intention to the FCC giving permission for STAT Ambulance Service to operate on the 911 Frequency. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

Halcy Hatfield made a motion to approve the draw down request for the months of February and March from Sherry Hatfield on behalf of the Tug Valley Recovery Shelter. John Hubbard seconded. The vote was unanimous. Motion carried.

Debbie Prater came before the Commission on behalf of the up coming June election and informed them that the list of Democrat, Republican and County Commission poll workers has to be turned in by May 6, 2005 for approval. The Commission set a Special Session for Monday, May 9, 2005 for 8:30 a.m. to approve the poll workers.

No one appeared before the Commission on behalf of the Clickit or Ticket.

Greg Smith made a motion to approve the deed presented by Mingo County Redevelopment Authority conveying the property back to Wanda Kirk Tomblin. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

John Hubbard made a motion to allow the Sheppard of the Hills and the March of Dimes the use of the County Horse Park upon the presentation of proper liability insurance. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

Greg Smith made a motion to place the Correspondence on record as presented. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

Eddie Compton requested to be placed on the Agenda for the next regular session concerning the Wharnccliffe Park.

Greg Smith nominated Mark Redwine of Chattaroy, WV to serve on the Board of the Mingo County Public Service District. With no other nominations Greg Smith made a



motion to appoint Mark Redwine upon taking the Oath of Office. Halcy Hatfield seconded. The vote was unanimous. Motion carried. ✓

John Hubbard announced that he would contact Mable Childress to see if she wants to serve on the Corridor G Regional Development Board and if she does she will be appointed at the next regular session.

The Commission asked for Personnel to be placed on the Agenda for the next regular session until Commission Attorney Teresa Maynard returns from training.

Commissioner Smith stated after reviewing the eleven bids for the Twin Branch Engineering Motor Sports Complex, three firms were interviewed they were E.L. Robinson, Thrasher Engineering and Wilbur Smith Engineering. The interview committee recommended that the Commission award the project to E.L. Robinson. Halcy Hatfield made a motion award the project to E.L. Robinson on the condition that a satisfactory price could be negotiated. John Hubbard seconded. The vote was unanimous. Motion carried.

Grant Coordinator, Sheila Erwin presented the following grants for approval:

John Hubbard made a motion to approve the Concerned Citizens League draw down request #2. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

John Hubbard made a motion to approve the Lenore Little League contract from the WV Development Office. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

John Hubbard made a motion to approve the Red Jacket Little League contract from the WV Development Office. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

Halcy Hatfield made a motion to approve the FFY2005 Emergency Management Program Grant Award. John Hubbard seconded. The vote was unanimous. Motion carried.

Sheila Erwin asked the Commission to look over the Criminal Justice Service Contract Grant for in car cameras for the Sheriff's Department. The Commission asked for it to be placed on the Agenda for Monday's Special Session.

Sheila Erwin updated the Commission on the Lick Creek Water Project.

Grant Coordinator, Sheila Erwin updated the Commission on the Courthouse roof and announced that the bid for the new roof has been let out, but she hasn't received any as of yet.

John Hubbard made a motion for Sheila Erwin to start the bid process for the Courthouse air conditioning and returns, also since the Circuit Court Courtroom has a separate unit to start the bid on that as well. Greg Smith seconded. The vote was unanimous. Motion carried.

Under General County Business the following was acted upon:

After receiving a letter from Family Court Judge Robert D. Calfee, Halcy Hatfield made a motion to allow Judge Calfee to add room 336 in with the lease agreement with the Commission and WV Supreme Court. John Hubbard seconded. The vote was unanimous. Motion carried.

Greg Smith made a motion to start making the necessary changes to move the County Commission Courtroom to the third floor located in the office space formally used by the Mingo County Housing Authority. And also allow Computer Technician, Jay Lockard the use of one of those rooms for an office. John Hubbard seconded. The vote was unanimous. Motion carried.

Greg Smith made a motion to approve the maintenance agreement with Komax. John Hubbard seconded. The vote was unanimous. Motion carried.

Greg Smith made a motion to deny the amended contract with Centas Uniform Company. John Hubbard seconded. The vote was unanimous. Motion carried.

Greg Smith made a motion to approve the lease agreement with Orchid Gene Screen for DNA specimen collections identification amendment as suggested by Prosecutor Michael Sparks. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

Greg Smith made a motion for a policy to be written prohibiting the personal use of any county vehicle. John Hubbard seconded. The vote was unanimous. Motion carried. During the meeting a lengthy discussion ensued after the policy was implemented on which employees were exempt from taxation according to IRS regulations. It was decided Homeland Security Director and 911 Director, Bill Davis would be allowed to keep his vehicle 24 hours a day after signing the waiver stating he would not drive his

vehicle for personal use. Also approved after first signing a waiver were Kevin Wilson, Litter Control Officer, David Stratton Litter Control Officer and William Queen, Humane Officer, after each vehicle is properly marked to meet IRS requirements. Commissioner Smith explained these are considered qualified non-personal use vehicles and therefore commuting back and forth from home is not taxable according to IRS regulations. Commissioner Smith also explained Ronnie Sanaon, Sue Ramos, Thurman Moore, County Commission Jeep, Assessor Vehicles and David Justice are the employees who use the county vehicles and are considered taxable and do not qualify for the tax exemption, they will be taxed according to the commuting valuation rule to assess how much income will be applied before valuation is placed in effect. The employees who do not qualify for the commuting rule will be assessed \$3 dollars per day when they drive the vehicle to work and home. With that being said Greg Smith made a motion for no one to take any of the vehicles home except for deputies, until they sign the waiver and the vehicles are properly marked. John Hubbard seconded. The vote was unanimous. Motion carried.

On behalf of the public, Kyle Ellis complained that people, some known and some unknown, were dumping garbage on his property at Dingess. Mr. Ellis told the Commissioners, if he had the power to write citations, he could make the county a large amount of revenue. Mr. Ellis told the Commission the residents in Dingess needed their help, and said he tried to treat people kindly but it has become a constant problem. Bill Davis, Director of the office of Emergency Management, said there were state ordinances, which allow for \$100 daily fines to those who operate illegal dumps. Mr. Davis said the Prosecutor's office would have to see that the laws are enforced. Prosecutor, Michael Sparks said he would work with the sheriff's office to eliminate the problem.

Greg Smith made a motion to grant Janie Dempsey's request to replace her deceased Father, Harmon Gillman Sr. as administratrix over her Aunt's Effie Soboleski estate with the bond posted for her Father be used to cover both estates. John Hubbard seconded. The vote was unanimous. Motion carried.

John Hubbard made a motion to approve the Orders & Settlements as presented. Haley Hatfield seconded. The vote was unanimous. Motion carried.

Greg Smith made a motion to approve the account payable, as monies are made available. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

John Hubbard made a motion to adjourn the meeting pending signing of the bills. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

IN THE COUNTY COMMISSION OF MINGO COUNTY, WEST VIRGINIA

APPOINTMENT ORDER

RE: Appointment of Earl McCowan to the Public Service Board of Mingo County Public Service District

AT A Regular MEETING OF THE COUNTY COMMISSION OF MINGO COUNTY, WEST VIRGINIA, HELD ON THE 18th DAY OF April, 2001, THE COMMISSION HEREBY APPOINTS Earl McCowan to the Public Service Board of Mingo County Public Service District for a term of 4 years.

THIS ORDER EFFECTIVE April 18, 2001

ORDER:

ENTER:

[Signature]
COMMISSIONER
[Signature]
COMMISSIONER

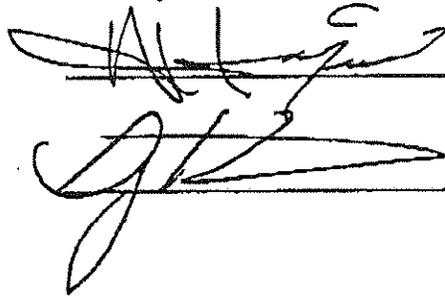
COMMISSIONER

The Minutes of the Regular Session of the County Commission of Mingo County,
West Virginia was hold on Wedncaday, September 3, 2003 at 12:00 p.m. in the
Commissioners Office Room 136, First Floor, Courthouse, Williamson, West Virginia
were approved as presented this the 17th day of September, 2003.

ENTER:

A handwritten signature in cursive script, appearing to be "A. Jones", written over a horizontal line.

ORDER:

Two handwritten signatures in cursive script, one above the other, each written over a horizontal line. The top signature appears to be "A. Jones" and the bottom one appears to be "J. K. Jones".

STATE OF WEST VIRGINIA

COUNTY OF MINGO, to wit:

The County Commission of Mingo County met in Regular Session on Wednesday, September 3, 2003, at 12:00 p.m. in Room 136 First Floor, Courthouse, Williamson West Virginia. Present for the meeting was Greg Smith, Halcy Hatfield and Larry Cline, Commissioners.

A quorum being present and the public being duly notified, the meeting was called to order @ 12:10 p.m.

Greg Smith made a motion to approve the minutes as presented. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

There was no Improvers presented to the Commission.

The Tug Valley Recovery Shelter Drawdown was tabled because no one was present from the Shelter for the meeting.

Paul Pinson came before the Commission representing the Mingo County Board of Education on behalf of the School Board Bond Levy Election. Mr. Pinson stated the Board of Education has entered an order asking for a November 22, 2003 Special Levy Election. Ever 5 years we have a Special Levy Election in Mingo County, to supplement the cost of education in the County. Mr. Pinson stated that he had talked with both Clerk's to assist with the election and both have agreed to do so. The Board of Education will pay for all the out of pocket cost of the election, so whatever the cost would be as far as polling officials, election officers, in fact the actual holding of the election would be paid by the Mingo County Board of Education. Greg Smith made a motion to approve November 22, 2003 for the School Board Bond Levy Election. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

Belinda Harness came before the Commission on behalf of the Housing Authority Reconstruction Grant stating that all requirements have been met for that grant, and she ask the Commission to approve. Greg Smith made a motion to authorize Larry Cline to sign the Reconstruction Grant documentation. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

Belinda Harness also presented the Commission with a memorandum of understanding between the Mingo County Commission and Mingo County Housing

Authority. Mrs. Harness stated that it was required by the state that the Memorandum of Understanding be sent to the Attorney General's Office for approval, and the Attorney General's Office asked us to make a couple of changes to the memorandum. Mrs. Harness presented the Commission the new Memorandum of Understanding after making the changes. Upon approval by Commission Attorney, Teresa Maynard, Greg Smith made a motion to approve the Memorandum of Understanding. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

The Commission tabled the request from Terry Fuller, because she was not present.

The Commission tabled the request from the King Coal Highway Authority Board Appointment, because they haven't had any response from current Board Member Steve Kaminar.

Tina Lockard, Commission Assistant, read a letter from Mike Mitchum, board member of the King Coal Highway Authority Board. It stated that the board members are traveling to Washington D.C. and they are asking for a \$500.00 donation to help defray the cost. Greg Smith made a motion to take the request under advisement. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

Tina Lockard, Commission Assistant, read a letter from Charles McCan, from the Corridor G. Regional Development Authority, requesting a contribution of \$10,000.00 to use for operational purposes for the years 2003-04. The letter also stated that the prior commitment had been made by the past Commission to help. Greg Smith made a motion to take under advisement. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

County Clerk, Jim Hatfield came before the Commission asking to hire an additional employee. Mr. Hatfield said it's coming up to the May election and I need extra help, and the employees have numerous days to take off before the end of the year. Greg Smith said that he understood the request but financially we can't hire anyone right now. Greg Smith made a motion to deny the request from County Clerk Jim Hatfield. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

Halcy Hatfield made a motion to reinstate Mike Adkins to the Mingo County Public Service District Board. Greg Smith seconded. The vote was unanimous. Motion carried. ✓

Greg Smith made a motion to place the Correspondence as presented on record. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

The Commission also wanted to go on record to thank Senator Truman Chafin for the donation of \$25,000.00 from the senate finance committee to help with the cost of the Memorial Building's central heat and air.

Greg Smith made a motion to approve the 9-1-1 personnel policy change of their sick time and vacation time. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

Shelia Erwin, Grant Coordinator, came before the Commission to present the grants. Halcy Hatfield made a motion for Larry Cline to sign the 523 Flying Club Grant. Greg Smith seconded. The vote was unanimous.

Halcy Hatfield made a motion to approve the shuck for the Gilbert Creek Park Grant. Greg Smith seconded. The vote was unanimous. Motion carried.

The Assessor's GIS Grant was tabled.

The Commission discussed the Courthouse Improvements & Storage Grant, but no action was taken.

There was nothing to present for General County Business.

Greg Smith made a motion to approve the Budget Revision's for General County and Coal Severance. Halcy Hatfield seconded. The vote was unanimous. Motion carried.

Greg Smith excused himself from the meeting at 12:58 p.m. due to prior commitments.

Halcy Hatfield made a motion to approve the order appointing Danny Elliott as administrator over the estate of Barney Elliott. Larry Cline seconded. The vote was unanimous. Motion carried.

Halcy Hatfield tabled the Roy Lee Jenkins estate, so that both parties may work out an agreement with their Attorney's. Mr. Hatfield set October 1, 2003 for the Roy Lee Jenkins estate if everyone is not in agreement.

Larry Cline made a motion to approve the Orders & Settlements as presented.
Halcy Hatfield seconded. The vote was unanimous. Motion carried.

Larry Cline made a motion to approve the accounts payables. Halcy Hatfield
seconded. The vote was unanimous. Motion carried.

Hacy Hatfield made a motion to adjourn the meeting @ 1:15 p.m. Larry Cline
seconded. The vote was unanimous. Motion carried.

IN THE COUNTY COMMISSION OF MINGO COUNTY, WEST VIRGINIA

O R D E R

IN RE: APPOINTMENT OF

THE COUNTY COMMISSION OF MINGO COUNTY, WEST VIRGINIA AT A
Regular SESSION HELD ON THE 4th DAY OF September, 2002
HEREBY APPOINTS Robert Adams
TO THE POSITION Mingo County Public Service
Board
THIS ORDER EFFECTIVE 4th September 2002

exp. 2008

ORDER:

ENTER:

[Signature]
PRESIDENT
[Signature]
COMMISSIONER

COMMISSIONER

STATE OF WEST VIRGINIA:**COUNTY OF MINGO, to-wit:**

The County Commission of Mingo County met in Regular Session on Wednesday, September 04, 2002 at 12:00 noon in Room 136, First Floor, Courthouse, Williamson, West Virginia. Present for the meeting was Larry Cline, Halcy Hatfield and Jim Hatfield.

A quorum being present and the public being duly notified, the meeting was called to order.

Mac Hall led the group in Prayer and Larry Cline led the Pledge of Allegiance.

Eugene Crum told the Commissioners that he would like to thank them for getting the ditch work at Taylorville bottom started. He said that he received a letter saying that the work will be started within sixty days. He said all the citizens of Taylorville Bottom were thankful.

Mac Hall said that he was there just reminding the Commission about getting the water certified so that their homeowner's insurance rate in Lenore will drop from a Class 9 to a Class 7. Larry Cline asked him if he had spoken to the fire chief of the Lenore Volunteer Fire Department. He said he had spoken to him but he works a full time job and doesn't have the time to get the water certified. Tina Lockard, Liaison Clerk, will send a letter to Brent McCallahan, Lenore Volunteer Fire Department, asking him about getting the water certified.

Jim Hatfield made a motion to approve the Minutes as presented, seconded by Larry Cline. Motion carried.

Larry Cline made a motion to approve the Improvers as presented, seconded by Jim Hatfield. Motion carried.

Tina Lockard presented the Commission with a resolution from the Association of Counties asking for support of the President with his endeavor to defend against additional attacks and find the perpetrators and bring them to justice. The resolution also asked for each county to participate in a Patriotic Day on September 11 and observe a moment of silence.

Larry Cline made a motion to adopt the resolution as presented, seconded by Jim Hatfield. Motion carried.

Deette Brandtort, AFLAC, asked the Commission for permission to approach the employees with different types of supplemental benefits. She said, "we can set it up at no cost to you and it doesn't affect your health insurance. It is a voluntary product and we can do it on a pretax basis. It could save you money. The Commission already has an account." Larry Cline

asked their attorney, Teresa Hall, to look over the proposal. Larry Cline made a motion to allow her to screen the employee upon approval from their attorney, seconded by Halcy Hatfield.

Motion carried. Teresa Hall gave her approval on the proposal.

Shelia Miller, Matewan Development Center, asked the Commission about the town acquiring the old Lowes property. She said that it is their understanding that the town will be able to acquire this property if they entered into a memorandum of understanding stating that all groups could have access of that property. Halcy Hatfield said that he wanted to make sure it was a community project so that everyone could use it. Larry Cline said we can have our attorney draw up a contract that everyone is happy with and not have to annex the town down to this property. Shelia Miller said if we annex it would only involve one resident, Eva Cook, and one business, David Trucking. She also asked when you say a community project, do you mean the Matewan Community or do you mean the whole county of Mingo? Halcy Hatfield said we were thinking about the community of Matewan. Shelia Miller asked, "do you not have to have an entity that has control of it for insurance reasons?" Halcy Hatfield said we could leave it with the county and let the county carry insurance on it. I think we need to give it to our attorney and let her fix it.

Chris Younger, Town of Matewan Attorney, asked the Commission for permission to file a petition to annex the Town of Matewan to include the old Lowes property. Teresa Hall told the Commission he is only filing a petition of order and asking for a public hearing. This is not a final order. Chris Younger said I am only asking for the Commission to set a date and time for the publication and the hearing of the petition. Larry Cline made a motion to call a special session for the public hearing concerning the annexation of the Town of Matewan down to and including the Lowes property on October 2, 2002 @ 11:00 a.m., seconded by Jim Hatfield.

Motion carried.

Tina Lockard said that she had a letter from David Akers requesting that the Commission contribute \$500 for the King Coal Highway representatives to go to Washington, D.C. on September 18 and 19 to seek funds for I 73-74 Highway. She said that they have requested \$500 from each of the counties of McDowell, Mercer, Wyoming and Mingo. Larry Cline made a motion to make the contribution if the funds are available, seconded by Jim Hatfield. Motion carried.

No one appeared on behalf of the Mingo County EOC. The Commission asked someone to appear answering why they eliminated the UMWA and Commission seats on their board. Halcy Hatfield made a motion to send another letter to Tim Crum, Executive Director of the Mingo County EOC, seconded by Larry Cline. Motion carried. He said to send it by certified mail this time.

Jim Hatfield made a motion to approve the Orders and Settlements as presented, seconded by Halcy Hatfield. Motion carried.

Larry Cline made a motion to approve the Correspondence on Record as presented, seconded by Halcy Hatfield. Motion carried.

Tina Lockard said she had an application to submit for the Emergency Management Performance Service Grant. She said with it the Commission would get reimbursed for part of Bill Davis' salary and benefits. She said she also had a resolution to allow Bill Davis to sign all correspondence on the quarterly report. They have to have emergency exercises and he should be able to sign off on those because as their agent he knows when they do the exercises. Larry Cline made a motion to submit the Emergency Service Grant and to adopt the resolution allowing Bill Davis to sign all the correspondence, seconded by Halcy Hatfield. Motion carried.

Tina Lockard told the Commission that they needed to appoint one more person to the Red Jacket PSD Board. Halcy Hatfield asked about Dennis McQuire. Audrey Carter asked them as a private citizen why don't you put someone from Red Jacket on that Board. They told her that they had put two Red Jacket residents on at the last meeting and asked her if she would like to serve on the Board. She said she would be happy to serve. Larry Cline made a motion to appoint Audrey Carter to the Red Jacket PSD Water Board, seconded by Halcy Hatfield. Motion carried. Audrey Carter was appointed to a six-year term on the Red Jacket Public Service Board.

Tina Lockard told the Commission that they had some in-house transfers for their approval. She said these moves would not cost them anything because they were only transfers. Larry Cline made a motion to move Sue Ramos from the Re-Appraisal Office to Home Confinement Secretary, seconded by Halcy Hatfield. Motion carried.

Ramona Browning, County Clerk, told the Commission that she would like to make a recommendation to hire Jay Lockard, Computer Technician, as a full time employee. She said he is already working for \$15 an hour and he is here all the time. If you had to hire a computer

technician it would cost you anywhere from \$60 to \$100 per hour. Halcy Hatfield made a motion to hire Jay Lockard full time, seconded by Larry Cline. Motion carried.

Jim Hatfield made a motion to move Ron Sansom from Home Confinement Secretary to Assistant Home Confinement Officer, seconded by Halcy Hatfield. Motion carried.

Tina Lockard told the Commission that our annual Health Care Insurance is up for renewal and the rate did go up. Jim Hatfield asked their attorney to look over the contract. Larry Cline made a motion to approve the contract upon their attorney's approval, seconded by Halcy Hatfield. Motion carried. Teresa Hall gave her approval.

Tina Lockard told the Commission that they had approved a drawdown request for the Tug Valley Young Marines and the development office approved it also but they had overpaid by \$197. Teresa Hall reviewed the receipt and verified that an overpayment had been made. The Young Marines Director said he didn't have any drawdown requests. So therefore, Ms. Hall said the best thing to do was to issue a reimbursement check to the development office. Larry Cline made a motion to reimburse the development office, seconded by Jim Hatfield. Motion carried.

Halcy Hatfield made a motion to appoint Robert Adams to the Mingo County Public Service Board, seconded by Larry Cline. Motion carried. ✓

Halcy Hatfield made a motion to appoint Mac Hall to the Corridor G Board, seconded by Larry Cline. Motion carried.

Larry Cline made a motion to approve the Accounts Payable as presented, seconded by Halcy Hatfield. Motion carried.

Larry Cline made a motion to adjourn the meeting pending the signing of the bills, seconded by Halcy Hatfield. Motion carried.

Meeting adjourned pending the signing of the bills.



OATH OF OFFICE

STATE OF WEST VIRGINIA,

COUNTY OF MINGO, TO-WIT:

I, Robert ADAMS, 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
Mingo County PSD for a 4 year term.

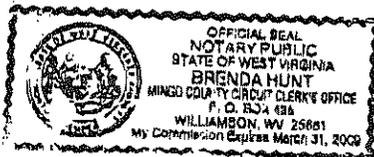
TO THE BEST OF MY SKILL AND JUDGEMENT, SO HELD ME GOD.

Robert Adams

SUBSCRIBED AND SWORN TO BEFORE ME, IN SAID MINGO COUNTY, WEST VIR-
GINIA, ON THIS THE 5th DAY OF September, 2002.

Brenda Hunt
NOTARY PUBLIC OR COUNTY CLERK

COMMISSION EXPIRES March 31, 2009



0095 086

OATH OF OFFICE

STATE OF WEST VIRGINIA,

COUNTY OF MINGO, TO-WIT:

I, Michael Adkins, DO SOLEMNLY

DEAR 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

Mingo County P.S.D. Commissioner

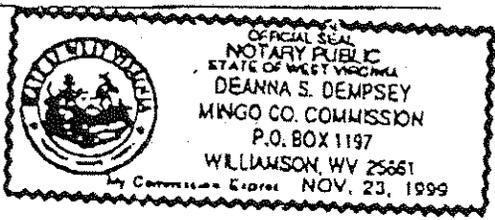
TO THE BEST OF MY SKILL AND JUDGEMENT, SO HELD ME GOD.

Michael Adkins

SUBSCRIBED AND SWORN TO BEFORE ME, IN SAID MINGO COUNTY, WEST VIRGINIA, ON THIS THE 15th DAY OF January, 19 97.

Deanna S. Dempsey
NOTARY PUBLIC OR COUNTY CLERK

COMMISSION EXPIRES



DATE OF OFFICE

STATE OF WEST VIRGINIA,

COUNTY OF MINGO, TO-WIT:

I, Herbert Savage, 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 to Mingo County Public Service District

TO THE BEST OF MY SKILL AND JUDGEMENT, SO HELP ME GOD.

Herbert Savage

SUBSCRIBED AND SWORN TO BEFORE ME, IN SAID MINGO COUNTY, WEST VIR-
GINIA, ON THIS THE 3rd DAY OF March 2000.

Donna S. [Signature]
NOTARY PUBLIC OR COUNTY CLERK

COMMISSION EXPIRES Nov 21, 2010

0095-087

OATH OF OFFICE

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

I, Earl McCowan, 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

Mingo County P.S. & Commissioner

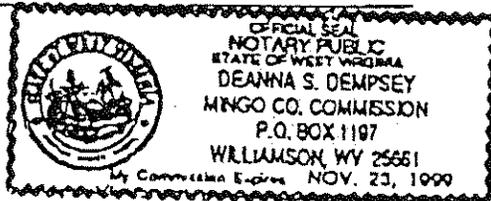
TO THE BEST OF MY SKILL AND JUDGEMENT, SO HELP ME GOD.

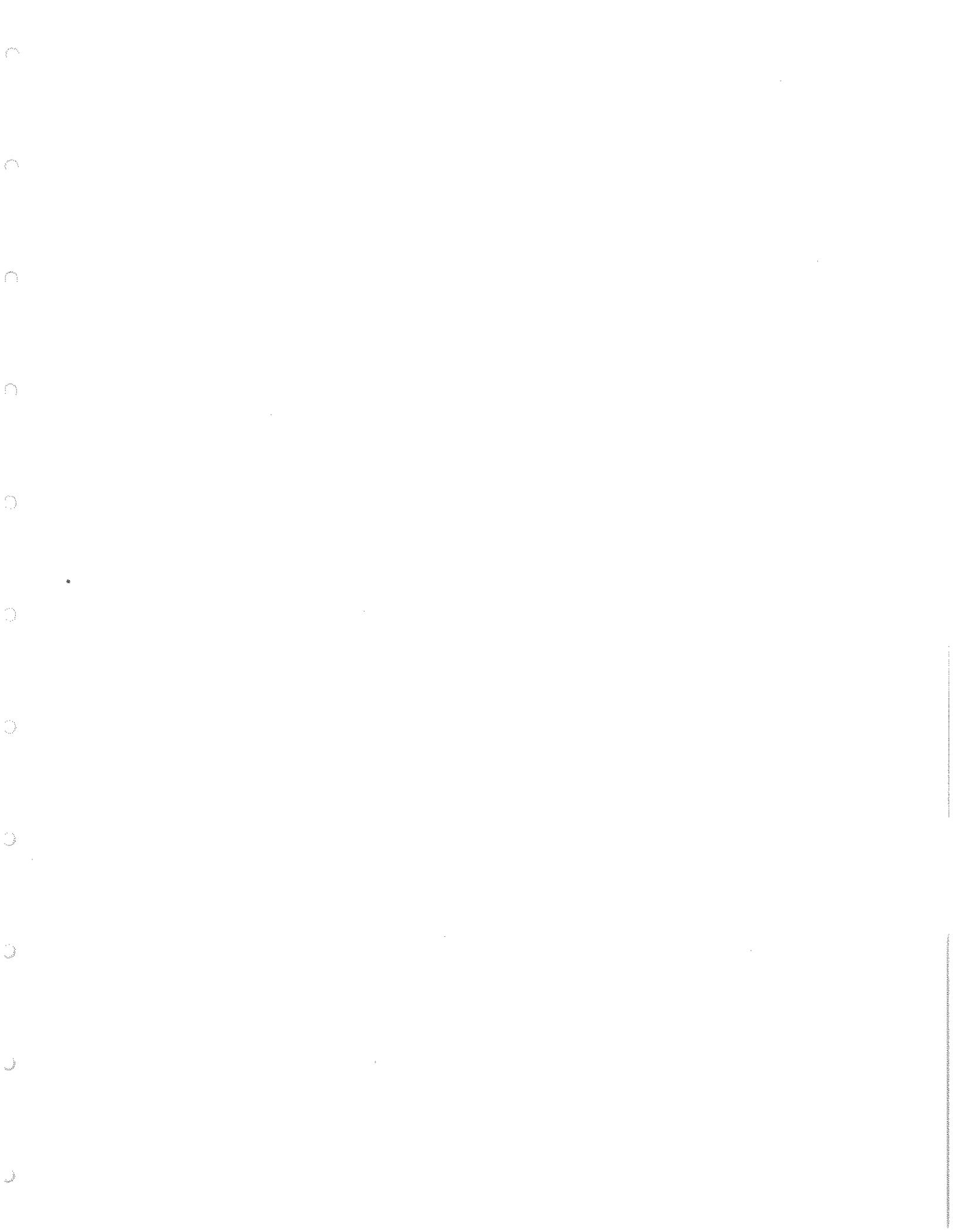
Earl McCowan

SUBSCRIBED AND SWORN TO BEFORE ME, IN SAID MINGO COUNTY, WEST
VIRGINIA, ON THIS THE 15th DAY OF January, 1997.

Deanna S. Dempsey
NOTARY PUBLIC OR COUNTY CLERK

COMMISSION EXPIRES





RULES OF PROCEDURE
MINGO COUNTY PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: MINGO COUNTY PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District will be located at Post Office Box 98, Naugatuck, Mingo County, West Virginia.

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

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

ARTICLE II

PURPOSE

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

ARTICLE III

MEMBERSHIP

Section 1. The members of the Public Service Board of this District shall be those persons appointed by The County Commission of Mingo 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 Public Service Board resign or otherwise become legally disqualified to serve as a member of the Public Service Board, the Secretary shall immediately notify the County Commission or other entity provided under the Act and request the appointment of a qualified person to fill such vacancy. Prior to the end of the term of any member of the Public Service Board, the Secretary shall notify the County Commission or other entity provided under the Act of the pending termination and request the County Commission or other entity provided under the Act to enter an order of appointment or re-appointment to maintain a fully qualified membership of the Public Service Board.

ARTICLE IV

MEETINGS OF THE PUBLIC SERVICE BOARD

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

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

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

PUBLIC NOTICE OF MEETINGS

Section 4. Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended (1999 Revision), notice of the date, time, place and agenda of all regularly scheduled meetings of such Public Service Board, and the date, time, place and purpose of all special meetings of such Public Service Board, shall be made available, in advance, to the public and news media (except in the event of an emergency requiring immediate action) as follows:

A. Regular Meetings. A notice shall be posted and maintained by the Secretary of the Public Service Board of the Public Service District at the front door or bulletin board of the Lewis County Courthouse and at the front door or bulletin board of the place fixed for regular meetings of the Public Service Board of the date, time and place fixed and entered of record by the Public Service Board for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same locations by the Secretary of the Public Service Board not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the same locations as soon as feasible after such cancellation or postponement has been determined.

B. Special Meetings. A notice shall be posted by the Secretary of the Public Service Board at the front door or bulletin board of the Lewis County Courthouse and at the front door or bulletin board of the place fixed for the regular meetings of the Public Service Board not less than 72 hours before a special meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

ARTICLE V

OFFICERS

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

Section 2. The officers of the Public Service Board shall be elected each year by the members at the first meeting held in such year. The officers so elected shall

serve until the next annual election by the membership and until their successors are duly elected and qualified. Any vacancy occurring among the officers shall be filled by the members of the Public Service Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the following January meeting of the Board when their successors shall be elected hereinabove provided.

ARTICLE VI

DUTIES OF OFFICERS

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

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

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

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







MINGO COUNTY PUBLIC SERVICE DISTRICT
MINUTES OF REGULAR BOARD MEETING
JANUARY 11, 2005

The Public Service Board of Mingo County Public Service District met in regular session, pursuant to notice duly posted, on the 11th day of January 11, 2005 at the District's Office in Naugatuck, WV, at the hour of 9:00am.

PRESENT:

Robert Adams
Earl McCowan
Mike Adkins
J.B. Heflin

CHAIRMAN ✓
BOARD MEMBER
BOARD MEMBER ✓
SECRETARY/General Manager

ABSENT: Tim Blankenship BOARD MEMBER

The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

Chairman Adams announced it was time to re-elect officers for the new year for the Mingo County PSD Board and opened the floor for nominations.

Herb Savage made a motion to elect Robert Adams- Chairman, Mike Adkins- Treasurer, JB Heflin-Secretary. Earl McCowan seconded. Motion carried.

Earl McCowan made a motion to approve the Financial Report. Herb Savage seconded. Motion carried.

Mike Adkins made a motion to pay outstanding bills. Earl McCowan seconded. Motion carried.

Herb Savage made a motion to approve Previous Minutes. Earl McCowan seconded. Motion carried.

JB Heflin discussed the FEMA Flood Damage Repairs and stated the contractor for this work, FAMCO, Inc. should finish today except for the piling wall at the Millstone Tank site.

Dayton Carpenter of Thrasher Engineering said the estimate for the Millstone piling wall was \$45,000, but the actual bid came in at \$122,000. Heflin said he had been assured by FEMA that they would pay to install this piling wall but he had told the engineer not to proceed until he had written confirmation from FEMA that they would reimburse the PSD for this work. Heflin said the written confirmation should be coming soon.

Heflin also stated the PSD had not been reimbursed by FEMA for several of the expenses incurred during the Memorial Day flooding. Heflin said the expenses had been approved by FEMA and after numerous calls to FEMA he was assured FEMA would reimburse the PSD this week. Heflin said the amount FEMA owed the PSD was approximately \$120,000.

Carpenter of Thrasher Engineering said FAMCO Inc. had sent their second partial pay estimate for the Flood Repair work and was requesting payment of \$52,019.00 for work completed. Carpenter stated the work had been inspected by Thrasher Engineering and he recommended payment of this request.

JANUARY 11, 2005
MINUTES CONTINUED

Earl McCowan made a motion to approve FEMA Memorial Day 2004 Flood Damage Repair Work Payment Requisition # 2 to FAMCO Inc. for \$52,019.00. Herb Savage seconded.
Motion carried

Heflin discussed the legal action between the District and Mid State Surety and their contractor Diversified Enterprises. Heflin said the mediation ordered by the Mingo County Circuit Court had been extended because of the death of the granddaughter of Jack Whittaker, the owner of Diversified Enterprises. Heflin said the mediation would be over today at 5:00pm and he anticipated the Mid State Surety and Diversified Enterprises would make another offer to settle the lawsuit today. Heflin said if the lawsuit was not settled out of court, there was a trial set for May in this case.

Dayton Carpenter discussed the Naugatuck Water Plant. Carpenter stated there were still a few items remaining on the punch list and the contractor, Diversified Enterprises, was waiting on good weather to paint stripes on the parking lot and had parts ordered for the other items that needed completed. Carpenter said Mid State Surety, the bonding company finishing the Naugatuck Water Plant, Diversified Enterprises to be completely finished by the end of the month.

Carpenter also discussed the Maher to Nolan Waterline Extension Project. Carpenter stated he was preparing the drawings and the PSD needed to acquire two easements and a small parcel of land for the pump station.

Heflin said he had been advised by the PSD's attorney, Bob Rodecker, that the Maher to Nolan Extension should be incorporated to the PSD's Lick Creek Water Project's Certificate Case.

Heflin also updated the Board on the Lick Creek Water Project. Heflin said the District's accountant had sent him a draft Rule 42 for the rates for the Lick Creek Water Project and it would increase the rates for all the Mingo County PSD customers and would raise the rates for the Chattaroy and Nolan customers to the same rate as all other Mingo County PSD customers. Heflin said the accountant's recommended rate was \$9.99 per thousand gallons of water versus the PSD's current rate of \$7.75 per thousand. Heflin said he felt this rate was too high and he would meet with the Director of the Water and Wastewater Division of the WV Public Service Commission to discuss the PSD's rates and talk to the various funding agencies to see if there was anything they could do to help the PSD avoid such a large rate increase, without slowing down the construction of the Lick Creek Water Project.

Carpenter discussed the Sand Removal Unit for the Naugatuck Water Plant. Carpenter said due to the increase in the cost of materials the bids were approximately \$50,000 over the estimates. Carpenter suggested the PSD ask USDA-RD for the additional funds to cover this overrun. Heflin said he would talk to Randy Plum at USDA-RD to try to obtain additional grant funds for this project.

Heflin informed the Board that the Water Development authority had filed a formal complaint against the PSD due to the fact the PSD was behind on Bond Payments. Heflin said he would meet with the funding agencies and the WV Public Service Commission to try to find a way to cure the PSD's deficiencies.

Heflin discussed the Chattaroy, E. Kermit, Delorme and Shady Woods Sewer project. Heflin said Thrasher Engineering had marked a location for the East Kermit sewer plant near the old East Kermit sewer plant that was owned by Sam Kapourales and Kapourales had stated he would work with the PSD in obtaining this site. Heflin said as soon as Thrasher Engineering sent him a survey of this site he would negotiate with Kapourales. Heflin said this was one of the last items that needed cleared up to allow this project to go to bid.

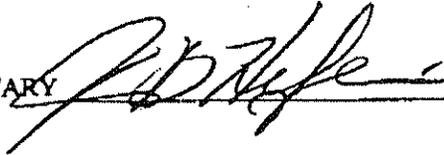
JANUARY 11, 2005
MINUTES CONTINUED

Heflin informed the Board that the US Army Corps of Engineers (Corps) had offered to purchase the old Nolan PSD office building and rental trailer as part of the Corps Lower Mingo Floodproofing Program. Heflin said the Corps had offered the PSD \$21,900.00 for this property and the PSD could accept this offer or opt out of the Corps Floodproofing Program. Heflin stated he felt the PSD should take the offer because the property was on the riverbank and in the floodplain and could not be built upon.

Herb Savage made a motion to sell the old Nolan PSD office and rental trailer to the US Army Corps of Engineers for \$21,900.00. Earl McCowan seconded. Motion carried.

Earl McCowan made a motion to adjourn. Mike Adkins seconded. Motion carried

SECRETARY



MINGO COUNTY PUBLIC SERVICE DISTRICT

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

EXCERPT OF MINUTES ON ADOPTION OF BOND RESOLUTION
SUPPLEMENTAL RESOLUTION, RULES OF PROCEDURE
AND FIRST DRAW RESOLUTION

On this 9th day of November, 2005, the undersigned SECRETARY of the Public Service Board of Mingo County Public Service District, hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Public Service Board:

The Public Service Board of Mingo County Public Service District met in regular session, pursuant to notice duly posted, on the 8th day of November, 2005, in Mingo County, West Virginia, at the hour of 3:00 p.m.

PRESENT:	Chairman and Member	-	Robert Adams
	Secretary and General Manager	-	J.B. Heflin
	Treasurer	-	Mike Adkins
	Member	-	Herb Savage
	Member	-	Earl McCowan
	[VACANCY]	-	

ABSENT: None.

Robert Adams, Chairman, presided, and J.B. Heflin acted as Secretary. The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Chairman presented a proposed Bond Resolution in writing entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS, IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF MINGO COUNTY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$2,552,180 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Mr. Adkins and seconded by Mr. Savage, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Chairman presented a proposed Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF MINGO COUNTY PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO THE BONDS; AUTHORIZING AND APPROVING THE SALE OF THE BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND

DEPOSITORY BANK; AND MAKING OTHER
PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Mr. Adkins and seconded by Mr. Savage, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Thereupon, the Chairman presented proposed Rules of Procedure for consideration and there was discussion. Thereupon, upon motion duly made by Mr. Adkins, and seconded by Mr. Savage, it was unanimously ordered that the said Rules of Procedure be adopted and be in full force and effect on and from the date hereof.

Thereupon, the Chairman presented a proposed resolution approving the payment of invoices for the sewer project from proceeds of the Bonds. Thereupon, a motion duly made by Mr. McCowan and seconded by Mr. Adkins, it was unanimously ordered that the said Resolution be adopted and be in full force and effect on and from the date hereof.

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

CERTIFICATION

I hereby certify that the foregoing action of Mingo County Public Service District remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature as of the date first written above.


Secretary

10/20/05
610170.99003

WV MUNICIPAL BOND COMMISSION
 8 Capitol Street
 Suite 500
 Charleston, WV 25301
 (304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: November 9, 2005

(See Reverse for Instructions)

ISSUE: <u>Mingo County Public Service District Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund)</u>	
ADDRESS: <u>P.O. Box 98, Naugatuck, WV 25685</u>	COUNTY: <u>Mingo</u>
PURPOSE OF ISSUE: New Money: <u>X</u> Refunding: _____	REFUNDS ISSUE(S) DATED: <u>N/A</u>
ISSUE DATE: <u>November 9, 2005</u>	CLOSING DATE: <u>November 9, 2005</u>
ISSUE AMOUNT: <u>\$ 2,552,180</u>	RATE: <u>0%</u>
1ST DEBT SERVICE DUE: <u>June 1, 2007</u>	1ST PRINCIPAL DUE: <u>June 1, 2007</u>
1ST DEBT SERVICE AMOUNT: <u>\$ 16,572.60</u>	PAYING AGENT: <u>Municipal Bond Commission</u>
BOND COUNSEL: <u>Step toe & Johnson PLLC</u> Contact Person: <u>John C. Stump, Esquire</u> Phone: <u>353-8196</u>	UNDERWRITERS COUNSEL: <u>Jackson Kelly PLLC</u> Contact Person: <u>Samme L. Gee, Esq.</u> Phone: <u>340-1318</u>
CLOSING BANK: <u>Bank of Mingo</u> Contact Person: _____ Phone: _____	ESCROW TRUSTEE: _____ Contact Person: _____ Phone: _____
KNOWLEDGEABLE ISSUER CONTACT Contact Person: <u>J.B. Heflin</u> Position: <u>General Manager</u> Phone: <u>(304) 235-2244</u>	OTHER: <u>WV Infrastructure & Jobs Development Council</u> Contact Person: <u>Katy Mallory, P.E.</u> Function: <u>Executive Secretary</u> Phone: <u>558-4607</u>
DEPOSITS TO MBC AT CLOSE: By: _____ Wire _____ _____ Check _____	Accrued Interest: \$ _____ Capitalized Interest: \$ _____ Reserve Account: \$ _____ Other: \$ _____
REFUNDS & TRANSFERS BY MBC AT CLOSE By: _____ Wire _____ _____ Check _____ _____ IGT _____	To Escrow Trustee: \$ _____ To Issuer: \$ _____ To Cons. Invest. Fund: \$ _____ To Other: \$ _____
NOTES: <u>The Series 2005 A Bonds Reserve Account will be funded over 10 years.</u>	
FOR MUNICIPAL BOND COMMISSION USE ONLY:	
DOCUMENTS REQUIRED: _____	
TRANSFERS REQUIRED: _____	

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to

act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

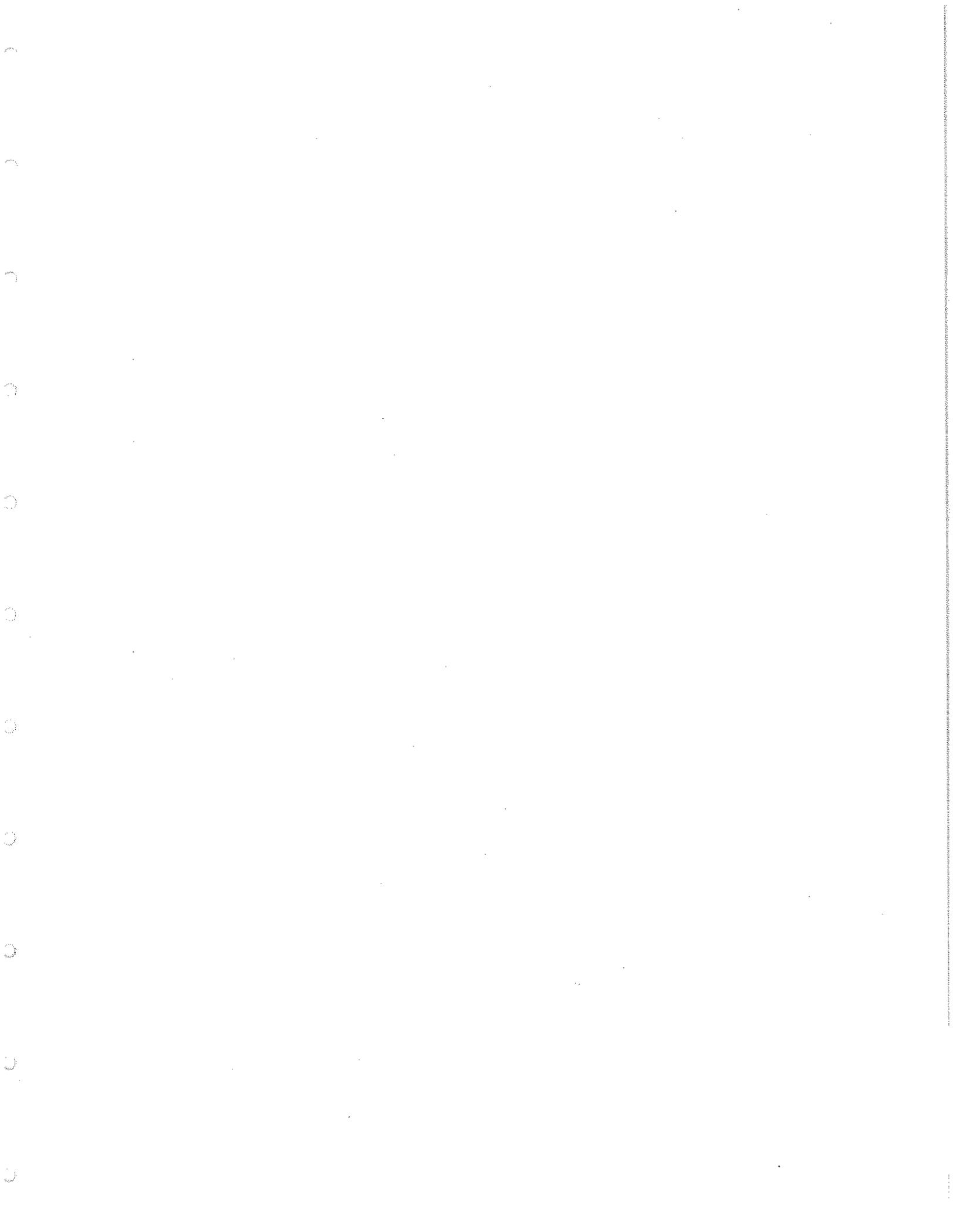
The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.

10/20/05
610170.99003



MINGO COUNTY PUBLIC SERVICE DISTRICT

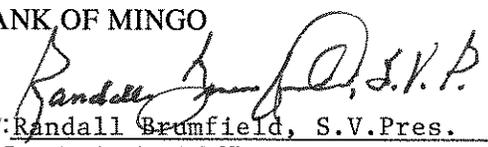
Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

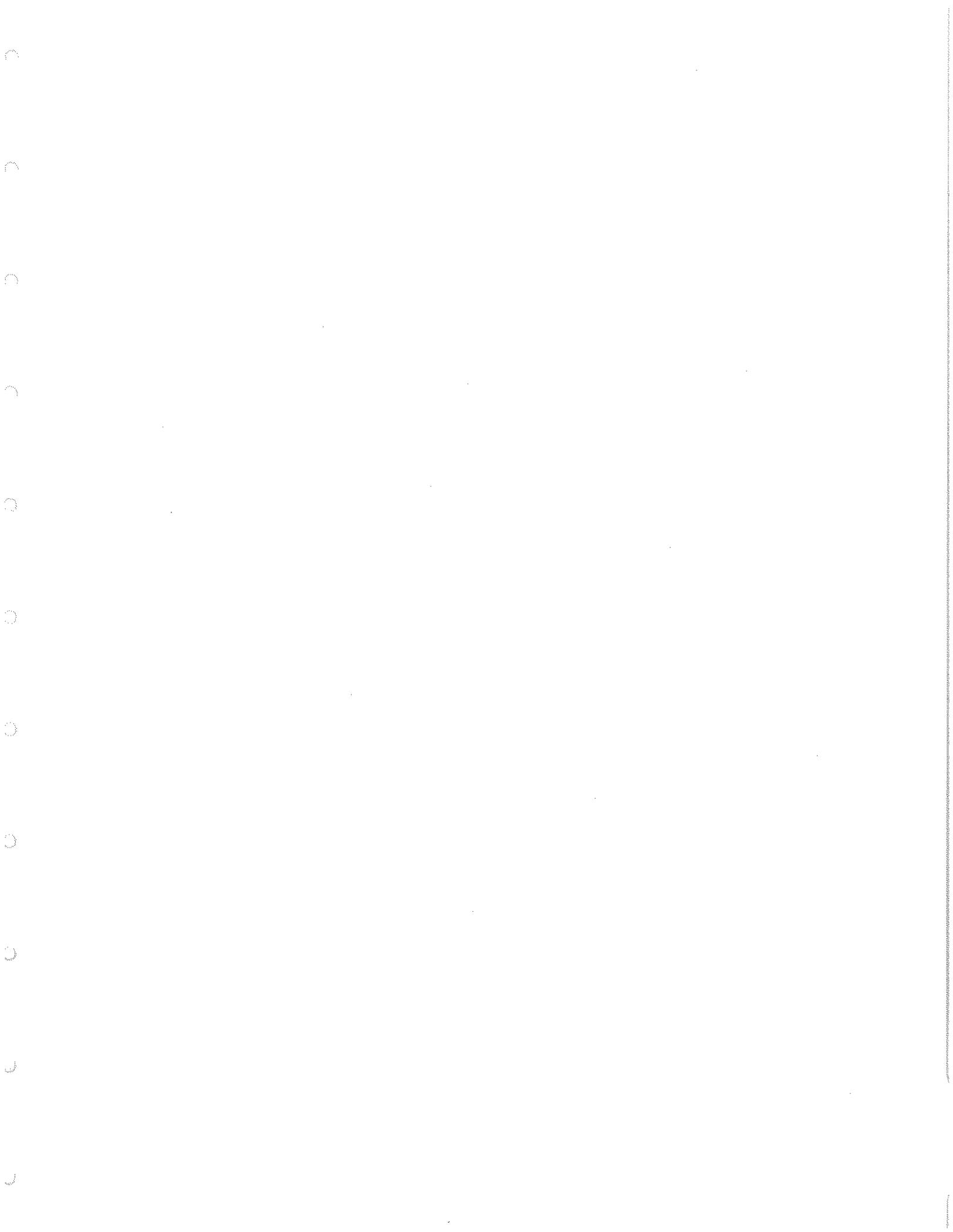
Bank of Mingo, Naugatuk, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Resolution and a Supplemental Resolution of Mingo County Public Service District (the "Issuer"), both adopted November 8, 2005 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated November 9, 2005 issued in the principal amount of \$2,552,180 (the "Bonds"), as set forth in the Bond Legislation.

WITNESS my signature on this 9th day of November, 2005.

BANK OF MINGO


By: Randall Brumfield, S.V. Pres.
Its: Authorized Officer

10/20/05
610170.99003



MINGO COUNTY PUBLIC SERVICE DISTRICT

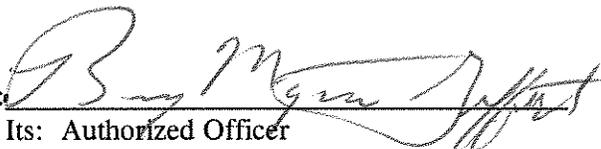
Sewer Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

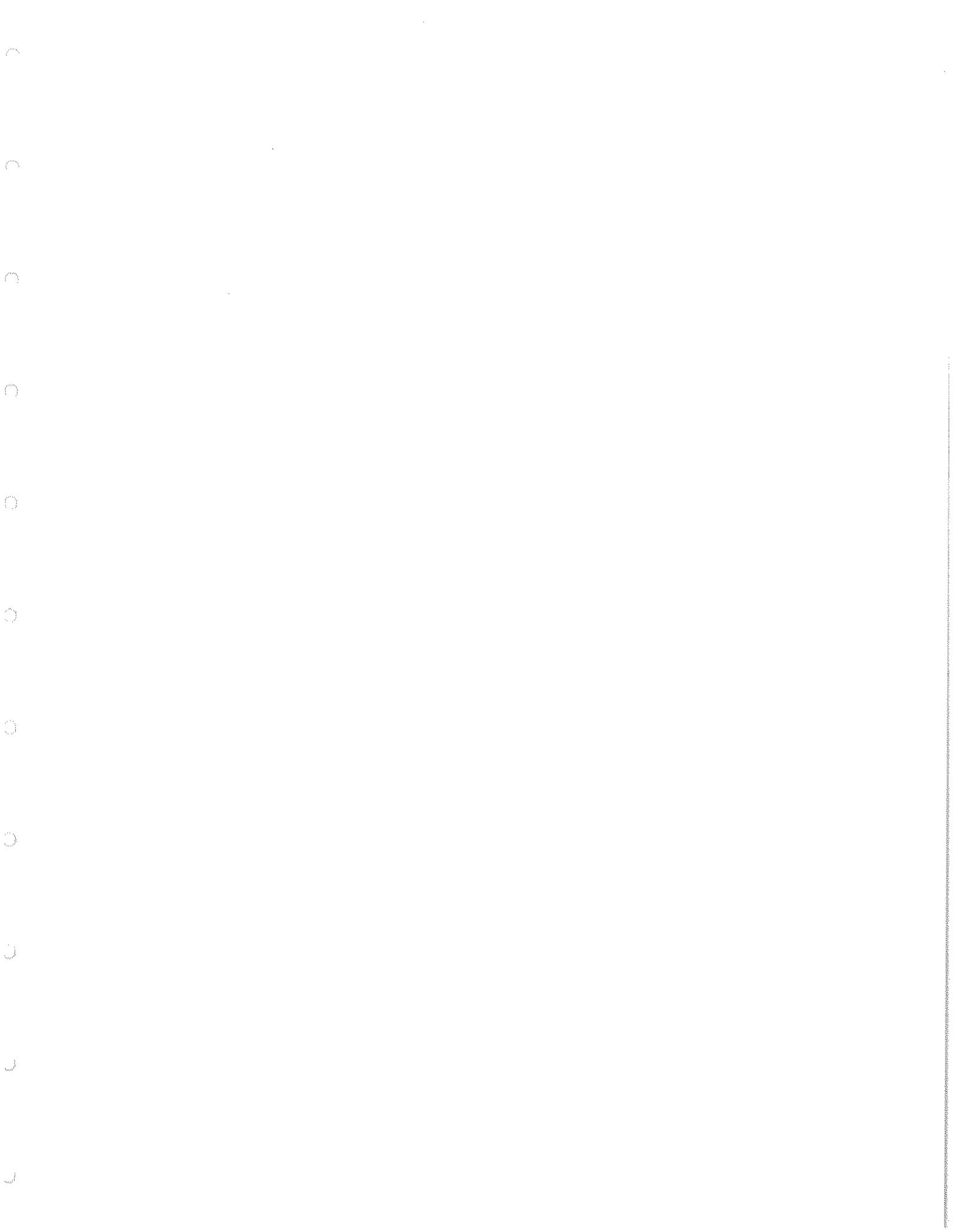
THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Mingo County Public Service District Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated November 9, 2005, issued in the principal amount of \$2,552,180 (the "Bonds"), and agrees to perform all duties of Registrar in connection with such Bonds, as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 9th day of November, 2005.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

10/20/05
610170.99003



MINGO COUNTY PUBLIC SERVICE DISTRICT

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

CERTIFICATE OF REGISTRATION OF BONDS

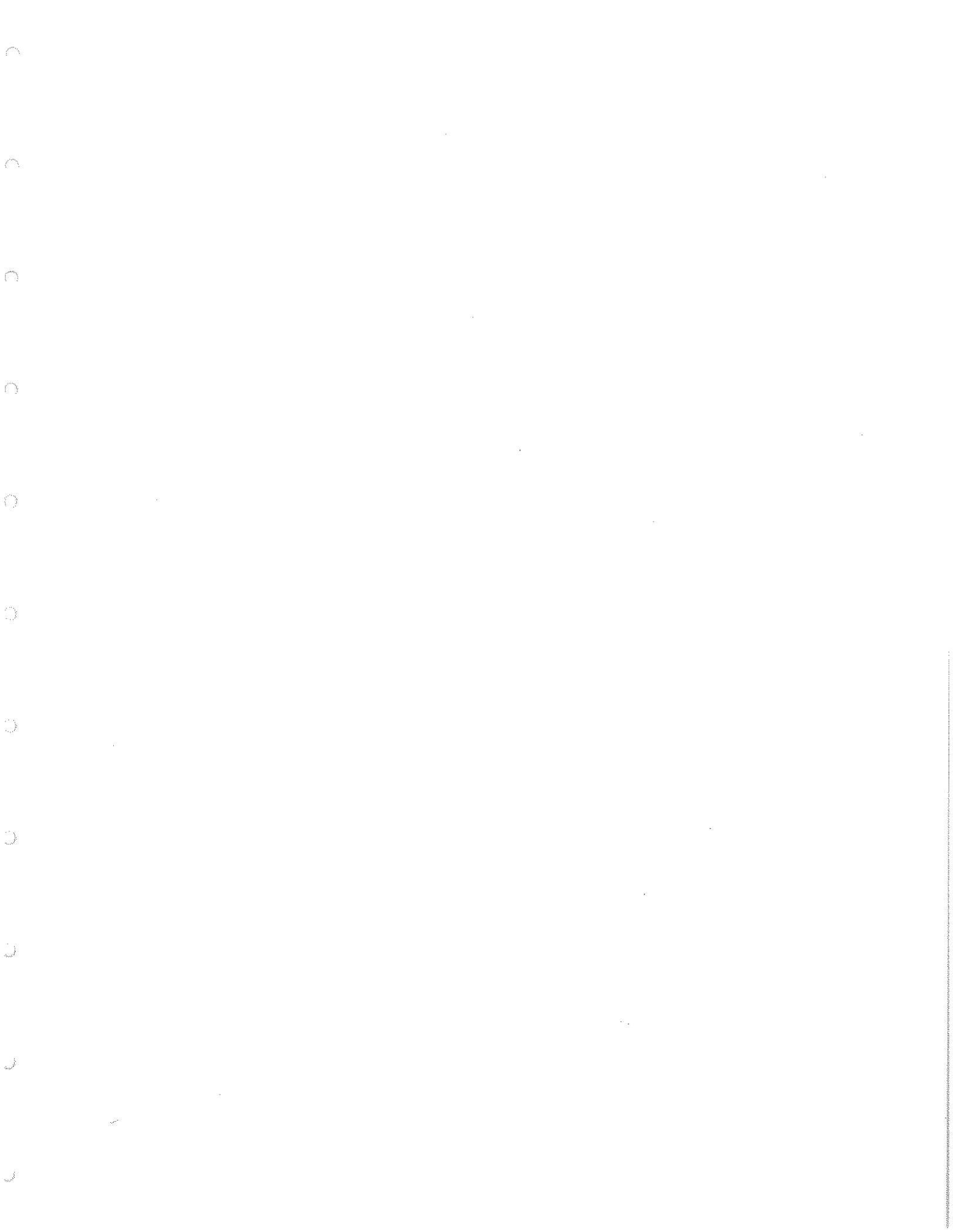
THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of Mingo County Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Mingo County Public Service District Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the Issuer, dated November 9, 2005, in the principal amount of \$2,552,180, numbered AR-1, is registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 9th day of November, 2005.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

10/20/05
610170.99003



MINGO COUNTY PUBLIC SERVICE DISTRICT

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

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 9th day of November, 2005, by and between MINGO COUNTY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$2,552,180 Sewer Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated November 9, 2005, in fully registered form (the "Bonds"), pursuant to the Bond Resolution of the Issuer duly adopted November 8, 2005, and the Supplemental Resolution of the Issuer duly adopted November 8, 2005 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: Mingo County Public Service District
Post Office Box 98
Naugatuck, WV 25685
ATTN: General Manager

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

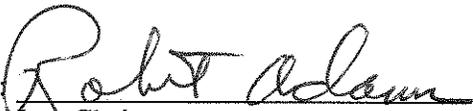
8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

9. This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

MINGO COUNTY PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

THE HUNTINGTON NATIONAL BANK

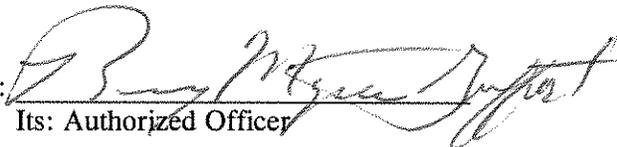
By: 
Its: Authorized Officer

EXHIBIT A

Bond Legislation included in bond transcript as Documents Nos. 1 and 2.

SCHEDULE OF COMPENSATION

(Please see the attached)

10/20/05
610170.99003



Division of Water and Waste Management
1201 Greenbrier Street
Charleston, WV 25311-1088
Telephone Number: (304) 558-4086
Fax Number: (304) 558-5903

West Virginia Department of Environmental Protection

Bob Wise
Governor

Stephanie R. Timmermeyer
Acting Cabinet Secretary

January 29, 2003

Robert Adams, Chairman
Mingo County PSD
P. O. Box 408
Chattaroy, WV 25670-0408

CERTIFIED RETURN RECEIPT REQUESTED

Dear Mr. Adams:

Enclosed find transfer of WV/NPDES Water Pollution Control Permit No. WV0037699, dated the 29th day of January 2003 and Order #1891 dated June 21, 1985 from Chattaroy PSD to Mingo County PSD.

All facilities permitted to discharge pollutants to the waters of the State under Chapter 22, Article 11 of the West Virginia Code are required to test their effluent in order to verify permit compliance. This testing is the responsibility of the permittee and these test results are to be submitted to the office on the Discharge Monitoring Report (DMR) which is attached to the back of the transfer. DMRs are to be completed no later than 20 days following the end of the reporting period. **Your first DMR is due on or before March 20, 2003.** DMR forms should be sent to the attention of the Permitting Section. It is suggested that several copies of the enclosed forms be made for your future use, as this office does not supply permittees with reporting forms.

Please also note the attachment to this transfer which describes the annual permit fee requirement.

Finally note that copies of all future correspondence regarding the permit including copies of DMR's, must be forwarded to the Field Inspector and Field Supervisor at the following address:

Department of Environmental Protection
Environmental Enforcement
P. O. Box 662
Teays, WV 25569



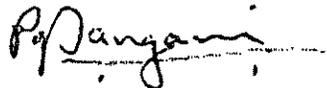
West Virginia Department
of Environmental Protection

"Promoting a healthy environment."

Mr. Robert Adams, Chariman
Page 2
January 29, 2003

If you have any questions, please do not hesitate to contact Mavis Lucas of this office at 558-4086 or TDD No. (304) 558-2751.

Sincerely,

A handwritten signature in black ink, appearing to read "Pravin G. Sangani", written over a horizontal line.

Pravin G. Sangani, P. E.
Manager, Permitting Section

PGS:mrh

Enclosures



Division of Water and Waste Management
1201 Greenbrier Street
Charleston, WV 25311-1088
Telephone Number: (304) 558-4086
Fax Number: (304) 558-5903

West Virginia Department of Environmental Protection

Bob Wise
Governor

Stephanie R. Timmermeyer
Acting Cabinet Secretary

WRD 11-64N
Revised 8/92

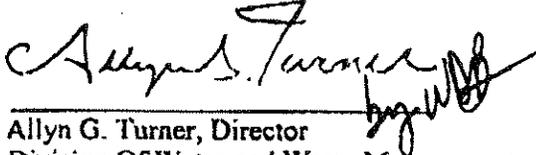
January 29, 2003

Robert Adams, Chairman
Mingo County PSD
P. O. Box 408
Chattaroy, WV 25670-0408

Re: Chattaroy PSD, Mingo County

Dear Mr. Adams:

This is to inform you that the transfer of WV/NPDES Water Pollution Control Permit No. WV0037699, dated the 26th day of February 1999 and Order #1891 dated June 21, 1985, from Chattaroy PSD to Mingo County PSD has been made in the records of the Division of Water and Waste Management this 29th day of January 2003.

By: 
Allyn G. Turner, Director
Division Of Water and Waste Management

AGT: mrb



West Virginia Department
of Environmental Protection

"Promoting a healthy environment."



Division of Water and Waste Management
1201 Greenbrier Street
Charleston, WV 25311-1088
Telephone Number: (304) 558-4086
Fax Number: (304) 558-5903

West Virginia Department of Environmental Protection

Bob Wise
Governor

Stephanie R. Timmermeyer
Acting Cabinet Secretary

WV/NPDES Permit No.: WV0037699

NOTICE TO PERMITTEES

The 1999 regular session of the West Virginia legislature revised the Water Pollution Control Act, Chapter 22, Article 11, Section 10 of the Code of West Virginia relating to fees associated with permits. This section of the Code requires all holders of a State water pollution control permit or a national pollutant discharge elimination system permit to be assessed an annual permit fee, based upon rules promulgated by the Secretary of the Department of Environmental Protection. The Secretary has promulgated a final rule in accordance with the Code revision to this effect and these rules were effective May 4, 2000. The rules establish an annual permit fee based upon the relative potential to degrade the waters of the State which, in most instances, relate to volume of discharge. However, for sewage facilities, the annual permit fee is based upon the number of customers served by the facility. You may contact the Secretary of State's Office, State Capitol Building, Charleston, West Virginia 25305, to obtain a copy of the rules. The reference is Title 47, Legislative Rules, Department of Environmental Protection, Division of Water Resources, Series 26 Water Pollution Control Permit Fee Schedules.

Based upon the volume of discharge for which your facility is currently permitted, the number of customers served by your facility or for the category you fall within, pursuant to Section 7 of Title 47, Series 26, your annual permit fee is \$100.00. This fee is due no later than the anniversary date of permit issuance in each year of the term of the permit or in the case of coverage under a general permit, the fee is due no later than the anniversary date of your coverage under the general permit. **You will be invoiced by this agency at the appropriate time for the fee.** Failure to submit the annual fee within ninety (90) days of the due date will render your permit void upon the date you are mailed a certified written notice to that effect.



West Virginia Department
of Environmental Protection

"Promoting a healthy environment."



FILE



RECEIVED

MAY 3 2005

THRASHER ENGINEERING, INC.

west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, WV 25304
Phone Number: (304) 926-0495
Fax Number: (304) 926-0496

Joe Manchin III, Governor
Stephanie R. Timmermeyer, Cabinet Secretary
www.wvdep.org

April 18, 2005

Robert Adams, Chairman
Mingo County PSD
1 Riverside Drive
Naugatuck, WV 25685

Attention: Mr. J.B. Heflin, Manager

CERTIFIED RETURN RECEIPT REQUESTED

Re: WV/NPDES Permit No. WV0037699
Modification No. 1

Dear Mr. Adams:

This letter serves as Modification No. 1 of your existing WV/NPDES Water Pollution Control Permit No. WV0037699 issued the 30th day of August 2002.

After review and consideration of the information accompanying WV/NPDES Water Pollution Control Permit No. WV0037699 and after consideration of the information submitted on, and with Permit Modification Application No. WV0037699-A, dated the 31st day of March 2005, additional information received on April 12, 2005, and other relevant information, the subject Permit is hereby modified to allow the relocation of the existing effluent discharge location for Outlet No. 002 which is identified below:

Outlet No.	Existing Location		New Location		Receiving Stream
	Latitude	Longitude	Latitude	Longitude	
002	37° 49' 08"	82° 23' 57"	37° 49' 16"	82° 23' 53"	Tug Fork River

Also, during the review of this permit modification, it has come to our attention that an error has been made in the above referenced permit. The latitude and longitude stated for the existing Outlet Nos. 001 and 003 in the above referenced permit are incorrect. The latitude and longitude for Outlet Nos. 001 and 003 have been corrected on Page 4 of 19.

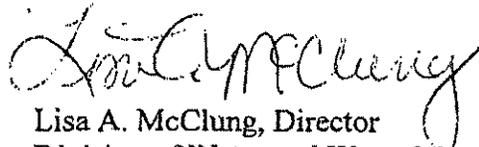
Promoting a healthy environment.

Robert Adams, Chairman
Mingo County PSD
Page 2
April 18, 2005

Please find enclosed revised Page 4 of 19 of your existing WV/NPDES Water Pollution Control Permit No. WV0037699. This document shall supersede the one currently in your possession and should be incorporated, as appropriate, into your existing WV/NPDES Water Pollution Control Permit.

All other terms and conditions of the subject WV/NPDES Water Pollution Control Permit No. WV0037699 shall remain in effect and unchanged.

Sincerely,



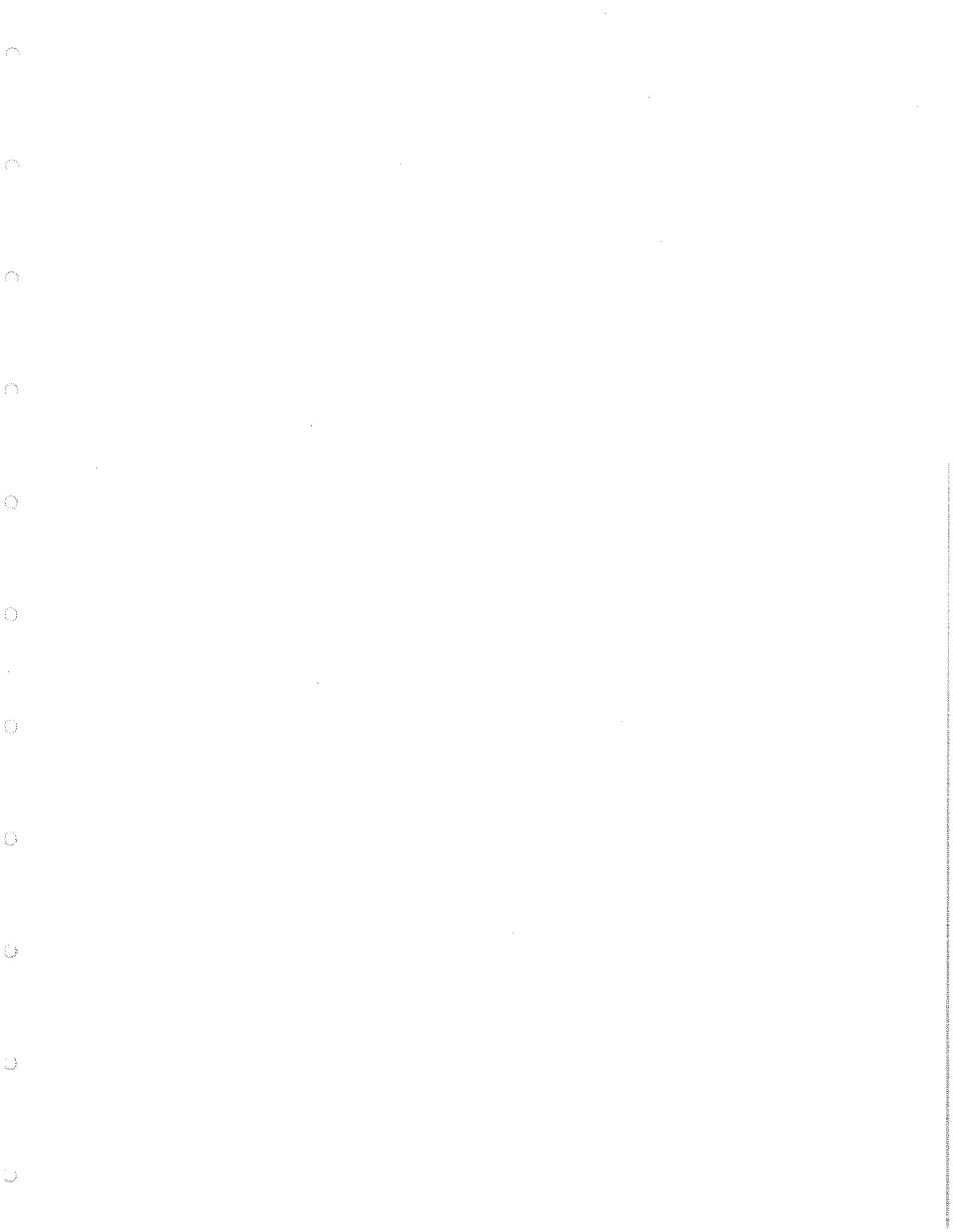
Lisa A. McClung, Director
Division of Water and Waste Management

LAM:bsg

Enclosure

cc: Env. Inspector Supervisor
Env. Inspector
Mr. Will Ratcliffe, Thrasher Engineering, Inc. ✓

Inspectable Unit	Latitude	Longitude	Receiving Stream	Dist. to Stream Mouth (in Mile)	Milepost
001	37°41'58"	82°17'30"	BUFFALO CK	0.17	N/A
002	37°49'16"	82°23'53"	TUG FK	30	N/A
003	37°39'06"	82°02'45"	PIGEON CK	12.8	N/A
S01	37°41'58"	82°17'30"	N/A	N/A	N/A



CLOSING MEMORANDUM

To: Financing Team

From: John C. Stump, Esquire

Date: November 9, 2005

RE: MINGO COUNTY PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS,
SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND)

1. DISBURSEMENTS TO MINGO COUNTY PUBLIC SERVICE DISTRICT

A. Payor: West Virginia Infrastructure and Jobs Development Council
Amount: \$356,193
Form: Wire Transfer
Payee: Mingo County Public Service District
Bank: Bank of Mingo, West Virginia
Routing #: 0515-0181-7
Account #: 18546
Contact: Randy Brumfield, Branch Manager (235-6700)
Account: Mingo County Public Service District
Series 2005 A Bonds Construction Trust Fund

10/20/05
610170.99003

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 11/09/05 Time 9 a.m. LGA Mingo County PSD Program IF

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Franki Parsons	Jackson Kelly PLLC	340-7283	340-1772	frankson@jacksonkelly.com
Doug Olds	WV WDA	558-3612	558-0299	dolds@wvwda.org
John C. Stump	Steele + Johnson PLLC	304.353.8196	353.8181	john.stump@steele-johnson.com
Bernice Konstanty	WV WDA	304-558-3612	304-558-0299	dyonhark@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 J.B. Helling, General Manager Telephone 304.235.2244 E-Mail N/A
 Address P.O. Box 98 Naugatuck West Virginia 25685

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.

CERTIFICATE OF PROPERTY INSURANCE

INSURED: MINGO PUBLIC SERVICE DISTRICT

P.O. BOX 98
NAUGATUCK, WV 25685

CERTIFICATE NO: P 2660 - Jun 14, 1989

This certifies that the Additional Insured named above is insured for first party Property Coverages procured and/or administered by the West Virginia Board of Risk and Insurance Management (BRIM). The coverages are provided through a combination of custom designed and conventional commercial insurance products.

THE INSURANCE EVIDENCED BY THIS CERTIFICATE IS SUBJECT TO ALL OF THE TERMS, CONDITIONS, EXCLUSIONS AND DEFINITIONS CONTAINED IN THE POLICIES.

COVERAGE PERIOD: Jul 1, 2005 to Jul 1, 2006 12:01 a.m. Eastern Time

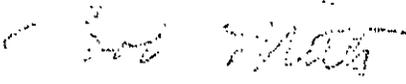
LIMIT OF LIABILITY: Stated values, for real and personal property, which have been declared to and accepted by BRIM, not to exceed the maximum coverage procured by BRIM.

THIS POLICY DOES NOT COVER DAMAGE FROM FLOOD.
FOR INFORMATION ABOUT FLOOD INSURANCE, CONTACT THE NATIONAL FLOOD INSURANCE PROGRAM OR YOUR INSURANCE AGENT.

SPECIAL LIMITS: Each policy shall be governed by the special limits of liability contained therein.

DEDUCTIBLE: The State of West Virginia has a \$1,000,000.00 deductible on coverages it procures. The above listed insured has a \$2,500 deductible that is applicable to each loss.

CLAIM REPORTING: Claims should be reported to:
Claim Manager
West Virginia Board of Risk & Insurance Management
90 MacCorkle Avenue S.W. Suite 203
South Charleston, West Virginia 25303

BY: 

AUTHORIZED REPRESENTATIVE

DATED: June 22, 2005

AGENT OF RECORD: CITY INSURANCE AGENCY INC.

P.O. BOX 1598
WILLIAMSON, WV 25661

CERTIFICATE OF LIABILITY INSURANCE

ADDITIONAL INSURED: MINGO PUBLIC SERVICE DISTRICT
P.O. BOX 98
NAUGATUCK, WV 25685

CERTIFICATE NO: L 2660 - Jun 14, 1989

This certifies that the insured named above is an Additional Insured for the Coverage indicated below under General Liability Policy GL 5743286 and Automobile Policy CA 2713242 issued to the State of West Virginia by NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURGH, PA.

COVERAGE PERIOD: Jul 1, 2005 to Jul 1, 2006 12:01 a.m. Eastern Time

COVERAGE AFFORDED: Comprehensive General Liability Insurance
Personal Injury Liability Insurance
Professional Liability Insurance
Stop Gap Liability Insurance
Wrongful Act Liability Coverage
Comprehensive Auto Liability Coverage
Auto Physical Damage Insurance
Garagekeepers Insurance

LIMIT OF LIABILITY: \$1,000,000 each occurrence* and is SUBJECT TO \$2,500 DEDUCTIBLE. *For all coverages combined.
This limit is not increased if a claim is insured under more than one coverage or if claim is made against more than one insured.

SPECIAL LIMITS: The auto physical damage limit is the actual cash value of each vehicle subject to a deductible of \$1,000.

CLAIM REPORTING: Claims should be reported to:
Claim Manager
West Virginia Board of Risk & Insurance Management
90 MacCorkle Avenue S.W. Suite 203
South Charleston, West Virginia 25303

Claims Made Prior Acts Date: June 14, 1989

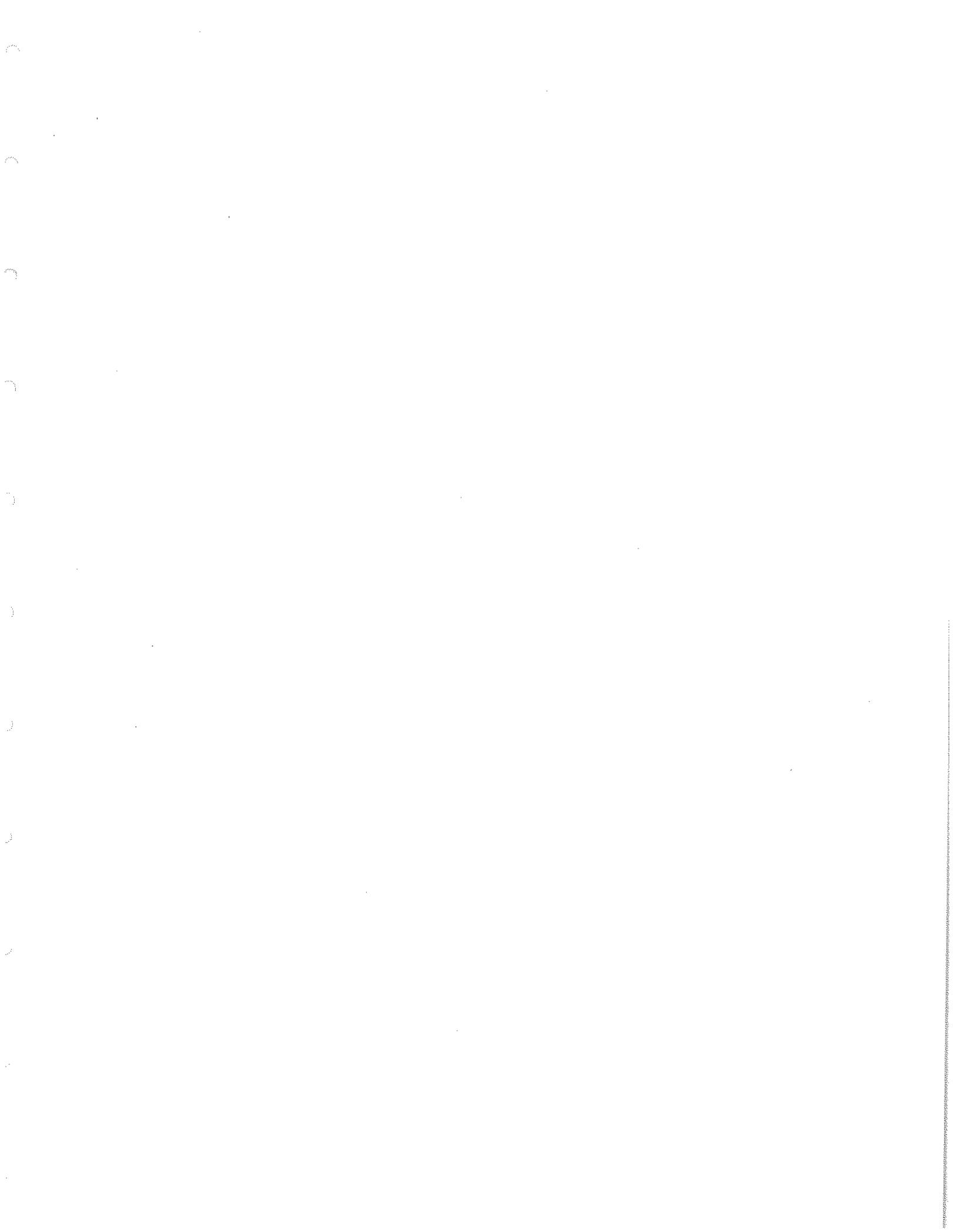
THE INSURANCE EVIDENCED BY THIS CERTIFICATE IS SUBJECT TO ALL OF THE TERMS, CONDITIONS, EXCLUSIONS AND DEFINITIONS IN THE POLICIES. IT IS A CONDITION PRECEDENT OF COVERAGE UNDER THE POLICIES THAT THE ADDITIONAL INSURED DOES NOT WAIVE ANY STATUTORY OR COMMON LAW IMMUNITY CONFERRED UPON IT.

BY: 
AUTHORIZED REPRESENTATIVE

DATED: June 22, 2005

AGENT OF RECORD: CITY INSURANCE AGENCY INC.

P.O. BOX 1598
WILLIAMSON, WV 25661



SOLICITATION, OFFER AND AWARD			1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)		RATING J	PAGE OF PAGES 1 28	
2. CONTRACT NO.		3. SOLICITATION NO. W91237-04-R-0004		4. TYPE OF SOLICITATION <input type="checkbox"/> SEALED BID (IFB) <input checked="" type="checkbox"/> NEGOTIATED (RFP)		5. DATE ISSUED 13 Feb 2004	
7. ISSUED BY USACE, CONTRACTING DIVISION JAMES L. NUTTER, 502 5TH STREET HUNTINGTON WV 25701-2070		CODE W91237		6. REQUISITION/PURCHASE NO. W91FBE-3384-8735			
TEL: 304-399-5282 FAX: 304-399-5281		B. ADDRESS OFFER TO See Item 7		(If other than Item 7) CODE			

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder".

SOLICITATION

9. Sealed offers in original and 1 copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if handcarried, in the depository located in Room 4026 until 04:00 PM local time 19 Feb 2004
(Hour) (Date)

CAUTION - LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.

10. FOR INFORMATION CALL:	A. NAME JAMES L. NUTTER	B. TELEPHONE (include area code) (NO COLLECT CALLS) (304)399-5282	C. E-MAIL ADDRESS James.L.Nutter@h01.usace.army.mil
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11. TABLE OF CONTENTS

(X) SEC.	DESCRIPTION	PAGE(S)	(X) SEC.	DESCRIPTION	PAGE(S)
PART I - THE SCHEDULE			PART II - CONTRACT CLAUSES		
X A	SOLICITATION/ CONTRACT FORM	1	X I	CONTRACT CLAUSES	11 - 18
X B	SUPPLIES OR SERVICES AND PRICES/ COSTS	2	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS		
X C	DESCRIPTION/ SPECS./ WORK STATEMENT	3 - 8	X J	LIST OF ATTACHMENTS	19
X D	PACKAGING AND MARKING		PART IV - REPRESENTATIONS AND INSTRUCTIONS		
X E	INSPECTION AND ACCEPTANCE	7	X K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	20-24
X F	DELIVERIES OR PERFORMANCE	8			
X G	CONTRACT ADMINISTRATION DATA		X L	INSTRS., CONDS., AND NOTICES TO OFFERORS	25-26
X H	SPECIAL CONTRACT REQUIREMENTS	9 - 10	X M	EVALUATION FACTORS FOR AWARD	27

OFFER (Must be fully completed by offeror)

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period. See Section K

12. In compliance with the above, the undersigned agrees, if this offer is accepted within _____ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. DISCOUNT FOR PROMPT PAYMENT (See Section I, Clause No. 52.232-8)

14. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated):

AMENDMENT NO.	DATE	AMENDMENT NO.	DATE
0001	19-Feb-04		

15A. NAME AND ADDRESS OF OFFEROR Mingo County PSD PO Box 98 Naugatuck, WV 25685	CODE	FACILITY	16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print) Robert W Adams (Chairman)
--	------	----------	---

15B. TELEPHONE NO (include area code) 304-235-2244	15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE. <input type="checkbox"/>	17. SIGNATURE <i>Robert W Adams</i>	18. OFFER DATE 07/13/04
---	--	--	----------------------------

AWARD (To be completed by Government)

19. ACCEPTED AS TO ITEMS NUMBERED 0001 and 0002	20. AMOUNT	21. ACCOUNTING AND APPROPRIATION 96X3122.0000 H1X 08 2436 075395 96461 3230 001ZQC 001ZQD
22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: <input checked="" type="checkbox"/> 10 U.S.C. 2304(c)(1) <input type="checkbox"/> 41 U.S.C. 253(c)(1)	23. SUBMIT INVOICES TO ADDRESS SHOWN IN ITEM (4 copies unless otherwise specified) Para H.2, Pg 29	
24. ADMINISTERED BY (if other than Item 7) CODE	25. PAYMENT WILL BE MADE BY USACE Finance Center 7800 3rd Ave, Mail Stop 322 Millington, TN 38054-5005	

26. NAME OF CONTRACTING OFFICER (Type or print) TEL: EMAIL:	27. UNITED STATES OF AMERICA (Signature of Contracting Officer)	28. AWARD DATE
--	--	----------------

IMPORTANT - Award will be made on this Form or on Standard Form 26 or by other authorized official written notice.

Section B - Supplies or Services and Prices

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001		1	Lump Sum	For Sum	\$ <u>189,420.00</u>
	PROVIDE SEWER CONNECTION FOR 14 STRUCTURES IN THE UPPER MINGO COUNTY DELORME SEWER SYSTEM				
0002		1	Lump Sum	For Sum	\$ <u>316,600.00</u>
	PROVIDE SEWER CONNECTION FOR 20 STRUCTURES IN THE LOWER MINGO COUNTY KERMIT SEWER PROJECT				
TOTAL CLINS 0001 AND 0002:					\$ <u>506,020.00</u>

END OF SECTION B

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 MINGO 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 \$1,039,800 (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.

MINGO COUNTY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairperson
Date: _____

(SEAL)

Attest:

Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: *Daniel B. [Signature]*
Its: Director
Date: November 9, 2005

(SEAL)

Attest:

Barbara B Meadows
Its: Secretary-Treasurer

10/26/05
017542/00301

Exhibit A

Project Description

The Project consists of construction of collection systems and treatment plants to serve approximately 529 customers in the Chattaroy, Delorme, East Kermit and Shadee Woods areas of Mingo County, together with all appurtenant facilities.



COPY

P. O. Box 659
Williamson, WV 25661-0659
Phone 304/235-3785

Fax 304/235-0685

December 13, 2002

Mr. J. B. Heflin
Mingo County PSD
PO Box 408
Chattaroy, WV 25667

RE: Chattaroy Sewer Acceptance

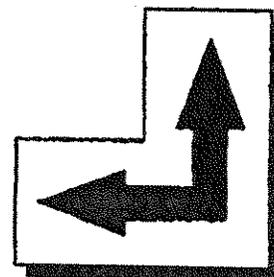
Dear Mr. Heflin:

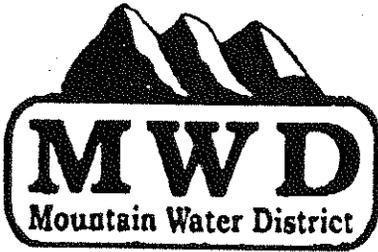
At the recent meeting of the Williamson Utility Board, it was unanimously agreed upon of a treatment fee for the proposed Chattaroy sewage. The cost for treatment, etc. will be \$2.50 per 1000 gallons of sewage treated pending final approval from the West Virginia Public Service Commission.

The Utility Board looks forward to providing you this new service in the near future. If you have any questions, please feel free to call our office at any time.

Sincerely,

Estil Bevins
Estil Bevins
Chairman





COPY

P. O. BOX 3157
PIKEVILLE, KY 41502
PHONE: (606) 631-9162
FAX (606) 631-3087

April 1, 2003

Mr. JB Heflin, General Manager
Mingo County Public Service District
P.O. Box 408
Chattaroy, West Virginia 25667

Re: Wastewater Treatment Services Purchase Contract

Dear Mr. Heflin:

Enclosed please find a draft copy of the Wastewater Treatment Services Purchase Contract as proposed by the Mountain Water District. If the contract is acceptable the appropriate public agencies will need to approve and endorse the contract.

If you have any questions, please contact me at 606/631-6165.

Sincerely,

Will Brown
Superintendent

CC: Toni Akers - Chairperson
Doug Griffin - Kenvirons, Inc.

**WASTEWATER TREATMENT SERVICES
PURCHASE CONTRACT**

This Contract for the purchase of wastewater treatment services is entered into as of the _____ day of _____, 2003, between the Mountain Water District, P.O. Box 3157, Pikeville, Kentucky 41501 (hereinafter referred to as "Seller") and the Mingo County Public Service District, P.O. Box 408, Chattaroy, West Virginia 25667 (hereinafter referred to as "Purchaser").

WITNESSETH

WHEREAS, the Purchaser was created and is existing pursuant to the provisions of the West Virginia Public Service Commission, for the purpose of construction and operating a waterworks and sewage collection system serving _____ users within the area described in plans now on file in the office of the Purchaser and to accomplish this purpose, the Purchaser will require a source for wastewater treatment, and

WHEREAS, the Seller owns and operates a wastewater treatment works system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of wastewater contributors users to be served by the said Purchaser as shown in the 201 facility plans of the system now on file in the office of the Purchaser, and

1. Whereas, the two entities wish to work together across state lines for benefit of providing sewer service to area residents.
2. Mingo County Public Service District shall construct a sewer force main to a suitable connection point to be determined by the Mountain Water District.

WHEREAS, by Resolution No. _____ enacted on the _____ day of _____, 2003, by the Mountain Water District, 6332 Zebulon Highway, Pikeville, Kentucky 41501, the sale of wastewater treatment services to the Purchaser in accordance with the provisions of said Resolution by the Mingo County Public Service District, P.O. Box 408, Chattaroy, West Virginia 25667, and

WHEREAS, by Resolution of the Board of Commissioners of the Seller, adopted on the _____ day of _____, 2003, the purchase of wastewater treatment services from the Seller in accordance with the terms set forth in said Resolution, was approved, and the execution of this Contract by the Chairperson of the Board of the Seller, and attested by the Secretary was duly authorized;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. THE SELLER AGREES:

1. **Quality.** To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this Contract or any renewal or extension thereof, wastewater treatment services meeting and subject to all applicable standards of the Kentucky Natural Resources and Environmental Protection Cabinet, Division of Water.
2. **Quantity.** The Purchaser shall have the right to continue adding additional customers to their system which will increase the amount of wastewater to be treated; however, it is understood that should such additional wastewater create a need for modification to the Seller's system, the Purchaser agrees to only be responsible for the (%) of capacity increase that they would use.
3. **Point of Deliver.** That wastewater will be accepted into the Seller's system at a point(s) of discharge as mutually agreed upon. Seller shall calibrate such metering equipment whenever requested by the Purchaser, but not more frequently than one every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the six (6) months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of wastewater discharged during such period shall be deemed to be the average of the amount of wastewater discharged in the corresponding two (2) month period immediately prior to failure, unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read monthly. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings. Cost of testing the wastewater flow meters will be Seller's responsibility.
4. **Billing Procedure.** To furnish the Purchaser at the above address not later than the 5th day of each month, with an itemized statement of the usage amount of existing wastewater customers furnished the Purchaser during the preceding monthly billing period.

B. THE PURCHASER AGREES:

1. **Metering Equipment.** To furnish and install at its own expense and subject to the Seller's specifications at point of delivery, the necessary metering equipment, including a meter house or pit and required devices of standard type for properly measuring the quantity of wastewater delivered to the Seller.

2. **Rates and Payments Date.** To pay the Seller, not later than the 20th day of each month, for the second preceding month, for wastewater treated in accordance with the following schedule of rates:

- a) \$3.58/1,000 gallons for up to 5,500,000 gallons annually.
- b) \$4.01/1,000 gallons for all treatment in excess of 5,500,000 gallons. A one time 5% surcharge shall be added to all delinquent accounts in accordance with the applicable Mountain Water District tariff.
- c) The treatment fees will be based on sewage at standard 300mg/l BOD, 350mg/l TSS and other limits according to the sewer use ordinance set up and approved by the Kentucky Division of Water. The limits for sewage will include a 10 ppm H₂S limit. Mountain Water will utilize odor control chemicals if the limit is exceeded at the points of delivery. The type of chemical used shall take into consideration the impact on the treatment plant operation. Any surcharge for BOD or TSS will be calculated on standard industrial pretreatment guidelines set by the Kentucky Division of Water as listed in Appendix "B".

C. IT IS FURTHER MUTUALLY AGREED BETWEEN THE SELLER AND THE PURCHASER AS FOLLOWS:

1. **Term of Contract.** That this Contract may be renewed on an annual basis for Forty (40) years from the date of the initial delivery of wastewater treatment as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.
2. **Jurisdiction.** That the West Virginia Public Service Commission and Kentucky Public Service Commission have joint jurisdiction over this contract for the life of the contract.
3. **Failure to Deliver.** That the Seller shall, at all times, operate and maintain its system in an efficient manner and shall undertake to furnish the Purchaser with wastewater treatment required by the Purchaser. Temporary or partial failures to deliver wastewater treatment shall be remedied with all possible dispatch. That the Purchaser shall, at all times, diligently limit or eliminate infiltration and inflow in to the collection system.
4. **Modification of Contract.** That the provisions of this Contract pertaining to the schedule of rates to be paid by the Purchaser for wastewater treatment are subject to modification at the end of every 2 year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder.

5. **Existing Permit and Expansion.** Mountain Water District can treat under the existing permit a flow up to 0.2mgd. The Mountain Water District will submit an application to have the plant re-rated and will expand the plant capacity as needed to serve the region. Any cost of an expansion would be shared by the entity(s) needing the additional capacity cost, O&M Reserve and depreciation for the additional capacity to serve Mountain Water shall be included in future rates. The Mountain Water District will treat up to 0.417 MGD a day from Mingo County Public Service District at the current plant rating. Other provisions of this contract may be modified or altered by mutual agreement. Any proposed rate change must follow a standard rate making procedure accepted by both the West Virginia Public Service Commission and the Kentucky Public Service Commission. The rate will be prepared by an organization mutually selected and approved by both Public Service Commissions. Approval shall not be unreasonably withheld on the selection of a consultant.
6. **Successor to the Purchaser.** That in the event of any occurrence rendering the Purchaser incapable of performing under this Contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.
7. **This Document shall not be binding on either party until or unless approved by the West Virginia Public Service Commission and the Kentucky Division of Water and the Kentucky Public Service Commission, if necessary.**

APPENDIX "B"

SURCHARGE RATES

BOD>300 MGL \$0.04LB

TSS>350 MGL \$0.04LB

Method of Billing Surcharges - The excessive strength surcharge shall be based on a formula, with the total applied to the monthly bill of affected users:

The "BOD surcharge rate" shall be determined by the following formula:

- RC = 0.00834xP(C-300)
Where Rc = the BOD surcharge rate in cents per 1,000 gallons of waste discharged.
- P = the average annual fixed, operating and maintenance cost of secondary treatment processes per pound of BOD received at the BOD received at the treatment works. (Prior to completion of the first year of operation the value of "P" shall be assumed to be four (4) cents.)
- C = the average BOD 5 of the industrial waste expressed in milligrams per liter.

The figure 300 appearing in the above formula corresponds to the maximum BOD 5 permissible without surcharge. The figure 0.00834 is the factor to convert milligrams per liter to pounds per 1,000 gallons. No discount will be permitted for sewage or industrial wastes having a BOD 5 of less than 300 milligrams per liter.

The "suspended solids surcharge rate" shall be determined by the following formula:

- RS = 0.00834xB(S-350)
Where Rs = the suspended solids surcharge rate in cents per 1,000 gallons of waste discharged.
- B = the average annual fixed, operating and maintenance cost of the sludge digestion, sludge drying and sludge disposal operations per pound of suspended solids received at the treatment works. (Prior to completion of the first year of operation the value of "B" shall be assumed to be four (4) cents.)
- S = the average suspended solids concentration of the abnormal industrial waste expressed per liter.

The figure 350 appearing in the above formula corresponds to the maximum suspended solids concentration permissible without surcharge. The figure 0.00834 is the factor to convert milligrams per liter to pounds per 1,000 gallons.

No discount will be permitted for sewage or industrial wastes having a suspended solids concentration of less than 350 milligrams per liter.

No reduction in wastewater service charges, fees, or taxes shall be permitted due to the fact that certain wastes discharged to the wastewater works contain less than 300 mg/l of BOD, 350mg/l of SS.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed in three counterparts, each of which shall constitute an original. This Contract shall supercede all prior contracts that are or may have been in place.

**PUBLIC SERVICE COMMISSION
COMMONWEALTH OF KENTUCKY**

By: _____

Title: _____

Attest: _____

Title: _____

**MINGO COUNTY PUBLIC
SERVICE DISTRICT - PURCHASER
CHATTAROY, WEST VIRGINIA,**

By: _____

Chairman

Attest: _____

Secretary

**MOUNTAIN WATER DISTRICT,
SELLER**

By: _____

Toni Akers
Chairperson of the Board

Attest: _____

Terry Spears
Secretary