

NORTH BECKLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, 2015 SERIES A
(BRANCH BANKING AND TRUST COMPANY)

BOND TRANSCRIPT

Closing Date: May 7, 2015

TABLE OF CONTENTS

BASIC DOCUMENTS

1. Bond Resolution
(A) Project Fund Agreement
2. Cross-Receipt for Bond and Bond Proceeds
3. Direction to Authenticate and Deliver Bond
4. Specimen Bond

OPINIONS OF COUNSEL

5. Approving Opinion of Spilman Thomas & Battle, PLLC, as Bond Counsel
6. Opinion of John Rist, Esquire, Counsel to Issuer
7. Opinion of Spilman Thomas & Battle, PLLC, Special PSC Counsel to Issuer

CERTIFICATES

8. General Certificate of Issuer and Attorney
9. (A) Certificate as to Arbitrage
(B) Post Issuance Compliance Policy
10. Internal Revenue Service Information Return (Form 8038-G)
11. Certificate of Certified Public Accountant
12. Certificate of Branch Banking and Trust Company, as Registrar
13. Certificate of West Virginia Municipal Bond Commission, as Paying Agent

14. Certificate of Branch Banking and Trust Company, as Purchaser

DOCUMENTS OF THE ISSUER

15. Orders of the County Commission of Raleigh County Creating the District

16. Orders of the County Commission of Raleigh County Appointing Board Members

17. Oaths of Office of Board Members

18. Rules of Procedure

19. Minutes of 2015 Organizational Meeting

20. Affidavit of Publication of Public Hearing

21. Excerpt of Minutes of April 23, 2015 Board Meeting Adopting Bond Resolution, Post Issuance Compliance Policy and WVMBC Sweep Resolution

22. (A) Order of the PSC approving Merger with Stanaford Acres Sewerage System, Inc.

(B) Order of the PSC approving the Bonds;

(C) Order of the PSC approving and implementing Rates

MISCELLANEOUS DOCUMENTS

23. Bank Commitment Letter

24. Bank Investment Letter

25. Parity Consent of West Virginia Water Development Authority

26. Municipal Bond Commission New Issue Report

27. Sweep Resolution

28. NPDES Permit

29. Prior Bond Resolutions:

(A) Series 1999

(B) Series 2003 A

(C) Series 2009 A

BOND RESOLUTION

Authorizing

**NORTH BECKLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, 2015 SERIES A
(BRANCH BANKING AND TRUST COMPANY)**

Adopted: April 21, 2015

Table of Contents

	Page
ARTICLE I STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS	1
Section 1.01. Authority for this Resolution.....	1
Section 1.02. Findings.	1
Section 1.03. Definitions.	3
Section 1.04. Resolution Constitutes Contract.	9
ARTICLE II AUTHORIZATION OF THE PROJECT AND SALE OF THE 2015	
SERIES A BONDS	9
Section 2.01. Authorization of the Project.....	9
Section 2.02. Authorization of Chairman and Secretary to Execute and Deliver Bonds.	9
ARTICLE III AUTHORIZATION, TERMS, EXECUTION, REGISTRATION	
AND SALE OF THE 2015 SERIES A BONDS	9
Section 3.01. Authorization of the 2015 Series A Bonds.	9
Section 3.02. Terms of 2015 Series A Bonds.	9
Section 3.03. Execution of 2015 Series A Bonds.	10
Section 3.04. Authentication and Registration.	10
Section 3.05. Negotiability, Transfer and Registration.	10
Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost.	11
Section 3.07. Form of Bonds.	11
Section 3.08. Sale of Bonds.	11
Section 3.09. Bonds Secured by Pledge of Net Revenues.....	11
Section 3.10. Bonds not to be Indebtedness of Issuer.	11
Section 3.11. Delivery of 2015 Series A Bonds.	12
ARTICLE IV FUNDS AND ACCOUNTS; SYSTEM REVENUES AND	
APPLICATION THEREOF.....	12
Section 4.01. Establishment of Funds and Accounts with Depository Bank.	12
Section 4.02. Establishment of Account with Purchaser.....	12
Section 4.03. Establishment of Funds and Accounts with Bond Commission.....	13
Section 4.04. System Revenues; Flow of Funds.....	13
ARTICLE V BOND PROCEEDS; DISBURSEMENTS	16
Section 5.01. Application of Bond Proceeds; Pledge of Unexpected Bond Proceeds.....	16
Section 5.02. Disbursements from the Construction Trust Fund.....	16
ARTICLE VI ADDITIONAL COVENANTS OF THE ISSUER	16
Section 6.01. General Covenants of the Issuer.	16
Section 6.02. Bonds not to be Indebtedness of the Issuer.	16
Section 6.03. Bonds Secured by Pledge of Net Revenues; Lien Position.	16
Section 6.04. Schedule of Rates and Charges.....	17
Section 6.05. Sale of the System	17
Section 6.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances	18
Section 6.07. Parity Bonds.....	18
Section 6.08. Books, Records and Audit.....	20
Section 6.09. Rates	21
Section 6.10. Operating Budget and Monthly Financial Report	22

Section 6.11.	No Competing Franchise	22
Section 6.12.	Enforcement of Collections	23
Section 6.13.	No Free Services.....	23
Section 6.14.	Insurance and Construction Bonds	23
Section 6.15.	Mandatory Connections.....	25
Section 6.16.	Completion and Operation of Project; Permits and Orders	25
Section 6.17.	Statutory Mortgage Lien.....	25
ARTICLE VII INVESTMENT OF FUNDS; TAX COVENANTS		25
Section 7.01.	Investment of Funds.	25
Section 7.02.	Tax Certificate and Rebate.	26
Section 7.03.	Tax Covenants.	27
Section 7.04.	Bank-Qualified Designation	28
ARTICLE VIII DEFAULTS AND REMEDIES		28
Section 8.01.	Events of Default.	28
Section 8.02.	Remedies.....	28
Section 8.03.	Appointment of Receiver.....	29
ARTICLE IX PAYMENT OF BONDS		30
Section 9.01.	Payment of Bonds.....	30
ARTICLE X MISCELLANEOUS		30
Section 10.01.	Amendment or Modification of Resolution.....	30
Section 10.02.	Resolution Constitutes Contract.	31
Section 10.03.	Severability of Invalid Provisions.	31
Section 10.04.	Headings, Etc.....	31
Section 10.05.	Conflicting Provisions Repealed.	31
Section 10.06.	Covenant of Due Procedure, Etc.	31
Section 10.07.	Effective Date.	31

- Exhibit A - Public Service Commission Orders approving Merger and Sale of
2015 Series A Bonds
- Exhibit B - Commitment Letter
- Exhibit C - Commission Order approving Surcharge
- Exhibit D - Form of Project Fund Agreement
- Exhibit E - Debt Service Schedule
- Exhibit F - Form of Bond

NORTH BECKLEY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWER TREATMENT AND DISTRIBUTION FACILITIES OF NORTH BECKLEY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COSTS, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$210,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, 2015 SERIES A (BRANCH BANKING AND TRUST COMPANY); 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 ANY OTHER DOCUMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED AND ENACTED BY THE PUBLIC SERVICE BOARD OF NORTH BECKLEY 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, this "Resolution") is adopted pursuant to the provisions of Chapter 16, Article 13A of the Code of West Virginia Code, 1931, as amended (the "Act"), and other applicable provisions of law.

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

A. North Beckley Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Raleigh 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 designed, acquired and constructed certain additions, betterments, improvements and

extensions to the existing public sewerage facilities of the Issuer, including the initial tie-in of the existing sewer system of the Stanaford Acres Sewerage System, Inc. (“Stanaford”) sewer system to the Issuer’s existing public sewerage facilities, and all necessary appurtenant facilities (the “Project”). The existing public sewerage facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the “System.”

C. The Public Service Commission of West Virginia (the “Commission”) approved (i) the merger of Stanaford into the Issuer by Commission Order dated April 25, 2012 in Case No. 11-0086-PSD-S-PC (“Stanaford Merger Case”) due to Stanaford’s failing sewerage system and (ii) the sale of the 2015 Series A Bonds to the Purchaser by Recommended Decision, dated December 16, 2013, as revised by Commission Orders dated January 28, 2014 and April 1, 2014 in Case No. 13-1267-PSD-PC-19A, copies of which are attached hereto and incorporated herein as **Exhibit A**.

D. In Case No. 14-1924-PSD-CN, the Commission issued its Commission Order dated April 17, 2015, attached hereto and incorporated herein as **Exhibit B**, under which the Commission approved certain surcharges for the customers of Stanaford and certain rate increases for all customers of the Issuer.

E. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, 2015 Series A (Branch Banking and Trust Company) (the “2015 Series A Bonds”), in an aggregate principal amount of not more than \$210,000, to finance the costs of the Project and the costs of issuance of the 2015 Series A Bonds. The 2015 Series A Bonds are proposed to be purchased by Branch Banking and Trust Company, Charleston, West Virginia (the “Purchaser” or the “Bank”), pursuant to a commitment letter dated April 20, 2015, as amended (collectively, the “Commitment Letter”), attached hereto and incorporated herein as **Exhibit C**; and

F. The Issuer has outstanding its (i) Sewerage System Revenue Bonds, Series 1999 (West Virginia SRF Program), dated January 28, 1999, issued in the original aggregate principal amount of \$8,090,898 (the “Series 1999 Bonds”), (ii) Sewerage System Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated September 29, 2003, issued in the original aggregate principal amount of \$5,307,741 (the “Series 2003 Bonds”), and (iii) Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), dated October 29, 2009, issued in the original aggregate principal amount of \$4,544,324 and Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated October 29, 2009, issued in the original aggregate principal amount of \$2,415,521 (together, the “Series 2009 Bonds,” and collectively with the 1999 Bonds and the 2003 Bonds, the “Prior Bonds”).

G. The 2015 Series A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the 2015 Series A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the 2015 Series A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Resolutions.

H. It is in the best interests of the Issuer that the 2015 Series A Bonds be sold to the Purchaser pursuant to the terms and conditions of the Commitment Letter.

I. The Issuer has complied with all requirements of West Virginia law relating to operation of the System and issuance of the Bond, or will have so complied prior to issuance of the Bond.

J. The issuance of the 2015 Series A Bonds and the design, acquisition and construction of the Project with proceeds of the 2015 Series A 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 1.03. Definitions. All capitalized terms used in this Resolution and not otherwise defined herein shall have the following meanings in this Resolution unless the context expressly requires otherwise:

“Act” means Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended and in effect on the date of enactment of this Resolution.

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

“Bonds” means, collectively, the 2015 Series A Bonds, the Prior Bonds and any additional Parity Bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution or another resolution of the Issuer.

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

“Closing Date” means the date upon which there is an exchange of the 2015 Series A Bonds for all or a portion of the proceeds thereof from the Purchaser.

“Code” means the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations promulgated thereunder.

“Consulting Engineers” means any professional engineer or firm of professional engineers, licensed by the State who shall not be a regular, full-time employee of the State or any of its agencies, commissions or political subdivisions, that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended.

“Depository Bank” means United Bank, Inc., Charleston, West Virginia, and its successors and assigns.

“FDIC” means the Federal Deposit Insurance Corporation or 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 or and interest on which is guaranteed by, the United States of America.

“Gross Revenues” means the aggregate gross operating and non-operating revenues of the System 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) or any Tap Fees.

“Holder of the Bonds,” “Holder,” “Registered Owner” or any similar term means any person who shall be the registered owner of any Outstanding Bond or Bonds.

“I&I Fund” means the I&I Fund created by the Prior Resolutions.

“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 such 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 North Beckley Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Raleigh County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

“Net Proceeds” means the face amount of the 2015 Series A Bonds, plus accrued interest and premium, if any, less original issue discount, if any. 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 2015 Series 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 of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, 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 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 the Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond cancelled by the 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 held in trust under this Resolution and set aside for such payment (whether upon or prior to maturity); and (iii) any Bond deemed to have been paid as provided in their respective authorizing resolutions.

“Parity Bonds” means additional Bonds issued under the provisions and within the limitations prescribed by Section 6.04 hereof.

“Paying Agent” means the Bond Commission and its successors and assigns.

“Prior Bonds” means, collectively, the Series 1999 Bonds, the Series 2003 Bonds, and the Series 2009 Bonds of the Issuer, as more fully described in Section 1.02(F).

“Prior Resolutions” means, collectively, the resolutions of the Issuer, as supplemented, authorizing the Prior Bonds.

“Private Business Use” means use directly or indirectly in a trade or business carried on by a natural person, including all persons “related” to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons “related” to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit by a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to “incidental use,” if any, of the proceeds of the issue and/or proceeds used for “qualified improvements” if any.

“Project Fund Agreement” means the Project Fund Agreement between the Issuer and the Purchaser dated as of the Closing Date and attached hereto as **Exhibit D**.

“Purchaser” means Branch Banking and Trust Company, Charleston, West Virginia and its successors and assigns.

“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 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, or any interest bearing account insured by the FDIC;

(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 agents must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(H) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the Code of West Virginia Code, 1931, as amended; and

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

"Registrar" means Branch Banking and Trust Company, Charleston, West Virginia and its successors and assigns.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by the Prior Resolutions and continued by Section 4.01(2) hereof.

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

"Resolution" means this Resolution and all orders, ordinances and resolutions supplemental hereto or amendatory hereof.

"Revenue Fund" means the Revenue Fund established by the Prior Resolutions and continued by Section 4.01(1) hereof.

“Secretary” means the Secretary of the Governing Body.

“Sinking Funds” means, collectively, the respective Sinking Funds established for the 2015 Series A Bonds and the Prior Bonds.

“State” means the State of West Virginia.

“Surplus Revenues” means the Net Revenues not required by the Prior Resolutions or this Resolution to be set aside and held for the payment of or security for the Bonds, including any Sinking Fund or Reserve Accounts.

“System” means, collectively, the complete existing public sewerage system of the Issuer, 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 include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired for the System from any sources whatsoever.

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

“2015 Series A Bonds” means the not more than \$210,000 in aggregate principal amount of Sewer Revenue Bonds, 2015 Series A (Branch Banking and Trust Company), authorized to be issued pursuant to this Resolution.

“2015 Series A Bonds Construction Trust Fund” means the 2015 Series A Bonds Construction Trust Fund established by Section 4.01(1) hereof and being the 2015-00001 North Beckley Public Service District Project Fund under and pursuant to the Project Fund Agreement.

“2015 Series A Bonds Sinking Fund” means the 2015 Series A Bonds Sinking Fund established by Section 4.0(2) hereof.

Additional terms and phrases are defined in this Resolution as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

Words importing singular number include the plural number in each case and vice versa; words importing the masculine gender include every other gender; and words importing persons include firms, partnerships, associations and corporations.

The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms refer to this Resolution; and the term “hereafter” means after the date of enactment of this Resolution.

Section 1.04. Resolution Constitutes Contract. In consideration of the acceptance of the 2015 Series A Bonds by those who shall be the Registered Owners of the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owners of the 2015 Series A Bonds.

ARTICLE II

AUTHORIZATION OF THE PROJECT AND SALE OF THE 2015 SERIES A BONDS

Section 2.01. Authorization of the Project. There is hereby authorized and ordered the Project, and other necessary accounting, legal and real estate work for the Project, at an estimated cost of not to exceed \$210,000, which will be obtained from the proceeds of the 2015 Series A Bonds.

Section 2.02 Authorization of Chairman and Secretary to Execute and Deliver Bonds. The Chairman and Secretary are hereby authorized and directed to execute and deliver the 2015 Series A Bonds and such other documents and certificates required or desirable in connection with the 2015 Series A Bonds hereby and by this Resolution approved and provided for, to the end that the 2015 Series A Bonds may be delivered to the Purchaser on the Closing Date.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF THE 2015 SERIES A BONDS

Section 3.01. Authorization of the 2015 Series A Bonds. For the purposes of financing the costs of the Project and paying the costs of issuance of the 2015 Series A Bonds and related costs, there shall be and hereby are authorized to be issued the Sewer Revenue Bonds, 2015 Series A, of the Issuer, in an aggregate principal amount of not more than \$210,000.

Section 3.02. Terms of 2015 Series A Bonds. The 2015 Series A Bonds shall be issued in fully registered form and shall initially be represented by a single bond, numbered AR-1, in the principal amount of \$210,000. The 2015 Series A Bonds shall be dated the Closing Date, and shall finally mature thirty-six (36) months from the Closing Date. The price of the 2015 Series A Bonds shall be 100% of par value, there being no interest accrued thereon. Principal and interest on the 2015 Series A Bonds shall be payable in thirty-six (36) monthly payments commencing on June 1, 2015, and continuing on the first day of each month until maturity as set forth on the debt service schedule attached hereto and incorporated herein as **Exhibit E**. Interest shall accrue on the 2015 Series A Bonds at the rate of 1.64% per annum (the "Tax-Exempt Rate"). The 2015 Series A Bonds may be prepaid only in whole on any scheduled payment date with a 1% prepayment premium. The 2015 Series A Bonds shall be payable as to principal and interest at the principal office of the Paying Agent in any coin or currency which, on the date of

payment, is legal tender for the payment of public and private debts under the laws of the United States of America.

Section 3.03. Execution of 2015 Series A Bonds. The 2015 Series A Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto, and attested by the Secretary of the Issuer. In case any one or more of the officers who shall have signed or sealed any of the 2015 Series A Bonds shall cease to be such officer of the Issuer before the 2015 Series A Bonds so signed and sealed shall have been actually sold or 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 Bond 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 of 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. The Issuer hereby appoints and designates the Purchaser, to serve as the Registrar for the 2015 Series A Bonds. No 2015 Series A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.07 shall have been manually executed by the Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Resolution. The Certificate of Authentication and Registration shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the 2015 Series A Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the 2015 Series A Bonds shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder, in accepting the 2015 Series A Bonds, shall be conclusively deemed to have agreed that the 2015 Series A Bonds shall be conclusively deemed to have agreed that the 2015 Series A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, 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 2015 Series A Bonds remain Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the 2015 Series A Bonds. The 2015 Series A Bonds shall be transferrable only upon the books of the Registrar which shall be kept for that purpose at the office of the Registrar by request of the registered owner thereof in person or by his attorney duly authorized in writing, and upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of the 2015 Series A Bonds, there shall be issued to the transferee fully registered 2015 Series A Bonds of the aggregate principal amount equal to the unpaid amount of the transferred 2015 Series A Bonds.

In all cases in which the privilege of exchanging the 2015 Series A Bonds or transferring the registered Bonds are exercised, all Bonds shall be delivered in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Registrar. For every such exchange or transfer of Bonds, the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Registrar shall not be obliged to make any such exchange or transfer of Bonds during the 15 days preceding an interest payment date on the 2015 Series A Bonds or after notice of any prepayment of the 2015 Series A Bonds has been given.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the 2015 Series A Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Registrar shall, if so advised by the Issuer, authenticate and deliver a new Bond in exchange and substitution for such mutilated Bonds upon surrender and cancellation for such mutilated Bonds or in lieu of and substitution for the 2015 Series A Bonds destroyed, stolen or lost and upon the Holder's furnishing the Issuer proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. All Bonds so surrendered shall be submitted to and canceled by the Registrar and held for the account of the Issuer. If such Bonds 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 Bonds are lost, stolen or destroyed, without surrender thereof.

Section 3.07. Form of Bonds. The text of the 2015 Series A Bonds shall be in substantially the form attached hereto as **Exhibit F**, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution or any resolution supplemental hereto adopted prior to the issuance thereof.

Section 3.08. Sale of Bonds. The 2015 Series A Bonds shall be sold to the Purchaser contemporaneously with, or as soon as practicable and authorized and permitted by applicable law; provided, that the Purchaser and the Issuer shall have agreed to the purchase thereof.

Section 3.09. Bonds Secured by Pledge of Net Revenues. The payment of the debt service on the 2015 Series A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, on parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of, and interest on and other payments for the 2015 Series A Bonds and the Prior Bonds are hereby irrevocably pledged to the payment of the principal of and interest on the 2015 Series A Bonds and the Prior Bonds as the same become due.

The Series 2015 A Bonds have no lien on the Reserve Funds of the Prior Bonds.

Section 3.10. Bonds not to be Indebtedness of Issuer. The 2015 Series A Bonds do not and shall not 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 provided herein. No Holder of the 2015 Series A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the 2015 Series A Bonds or the interest thereon.

Section 3.11. Delivery of 2015 Series A Bonds. The Issuer shall execute and deliver 2015 Series A Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the 2015 Series A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Purchaser, a list of the names in which the 2015 Series A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

B. A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the 2015 Series A Bonds to the Purchaser;

C. An executed and certified copy of this Resolution; and

D. The unqualified approving opinion of bond counsel on the 2015 Series A Bonds.

ARTICLE IV

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created with (or continued if previously established by the Prior Resolutions) and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank:

- (1) Revenue Fund (established by the Prior Resolutions);
- (2) Renewal and Replacement Fund (established by the Prior Resolutions); and
- (3) I&I Fund (established by the Prior Resolutions).

Section 4.02 Establishment of Account with Purchaser. The following special account is created with and shall be held by the Purchaser separate and apart from all other funds or accounts of the Purchaser:

- (1) 2015 Series A Bonds Construction Trust Fund.

Section 4.03. Establishment of Funds and Accounts with Bond Commission. The following funds or accounts are hereby created with and shall be held by the Bond Commission separate and apart from all other funds or accounts of the Bond Commission and the Issuer and from each other:

- (1) 2015 Series A Bonds Sinking Fund.

Section 4.04. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund created pursuant to the Prior Resolutions. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Resolutions and this Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order of priority:

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

- (2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds for the Prior Bonds the amounts required to pay interest on the Prior Bonds, as required by the Prior Resolution; and (ii) commencing on June 1, 2015, an amount equal to the interest payment on the 2015 Series A Bonds for the next ensuing calendar month and continuing on the same day of each month until maturity as set forth on the debt service schedule attached hereto and incorporated herein as **Exhibit E**.

- (3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the Sinking Funds for the Prior Bonds, the amounts required to pay principal of the Prior Bonds, as required by the Prior Resolutions; and (ii) commencing on June 1, 2015, an amount equal to the principal payment on the 2015 Series A Bonds for the next ensuing calendar month and continuing on the same day of each month until maturity as set forth on the debt service schedule attached hereto and incorporated herein as **Exhibit E**.

- (4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission, as appropriate, the amounts required by the Prior Resolutions for deposit in the respective Reserve Accounts for the Prior Bonds.

- (5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, a sum equal to 2½% of the Gross Revenues each month

(as previously set forth in the Prior Resolutions and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of the month, transfer from the Revenue Fund and deposit into the I&I Fund, all amounts remaining in the Revenue Fund after making the transfers set forth in paragraphs 1 through 4 above, until the sum of \$18,000 has been deposited therein during the then current month. All funds in the I&I Fund shall be kept separate and apart from all other funds of the Issuer and the Depository Bank.

Withdrawals and disbursements from the I&I Fund shall be made by the Issuer only for correcting problems with inflow and infiltration with respect to the System and only in accordance with the applicable orders of the Commission, provided that the I&I Fund shall only be required to be maintained and funded as long as required by the Commission.

Monies in the 2015 Series A Bonds Sinking Fund shall be used only for the purpose of paying principal of and interest on the 2015 Series A Bonds as the same shall become due. All investment earnings on monies in the 2015 Series A Bonds Sinking Fund shall be returned, not less than once each year, by the Bond Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied to the next ensuing payment of principal of and interest on the 2015 Series A Bonds.

As and when additional bonds ranking on a parity with the Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay any interest on and principal of such Parity Bonds and to accumulate a balance in the appropriate reserve accounts, if any, in an amount equal to the requirement therefor.

The Bond Commission is hereby designated as the fiscal agent for the administration of the 2015 Series A Bonds Sinking Fund created hereunder, and all amounts required for said accounts shall be remitted to the Bond Commission from the Revenue Fund by the Issuer at the times provided herein. The Issuer shall make the necessary arrangements whereby required payments into such accounts are automatically debited from the Revenue Fund and electronically transferred to the Bond Commission on the required date.

Monies in the 2015 Series A Bonds Sinking Fund shall be invested and reinvested by the Bond Commission in accordance with Section 7.01 hereof.

The 2015 Series A Bonds Sinking Fund shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Bonds under the conditions and restrictions hereinafter set forth.

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

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

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

E. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 4.03, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

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

H. All Tap Fees shall be deposited by the Issuer as received in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE V

BOND PROCEEDS; DISBURSEMENTS

Section 5.01. Application of Bond Proceeds; Pledge of Unexpected Bond Proceeds. Monies received from the sale of the 2015 Series A Bonds shall be deposited with the Purchaser in the 2015 Series A Bonds Construction Trust Fund on the Closing Date and applied solely to payment of costs of the Project and until so expended are hereby pledged as additional security for the 2015 Series A Bonds.

Section 5.02. Disbursements from the Construction Trust Fund. The Issuer shall approve requisitions for the costs incurred for the Project in accordance with the Project Fund Agreement between the Issuer and the Purchaser. Monies in the 2015 Series A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Resolution 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 2015 Series A Bonds. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Holder or Holders of the 2015 Series A Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the 2015 Series A Bonds are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer. The 2015 Series A Bonds shall not, in any event, be or 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 Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the 2015 Series A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the 2015 Series A Bonds.

Section 6.03. Bonds Secured by Pledge of Net Revenues; Lien Position. The payment of the debt service of the 2015 Series A Bonds shall be secured by a first lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Bonds and to make the payments into all funds and accounts, and all other payments provided for in this Resolution and the Prior Resolutions are hereby irrevocably pledged to such payments as the same become due, and for the other purposes provided in this Resolution.

Section 6.04. 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. The schedule of rates and charges for the services and facilities of the System, a copy of which is attached hereto as Exhibit C and incorporated herein and which rates have been approved and are described in the Commission Order of the PSC entered April 17, 2015 in Case No. 14-1924-PSD-CN, are hereby adopted, ratified, approved and affirmed.

So long as any of the 2015 Series A Bonds are Outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation. In the event the schedule of rates and charges initially established for the System in connection with the 2015 Series A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation, the Issuer hereby covenants and agrees that it will, to the extent and in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation.

Section 6.05. Sale of the System. So long as any of the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, except as provided in the Prior Resolutions. Additionally, except as otherwise required by law or with the written consent of the Purchaser, 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 Prior Bonds and the 2015 Series A Bonds, or to effectively defease this Bond Legislation in accordance with Section 9.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the 2015 Series A Bonds and Prior Bonds, immediately be remitted to the Commission for deposit in 2015 Series A Bonds Sinking Fund and the Prior Bonds Sinking Funds, respectively, pro rata with respect to the principal amounts of the 2015 Series A Bonds and the Prior Bonds then outstanding, and, with the written permission of the Purchaser, or in the event the Purchaser is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the 2015 Series A Bonds and Prior Bonds. Any balance remaining after the payment of all the 2015 Series A Bonds and Prior Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, and subject to the Prior Resolutions so long as any of the Prior Bonds remain Outstanding, 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 \$50,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of

said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$50,000 but not in excess of \$200,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of \$50,000 and not in excess of \$200,000, shall be deposited in the Renewal and Replacement Fund. Such payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said fund by other provisions of this 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 \$200,000 and insufficient to pay all Prior Bonds and the 2015 Series A Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% in amount of the Prior Bonds and 2015 Series A Bonds then outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Prior Bonds and 2015 Series A Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 6.06 and in Section 6.07, so long as any of the 2015 Series A Bonds are Outstanding, 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 2015 Series A Bonds. All obligations issued by the Issuer after the issuance of the 2015 Series 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 2015 Series A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the sinking funds, reserve accounts and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current. 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 2015 Series A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the 2015 Series A Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 6.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolutions shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the

issuance of the 2015 Series A Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the 2015 Series A Bonds.

No such Parity Bonds shall be issued except for the purposes of financing the costs of the acquisition or construction of extensions, additions, betterments or improvements to the System or refunding any outstanding Bonds, or all 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 three 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 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 three 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 any improvements to be financed by the Parity Bonds and any increase in rates adopted by the Issuer and approved by the Commission, the time for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove discussed 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, as stated in a certificate, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer and approved by the Commission, the time for appeal of which has expired prior to the issuance of such Parity Bonds.

All covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds issued from time to time within the limitations of and in compliance with this Section 6.07. Any Bonds issued on a parity, regardless of the

time or times of their issuance, shall rank equally with respect to their respective liens on the revenues of the System and their respective source of and security for payment from said revenues, without preference of any bond of one series over any other bond of another series on a parity therewith. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Parity Bonds, in addition to the payments required for Bonds issued pursuant to this Resolution.

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 Outstanding Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the 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 6.07, equally, as to lien on and source of and security for payment from such revenues, with the Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the funds and accounts provided for in this Resolution with respect to the 2015 Series A Bonds then Outstanding, and any other payments provided for in this Resolution, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Resolution.

Section 6.08. 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 Purchaser, or its agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Purchaser such documents and information as it 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 Purchaser, or its agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a 2015 Series A Bond issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the PSC. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which

subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Purchaser and shall mail in each year to any Holder or Holders of 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 with respect to said Bonds and the status of all said funds and accounts.

(C) The amount of any Bonds 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 and the Single Audit Act or successor thereto, in effect at the time, to the extent required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds, and shall submit said report to the Purchaser, or any other original purchaser of the Bonds, within ninety (90) days of the end of the Fiscal Year. Such audit report submitted to the Purchaser shall include a statement that the Issuer is in compliance with the terms and provisions of this Bond Legislation, and that the Issuer's revenues are adequate to meet its operation and maintenance expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of 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 Purchaser, or its agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, the Issuer shall also provide the Purchaser, or its agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Purchaser set forth herein.

Section 6.09. Rates. Prior to the issuance of the 2015 Series A Bonds, equitable rates or charges for the use of and service rendered by the System have been 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 said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created or continued 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 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 on the 2015 Series A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the 2015 Series A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements in the Reserve Accounts for obligations on a parity with the 2015 Series A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the 2015 Series A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the 2015 Series A Bonds, including the Prior Bonds.

Section 6.10. 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 Purchaser within 30 days of adoption thereof. The Issuer, by the unanimous consent and approval of the Governing Body, may amend the budget during the subject Fiscal Year provided that the budget remains balanced after such amendment. If the budget is so amended, a copy of the amended budget shall be submitted to the Purchaser within 15 days of the adoption of such amendment. After the adoption of any such amendment, the budget, as amended, shall be the budget of the Issuer for the balance of the subject Fiscal Year. 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 the Consulting Engineers, 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 the Consulting Engineers 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, any amendments thereto and all resolutions authorizing increased expenditures for operation and maintenance to the Purchaser 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, any amendments thereto and resolutions be furnished him or her and shall make available such budgets, any amendments thereto and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

Section 6.11. 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 6.12. 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 system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 6.13. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.14. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as any of the 2015 Series 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 said 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 Purchaser, the prime contractor and all subcontractors as their respective interests may appear 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 Purchaser, 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) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR: AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, if any, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code Chapter 38, Article 2, Section 39.

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

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

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

B. The Issuer shall require any contractor 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 any contractor engaged in the construction of the Project to carry such workers' 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 Purchaser. The Issuer shall verify such insurance prior to commencement of construction.

Section 6.15. 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 6.16. Completion and Operation of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the 2015 Series A Bonds required by state law, with all requisite appeal periods having expired without successful appeal.

Section 6.17. Statutory Mortgage Lien. For the further protection of the Holder of the 2015 Series A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the 2015 Series A Bonds, shall be for the benefit of all Registered Owners of the 2015 Series A Bonds and shall be on a parity with the statutory mortgage lien granted to the Prior Bonds.

ARTICLE VII

INVESTMENT OF FUNDS; TAX COVENANTS

Section 7.01. Investment of Funds. Any monies held as a part of the funds and accounts created by this Resolution, other than the Revenue Fund, shall be invested and reinvested by the Bond 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 to the fullest extent possible under applicable laws, this Resolution, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 7.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Bond Commission shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank or such other bank or national banking association, as the case may be, may make any and all investments permitted by this Section 7.01 through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if 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 the 2015 Series A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the 2015 Series A Bonds from gross income for federal income tax purposes.

Section 7.02. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the 2015 Series A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the 2015 Series A Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually calculate the rebate arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of such calculation the Issuer shall pay, or cause to be paid, to the United States the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. The Issuer may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 7.02. The Issuer shall keep and retain, or cause to be kept and retained, records of determinations made pursuant to this Section 7.02 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amount, any and all penalties and other amounts, from lawfully available

sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take any other actions necessary, in order to maintain the exclusion of interest on the 2015 Series A Bonds from gross income for federal income tax purposes.

Section 7.03. 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 2015 Series 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 2015 Series A Bonds during the term thereof is, under the terms of the 2015 Series 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 money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the 2015 Series 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 2015 Series A Bonds during the term thereof is, under the terms of the 2015 Series 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 money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the 2015 Series A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the 2015 Series A Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System 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% of the Net Proceeds of the 2015 Series A Bonds or \$5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the 2015 Series A Bonds to be directly or indirectly “federally guaranteed” within the meaning of Section 148(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the 2015 Series A Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the 2015 Series A Bonds will be and remain excludable from gross income

for federal income tax purposes, and 2015 Series A Bonds not take any actions which would adversely affect such exclusion.

Section 7.04 Bank-Qualified Designation. The Issuer hereby designates the 2015 Series A Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3)(B) of the Code and covenants that the 2015 Series A Bonds do not constitute private activity bonds as defined in Section 141 of the Code. The Issuer shall not issue tax-exempt obligations itself or approve the issuance of tax-exempt obligations of its “subordinated” entities, if any, that would, when aggregated with the 2015 Series A Bonds and all other tax-exempt obligations heretofore issued in calendar year 2015 by the Issuer and such “subordinated” entities, exceed \$10,000,000 of tax-exempt obligations during calendar year 2015.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.01. Events of Default. Each of the following events shall constitute an “Event of Default” with respect to the 2015 Series A Bonds.

(A) If default occurs in the due and punctual payment of the principal of or interest on the 2015 Series A Bonds;

(B) If default occurs in the Issuer’s observance of any of the covenants, agreements or conditions on its part relating to the 2015 Series A Bonds in this Resolution, any resolution supplemental hereto, or in the 2015 Series A Bonds, as the case may be, contained, 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 Depository Bank, any other bank or banking association holding any fund or account hereunder or Holder of the 2015 Series A Bonds;

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

(D) If default occurs with the Prior Bonds.

Section 8.02. Remedies. Upon the happening and continuance of any Event of Default, any Holder of the 2015 Series A Bonds may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due; (ii) by mandamus or other appropriate proceeding enforce all rights of the Holder of the 2015 Series A Bonds including the right to require the Issuer to perform its duties under the Act and this Resolution, 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 2015 Series 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 Holder of the 2015 Series A Bonds; and (v) by action or bill in equity enjoin any acts in violation of this Resolution with respect to the 2015 Series A Bonds, or the rights of the Holder of the 2015 Series A Bonds; provided, that all rights and remedies of the Holders of the 2015 Series A Bonds shall be on a parity with the Holders of the Prior Bonds.

No remedy by the terms of this Resolution conferred upon or reserved to the Holder of the 2015 Series A Bonds is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Holder of the 2015 Series A Bonds hereunder or now or hereafter existing at law or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Holder of the 2015 Series A Bonds shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 8.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under this Resolution 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 the 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 thereon and deposits into the funds and accounts hereby established, and to apply such rates, rentals, charges or other revenues in conformity with the provisions of this Resolution and the Act.

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

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Resolution for 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 Resolution 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 the

Bonds or any Prior Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed at 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 Resolution, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE IX

PAYMENT OF BONDS

Section 9.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the 2015 Series A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then the pledge of Net Revenues and other moneys and securities pledged under this Resolution and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the 2015 Series A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise necessary to assure the exclusion of interest on the 2015 Series A Bonds from gross income for federal income tax purposes.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment or Modification of Resolution. Prior to issuance of the 2015 Series A Bonds, this Resolution may be amended or supplemented in any way by a resolution supplemental hereto. Following issuance of the 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 2015 Series A Bonds shall be made without the consent in writing of the Registered Owners of the 2015 Series A Bonds so affected

and then Outstanding; provided, that no change shall be made in the maturity of the 2015 Series A Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. This Resolution may be amended without the consent of any Holder of the 2015 Series A Bonds as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest on the 2015 Series A Bonds from gross income of the holders thereof.

Section 10.02. Resolution Constitutes Contract. The provisions of this Resolution shall constitute a contract between the Issuer and the Registered Owners of the 2015 Series A Bonds, and no change, variation or alteration of any kind of the provisions of this Resolution shall be made in any manner, except as provided in this Resolution.

Section 10.03. 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 or the 2015 Series A Bonds.

Section 10.04. 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 10.05. Conflicting Provisions Repealed. All ordinances, resolutions, indentures or orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed; provided, however, that all provisions of the Prior Resolutions shall remain in full force and effect, as applicable, until the Prior Bonds and all interest accrued thereon are paid in full.

Section 10.06. 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 and passage 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 applicable thereto; and that the Chairman, the 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 10.07. Effective Date. This Resolution shall take effect immediately upon adoption.

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Adopted on this 21st day of April, 2015.

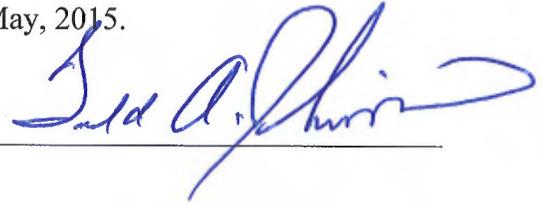


Chairman

CERTIFICATION

I hereby certify that the foregoing is a true copy of the Resolution adopted by the Public Service Board of North Beckley Public Service District at a meeting held and duly noticed on the 21st day of April, 2015, and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 7th day of May, 2015.



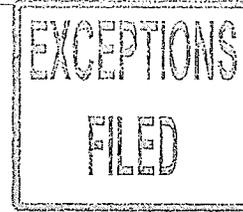
Secretary

[SEAL]

Exhibit A

Public Service Commission Orders approving
Merger and Sale of 2015 Series A Bonds

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON



Entered: December 16, 2013

CASE NO. 13-1267-PSD-PC-19A

NORTH BECKLEY PUBLIC SERVICE DISTRICT
a public utilities, Raleigh County.

Rule 19A application to increase sewer rates and charges
of Stanaford Acres Sewerage System, Inc., and
request for approval of a bank loan.

RECOMMENDED DECISION

A \$210,000 loan is approved and the Staff-recommended rate increase for the Stanaford customers is approved.

CASE RECORD

On August 21, 2013, North Beckley Public Service District (District or NBPSD), by counsel Susan J. Riggs, filed with the Public Service Commission (Commission), pursuant to Rule 19A of the Commission's Rules for the Construction and Filing of Tariffs (Tariff Rules), an application for the implementation of a monthly surcharge for the customers of Stanaford Acres Sewerage System, Inc. (Stanaford), in order to fund the costs of the initial tie-in of the Stanaford sewer system to the District's system. The District related as follows: In North Beckley Pub. Serv. Dis. and Stanaford Acres Sewer Sys., Inc., Case No. 11-0086-PSD-S-PC (2012), the Commission approved the District's constructing a tie-in between its system and the Stanaford system preparatory to the District's taking over the Stanaford system. The Stanaford system has three uninterconnected discharge points; two can be connected to the District's system by gravity, but connecting the third will require a lift station. The estimated cost of the project is \$246,116.32. The District plans to use \$37,079.79 of its cash on hand for the project, but needs a loan of approximately \$210,000 to fully fund the project; the District contemplates a loan payable over three years at a 4% annual interest rate. The District requested that such a loan be approved and that a monthly surcharge of \$24.28, to be charged the Stanaford customers and to be in effect for three years, be approved; the surcharge would increase the District's revenue by \$56,232, a 65% increase for the Stanaford customers, and would be sufficient to pay the debt service on the loan.

On September 19, 2013, Staff Attorney Chris Howard filed an Initial Joint Staff Memorandum, advising the District of the notice requirements of Tariff Rule 8.2, and an attached memorandum from William A. Nelson, of the Utilities Division.

On October 1, 2013, the Commission issued an Order referring this matter to the Division of Administrative Law Judges for decision no later than April 18, 2014. Staff was ordered to file its final report no later than December 2, 2013, and the District was ordered to mail to each individual customer, no later than October 31, 2013, a notice of its requested increase, as required by Tariff Rule 8.2.f, and to file a certificate evidencing such mailing no later than November 15, 2013.

On October 23, 2013, the District, by counsel, filed a joint motion with Stanaford that Stanaford be joined as a party in this matter.

On November 7, 2013, Stanaford, by its manager Dianna Powell, filed a statement providing five reasons why it supported the District's requests, including the following:

Stanaford is an upper middle class community with very nice homes served by a troubled sewer system. Part of the reason the system is troubled was the very low rates charged by Stanaford to its customers for over 30 years.

The District requested the three year payback as it will coincide with the payoff of another District loan which will be substituted with the proposed loan to replace the entire Stanaford collection system and remove the Stanaford treatment systems. The result will be that the rates of Stanaford and the District can be blended immediately after a Stanaford project so that the Stanaford customers will see a significant rate decrease. Stanaford fully supports this approach.

On November 15, 2013, the undersigned issued a Procedural Order granting the motion for joinder; Stanaford was added as a party.

Also on November 15, 2013, the District, by counsel, filed a motion for leave to include substitute language in the notice of its requested rate increase and a completed Tariff Form 6-A, which stated that, on October 30, 2013, it had mailed to each of the Stanaford customers an attached notice, which was a detailed statement of what was being proposed in this matter, as well as background information. It also advised the customers of a meeting on the proposal on November 7, 2013. The motion requested approval of the District's having sent the letter instead of the limited information normally included in the notice of a requested rate increase.

By Procedural Order issued November 18, 2013, the motion was granted; it was therefore declared that the District had completed the requirements of Tariff Rules 8.2.f and 8.2.g.

On December 3, 2013, Mr. Howard filed the Final Joint Staff Memorandum and the Staff Report, consisting of a Rule 42 Exhibit and a document that included the Staff-recommended rates, prepared by Mr. Nelson, of the Utilities Division, which included the following: The purpose of

the agreement approved in Case No. 11-0086-PSD-S-PC was for the District to acquire Stanaford; one condition of the agreement for finalization of the acquisition was that the District establish rates to be charged the Stanaford customers. The District serves approximately 3,588 customers and Stanaford serves approximately 193 customers, all residential. The District has been offered a \$210,000 loan from BB&T, at an annual interest rate of 1.65% and payable over three years. Staff examined the District's records for the fiscal year ending June 30, 2012, and Stanaford's books and records for the year ending December 31, 2012. Staff's cash flow analysis for the District shows that the District is operating at a deficit.¹ However, because the District and Stanaford in this matter have requested increased charges only for the Stanaford customers and the District apparently is using unencumbered investment savings to offset its cash flow deficit when needed, Staff's recommendations related only to a new Schedule VI of the District's tariff, applicable to the Stanaford customers alone. Staff recommended a Step 1 increase for the Stanaford customers, to become effective when this decision becomes final and remain in effect for three years; at the end of the three years the Stanaford customers would pay the same rates as the District's customers, which, unless modified in another case, will be the District's current rates; Schedule VI would be discontinued; those rates Staff presented as Step 2 rates.² The Step 1 rates would provide \$58,570 in additional annual revenue, and would be sufficient to pay the debt service on the loan.

On December 13, 2013, the District, by counsel, filed a letter accepting the Staff-recommended rates, and stating, "Due to the immediate environmental concerns related to the Stanaford system's inadequate treatment of its customers' sewage, the District desires to proceed as quickly as possible with obtaining the requested loan and completing the initial tie-in of the Stanaford system to the District's system."

DISCUSSION

The Staff-recommended Step 1 rates will be approved. Under the Stanaford current tariff, a customer using 4,000 gallons in a month pays \$34.50. Adding the proposed \$24.28 monthly surcharge would result in a monthly bill of \$58.78. Under the Step 1 Schedule VI rates, a Stanaford customer using 4,000 gallons in a month will be billed \$57.96. Under Tariff Rule 8.2.i, a utility that accepts the Staff-recommended rates is required to publish and post a notice of them. However, because the rate changes approved here affect only the Stanaford customers; the letter sent in October by the District to the Stanaford customers apprised them of the proposed surcharge and no Stanaford customer objected to the surcharge; and the Staff-recommended Step 1 rates will not cause higher monthly bills for the average customer than the surcharge would have, no further

¹ The cash flow chart shows, at going level, total annual revenue of \$2,302,171 and total annual cash requirements of \$1,515,651, including \$1,463,850 in operation and maintenance expenses, leaving \$786,520 for debt service. However, the District's debt service requirements total \$1,069,492, creating an annual deficit of \$282,972 and a debt service coverage factor of 75.17%.

² The cash flow chart shows that under Step 1 the District's total revenue would be \$2,360,741; its cash requirements total \$1,515,651, leaving \$845,090 for debt service. With debt service requirements totaling \$1,069,492, the District would have a deficit of \$224,402 and a debt service coverage factor of 80.76%. Under Step 2, the District's total annual revenue would be \$2,295,243 and its total annual cash requirements would be \$1,512,908, leaving \$782,334 for debt service. With debt service requirements totaling \$976,900, the District would have a deficit of \$194,566 and a debt service coverage factor of 80.28%.

notice needs to be issued and the District will be deemed to have substantially complied with Tariff Rule 8.2.i.

The October letter to the Stanaford customers advised them that, at the end of the three years needed to repay the \$210,000 loan, the District "will be filing for a general adjustment in the rate it charges to all of its customers." W.Va. Code §24-2-3 requires the Commission to set reasonable rates whenever it finds any existing rates "unjust, unreasonable, insufficient or unjustly discriminatory" or otherwise in violation of the law. The District's last rate increase was approved in 2006 (Case No. 06-0503-PSD-19A) and the record in this matter makes clear that the District's rates for its customers as a whole are already grossly inadequate to pay for its expenses and to provide adequate debt service coverage. Because the information needed to fix reasonable rates for all of the District's customers has not been provided and the undersigned does not wish to hold up the Stanaford tie-in and approval of the loan needed for that construction, she will not require in this matter the further information needed to approve rate increases for all of the District's customers. However, the District will be ordered to file, within sixty days of the date on which this decision becomes final, an application for a general rate increase. Further, because those rates undoubtedly will become effective within three years, the Step 2 rates will not be approved.

FINDINGS OF FACT

1. On August 21, 2013, North Beckley Public Service District filed with the Public Service Commission, pursuant to Rule 19A of the Commission's Rules for the Construction and Filing of Tariffs, an application for the implementation of a monthly surcharge for the customers of Stanaford Acres Sewerage System, Inc., in order to fund the costs of the initial tie-in of the Stanaford sewer system to the District's system, which was approved in North Beckley Pub. Serv. Dis. and Stanaford Acres Sewer Sys., Inc., Case No. 11-0086-PSD-S-PC (2012). (See application).
2. The Stanaford system has three uninterconnected discharge points; two can be connected to the District's system by gravity, but connecting the third will require a lift station. The estimated cost of the project is \$246,116.32. (See application).
3. The District plans to use \$37,079.79 of its cash on hand for the project, but needs a loan of approximately \$210,000 to fully fund the project. (See application).
4. The District has been offered a \$210,000 loan from BB&T, at an annual interest rate of 1.65% and payable over three years. (See Final Joint Staff Memorandum filed December 3, 2013).
5. Staff examined the District's records for the fiscal year ending June 30, 2012, and Stanaford's books and records for the year ending December 31, 2012. (See Final Joint Staff Memorandum).

6. Staff's cash flow analysis for the District shows that the District is operating at a deficit. At going level, the District has total annual revenue of \$2,302,171 and total annual cash requirements of \$1,515,651, including \$1,463,850 in operation and maintenance expenses, leaving \$786,520 for debt service. However, the District's debt service requirements total \$1,069,492, creating an annual deficit of \$282,972 and a debt service coverage factor of 75.17%. (See Final Joint Staff Memorandum).

7. Because the District and Stanaford in this matter have requested increased charges only for the Stanaford customers and the District apparently is using unencumbered investment savings to offset its cash flow deficit when needed, Staff's recommendations related only to a new Schedule VI of District tariff, applicable to the Stanaford customers alone. Staff recommended a Step 1 increase for the Stanaford customers, to become effective when this decision becomes final and remain in effect for three years; at the end of the three years the Stanaford customers would pay the same rates as the District's customers and Schedule VI would be discontinued; Staff presented those rates as Step 2 rates. (See Final Joint Staff Memorandum).

8. The Step 1 rates would provide \$58,570 in additional annual revenue, and would be sufficient to pay the debt service on the loan. (See Final Joint Staff Memorandum).

9. Under Step 1 the District's total revenue would be \$2,360,741; its cash requirements total \$1,515,651, leaving \$845,090 for debt service. With debt service requirements totaling \$1,069,492, the District would have a deficit of \$224,402 and a debt service coverage factor of 80.76%. Under Step 2, the District's total annual revenue would be \$2,295,243 and its total annual cash requirements would be \$1,512,908, leaving \$782,334 for debt service. With debt service requirements totaling \$976,900, the District would have a deficit of \$194,566 and a debt service coverage factor of 80.28%. (See Final Joint Staff Memorandum).

10. The District accepted the Staff-recommended rates. (See filing of December 13, 2013).

11. On October 30, 2013, the District mailed to each of the Stanaford customers an attached notice, which was a detailed statement of what was being proposed in this matter, including the proposed \$24.28 surcharge, as well as background information. No objection was filed. (See filing of November 15, 2013; Commission case file).

12. Under the Stanaford current tariff, a customer using 4,000 gallons in a month pays \$34.50. Adding the proposed \$24.28 monthly surcharge would result in a monthly bill of \$58.78. Under the Step 1 Schedule VI rates, a Stanaford customer using 4,000 gallons in a month would be billed \$57.96. Accordingly, the bills issued the Stanaford customers under the Staff-recommended Step 1 rates are generally lower than what the bills would have been had the proposed surcharge been approved. (See filing of November 15, 2013; Final Joint Staff Memorandum).

CONCLUSIONS OF LAW

1. Because the Stanaford customers were fully informed of proposed monthly charges greater than the Step 1 rates recommended by Staff, it is not necessary for the District to provide further notice; it has substantially complied with Tariff Rule 8.2.i.
2. It is appropriate to approve the loan stated at Finding of Fact 4 because it is reasonable.
3. It is appropriate to approve the Staff-recommended Step 1 rates, as provided in Appendix A, because they will be sufficient to pay the debt service on the loan.
4. Because the District's current rates are insufficient to pay its expenses and to provide adequate debt service coverage, the District will be ordered to file, within sixty days of the date on which this decision becomes final, an application for a general rate increase and the Step 2 rates recommended by Staff will not be approved.

ORDER

IT IS, THEREFORE, ORDERED that the \$210,000 loan, at an annual interest rate of 1.65% and payable over three years, IS APPROVED.

IT IS FURTHER ORDERED that the rates, as provided in Appendix A hereto, are approved, to become effective on the date on which this decision becomes final, because they are sufficient to pay the debt service on said loan.

IT IS FURTHER ORDERED that North Beckley Public Service District file an original and at least five (5) copies of a proper tariff reflecting the rates approved herein within thirty (30) days of the date on which this decision becomes final.

IT IS FURTHER ORDERED that North Beckley Public Service District file with the Commission, no later than sixty (60) days after the date on which this decision becomes final, an application to increase its rates.

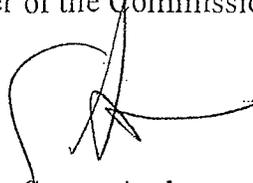
IT IS FURTHER ORDERED that this matter be removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this order upon the Commission by hand delivery, and by electronic service upon all parties of record who have filed an e-service agreement with the Commission and by United States Certified Mail, return receipt requested, and upon all parties of record who have not filed an e-service agreement with the Commission.

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.



Sunya Anderson
Administrative Law Judge

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NORTH BECKLEY PUBLIC SERVICE DISTRICT
CASE NO. 13-0962-PSD-42T

APPROVED TARIFF

SCHEDULE I

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

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

RATES (customers with metered water supply)

First	2,000 gals used per month	\$9.07 per 1,000 gallons
Next	23,000 gals used per month	\$7.80 per 1,000 gallons
All Over	25,000 gals used per month	\$5.21 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than \$18.14 per month, which is the equivalent of 2,000 gallons of usage.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

DISCONNECT/RECONNECT/ADMINISTRATIVE FEES

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Beckley Water, a disconnection fee of \$25.00 shall be charged, or in the event the delinquent sewer bill is collected by the water company, an administrative fee of \$25.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with Beckley Water, is reconnected, a reconnection fee of \$25.00 shall be charged.

TAP FEE

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

A tap fee of \$100.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of \$300.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

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

LEAK ADJUSTMENT

\$0.47 per 1,000 gallons is to be used when the bill reflects unusual water consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SCHEDULE II

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

APPLICABILITY

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

$$A \times R \times .000623 \times C$$

S	=	the surcharge in dollars
A	=	the area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet
R	=	the measured monthly rainfall in inches
0.000623	=	a conversion factor to change inches of rain x square feet of surface to thousands of gallons of water

C = the District's approved rate per thousand gallons of metered water usage

The District shall not impose the surcharge unless, and until, the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

The surcharge shall be calculated and imposed for each month that the condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the rules and regulations of the Public Service Commission of West Virginia.

Note: The surcharge is not cumulative so as not to reduce the incentive of the larger users to disconnect. The minimum charge does not apply to the surcharge.

SCHEDULE III

SURCHARGE FORMULA TO BE APPLIED IN THE CASES OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$C_i = V_o V_i + B_o B_i + S_o S_i$$

C_i = charge to unusual users per year

V_o = average unit cost of transport and treatment chargeable to volume, in dollars per gallon

V_i = volume of waste water from unusual users, in gallons per year

B_o = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD), in dollars per pound

B_i = weight of BOD from unusual users, in pounds per year

S_o = average unit cost of treatment (including sludge treatment) chargeable to total solids, in dollars per pound

S_i = weight of total solids from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its waste, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the Public Service District, should not be introduced into the sewer system need not be handled

by it. The results of the preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefor, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the aforesaid investigation and an audit of the Utility's records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the Public Service District, as the case may be. Such audited figures shall then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment shall be made as aforesaid.

SCHEDULE IV

Where the amount of sanitary sewage discharge into the Utility's wastewater collection and/or treatment system by certain industrial plant or plants cannot be accurately determined by the use of the plant's water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to the Utility a sewer charge calculated at fifty gallons of water per each employee at the plant each working day.

SCHEDULE V

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for wastewater and leachate haulers.

RATES

Commodity charge – Each customer shall pay a commodity charge of \$40.00 per 1,000 gallons per load. Load will be actual capacity of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined, or verified solely, by the Utility.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the District or 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.

SCHEDULE VI

APPLICABILITY

Applicable to those customers formerly served by the Stanaford Acres Sewerage System.

AVAILABILITY

Available for general domestic, commercial and industrial service.

RATES (customers with metered water supply)

First	3,000 gals used per month	\$15.54 per 1,000 gallons (Includes a surcharge of \$7.82 for debt repayment)
All Over	3,000 gals used per month	\$11.34 per 1,000 gallons (Includes a surcharge of \$7.82 for debt repayment)

MINIMUM CHARGE

No bill will be rendered for less than \$46.62 per month, which is the equivalent of 3,000 gallons with a 5/8-inch meter. (Includes a surcharge of \$23.45 for debt repayment)

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

Equivalent of 4,500 gallons of water usage or \$63.63 per month. (Includes a surcharge of \$32.01 for debt repayment)

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

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

A tap fee of \$300.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the Stanaford 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.

LEAK ADJUSTMENT

\$1.91 per 1,000 gallons is to be used when the bill reflects unusual water consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 28th day of January, 2014.

CASE NO. 13-1267-PSD-PC-19A

NORTH BECKLEY PUBLIC SERVICE DISTRICT,
a public utility, Beckley, Raleigh County.

Rule 19A application to increase sewer rates and charges of Stanaford Acres Sewerage System, Inc. and request for approval of a bank loan.

COMMISSION ORDER

The Commission modifies a Recommended Decision to remove a requirement that a rate case be filed within sixty days and conditionally approves the use of Step 2 rates.

BACKGROUND

On August 21, 2013, North Beckley Public Service District filed to increase rates under Rule 19A of the Commission Rules for the Construction and Filing of Tariffs, 150 C.S.R. Series 2, to add a \$24.28 monthly surcharge for three years for the former customers of Stanaford Acres Sewerage System, Inc. The Commission approved North Beckley's takeover of the Stanaford system in 2012 in Case Number 11-0086-PSD-S-PC. Rule 19A Application at 1-2 & Exs. A-B (Aug. 21, 2013).

The Stanaford system has three discharge points. Two can be connected to North Beckley by gravity, and the third discharge point requires a lift station that is estimated to cost \$246,116. North Beckley proposed to use \$37,079 from cash on hand and requested approval of a \$210,000 loan at 1.65 percent interest for three years. North Beckley later plans to enter into a separate loan for a project to replace the entire Stanaford collection system and remove the Stanaford treatment systems. North Beckley and Stanaford rates then will be blended and rates for customers of the former Stanaford system will significantly decrease. *Id.*; Staff Rule 42 Financial Ex. Transmittal Ltr. at 2 (Dec. 3, 3012). Stanaford supported this approach. Stanaford Ltr. at 1-3 (Nov. 7, 2013).

North Beckley serves 3,588 customers and Stanaford serves 193, all residential. Staff Rule 42 Financial Ex. Transmittal Ltr. at 2 (Dec. 3, 3012); North Beckley's Tariff Form No. 2 (Aug. 21, 2013).

On October 1, 2013, the case was referred to the Division of Administrative Law Judges. Comm'n Referral Order at 1.

On December 3, 2013, Commission Staff filed recommended rates, accompanied by a cash flow analysis that showed North Beckley was operating at a deficit. Staff Rule 42 Financial Ex. Transmittal Ltr. at 4, Statement D Schedule 1 & Statement F Schedule 2 (Dec. 3, 2013).

Because increased charges were requested only for former Stanaford customers and North Beckley was apparently using unencumbered investment savings to offset the cash flow deficit when needed, Staff only proposed increased rates for former Stanaford customers. Staff Recommended Revenue Requirements & Rates Report at 1-2 (Dec. 3, 2013). Under Step 1 the Stanaford surcharge will apply, but under Step 2 (at the end of three years), Stanaford customers will pay the same rates as other North Beckley customers. Step 1 rates for Stanaford customers will generate \$58,570 annually in additional revenues, and operating expenses at both North Beckley and Stanaford will be reduced after the takeover. The combination of the additional revenue from the surcharge and reduced operating expenses is sufficient to pay the \$71,891 annual debt service on the proposed \$210,000 loan. Staff Rule 42 Financial Ex. Transmittal Ltr. at 3, Statement C (debt service amount) & Statements G & A2 (adjustments to operating expenses).

On December 13, 2013, North Beckley and Stanaford accepted the Staff rates. Joint Response to Final Joint Staff Memorandum at 1. Because of environmental concerns related to the Stanaford system's inadequate treatment of sewage, North Beckley proposed to proceed as quickly as possible. Id.

The ALJ approved North Beckley's entry into the \$210,000 loan and Staff's Step 1 rates for former Stanaford customers. She also noted that the Staff cash flow analysis showed an annual deficit. Rec. Dec. at 3, 5 (Dec. 16, 2013). Because W. Va. Code § 24-2-3 requires the Commission to set reasonable rates and the record was clear that current rates are inadequate to pay expenses and provide adequate debt service coverage, the ALJ required North Beckley to file a rate case. Because the information needed to establish reasonable rates for all customers was not provided and the ALJ did not wish to delay the Stanaford tie-in, she required a rate case to be filed within sixty days of a final Order in this proceeding. Id. at 4. The ALJ did not approve the Staff Step 2 rates because they were not proposed to be effective until three years later. Id.

On December 30, 2013, North Beckley filed Exceptions to the Recommended Decision, asserting that Staff's revenue requirement erroneously included \$241,552 for the 2009B State Revolving Fund issue, but this was a forgivable State Revolving Fund/American Recovery and Reinvestment Act of 2009 loan. The "debt service" is forgiven annually and is not a draw on cash flow. Exceptions at 3. Although removal of this item does not completely erase the Staff cash flow deficit, the operating deficit is reduced dramatically. Id. at 3-4.

North Beckley plans to file a combination certificate application and rate case in 2014. Id. at 3-4. North Beckley has submitted a preliminary application to the West Virginia Jobs and Infrastructure Development Council for the Stanaford replacement project with a draft Rule 42 financial exhibit that takes these matters into account:

- a) The combination rate and certificate case will address approval of loan funding and appropriate rates;
- b) The 1999A Water Development Authority/State Revolving Fund bond issue, with a \$404,544 annual principal payment and a \$40,960 annual administrative fee, will mature in 2020 and has a fully funded reserve account;
- c) The proposed loan scenario for the replacement project contemplates wrapping the \$210,000 loan so that part of the principal payments is deferred beyond the three-year term approved in the Recommended Decision; and
- d) Until the certificate and rate case are filed, unencumbered cash balances are more than sufficient to cover any operating cash deficit. Average annual capital expenditures of \$79,862 over the last five years indicate that North Beckley is not in a distressed cash flow position.

Id. Under these circumstances, North Beckley argued that requiring a rate case within sixty days of a final Order would be an unnecessary expenditure of funds by the utility and the inefficient use of Commission resources. Id. at 4.

Staff recommended that the Exceptions be granted. When the ARRA debt requirement is forgiven, the annual operating deficit is only \$41,420. Staff Response to Exceptions at 1-3 (Dec. 31, 2013).

On January 8, 2014, Stanaford also supported the Exceptions. Stanaford Response to Exceptions at 1.

DISCUSSION

The ALJ correctly notes that reasonable rates are required by statute. Usually, a utility will not operate at a deficit under reasonable rates. Upon these particular facts, though, requiring a rate proceeding within sixty days of a final Order would be an unnecessary expenditure of funds by North Beckley and the inefficient use of Commission resources because North Beckley is preparing a combination certificate and rate proceeding for a project to complete its takeover of the Stanaford system and can

absorb the operating deficit for a short while. The Commission will grant the Exceptions and remove the requirement to file a rate case within sixty days.

The Commission also will approve the Staff Step 2 rates for use at the end of the three-year loan period. Because North Beckley will file a combination rate and certificate proceeding in 2014, the Step 2 rates may never take effect. Instead, revised rates will be set in the combination rate and certificate proceeding that will apply to all North Beckley customers. We approve the use of the Staff Step 2 rates for use, but only if revised rates for all North Beckley customers that will be established in the forthcoming rate and certificate proceeding are not in effect at the end of the three-year loan period.

As modified by this Order, the Commission will adopt the Recommended Decision.

FINDINGS OF FACT

1. Under Step 1 rates, North Beckley will operate at a \$41,420 deficit. Staff Rule 42 Financial Ex. Transmittal Ltr. at 4, Statement D Schedule 1 & Statement F Schedule 2 (Dec. 3, 2013); Staff Response to Exceptions at 1-3 (Dec. 31, 2013).

2. During the last five years, North Beckley's average annual capital expenditures have been \$79,862. North Beckley Exceptions at 3-4.

3. North Beckley will file a combined certificate and rate proceeding in 2014 that will, among other matters, request approval of a loan for the Stanaford replacement project and blended rates that will apply to all customers. Id.

4. Until the certificate and rate case are filed, North Beckley's unencumbered cash balances should be sufficient to cover the \$41,420 operating cash deficit. Id.

CONCLUSIONS OF LAW

1. Requiring a rate proceeding within sixty days of a final Order would be an unnecessary expenditure of funds by North Beckley and the inefficient use of Commission resources because North Beckley is preparing a combination certificate and rate proceeding to be filed in 2014 for a project to complete its takeover of the Stanaford system and North Beckley should be able to absorb a \$41,420 operating deficit for a short while.

2. The Staff Step 2 rates should be approved for use at the end of the three-year loan period, but only if revised rates for all North Beckley customers that will be established in the forthcoming rate and certificate proceeding are not in effect at the end of that three-year loan period.

ORDER

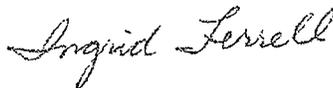
IT IS THEREFORE ORDERED that the North Beckley Exceptions are granted. North Beckley is not required to file a rate proceeding within sixty days of the date of this Order and the Staff Step 2 rates are approved for use at the end of the three-year loan period, but only if revised rates for all North Beckley customers that will be established in the forthcoming rate and certificate proceeding are not in effect at the end of the three-year loan period.

IT IS FURTHER ORDERED that the Recommended Decision, as modified by this Commission Order, is adopted.

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 Executive Secretary of the Commission serve a copy of this Order by electronic service on all parties of record who have filed an e-service agreement, and by United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Commission Staff by hand delivery.

A True Copy, Teste,



Ingrid Ferrell
Executive Secretary

CLW/sek
131267ca.doc

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 1st day of April 2014.

CASE NO. 13-1267-PSD-PC-19A

NORTH BECKLEY PUBLIC SERVICE DISTRICT,
a public utility, Beckley, Raleigh County.

Rule 19A application to increase sewer rates and charges of Stanaford Acres Sewerage System, Inc. and request for approval of a bank loan.

COMMISSION ORDER

The Commission corrects the rates under Schedule VI of the tariff attached as Appendix A to the December 16, 2013 Recommended Decision.

BACKGROUND

On August 21, 2013, North Beckley Public Service District (North Beckley) filed to increase rates under Rule 19A of the Commission Rules for the Construction and Filing of Tariffs, 150 C.S.R. Series 2, to add a \$24.28 monthly surcharge for three years for the former customers of Stanaford Acres Sewerage System, Inc. (Stanaford). The Commission approved North Beckley's takeover of the Stanaford system in 2012 in Case Number 11-0086-PSD-S-PC.

On October 1, 2013, the case was referred to the Division of Administrative Law Judges (ALJ).

On December 3, 2013, Commission Staff filed recommended rates, accompanied by a cash flow analysis that showed North Beckley was operating at a deficit. These rates were accepted by North Beckley and Stanaford.

On December 16, 2013, the ALJ issued a Recommended Decision approving North Beckley's entry into the \$210,000 loan and Staff's Step 1 rates for former Stanaford customers. Further, because the information needed to establish reasonable rates for all customers was not provided and the ALJ did not wish to delay the Stanaford tie-in, she required a rate case to be filed within sixty days of a final Order in this proceeding. The ALJ did not approve the Staff Step 2 rates because they were not proposed to be effective until three years later.

On December 30, 2013, North Beckley filed Exceptions to the Recommended Decision, asserting that Staff's revenue requirement erroneously included \$241,552 for the 2009B State Revolving Fund issue, but this was a forgivable State Revolving Fund/American Recovery and Reinvestment Act of 2009 (ARRA) loan. The "debt service" is forgiven annually and is not a draw on cash flow. Although removal of this item does not completely erase the Staff cash flow deficit, the operating deficit is reduced dramatically. Under these circumstances, North Beckley argued that requiring a rate case within sixty days of a final Order would be an unnecessary expenditure of funds by the utility and the inefficient use of Commission resources.

Staff and Stanaford supported the Exceptions, with Staff recommending the Exceptions be granted. When the ARRA debt requirement is forgiven, the annual operating deficit is only \$41,420.

On January 28, 2014, the Commission issued an Order modifying the December 16, 2013 Recommended Decision to remove the requirement that North Beckley file a rate case within sixty days and conditionally approved the use of Step 2 rates.

On March 18, 2014, North Beckley filed a Motion requesting the Commission correct the rates set forth in Schedule VI of the tariff attached as Appendix A to the December 16, 2013 Recommended Decision. North Beckley explained these rates were the approved Step 1 rates, and that the January 28, 2013 Commission Order did not address or modify the Step 1 rates. North Beckley further explained that the usage blocks under Schedule VI included different surcharge amounts for the first 3,000 gallons and each additional 1,000 gallons used per month. The tariff attached to the Recommended Decision used the same surcharge for both blocks. North Beckley closed by stating that Staff and Stanaford Acres support this Motion.

DISCUSSION

Staff recommended an embedded surcharge amount of \$7.82 per 1,000 gallons for the first 3,000 gallons used per month, dropping to \$5.71 for each additional 1,000 gallons used per month. The December 16, 2013 Recommended Decision approved an embedded surcharge amount of \$7.82 per 1,000 gallons in each block.

It is appropriate for the Commission to amend the rates set forth in Schedule VI of the tariff approved by the Recommended Decision to indicate the correct surcharge for each block.

FINDINGS OF FACT

1. North Beckley filed to increase rates to add a \$24.28 monthly surcharge for three years for the former customers of Stanaford. August 21, 2013 Application.

2. This case was referred to the Division of Administrative Law Judges. October 1, 2013 Commission Referral Order.

3. The ALJ approved the Staff-recommended Step 1 rates for former Stanaford customers, and required North Beckley file a rate case within sixty days of a final Order in this proceeding. The ALJ did not approve the Staff Step 2 rates because they were not proposed to be effective until three years later. December 16, 2013 Recommended Decision.

4. North Beckley filed Exceptions to the Recommended Decision, asserting that requiring a rate case within sixty days of a final Order would be an unnecessary expenditure of funds by the utility and the inefficient use of Commission resources. December 30, 2013 Exceptions.

5. The Commission modified the December 16, 2013 Recommended Decision by removing the requirement that North Beckley file a rate case within sixty days and conditionally approved the use of Step 2 rates. January 28, 2014 Commission Order.

6. North Beckley filed a Motion requesting the Commission correct the rates set forth in Schedule VI of the tariff attached as Appendix A to the December 16, 2013 Recommended Decision because the ALJ had approved the same embedded surcharge for both blocks. March 18, 2014 Motion.

CONCLUSION OF LAW

The Commission will correct the rates as set forth in Schedule VI of the tariff attached as Appendix A to the December 16, 2013 Recommended Decision.

ORDER

IT IS THEREFORE ORDERED that the rates attached to this Order as Appendix A will replace the rates for Schedule VI that were approved by the December 16, 2013 Recommended Decision.

IT IS FURTHER ORDERED that North Beckley Public Service District file an original and six copies of a proper tariff reflecting the rates approved within thirty days of the date of this Order.

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

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this Order by electronic service on all parties of record who have filed an e-service agreement, by United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Staff by hand delivery.

A True Copy, Teste,



Ingrid Ferrell
Executive Secretary

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131267cb

SCHEDULE VI

APPLICABILITY

Applicable to those customers formerly served by the Stanford Acres Sewerage System.

AVAILABILITY

Available for general domestic, commercial and industrial Service.

(I) RATES (customers with metered water supply)

First	3,000 gallons used per month	\$ 15.54 per 1,000 gallons (Includes a surcharge of \$7.82 for debt repayment)
All Over	3,000 gallons used per month	\$ 11.34 per 1,000 gallons (Includes a surcharge of \$5.71 for debt repayment)

(I) MINIMUM CHARGE

No minimum bill will be rendered for less than \$46.62 per month, which is the equivalent of 3,000 gallons with a 5/8 inch meter.
(Includes a surcharge of \$23.45 for debt repayment)

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

Equivalent of 4,500 gallons of water usage or \$63.63 per month.
(Includes a surcharge of \$32.01 for debt repayment)

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

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

A tap fee of \$300.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to Stanaford 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.

(D) LEAK ADJUSTMENT

\$1.91 per 1,000 gallons is to be used when a bill reflects unusual water consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

(I) Indicates Increase

(D) Indicates Decrease

**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 25th day of April 2012.

CASE NO. 11-0086-PSD-S-PC

**NORTH BECKLEY PUBLIC SERVICE DISTRICT
AND STANAFORD ACRES SEWERAGE SYSTEMS, INC.,**

Joint petition for consent and approval of North Beckley Public Service District's acquisition of Stanaford Acres Sewerage Systems, Inc.'s sanitary sewer system.

COMMISSION ORDER

The Commission approves a Joint Stipulation and Agreement for Settlement (Joint Stipulation) and grants its prior consent and approval for the parties to enter into a proposed Asset Purchase Agreement (Agreement), as modified by the Joint Stipulation.

BACKGROUND

On September 5, 2007, Stanaford Acres Sewerage Systems, Inc. (Stanaford) filed a petition requesting that the Commission initiate proceedings in the Circuit Court of Raleigh County, West Virginia, to place Stanaford under the control and responsibility of a receiver. Stanaford Acres Sewerage Systems, Inc., Case No. 07-1699-S-PC. The petition stated that the individual responsible for the operation and maintenance of the Stanaford sewer system was no longer physically able to complete the required tasks.

On April 2, 2008, a Recommended Decision (Final April 22, 2008), directed Commission Staff to petition the Circuit Court of Raleigh County, West Virginia, to place Stanaford into receivership, with Dianna J. Powell serving as receiver. In its decision, the Commission concluded that the appointment of a receiver was necessary to continue operation of the Stanaford system until such time as it could become part of the North Beckley Public Service District (North Beckley) sewer system. The petition seeking receivership was never filed in the circuit court.

On April 23, 2010, Staff filed a Petition to Reopen Case No. 07-1699-S-PC. Staff indicated that (i) a petition for receivership had not been filed with the Circuit Court as directed in the final order, and (ii) Staff had been in discussions with North Beckley to acquire the Stanaford system. Staff requested that the Commission retain the case and assist with receivership or acquisition of the system. On July 19, 2010, the Commission reopened Case No. 07-1699-S-PC.

On December 13, 2010, the Commission issued an Order joining North Beckley as a party to Case No. 07-1699-S-PC and requiring North Beckley to file a status report regarding its negotiations to acquire the Stanaford sewer system.

On January 31, 2011, North Beckley and Stanaford filed a Joint Petition for Commission Consent and Approval of the acquisition of Stanaford by North Beckley (Joint Petition). The Petitioners filed the proposed Agreement, North Beckley Annual Reports for years ending 2009 and 2010, a Resolution adopted by Stanaford officers at a November 9, 2010 meeting approving the Agreement, and the minutes from the North Beckley November 10, 2010 board meeting approving the Agreement attached to the Joint Petition.

On April 1, 2011, the Commission issued an Order closing Case No. 07-1699-S-PC because of the pendency of this case.

On April 4, 2011, Staff filed its Final Joint Staff Memorandum. Staff supports the acquisition of Stanaford by North Beckley and separate rate schedules for Stanaford and North Beckley customers. Staff expressed concern with the condition in the Agreement that requires the Commission to issue a final, non-appealable order establishing separate rates to be charged to the Stanaford customers that will generate additional revenues to pay the increased repair, replacement and maintenance costs of the Stanaford system. Staff stated that any future rate filing must reflect the operations of the entire combined district. Staff recommended that North Beckley make future Rule 42 rate filings that reflect the separate rate structures and request increases for only one of the rate schedules. Staff recommended approving the Agreement without approving the terms and conditions therein.

On April 14, 2011, North Beckley filed a response to the Staff memorandum. North Beckley emphasized that the terms and conditions precedent to settlement found in Article IV of the Agreement must be approved or North Beckley will not pursue the acquisition of Stanaford. North Beckley further stated that it should not be required to file a Rule 42 rate case, including district revenues and expenses, but rather should only be required to meet the requirements of Rule 19A because any proposed rate increase would only affect Stanaford customers.

On December 29, 2011, the parties filed the Joint Stipulation for Commission consideration.

On February 17, 2012, the Commission issued an Order scheduling a hearing to discuss the Joint Stipulation.

On February 28, 2012, the Commission convened a hearing in this matter. Ms. Donna Sawyers, general manager for North Beckley, and Mr. Mike Lawson, a

professional engineer consulting with North Beckley, testified regarding the condition of the Stanaford System, the proposed acquisition of Stanaford by North Beckley, and the future of the joined systems. Mr. Lawson estimates that the cost to rehabilitate the Stanaford system will be \$2.7 million, given the current state of the Stanaford system. North Beckley has had some preliminary discussions with the West Virginia Department of Environmental Protection (DEP) and other grant sources, but does not yet have a proposal to pay for the necessary upgrades to the Stanaford system by any means other than a rate increase to the former Stanaford customers.

North Beckley plans to maintain two rate structures and sets of books: one for the former Stanaford customers and one for all current North Beckley customers. Ms. Sawyers testified that North Beckley is preparing a certificate case for an improvement project affecting the current North Beckley system that would increase the rates of current North Beckley customers. Ms. Sawyers also testified that North Beckley does not have a proposed schedule for when the rates for the two sets of customers will be combined. The Joint Stipulation and the Agreement contemplate that the rates will reflect "single tariff pricing" when the rates of North Beckley and Stanaford are within five percent of one another. See, Stipulation at paragraph 10, b. and Agreement at Article IV, paragraph D. In fact, as reflected below, these rates are currently within five percent of one another for the average residential customer.

DISCUSSION

The Commission commends the parties for attempting to reach a resolution in this difficult and protracted case. The Commission recognizes that combining systems is often problematic and appreciates the cooperation between Staff and the parties to join these two systems. Sewer service is a public health and safety concern, and the customers of Stanaford Acres deserve sewer service meeting all the regulatory requirements of this Commission and DEP. Under the Joint Stipulation and Agreement, North Beckley will have the opportunity to expand its customer base through this acquisition, and, over time, have a larger customer base over which to spread its cost of service. The Commission is also aware of the reluctance of North Beckley to undertake the significant improvements required for the Stanaford collection system, if the cost of those improvements would require a significant rate increase on the current North Beckley customers. The Stanaford system sorely needs rehabilitation and solid management if it is to continue to function and provide this essential public health service. The Commission is pleased that North Beckley has stepped forward to provide the needed management of the Stanaford system and to pursue funding for the badly needed rehabilitation.

During the February 28, 2012 hearing, North Beckley indicated that it is currently pursuing funding from the West Virginia Infrastructure and Jobs Development Council (IJDC) for a project called North Beckley PSD, Phase III-B, Piney View Sewer Extension (Phase III-B Extension). Hearing Transcript, February 28, 2012, at 38-42 (hereinafter Tr. at ____). As indicated earlier, at the hearing the engineer for North Beckley indicated that the preliminary estimate for the Stanaford system rehabilitation is \$2.7 million. Tr. at 18. The Commission understands that the cost estimates and funding for both the Phase III-B Extension and the Stanaford collection system rehabilitation project are preliminary. It would be irresponsible for the Commission, however, to fail to consider the magnitude of the potential rate impact on the current Stanaford customers if those customers alone fund the needed improvements to the Stanaford collection system.

The current tariffs for North Beckley and Stanaford reflect that customer rates for the two utilities are less than 2.5 percent apart. A North Beckley customer using 4,000 gallons per month, the average customer usage, pays \$33.74, while the average Stanaford customer pays \$34.50 per month. The North Beckley minimum bill for 2,000 gallons per month is \$18.14 and the Stanaford minimum bill for 3,000 gallons per month is \$27.75. Reviewing the Rule 42 information filed by North Beckley with the IJDC, it appears that the North Beckley average customer would pay \$38.80 per month, an increase of \$5.06, or fifteen percent, if both the loan and grant funding proposed by North Beckley are approved for the proposed Phase III-B Extension. If the project were fully funded by loan, the average customer would pay \$40.28, an increase of \$6.54, or 19.4 percent. The Commission would be willing to entertain a proposal by North Beckley to move the Stanaford rates to the post-project rates of North Beckley, if the Phase III-B project progressed more rapidly than the Stanaford collection system rehabilitation project.

North Beckley estimates that the proposed Stanaford system rehabilitation will cost \$2.7 million. If North Beckley is able to fund the project equally through (i) a DEP Sewer and Water State Revolving Fund (SWSRF) loan with a one percent administration fee for a term of thirty years, and (ii) grant funds, the relatively small customer base of Stanaford, would require a rate of nearly \$59 for the average customer per month, an increase of over \$24, or 70 percent. If the entire \$2.7 million project is funded by a SWSRF loan, the rate for the average Stanaford customer would be \$83 or more per month, an increase of over \$48, or 140 percent. The Commission is very concerned about a monthly rate of over \$80 for the average Stanaford customer if a stand-alone rate approach, as referenced in paragraph 10.b of the Joint Stipulation, is used. This is a rate more than twice the level of the post Phase III-B Extension stand-alone rates for current North Beckley customers.

We also considered two options for combining the rates of North Beckley and Stanaford on completion of both the Phase III-B Extension and the Stanaford collection system rehabilitation project. The first option examined the impact of combined rates under the loan/grant and loan only options described above. Under the loan/grant option, the combined rates for the average North Beckley customer would be about \$41 per month, an increase of slightly more than \$2, or 5.6 percent above the post Phase III-B Extension stand-alone rates of North Beckley. Under the loan only option, the combined North Beckley rates would be about \$43 per month. Under this option, the current North Beckley average customer would pay between \$2 to \$3 more per month under the single tariff pricing approach than the post-project stand-alone North Beckley rate, but the average Stanaford customer would pay a rate about one-half of the stand-alone Stanaford rate. The second option reviewed by the Commission included a \$10 per month surcharge rate for the Stanaford customers at the completion of the Stanaford collection system rehabilitation project that would be phased out over a reasonable period. Under the loan/grant option, the combined rates with the surcharge would initially be less than \$2 per month for the current North Beckley average customer and less than \$3 if the projects were funded entirely by loans.

The single tariff pricing approach envisions that various customers within a utility system will support the extensions and improvements of other portions of the system, but over time all customers will benefit. These benefits flow from (i) the consolidation of efforts, (ii) savings from enlarged scale and scope of operations, and (iii) the spreading of fixed costs over a greater customer base. The Commission is grateful for the effort of North Beckley and Stanaford to resolve this public health and safety concern and will do all it reasonably can to support North Beckley in its efforts to seek certificates from the Commission and funding from the IJDC to improve and upgrade both systems.

The Commission will accept the Joint Stipulation attached to this Order as Appendix A and authorize the existing rates of North Beckley and Stanaford to remain in effect. The Joint Stipulation contemplates that North Beckley can pursue an exception to file a Tariff Rule 19A for a future rate change, however, as noted by Staff Counsel at the hearing, Staff expected any such request to include a full review of both the North Beckley and Stanaford financial information post acquisition of the Stanaford system. The Commission's understands that Staff will not oppose a North Beckley filing for a Tariff Rule 19A exception in a future rate proceeding, and that all parties to the future filing(s) will be permitted to recommend positions different than those on which the Joint Stipulation is based. The Commission hopes that a resolution to future North Beckley case filings can be developed that includes a reasonable phase-in of Stanaford rates to a single tariff for the combined North Beckley system.

The Joint Stipulation seeks Commission prior consent and approval to enter into the Agreement whereby North Beckley will acquire Stanaford. Pursuant to W.Va. Code §24-2-12, a public utility must obtain permission from the Commission before entering into certain transactions including acquisitions or mergers. Under the statute, the Commission is authorized to consent to a proposed transaction without approving its terms and conditions, if the transaction is reasonable, does not adversely affect the public, and no party is given an undue advantage. As requested by the parties in the Joint Stipulation, the Commission will grant its prior consent and approval for the parties to enter into the Agreement as filed on January 31, 2011, and as may be modified by the Joint Stipulation, without approving the terms and conditions of the Agreement.

FINDINGS OF FACT

1. North Beckley and Stanaford requested prior Commission consent and approval to enter into an Agreement whereby North Beckley would acquire the Stanaford system. Joint Petition at Exhibit A.
2. North Beckley, Stanaford and Staff resolved their differences concerning the Agreement and entered into a Joint Stipulation. See, Attachment A.

CONCLUSIONS OF LAW

1. The Agreement as modified by the Joint Stipulation is reasonable, does not adversely affect the public, and no party to the Agreement is given an undue advantage over the others. W.Va. Code §24-2-12.
2. Consent in advance should be given to North Beckley and Stanaford to enter into the Agreement, as revised by the Joint Stipulation, without approving the terms and conditions of the Agreement.

ORDER

IT IS THEREFORE ORDERED that pursuant to W.Va. Code §24-2-12 the Commission grants its prior consent for the Petitioners to enter into the Agreement, as modified by the Joint Stipulation, without specifically approving the terms and conditions of the Agreement.

IT IS FURTHER ORDERED that North Beckley shall file, as a closed entry in this case, a fully executed copy of the Agreement as modified by the Joint Stipulation.

IT IS FURTHER ORDERED that that North Beckley shall file, as a closed entry in this case, notification that it has connected the Stanaford system to its own system.

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

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this Order by electronic service on all parties of record who have filed an e-service agreement, by United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Staff by hand delivery.

A True Copy, Teste:

Sandra Squira
Sandra Squira
Executive Secretary

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PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 11-0086-PSD-S-PC

NORTH BECKLEY PUBLIC SERVICE DISTRICT,
a public utility, and
STANAFORD ACRES SEWERAGE SYSTEMS, INC.,
a public utility.

**Joint petition for Commission Consent and Approval
of North Beckley Public Service District's acquisition
of the Stanaford Acres Sewerage Systems, Inc.'s sanitary
sewer treatment and collection system.**

JOINT STIPULATION AND AGREEMENT FOR SETTLEMENT

Pursuant to W. Va. Code § 24-1-9 and Rules 11 and 13 of the Public Service Commission of West Virginia's (the "Commission") *Rules of Practice and Procedure*, the North Beckley Public Service District (the "District"), Stanaford Acres Sewerage Systems, Inc. ("Stanaford") (the District and Stanaford sometimes collectively referred to herein as the "Petitioners"), and the Staff of the Public Service Commission of West Virginia ("Staff," and together with the District and Stanaford, the "Parties") join in this Joint Stipulation and Agreement for Settlement ("Joint Stipulation") and propose and recommend to the Commission that it approve this settlement among the Parties of all issues raised in Case No. 11-0086-PSD-S-PC, on the terms and conditions set forth below ("Settlement").

I. BACKGROUND

1. On September 5, 2007, Stanaford filed a petition requesting that the Commission initiate proceedings in the Circuit Court of Raleigh County, West Virginia, to place Stanaford under the control and responsibility of a receiver. Stanaford's petition was designated as

Stanaford Acres Sewerage Systems, Inc., Case No. 07-1699-S-PC. Stanaford's petition stated that the individual responsible for the operation and maintenance of Stanaford's sewer system was no longer physically able to complete such tasks.

2. Following a public hearing convened on February 25, 2008, the Commission, by Recommended Decision entered April 2, 2008 (Final April 22, 2008), directed that Staff petition the Circuit Court of Raleigh County, West Virginia, to place Stanaford into receivership, with Dianna J. Powell serving as receiver. In its decision, the Commission concluded that the appointment of a receiver was necessary to continued operation of Stanaford's system until such time as it could become part of the District's sewer system.

3. On April 22, 2010, Staff filed a Petition to Reopen Case No. 07-1699-S-PC. In the two years subsequent to April 22, 2008, Staff worked informally with Stanaford to arrange for a receiver; however, Dianna J. Powell became disinterested in serving as receiver, and Stanaford's system continued to deteriorate as the owners were not able to maintain the system. On July 19, 2010, the Commission issued an Order reopening Case No. 07-1699-S-PC.

4. On December 13, 2010, the Commission issued an Order making the District a party to Case No. 07-1699-S-PC and requiring the District to file a status report regarding its negotiations to acquire Stanaford's sewer system.

5. On January 31, 2011, the District and Stanaford filed their "Joint Petition for Commission Consent and Approval of North Beckley Public Service District's Acquisition of Stanaford Acres Sewerage Systems, Inc.'s Sanitary Sewer System" ("Joint Petition"), seeking the Commission's consent to and approval of the District's acquisition of Stanaford's sewer treatment and collection system. The filing was designated as Case No. 11-0086-PSD-S-PC.

6. Attached to the Joint Petition, Petitioners filed a proposed Asset Purchase Agreement (the "Agreement"), the District's Annual Reports for years ending 2009 and 2010, a Resolution adopted by Stanaford officers at a November 9, 2010 meeting approving the Agreement, and the minutes from the Board of the District's November 10, 2010 meeting approving the Agreement.

7. On March 7, 2011, Staff filed its Initial Joint Staff Memorandum.

8. On April 4, 2011, Staff filed its Final Joint Staff Memorandum.

9. The Parties have discussed settlement to resolve the issues raised in this case.

Based on those discussions, the Parties reached the Settlement embodied in this Joint Stipulation.

II. THE SETTLEMENT

10. The terms of the Settlement, which the Parties believe to be a fair and just resolution of this case and in the best interests of the customers of the District and Stanaford, are as follows:

a. The Parties recommend that the Commission approve the Asset Purchase Agreement by and between the District and Stanaford filed in this matter pursuant to which the District will acquire Stanaford, without any additional conditions, modifications, or restrictions.

b. The Parties agree that upon acquisition of Stanaford, the District will be permitted to maintain separate rates and charges to be charged to the customers connected to the Stanaford system (the "Stanaford Customers"). At such time that the District files a rate case to modify the rates and charges for the Stanaford Customers, the District will request a waiver of the revenue ceiling limitation of Tariff Rule 19A, thus permitting the District to file such rate case pursuant to Tariff Rule 19A (rather than Tariff Rule 42), and the

Staff agrees to support the District's requested waiver and the processing of the rate case pursuant to Tariff Rule 19A. The Parties agree that the rates to be charged the Stanaford Customers will not impact the District's customers, and will be established to provide adequate revenues to cover (1) the increased costs of repair, remediation, replacement, operation and maintenance, (2) any other expenses that may be incurred by the District to operate the Stanaford system, and (3) increased debt service and required reserve accounts. The Parties agree that rates charged the District's customers and the Stanaford Customers may be blended at the request of the District when the rate schedules are within five percent (5%) of each other, subject to gradualism and rate shock considerations.

c. The Parties agree that the escrow account established by the District and Stanaford must be paid to the District and used to pay costs associated with the design, repair, replacement, remediation, and/or replacement of the Stanaford system (the "Project").

d. The Parties agree that only those portions of the Project that are outside the District's usual course of business will require Commission approval. The Parties agree that the initial connection of Stanaford's system to the District's system does not require a certificate of convenience and necessity from the Commission.

e. The Parties agree that the District has to acquire adequate funding from any source or sources sufficient to provide for the payment in full of all costs associated with the Project.

f. Stanaford and the District agree that any condition, modification, or restriction placed upon the proposed acquisition by the Commission as a condition of its approval of

the acquisition, must be agreed to in writing by the District and Stanaford, and failure by either party to agree to any such condition, modification, or restriction will not be considered a default or breach of the Asset Purchase Agreement.

g. The Parties recognize that the following conditions must be met before the District acquires Stanaford:

1. The real estate to be transferred by Stanaford to the District must be free and clear from any covenants or deed restrictions which would prohibit the District from using the property for the collection, treatment, and discharge of sanitary sewage;
2. All real estate to be transferred by Stanaford to the District must be free from the presence of any toxic or hazardous substance or any pollutant of any nature, as defined and regulated by applicable federal, state or local environmental laws;
3. The District and Stanaford must be able to obtain all necessary governmental permits, licenses and approvals for the Asset Purchase Agreement, the transfer of Stanaford's assets, and the operation of Stanaford's assets;
4. The West Virginia Department of Environmental Protection must agree to waive Stanaford's current violations and enter an Order concerning its position with reference to the Project;
5. The District must be able to obtain any and all permits required for the Project;
6. The Asset Purchase Agreement must be approved by the District's Board, and by Stanaford's Board of Directors; and

7. The representations and warranties of Stanaford contained in the Asset Purchase Agreement shall have been true and correct at and as of the date of the Asset Purchase Agreement, and shall be true and correct at and as of the closing date, and Stanaford shall have performed and complied with all its obligations required by the Asset Purchase Agreement.

11. The Parties support and recommend this Joint Stipulation and the Settlement as being in the public interest and as a fair, reasonable, and complete resolution of all the issues raised in this proceeding. The Parties shall support the Settlement and make reasonable, good faith efforts to obtain approval of the Settlement by the Commission and any appeal therefrom.

12. The Parties further recommend that the Commission issue findings of fact and conclusions of law to the effect that the Asset Purchase Agreement satisfies the statutory test in W. Va. Code § 24-2-12 in that (i) the terms and conditions of the Asset Purchase Agreement are reasonable; (ii) no party to the Asset Purchase Agreement has an undue advantage over another; (iii) the Asset Purchase Agreement does not and will not adversely affect the public in the State of West Virginia, and, accordingly, that the Asset Purchase Agreement be approved, without approving the specific terms and conditions thereof.

13. The Parties propose this Joint Stipulation and the Settlement without adopting any of the compromise positions that may be set forth herein as regulatory principles applicable to future proceedings. The Parties note that at pages 2-3 of the December 21, 2007 Commission Order, entered in *West Virginia-American Water Company*, Case No. 07-0998-W-42T, the Commission indicated its appreciation of the reluctance of parties to stipulated settlements to be bound in future cases by virtue of their agreements on substantive issues in a settled case, and that a disclaimer of the type appearing in the preceding sentence, which is part of virtually every

settlement agreement filed with the Commission, should be respected as it fosters the development of settlements in contested cases without prejudice to the settling parties. Thus, the Parties' willingness to execute this Joint Stipulation is expressly predicated upon the effectiveness of the disclaimer in the first sentence of this paragraph and the Commission's endorsement thereof in Case No. 07-0998-W-42T. Moreover, the Parties affirm that, in recommending to the Commission that it can and should approve the Settlement on the basis of a finding that a particular component is reasonable in the context of the overall Settlement, no inference can or should be made as to the willingness of any Party to recommend or support the same or a similar resolution of the same issue in future cases.

14. This Joint Stipulation is entered into subject to the acceptance and approval of the Commission, and will have no effect whatsoever until and unless approved by the Commission in all of its material terms. The Parties acknowledge that it is the Commission's prerogative to accept, reject, or modify any stipulation, but they respectfully reiterate that each component of the Settlement, and in particular the resolution of each disputed issue and the provisions of this paragraph, is integral to and inseparable from the others. None of the Parties advocates the Commission's resolution of any issue as proposed in this Joint Stipulation other than in the context of their support for the Settlement as a whole. Accordingly, in the event that the Settlement is modified or rejected by the Commission, it is expressly understood that the Parties are not bound to accept the Settlement as modified or rejected, and that they may avail themselves of whatever rights are available to them under law and the Commission's *Rules of Practice and Procedure*.

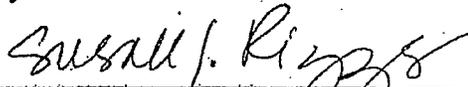
15. The Parties may execute this Settlement in separate counterparts, each of which, when so executed and delivered, shall constitute an original, but all of which together shall constitute one and the same instrument.

WHEREFORE, the Parties, on the basis of the foregoing, respectfully request that the Commission make appropriate findings of fact and conclusions of law adopting and approving the Joint Stipulation in its entirety.

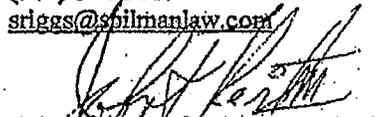
Respectfully submitted this 29th day of December, 2011.

**NORTH BECKLEY PUBLIC SERVICE
DISTRICT**

By Counsel



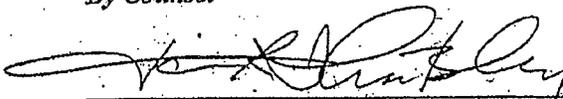
Susan J. Riggs (WV Bar No. 5246)
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Beckley, WV 25801
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**STANAFORD ACRES SEWERAGE
SYSTEMS, INC.**

By Counsel



James R. Sheatsley (WV Bar No. 3359)
Gorman, Sheatsley & Company, L.C.
P.O. Box 5518
Beckley, WV 25801-7507
(304) 252-5321

**THE STAFF OF THE PUBLIC SERVICE
COMMISSION OF WEST VIRGINIA**

By Counsel

Christopher Howard (WV Bar No. 8688)
Public Service Commission of West Virginia
201 Brooks Street
Charleston, WV 25301
(304) 340-0464

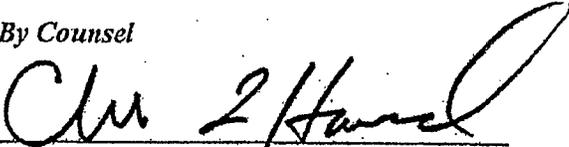
STANAFORD ACRES SEWERAGE
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By Counsel

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THE STAFF OF THE PUBLIC SERVICE
COMMISSION OF WEST VIRGINIA

By Counsel



Christopher Howard (WV Bar No. 8688)
Public Service Commission of West Virginia
201 Brooks Street
Charleston, WV 25301
(304) 340-0464

CERTIFICATE OF SERVICE

I, Susan J. Riggs, counsel for North Beckley Public Service District, do hereby certify that on this 29th day of December, 2011, a copy of the foregoing "*Joint Stipulation and Agreement for Settlement*" was served upon the following counsel of record as follows:

VIA U.S. MAIL

James R. Sheatsley, Esquire
Gorman, Sheatsley & Company, L.C.
P.O. Box 5518
Beckley, West Virginia 25801-7507
Counsel for Stanaford Acres Sewerage Systems, Inc.

VIA HAND DELIVERY

Christopher Howard, Esquire
Staff Attorney
Public Service Commission of West Virginia
201 Brooks Street
Charleston, West Virginia 25301
Counsel for Commission Staff

Susan J. Riggs by KOF
Susan J. Riggs (WV State Bar #5246)

3332587

Exhibit B

Commitment Letter

501 Tennessee Avenue
Charleston, WV 25302
(304) 353-1635
Fax (304) 340-4702

April 20, 2015

Donna Sawyer
Manager
North Beckley Public Service District
122 Clear Water Lane
Beckley, WV 25801

Dear Ms. Sawyer:

Branch Banking and Trust Company ("BB&T") is pleased to offer this proposal for the financing requested by the North Beckley Public Service District in Beckley, West Virginia ("District").

- (1) **Project:** Sewer revenue bond to install lines to bring in the Stanaford Acres Subdivision sewerage system
- (2) **Amount To Be Financed:** up to \$210,000.00
- (3) **Interest Rates, Financing Terms and Corresponding Payments:**

Term	Rate
3 years	1.64%

Payments shall be monthly in arrears, as requested. See the attached draft amortization schedule(s) for information on payments.

The financing proceeds shall be deposited on behalf of the District in a project fund account with Branch Banking & Trust. Earnings on the project fund shall accrue to the benefit of the District for use on Project costs or interest payments.

The interest rates stated above are valid for a closing not later than 45 days after today. Closing of the financing is contingent upon completing documentation acceptable to BB&T.

Lender counsel fees shall be paid by the District on behalf of BB&T. All applicable taxes, permits, costs of lawyers for the District and any other costs shall be the District's responsibility and separately payable by the District. The financing documents shall allow prepayment of the principal balance in whole on a scheduled payment date with a 1% prepayment premium.

The stated interest rates assume that the District expects to borrow less than \$10,000,000 in calendar year 2015 and that the District shall comply with IRS Code Sections 141, 148 and 149. BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing is not qualified tax-exempt financing for the purpose of IRS Code Section 265(b)(3).

(4) **Financing Documents:**

It shall be the responsibility of the District to retain and compensate counsel to appropriately structure the revenue bond according to Federal and West Virginia State Statutes. BB&T shall also require the District's Bond Counsel to provide an unqualified legal opinion. BB&T reserves the right to review the bond which must be mutually accepted by BB&T and the District.

(5) **Security:**

The sewer revenue bond shall be secured by a parity lien on the revenues of the District which shall include the additional revenues from the addition of the Stanaford Acres Project.

* * * * *

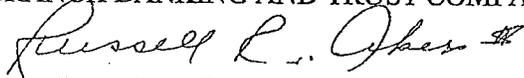
BB&T appreciates the opportunity to make this financing proposal and requests to be notified within five days of this proposal should BB&T be the successful proposer.

BB&T shall have the right to cancel this offer by notifying the District of its election to do so (whether or not this offer has previously been accepted by the District) if at any time prior to the closing there is a material adverse change in the District's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the District or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T. We reserve the right to negotiate and/or terminate our interest in this transaction should we be the successful proposer.

Please call me at (304) 353-1635 with your questions and comments. We look forward to hearing from you.

Sincerely,

BRANCH BANKING AND TRUST COMPANY


Russell R. Akers, II
Vice President

Enclosure

Exhibit C

Commission Order approving Surcharge

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 17th day of April, 2015.

CASE NO. 14-1924-PSD-CN

NORTH BECKLEY PUBLIC SERVICE DISTRICT,
a public utility, Beckley, Raleigh County.

Application for a certificate of
convenience and necessity to construct
the Stanaford Replacement Project.

COMMISSION ORDER

The Commission corrects language in the tariff.

BACKGROUND

The sewer system at Stanaford Acres needs replaced. North Beckley Public Service District's facilities can treat the flows from Stanaford Acres and North Beckley agreed to take over the Stanaford Acres system. The Commission approved the acquisition in an earlier case.¹

In the pending case, North Beckley applied for a certificate of convenience and necessity to install new lines and manholes at Stanaford Acres and to decommission the wastewater treatment plants there. North Beckley also asked the Commission to approve a rate increase and funding for the certificate project.

On December 2, 2014, the case was referred to the Division of Administrative Law Judges for further proceedings. Comm'n Referral Order at 1-2.

On February 18, 2015, Commission Staff recommended a five percent rate increase (CN Step 1 rates) to be "effective upon substantial completion of the project and during the remaining three-year period after the acquisition of Stanaford Acres." Staff also recommended a 3.3 percent rate decrease (CN Step 2 rates) that would become "effective upon substantial completion of the project and after the remaining three-year

¹ On April 25, 2012, in North Beckley Public Service District & Stanaford Acres Sewerage Systems, Inc., Case Number 11-0086-PSD-S-PC, the Commission granted its prior consent for North Beckley and Stanaford Acres to enter into an Asset Purchase Agreement. Comm'n Order at 1-7 & Att. A (Joint Stipulation and Agreement for Settlement).

period after the acquisition of Stanaford Acres.” Final Joint Staff Memorandum at 1-3 & attached Utilities & Engineering Divisions Final Recommendation at 1-9.

On March 18, 2015, the ALJ approved the certificate, Staff-recommended rates and proposed financing, with this clarification:

Referring [to] the three-year loan period as the “3 year period after the acquisition of Stanaford Acres,” as provided in the Staff-recommended tariffs, is unclear. The phrase will be changed to the “three-year period after January 28, 2014.”

Rec. Dec. at 3, 4 (Mar. 18, 2015) (Concl. of Law 6).

On March 27, 2015, North Beckley filed Exceptions, explaining that the CN Step 1 rates in this case are designed to generate sufficient revenues to pay back the project funding from the West Virginia Infrastructure and Jobs Development Council (Infrastructure) as well as a loan with BB&T that was previously approved by the Commission. By changing the Staff tariff language for the CN Step 1 rates from “3 year period after *the acquisition of Stanaford Acres*” to “three-year period *after January 28, 2014*,” the Recommended Decision shortens the period of CN Step 1 rates that are necessary to pay back both the BB&T and Infrastructure loans. Exceptions at 1-6.

In an earlier proceeding, North Beckley obtained consent to enter into a \$210,000 loan with BB&T at 1.65 percent interest for three years to fund the initial tie-in, as well as approval of increased rates for Stanaford Acres customers for three years that would generate sufficient revenue to pay the debt service on the BB&T loan (19A Step 1 rates). After the BB&T loan was repaid, Staff recommended that all North Beckley customers pay the same rates (19A Step 2 rates). North Beckley PSD, Case No. 13-1267-PSD-PC-19A, Rec. Dec. at 6 & App. A, (Dec. 16, 2013); Comm’n Order at 2-3 (Apr. 1, 2014) (correcting Schedule VI rates in Rec. Dec.)

In the Exceptions, North Beckley advised that it has not been able to meet the required debt service on its existing financing, so its bondholders would not agree to the BB&T loan on a parity basis. As a result, North Beckley has not yet closed on the BB&T loan. To proceed with the takeover of Stanaford Acres, North Beckley filed this case to obtain a certificate as well as rates sufficient to meet its debt service requirements, thus allowing the BB&T loan to be issued on parity with existing debt and proposed project debt. North Beckley will close both the BB&T tie-in loan and the Infrastructure project loan upon approval of the certificate, project financing and increased rates requested in this case. The rate structure proposed by Staff provides sufficient revenues to pay the debt service for both loans (CN Step 1 rates) and upon the complete pay-down of the BB&T loan, revenues sufficient to pay the debt service on the Infrastructure loan only (CN Step 2 rates).

DISCUSSION

Although in 2013 the Commission granted its consent for North Beckley to enter into a three-year loan with BB&T, as well as increased rates for three years for customers residing in Stanaford Acres, to date North Beckley has not been able to close on the tie-in loan and the three-year 19A Step 1 rates have not taken effect.

In the pending certificate case, North Beckley requested rates that will generate sufficient revenues to allow North Beckley to close on both the BB&T tie-in loan, as well as the Infrastructure funding for the certificate project. Increased rates were designed in this certificate case with two steps so that all customers will pay the same rates after the BB&T loan is repaid.

Staff's tariff reflects this schedule with the language that the CN Step 1 rates will be "effective upon substantial completion of the project and during the remaining three-year period after the acquisition of Stanaford Acres" and that the decreased CN Step 2 rates would become "effective upon substantial completion of the project and after the remaining three-year period after the acquisition of Stanaford Acres."

Upon these facts, substituting a specific date for the phrase "after the acquisition of Stanaford Acres" does not provide clarification or specificity as the ALJ intended. The Staff-proposed language is necessary to provide that the CN Step 1 rates will be in effect for the entire three-year period when the BB&T loan is being repaid. The Commission will grant the Exceptions and restore the language that Staff proposed.

Because North Beckley's takeover of the Stanaford Acres involves multiple loans and rates, it is helpful to provide this summary:

around April 24, 2015	BB&T loan closing, three-year payback period begins. 19A Step 1 rates commence.
May 7, 2015	Infrastructure loan closing, start of certificate project.
around April 1, 2016	Substantial completion of certificate project, about one year into the BB&T three-year payback period. CN Step 1 rates begin and continue in effect until the BB&T loan is repaid (about two more years).
around May 1, 2018	BB&T loan is paid off, lower CN Step 2 rates commence. Revenues for the BB&T loan are no longer needed.

FINDINGS OF FACT

1. In the Staff-proposed tariff for the CN Step 1 rates, the ALJ substituted “after January 28, 2014” for the phrase “after the acquisition of Stanaford Acres.” Rec. Dec. at 3, 4 (Mar. 18, 2015) (Concl. of Law 6).

2. North Beckley opposed the ALJ’s substitution and requested that the Staff-proposed language be approved. North Beckley Exceptions at 1-6 (Mar. 27, 2015).

CONCLUSIONS OF LAW

1. Upon these facts, substituting a specific date for the phrase “after the acquisition of Stanaford Acres” does not provide clarification or specificity of the time period during which the CN Step 1 rates will be in effect.

2. The Staff-proposed language is necessary to provide that the CN Step 1 rates will be in effect for the entire three-year period when the BB&T loan is being repaid.

ORDER

IT IS THEREFORE ORDERED that the Exceptions filed by North Beckley PSD are granted. The Commission adopts the Staff-recommended tariff that appears in Appendix A to this Order.

IT IS FURTHER ORDERED that the Recommended Decision is adopted to the extent that it is consistent with this Order.

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 Executive Secretary of the Commission serve a copy of this Order by electronic service on all parties of record who have filed an e-service agreement, and by United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Commission Staff by hand delivery.

A True Copy, Teste,



Ingrid Ferrell
Executive Secretary

CLW/sek
141924ca.doc

STAFF RECOMMENDED STEP 1 TARIFF

(Effective upon substantial completion of the project and during the remaining 3 year period after the acquisition of Stanford Acres)

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

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

(I) RATES (customers with metered water supply)

First	2,000 gals used per month	\$ 9.52	per 1,000 gallons
Next	23,000 gals used per month	\$ 8.19	per 1,000 gallons
All Over	25,000 gals used per month	\$ 5.47	per 1,000 gallons

(I) MINIMUM CHARGE

No bill shall be rendered for less than \$ 19.04 per month which is the equivalent of 2,000 gallons of usage.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

DISCONNECT/RECONNECT/ADMINISTRATIVE FEES

Whenever water service, which has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Beckley Water, a disconnection fee of \$25 shall be charged; or in the event the delinquent sewer bill is collected by the water company, an administrative fee of \$25.00 shall be charged.

Whenever water service which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with Beckley Water, is reconnected, a reconnection fee of \$25.00 shall be charged.

TAP FEE

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

A tap fee of \$100.00 will be charged to customers applying for service before construction is completed adjacent to customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of \$300.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

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.

(I) LEAK ADJUSTMENT

\$0.77 per 1,000 gallons is to be used when a bill reflects unusual water consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

(Effective upon substantial completion of the project and during the remaining
3 year period after the acquisition of Stanaford Acres)

SCHEDULE II

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

APPLICABILITY

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

$$S = A \times R \times .0006233 \times C$$

S = The surcharge in dollars.

A = The area under roof and/or the area of any other water collection surface connected to the District's sanitary sewer, in square feet.

R = The measured monthly rainfall in inches.

.0006233 = A conversion factor to change inches of rain x square feet of surface thousands of gallons of water.

C = the District's approved rate per thousand gallons of metered water usage.

The District shall not impose the surcharge unless, and until, the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

Note: The surcharge is not cumulative so as not to reduce the incentive of the larger users to disconnect. The minimum charge does not apply to the surcharge.

(Effective upon substantial completion of the project and during the remaining
3 year period after the acquisition of Stanford Acres)

SCHEDULE III

SURCHARGE FORMULA TO BE APPLIED IN THE CASES OF USERS PRODUCING UNUSUAL WATER

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$C_i = V_o V_i + B_o B_i + S_o S_i$$

C_i = charge to unusual users per year

V_o = average unit cost of transport and treatment chargeable to volume,
in dollars per gallon

V_i = volume of wastewater from unusual users, in gallons per year

B_o = average unit cost of treatment, chargeable to Biochemical Oxygen
Demand (BOD), in dollars per pound

B_i = weight of BOD from unusual users, in pounds per year

S_o = average unit cost of treatment (including sludge treatment), chargeable
to total solids in dollars per pound

S_i = weight of total solids from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. The total cost of any such study performed shall be borne entirely by the unusual user. Waste containing materials which, in the judgment of the utility, should not be introduced into the sewer system, will not be accepted. The results of the preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefore, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the utility records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the utility, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

(Effective upon substantial completion of the project and during the remaining
3 year period after the acquisition of Stanford Acres)

SCHEDULE IV

Where the amount of sanitary sewage discharge into the Utility's wastewater collection and/or treatment system by certain industrial plant or plants cannot be accurately determined by the use of the plant's water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to the Utility a sewer charge calculated at fifty gallons of water per each employee at the plant each working day.

SCHEDULE V

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for wastewater and leachate haulers.

RATES

Commodity charge - Each customer shall pay a commodity charge of \$40 per 1,000 gallons per load. Load will be the actual capacity of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined, or verified solely, by the Utility.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the District or 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.

(Effective upon substantial completion of the project and during the remaining
3 year period after the acquisition of Stanaford Acres)

SCHEDULE VI

APPLICABILITY

Applicable to those customers formerly served by the Stanaford Acres Sewerage System.

AVAILABILITY

Available for general domestic, commercial and industrial Service.

RATES (customers with metered water supply)

First	3,000 gallons used per month	\$ 16.32 per 1,000 gallons (Includes a surcharge of \$7.82 for debt repayment)
All Over	3,000 gallons used per month	\$ 11.91 per 1,000 gallons (Includes a surcharge of \$5.71 for debt repayment)

MINIMUM CHARGE

No minimum bill will be rendered for less than \$48.96 per month, which is the equivalent of 3,000 gallons with a 5/8 inch meter. (Includes a surcharge of \$23.45 for debt repayment)

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

Equivalent of 4,500 gallons of water usage or \$63.63 per month.
(Includes a surcharge of \$32.01 for debt repayment)

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

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

A tap fee of \$300.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to Stanaford 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.

LEAK ADJUSTMENT

\$1.91 per 1,000 gallons is to be used when a bill reflects unusual water consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

STAFF RECOMMENDED STEP 2 TARIFF

(Effective upon substantial completion of the project and after
the remaining 3 year period after the acquisition of Stanaford Acres)

APPLICABILITY

Applicable within the entire territory served, including the former Stanaford Acres Sewerage System.

AVAILABILITY

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

(I) RATES (customers with metered water supply)

First	2,000 gals used per month	\$ 9.47	per 1,000 gallons
Next	23,000 gals used per month	\$ 8.14	per 1,000 gallons
All Over	25,000 gals used per month	\$ 5.44	per 1,000 gallons

- (I) MINIMUM CHARGE
No bill shall be rendered for less than \$ 18.94 per month which is the equivalent of 2,000 gallons of usage.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

DISCONNECT/RECONNECT/ADMINISTRATIVE FEES

Whenever water service, which has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Beckley Water, a disconnection fee of \$25 shall be charged; or in the event the delinquent sewer bill is collected by the water company, an administrative fee of \$25.00 shall be charged.

Whenever water service which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with Beckley Water, is reconnected, a reconnection fee of \$25.00 shall be charged.

TAP FEE

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

A tap fee of \$100.00 will be charged to customers applying for service before construction is completed adjacent to customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of \$300.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

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.

(I) LEAK ADJUSTMENT

\$0.77 per 1,000 gallons is to be used when a bill reflects unusual water consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

(Effective upon substantial completion of the project and after
the remaining 3 year period after the acquisition of Stanaford Acres)

SCHEDULE II

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

APPLICABILITY

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

$$S = A \times R \times .0006233 \times C$$

S = The surcharge in dollars.

A = The area under roof and/or the area of any other water collection surface connected to the District's sanitary sewer, in square feet.

R = The measured monthly rainfall in inches.

.0006233 = A conversion factor to change inches of rain x square feet of surface thousands of gallons of water.

C = the District's approved rate per thousand gallons of metered water usage.

The District shall not impose the surcharge unless, and until, the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

Note: The surcharge is not cumulative so as not to reduce the incentive of the larger users to disconnect. The minimum charge does not apply to the surcharge.

(Effective upon substantial completion of the project and after
the remaining 3 year period after the acquisition of Stanaford Acres)

SCHEDULE III

SURCHARGE FORMULA TO BE APPLIED IN THE CASES OF USERS PRODUCING UNUSUAL WATER

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$C_i = V_o V_i + B_o B_i + S_o S_i$$

C_i = charge to unusual users per year

V_o = average unit cost of transport and treatment chargeable to volume,
in dollars per gallon

V_i = volume of wastewater from unusual users, in gallons per year

B_o = average unit cost of treatment, chargeable to Biochemical Oxygen
Demand (BOD), in dollars per pound

B_i = weight of BOD from unusual users, in pounds per year

S_o = average unit cost of treatment (including sludge treatment), chargeable
to total solids in dollars per pound

S_i = weight of total solids from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. The total cost of any such study performed shall be borne entirely by the unusual user. Waste containing materials which, in the judgement of the utility, should not be introduced into the sewer system, will not be accepted. The results of the preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefore, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the utility records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the utility, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

(Effective upon substantial completion of the project and after
the remaining 3 year period after the acquisition of Stanford Acres)

SCHEDULE IV

Where the amount of sanitary sewage discharge into the Utility's wastewater collection and/or treatment system by certain industrial plant or plants cannot be accurately determined by the use of the plant's water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to the Utility a sewer charge calculated at fifty gallons of water per each employee at the plant each working day.

SCHEDULE V

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for wastewater and leachate haulers.

RATES

Commodity charge - Each customer shall pay a commodity charge of \$40 per 1,000 gallons per load. Load will be the actual capacity of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined, or verified solely, by the Utility.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the District or 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.

Exhibit D

Form of Project Fund Agreement

PROJECT FUND AGREEMENT

THIS PROJECT FUND AGREEMENT is dated as of _____, 2015, and is by and between the _____ PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia (the "Public Service District") and BRANCH BANKING AND TRUST COMPANY (GOVERNMENTAL FINANCE) ("BB&T").

RECITALS

The Public Service District is, simultaneously with the execution and delivery of this Project Fund Agreement, executing and delivering its _____ Revenue Bonds, Series 2015 (BB and T) dated _____, 2015 (the "Bonds") pursuant to the Bond Resolution finally adopted by the Public Service District on _____, 2015, as supplemented and amended by a Supplemental Resolution adopted on _____, 2015 (the "Bond Resolution"). The purpose of the Bonds is to provide for BB&T's advance of \$ _____ to finance the acquisition, construction and equipping of the Project, as defined in the Bond Resolution. In partial consideration for BB&T's purchase of the Bonds, the Public Service District has agreed to provide for financing proceeds to be deposited and disbursed pursuant to this Project Fund Agreement.

NOW, THEREFORE, the parties agree as follows:

SECTION 1. DEFINITIONS

In this Project Fund Agreement, the term "*Project Costs*" means all costs of the design, planning, constructing, acquiring and equipping of the Project as determined in accordance with generally accepted accounting principles and that will not adversely affect the exclusion from gross income for federal income tax purposes of the interest payable by the Public Service District under the Bonds, including (a) sums required to reimburse the Public Service District or its agents for advances made for any such costs, (b) interest during the construction process and for up to six months thereafter, and (c) all costs related to the financing of the Project through the Bonds and all related transactions.

In addition, any capitalized terms used in this Project Fund Agreement and not otherwise defined shall have the meanings assigned thereto in the Bond.

SECTION 2. PROJECT FUND.

2.1. Project Fund. On the date of issuance of the Bond (the "Closing Date"), BB&T will deposit \$ _____ into a special account of the Public Service District at BB&T to be designated "_____ Public Service District Construction Account" (the "Project Fund"). This account shall be held separate and apart from all other funds of the Public Service District. The Project Fund is the Public Service District's property, but the Public Service District is hereby authorized to withdraw amounts on deposit in the Project Fund only as provided in this Project Fund Agreement and only for application from time to time to the payment of Project Costs. Pending such application, such amounts shall be subject to a lien and charge in favor of BB&T to secure the Public Service District's obligations under the Bonds.

2.2. **Requisitions from Project Fund.** The Public Service District may withdraw funds from the Project Fund only after authorization from BB&T. BB&T will disburse funds from the Project Fund only to the Public Service District and only upon its receipt of one or more written requisitions signed by one of the below listed designated Public Service District Representatives substantially in the form of Exhibit A.

Name and Title:

Signature:

_____, _____
_____, _____

The Public Service District may designate additional Representatives to sign requisitions upon written notification to BB&T.

Upon receipt of a requisition from the Public Service District, BB&T will promptly undertake such review of the matters referred to in such requisition as it shall deem appropriate, and will then promptly notify the Public Service District of its approval of the requisition or the reasons for its disapproval.

2.3. **Disposition of Project Fund Balance.**

(a) ***Upon completion*** -- Promptly after the Project has been completed to the point that it is suitable for carrying out substantially all the purposes it is to serve for the Public Service District, the Public Service District must deliver to BB&T (i) a certificate to such effect signed by a Public Service District Representative and by a licensed architect or engineer reasonably acceptable to BB&T, and (ii) an opinion of counsel to the Public Service District that there are no liens or encumbrances on the Project. BB&T will then withdraw any balance remaining in the Project Fund (and not required to be retained to pay Project Costs incurred but not yet paid) and apply such balance against the outstanding balance of principal and interest payable under the Bond.

(b) ***Upon default*** -- Upon the occurrence of an Event of Default, BB&T may withdraw any balance remaining in the Project Fund and apply such balance against the outstanding balance of principal and interest payable under the Bond.

(c) ***After delay or inactivity*** -- If (i) more than two years have elapsed from the Closing Date or (ii) at least six months has passed from BB&T's most recent receipt of a requisition for Project Costs, then BB&T, upon 30 days' notice from BB&T to the Public Service District, may withdraw any balance remaining in the Project Fund and apply such balance against the outstanding balance of principal and interest payable under the Bond.

(d) ***Application of Project Fund balance*** -- BB&T will apply any amounts paid to it pursuant to this section (i) first against all additional payments then due and payable, (ii) then to interest accrued and unpaid to the prepayment date, and (iii) then to the prepayment of the outstanding principal of the Bond. Such prepayment, however, will not affect any other payment obligation under the Bonds. BB&T will notify the Public Service District of any withdrawal from the Project

Fund made under this Section 2.3, and in the notice will describe its application of the funds withdrawn.

At the time of the disposition of the project fund and closure of the project fund account, accrued interest will post to the account only through the last complete calendar month the account is opened. If the account is closed prior to month end, accrued but unposted interest will be forfeited.

2.4. Investment. (a) The Public Service District and BB&T agree that money in the Project Fund will be continuously invested and reinvested in a public funds money rate savings account.

(b) From and after the date that is three years from the Closing Date, the Public Service District will not purchase or hold any investment which has a "yield," as determined under the Code, in excess of the "yield" on the Public Service District's obligations under the Bonds, unless the Public Service District has supplied BB&T with a Bond Counsel Opinion to the effect that such investment will not adversely affect the exclusion from gross income for federal income tax purposes to which the interest components of payments under the Bond would otherwise be entitled.

(c) Investment obligations acquired with money in the Project Fund shall be deemed at all times to be part of the Project Fund. The interest accruing thereon and any profit or loss realized upon the disposition or maturity of any such investment shall be credited to or charged against the Project Fund.

(d) All earnings on moneys in the Project Fund must be used for Project Costs.

SECTION 3. MISCELLANEOUS.

3.1. Notices. Any notice or other communication required or contemplated by this Project Fund Agreement shall be deemed to be delivered if in writing, addressed as provided below and if (a) actually received by such addressee, or (b) in the case of mailing, when indicated to have been delivered by a signed receipt returned by the United States Postal Service after deposit in the United States mails, postage and registry fees prepaid, and clearly directed to be transmitted as registered or certified mail:

(i) If intended for the Public Service District, addressed to it at the following address: _____ Public Service District, _____, _____, West Virginia _____, Attention: _____.

(ii) If intended for BB&T, addressed to it at the following address: BB&T Governmental Finance, Attention: Account Administration/Municipal – Project Fund Agreement Notice, 5130 Parkway Plaza Boulevard, Building 9, Charlotte, North Carolina 28217.

Any party may designate a different or alternate address for notices by notice given under this Project Fund Agreement.

3.2. **Survival of Covenants and Representations.** All covenants, representations and warranties made by the Public Service District in this Project Fund Agreement and in any certificates delivered pursuant to this Project Fund Agreement shall survive the delivery of this Project Fund Agreement.

3.3. **Choice of Law.** The parties intend that West Virginia law shall govern this Project Fund Agreement.

3.4. **Amendments.** This Project Fund Agreement may not be modified or amended unless such amendment is in writing and signed by BB&T or the Public Service District.

3.5. **No Third-Party Beneficiaries.** There are no parties intended to be or which shall be deemed to be third-party beneficiaries of this Project Fund Agreement.

3.6. **Successors and Assigns.** All of the covenants and conditions of this Project Fund Agreement shall be binding upon and inure to the benefit of the parties to this Project Fund Agreement and their respective successors and assigns.

3.7. **Severability.** If any court of competent jurisdiction shall hold any provision of this Project Fund Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Project Fund Agreement.

3.8. **Counterparts.** This Project Fund Agreement may be executed in any number of counterparts, including separate counterparts, each executed counterpart constituting an original but all together only one agreement.

3.9. **Termination.** Except as otherwise provided in this Project Fund Agreement, this Project Fund Agreement shall cease and terminate upon payment of all funds (including investment proceeds) from the Project Fund.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, each of the parties has caused this Project Fund Agreement to be signed and delivered by a duly authorized officer, all as of the date first above written.

**NORTH BECKLEY PUBLIC SERVICE
DISTRICT**

By: _____
Its: Chairman

BRANCH BANKING AND TRUST COMPANY

By: _____
Its: _____

EXHIBIT A

PROJECT FUND REQUISITION

[To Be Prepared on Public Service District's Letterhead for Submission]

[Date] _____

Funding Specialist
BB&T Governmental Finance
5130 Parkway Plaza Boulevard, Building 9
Charlotte, North Carolina 28217

RE: Request for disbursement of funds from the Project Fund related to Contract No. _____ with _____, dated _____, 20__.

Dear _____,

Pursuant to the terms and conditions of the Project Fund Agreement dated as of _____, 20__, the _____ (the "Public Service District"), requests the disbursement of funds from the Project Fund established under the Project Fund Agreement for the following Project Costs:

This is requisition number ____ from the Project Fund.

Amount:

Vendor:

Vendor Address:

Vendor Federal Tax Number:

Applicable Vendor Invoices:

Payee *(if different from vendor; attach explanation)*

Project Description:

Location of Project:

Exhibit E

Debt Service Schedule

BOND DEBT SERVICE

North Beckley Public Service District, WV NAICS 221320 Customer Number 9948001419
 Sewer Revenue Bond 2015 9948001419-00001

Dated Date 05/07/2015
 Delivery Date 05/07/2015

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
05/07/2015						210,000.00	210,000.00
06/01/2015	5,750.76	1.640%	229.60	5,980.36		204,249.24	204,249.24
07/01/2015	5,701.22	1.640%	279.14	5,980.36		198,548.02	198,548.02
08/01/2015	5,709.01	1.640%	271.35	5,980.36		192,839.00	192,839.00
09/01/2015	5,716.81	1.640%	263.55	5,980.36		187,122.19	187,122.19
10/01/2015	5,724.63	1.640%	255.73	5,980.36		181,397.56	181,397.56
11/01/2015	5,732.45	1.640%	247.91	5,980.36		175,665.11	175,665.11
12/01/2015	5,740.29	1.640%	240.08	5,980.36		169,924.82	169,924.82
01/01/2016	5,748.13	1.640%	232.23	5,980.36		164,176.69	164,176.69
02/01/2016	5,755.99	1.640%	224.37	5,980.36		158,420.71	158,420.71
03/01/2016	5,763.85	1.640%	216.51	5,980.36		152,656.85	152,656.85
04/01/2016	5,771.73	1.640%	208.63	5,980.36		146,885.12	146,885.12
05/01/2016	5,779.62	1.640%	200.74	5,980.36	71,764.34	141,105.50	141,105.50
06/01/2016	5,787.52	1.640%	192.84	5,980.36		135,317.99	135,317.99
07/01/2016	5,795.43	1.640%	184.93	5,980.36		129,522.56	129,522.56
08/01/2016	5,803.35	1.640%	177.01	5,980.36		123,719.21	123,719.21
09/01/2016	5,811.28	1.640%	169.08	5,980.36		117,907.93	117,907.93
10/01/2016	5,819.22	1.640%	161.14	5,980.36		112,088.71	112,088.71
11/01/2016	5,827.17	1.640%	153.19	5,980.36		106,261.54	106,261.54
12/01/2016	5,835.14	1.640%	145.22	5,980.36		100,426.40	100,426.40
01/01/2017	5,843.11	1.640%	137.25	5,980.36		94,583.29	94,583.29
02/01/2017	5,851.10	1.640%	129.26	5,980.36		88,732.19	88,732.19
03/01/2017	5,859.09	1.640%	121.27	5,980.36		82,873.10	82,873.10
04/01/2017	5,867.10	1.640%	113.26	5,980.36		77,006.00	77,006.00
05/01/2017	5,875.12	1.640%	105.24	5,980.36	71,764.34	71,130.88	71,130.88
06/01/2017	5,883.15	1.640%	97.21	5,980.36		65,247.73	65,247.73
07/01/2017	5,891.19	1.640%	89.17	5,980.36		59,356.54	59,356.54
08/01/2017	5,899.24	1.640%	81.12	5,980.36		53,457.30	53,457.30
09/01/2017	5,907.30	1.640%	73.06	5,980.36		47,549.99	47,549.99
10/01/2017	5,915.38	1.640%	64.98	5,980.36		41,634.62	41,634.62
11/01/2017	5,923.46	1.640%	56.90	5,980.36		35,711.16	35,711.16
12/01/2017	5,931.56	1.640%	48.81	5,980.36		29,779.60	29,779.60
01/01/2018	5,939.66	1.640%	40.70	5,980.36		23,839.94	23,839.94
02/01/2018	5,947.78	1.640%	32.58	5,980.36		17,892.16	17,892.16
03/01/2018	5,955.91	1.640%	24.45	5,980.36		11,936.25	11,936.25
04/01/2018	5,964.05	1.640%	16.31	5,980.36		5,972.20	5,972.20
05/01/2018	5,972.20	1.640%	8.16	5,980.36	71,764.34		
	210,000.00		5,293.02	215,293.02	215,293.02		

Exhibit F

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
NORTH BECKLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, 2015 SERIES A
(BRANCH BANKING AND TRUST COMPANY)

No. AR-1

\$210,000

KNOW ALL MEN BY THESE PRESENTS: This ___ day of _____, 2015, that North Beckley Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Raleigh County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner hereinafter set forth, to the order of BRANCH BANKING AND TRUST COMPANY or registered assigns (the "Registered Owner"), on _____, 2018, the principal sum of TWO HUNDRED TEN THOUSAND DOLLARS (\$210,000) at the rates per annum set forth as follows:

A. Interest on this Bond shall be payable at the rate of 1.64% per annum (hereinafter sometimes called the "Tax-Exempt Rate").

B. Principal and interest on the Bonds shall be due and payable in arrears commencing on June 1, 2015, and continuing on the same day of each month thereafter in such amounts as set forth in the EXHIBIT A hereto. The principal amount of the Bond and any unpaid interest accrued thereon shall be due and payable thirty-six (36) months from the date hereof, being _____, 2018.

The principal of and interest on this Bond are payable in any coin or currency which on the date of payment thereof is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of Branch Banking and Trust Company, as Paying Agent.

This Bond is subject to prepayment of principal and interest only in whole on any scheduled payment date with a 1% prepayment premium.

This Bond is issued (i) to finance costs of design, acquisition and construction of certain additions, betterments, improvements and extensions to the existing public sewerage facilities of the Issuer, including the initial tie-in of the Stanaford Acres Sewerage System, Inc. sewer system to the Issuer's existing public sewerage facilities, and all necessary appurtenant

facilities (the "Project"); and (ii) to pay the costs of issuance of 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 (the "State"), including particularly Chapter 16, Article 13A of the Code of West Virginia of 1931, as amended (the "Act"), and a Resolution duly enacted by the Issuer on April 21, 2015 (the "Resolution"), and is subject to all the terms and conditions thereof. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (I) SEWERAGE SYSTEM REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,090,898 (THE "SERIES 1999 BONDS"), (II) SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$5,307,741 (THE "SERIES 2003 BONDS"), AND (III) SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 29, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,544,324 AND SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED OCTOBER 29, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,415,521 (TOGETHER, THE "SERIES 2009 BONDS," AND COLLECTIVELY WITH THE 1999 BONDS AND THE 2003 BONDS, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge from Net Revenues to be derived from the operation of the System, on a parity with the lien of the Prior Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues and unexpended proceeds of the Bonds. Under the Resolution, 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 be provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements in the Reserve Accounts for obligations on a parity with the 2015 Series A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the 2015 Series A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the 2015 Series A Bonds,

including the Prior Bonds. The Issuer has entered into certain further covenants with the Registered Owner, for the terms of which reference is made to the Resolution. Remedies provided the Registered Owner are exclusively as provided in the Resolution to which reference is here made for a detailed description thereof.

Subject to the requirements for transfer set forth below, this Bond is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State. This Bond is transferable, as provided in the Resolution, only by transfer of registration upon the books of the Registrar, to be made at the request of the Registered Owner hereof in person or by its attorney duly authorized in writing, and upon surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its duly authorized attorney.

All monies received from the sale of this Bond shall be applied solely to the payment of the costs of Project and the costs of issuance and related costs described in the Resolution, 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.

Under the Act, this Bond and the interest hereon are exempt from taxation by the State and the other taxing bodies of the State.

The Issuer has designated the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at 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 Bonds, together with all other obligations of the Issuer, do not exceed any limit prescribed by the Constitution or statutes of the State 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 and interest on this Bond.

All provisions of the Resolution and the 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.

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar’s Certificate of Authentication and Registration attached hereto and incorporated herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, NORTH BECKLEY 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 the day and year first written above.

[SEAL]

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is the Bond described in and issued under the provisions of the within-mentioned Resolution and has been duly registered in the name of the registered owner set forth above.

Date: _____, 2015

BRANCH BANKING AND TRUST COMPANY,
as Registrar

By: _____
Authorized Officer

EXHIBIT A

DEBT SERVICE SCHEDULE

(FORM OF)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____ the within-mentioned Bond and does hereby irrevocably constitute and appoint _____, attorney, to transfer said Bond on the books of the Registrar on behalf of said Issuer with full power of substitution in the premises.

Date: _____, 20__

IN THE PRESENCE OF:

PROJECT FUND AGREEMENT

THIS PROJECT FUND AGREEMENT is dated as of May 7, 2015, and is by and between the **NORTH BECKLEY PUBLIC SERVICE DISTRICT**, a public service district, public corporation and political subdivision of the State of West Virginia (the “Public Service District”) and **BRANCH BANKING AND TRUST COMPANY (GOVERNMENTAL FINANCE)** (“BB&T”).

RECITALS

The Public Service District is, simultaneously with the execution and delivery of this Project Fund Agreement, executing and delivering its Sewer Revenue Bonds, Series 2015 (Branch Banking and Trust Company) dated May 7, 2015 (the “Bonds”) pursuant to the Bond Resolution finally adopted by the Public Service District on April 21, 2015 (the “Bond Resolution”). The purpose of the Bonds is to provide for BB&T’s advance of \$210,000 to finance the acquisition, construction and equipping of the Project, as defined in the Bond Resolution. In partial consideration for BB&T’s purchase of the Bonds, the Public Service District has agreed to provide for financing proceeds to be deposited and disbursed pursuant to this Project Fund Agreement.

NOW, THEREFORE, the parties agree as follows:

SECTION 1. DEFINITIONS

In this Project Fund Agreement, the term “*Project Costs*” means all costs of the design, planning, constructing, acquiring and equipping of the Project as determined in accordance with generally accepted accounting principles and that will not adversely affect the exclusion from gross income for federal income tax purposes of the interest payable by the Public Service District under the Bonds, including (a) sums required to reimburse the Public Service District or its agents for advances made for any such costs, (b) interest during the construction process and for up to six months thereafter, and (c) all costs related to the financing of the Project through the Bonds and all related transactions.

In addition, any capitalized terms used in this Project Fund Agreement and not otherwise defined shall have the meanings assigned thereto in the Bond.

SECTION 2. PROJECT FUND.

2.1. Project Fund. On the date of issuance of the Bond (the “Closing Date”), BB&T will deposit \$210,000 into a special account of the Public Service District at BB&T to be designated “North Beckley Public Service District Project Fund” (the “Project Fund”). This account shall be held separate and apart from all other funds of the Public Service District. The Project Fund is the Public Service District’s property, but the Public Service District is hereby authorized to withdraw amounts on deposit in the Project Fund only as provided in this Project Fund Agreement and only for application from time to time to the payment of Project Costs. Pending such application, such amounts shall be subject to a lien and charge in favor of BB&T to secure the Public Service District’s obligations under the Bonds.

2.2. Requisitions from Project Fund. The Public Service District may withdraw funds from the Project Fund only after authorization from BB&T. BB&T will disburse funds from the Project Fund only to the Public Service District and only upon its receipt of one or more written requisitions signed by one of the below listed designated Public Service District Representatives substantially in the form of Exhibit A.

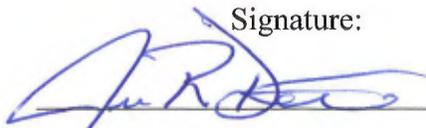
Name and Title:

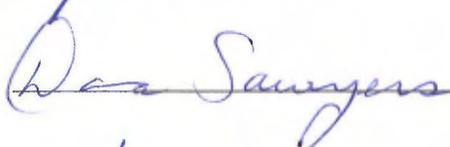
Jan R. Datsko, Chairman

Donna Sawyers, Gen Mgr.

Tom Foti, Treasurer

Signature:







The Public Service District may designate additional Representatives to sign requisitions upon written notification to BB&T.

Upon receipt of a requisition from the Public Service District, BB&T will promptly undertake such review of the matters referred to in such requisition as it shall deem appropriate, and will then promptly notify the Public Service District of its approval of the requisition or the reasons for its disapproval.

2.3. Disposition of Project Fund Balance.

(a) **Upon completion** -- Promptly after the Project has been completed to the point that it is suitable for carrying out substantially all the purposes it is to serve for the Public Service District, the Public Service District must deliver to BB&T (i) a certificate to such effect signed by a Public Service District Representative and by a licensed architect or engineer reasonably acceptable to BB&T, and (ii) an opinion of counsel to the Public Service District that there are no liens or encumbrances on the Project. BB&T will then withdraw any balance remaining in the Project Fund (and not required to be retained to pay Project Costs incurred but not yet paid) and apply such balance against the outstanding balance of principal and interest payable under the Bond.

(b) **Upon default** -- Upon the occurrence of an Event of Default, BB&T may withdraw any balance remaining in the Project Fund and apply such balance against the outstanding balance of principal and interest payable under the Bond.

(c) **After delay or inactivity** -- If (i) more than two years have elapsed from the Closing Date or (ii) at least six months has passed from BB&T's most recent receipt of a requisition for Project Costs, then BB&T, upon 30 days' notice from BB&T to the Public Service District, may withdraw any balance remaining in the Project Fund and apply such balance against the outstanding balance of principal and interest payable under the Bond.

under the Bonds. BB&T will notify the Public Service District of any withdrawal from the Project Fund made under this Section 2.3, and in the notice will describe its application of the funds withdrawn.

At the time of the disposition of the project fund and closure of the project fund account, accrued interest will post to the account only through the last complete calendar month the account is opened. If the account is closed prior to month end, accrued but unposted interest will be forfeited.

2.4. Investment. (a) The Public Service District and BB&T agree that money in the Project Fund will be continuously invested and reinvested in a public funds money rate savings account.

(b) From and after the date that is three years from the Closing Date, the Public Service District will not purchase or hold any investment which has a “yield,” as determined under the Code, in excess of the “yield” on the Public Service District’s obligations under the Bonds, unless the Public Service District has supplied BB&T with a Bond Counsel Opinion to the effect that such investment will not adversely affect the exclusion from gross income for federal income tax purposes to which the interest components of payments under the Bond would otherwise be entitled.

(c) Investment obligations acquired with money in the Project Fund shall be deemed at all times to be part of the Project Fund. The interest accruing thereon and any profit or loss realized upon the disposition or maturity of any such investment shall be credited to or charged against the Project Fund.

(d) All earnings on moneys in the Project Fund must be used for Project Costs.

SECTION 3. MISCELLANEOUS.

3.1. Notices. Any notice or other communication required or contemplated by this Project Fund Agreement shall be deemed to be delivered if in writing, addressed as provided below and if (a) actually received by such addressee, or (b) in the case of mailing, when indicated to have been delivered by a signed receipt returned by the United States Postal Service after deposit in the United States mails, postage and registry fees prepaid, and clearly directed to be transmitted as registered or certified mail:

- (i) If intended for the Public Service District, addressed to it at the following address: North Beckley Public Service District, 122 Clear Water Lane, Beckley, West Virginia 25801, Attention: General Manager.
- (ii) If intended for BB&T, addressed to it at the following address: BB&T Governmental Finance, Attention: Account Administration/Municipal – Project Fund Agreement Notice, 5130 Parkway Plaza Boulevard, Building 9, Charlotte, North Carolina 28217.

Any party may designate a different or alternate address for notices by notice given under this Project Fund Agreement.

3.2. Survival of Covenants and Representations. All covenants, representations and warranties made by the Public Service District in this Project Fund Agreement and in any certificates delivered pursuant to this Project Fund Agreement shall survive the delivery of this Project Fund Agreement.

3.3. Choice of Law. The parties intend that West Virginia law shall govern this Project Fund Agreement.

3.4. Amendments. This Project Fund Agreement may not be modified or amended unless such amendment is in writing and signed by BB&T or the Public Service District.

3.5. No Third-Party Beneficiaries. There are no parties intended to be or which shall be deemed to be third-party beneficiaries of this Project Fund Agreement.

3.6. Successors and Assigns. All of the covenants and conditions of this Project Fund Agreement shall be binding upon and inure to the benefit of the parties to this Project Fund Agreement and their respective successors and assigns.

3.7. Severability. If any court of competent jurisdiction shall hold any provision of this Project Fund Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Project Fund Agreement.

3.8. Counterparts. This Project Fund Agreement may be executed in any number of counterparts, including separate counterparts, each executed counterpart constituting an original but all together only one agreement.

3.9. Termination. Except as otherwise provided in this Project Fund Agreement, this Project Fund Agreement shall cease and terminate upon payment of all funds (including investment proceeds) from the Project Fund.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, each of the parties has caused this Project Fund Agreement to be signed and delivered by a duly authorized officer, all as of the date first above written.

**NORTH BECKLEY PUBLIC SERVICE
DISTRICT**

By:  _____
Its: Chairman

BRANCH BANKING AND TRUST COMPANY

By:  _____
Its: *Vice President*

EXHIBIT A

PROJECT FUND REQUISITION

[To Be Prepared on Public Service District's Letterhead for Submission]

[Date] _____

Funding Specialist
BB&T Governmental Finance
5130 Parkway Plaza Boulevard, Building 9
Charlotte, North Carolina 28217

RE: Request for disbursement of funds from the Project Fund related to Contract No. _____ with _____, dated _____, 20__.

Dear _____,

Pursuant to the terms and conditions of the Project Fund Agreement dated as of _____, 20__, the _____ (the "Public Service District"), requests the disbursement of funds from the Project Fund established under the Project Fund Agreement for the following Project Costs:

This is requisition number ____ from the Project Fund.

Amount:

Vendor:

Vendor Address:

Vendor Federal Tax Number:

Applicable Vendor Invoices:

Payee *(if different from vendor; attach explanation)*

Project Description:

Location of Project:

The _____ makes this requisition pursuant to the following representations:

1. The Public Service District has appropriated in its current fiscal year funds sufficient to pay the payments and any estimated additional payments due in the current fiscal year with respect to the Bonds delivered in connection with this transaction.
2. The purpose of this disbursement is for partial payment on the project provided for under the Contract referenced above.
3. The requested disbursement has not been subject to any previous requisition.
4. No notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable herein to any of the persons, firms or corporations named herein has been received, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of this requisition.
5. This requisition contains no items representing payment on account of any percentage entitled to be retained on the date of this requisition.
6. No Event of Default is continuing under the Bonds, and no event or condition is existing which, with notice or lapse of time or both, would become an Event of Default.
7. The Public Service District will execute any Uniform Commercial Code financing statements with respect to this portion of the Project that BB&T may request to evidence its security interest.
8. The Public Service District has in place insurance on this portion of the Project that complies with the insurance provisions of the above-referenced Contract.

Attached is evidence that the amounts shown in this requisition are properly payable at this time, such as bills, receipts, invoices, architects' payment certifications or other appropriate documents.

By: **[Exhibit Form Only – Do Not Sign]**

Title: _____

\$210,000
NORTH BECKLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, 2015 SERIES A
(BRANCH BANKING AND TRUST COMPANY)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this 7th day of May, 2015, the undersigned authorized representative of the Branch Banking and Trust Company (the "Purchaser"), and the undersigned Chairman of the Public Service Board of North Beckley Public Service District in Raleigh County, West Virginia (the "Issuer"), hereby certify as follows:

(1) On the date hereof, the Purchaser received the entire original issue of North Beckley Public Service District Sewer Revenue Bonds, 2015 Series A (Branch Banking and Trust Company), issued as a single, fully registered Bond, numbered AR-1, in the principal amount of \$210,000, dated May 7, 2015 (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 Purchaser of the sum of \$210,000, being the entire principal amount of the Bonds.

(4) This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

[Remainder of Page Intentionally Left Blank]

WITNESS our respective signatures dated the day and year first written above.

BRANCH BANKING AND TRUST COMPANY

By: Russell R. Okers #
Its: Authorized Representative

NORTH BECKLEY PUBLIC SERVICE DISTRICT

By: A. R. De...
Its: Chairman

WITNESS our respective signatures dated the day and year first written above.

BRANCH BANKING AND TRUST COMPANY

By: Russell R. Oakes #
Its: Authorized Representative

NORTH BECKLEY PUBLIC SERVICE DISTRICT

By: J. R. DeLoe
Its: Chairman

\$210,000
NORTH BECKLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, 2015 SERIES A
(BRANCH BANKING AND TRUST COMPANY)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

Branch Banking and Trust Company,
as Registrar
501 Tennessee Avenue
Charleston, West Virginia 25302

Ladies and Gentlemen:

On this 7th day of May, 2015, there are delivered to you herewith as Registrar for the above-captioned Bonds:

(1) Bond No. AR-1, constituting the entire original issue of North Beckley Public Service District Sewer Revenue Bonds, 2015 Series A (Branch Banking and Trust Company), in the principal amount of \$210,000, dated May 7, 2015 (the "Bonds"), executed by the Chairman and the Secretary of North Beckley Public Service District (the "Issuer") and bearing the official seal of the Issuer. The Bonds are authorized to be issued under and pursuant to a Bond Resolution duly adopted by the Issuer on April 21, 2015 (the "Bond Resolution");

(2) A copy of the Bond Resolution authorizing the Bonds, duly certified by the Secretary of the Issuer;

(3) An executed opinion of nationally recognized bond counsel designated by the Issuer and acceptable to Branch Banking and Trust Company, as the purchaser of the Bonds (the "Purchaser").

You are hereby requested and authorized to authenticate, register and deliver the Bonds to the Purchaser.

[Remainder of Page Intentionally Left Blank]

Dated as of the day and year first written above.

NORTH BECKLEY PUBLIC SERVICE DISTRICT

By:  _____
Its Chairman

Specimen

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
NORTH BECKLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, 2015 SERIES A
(BRANCH BANKING AND TRUST COMPANY)

No. AR-1

\$210,000

KNOW ALL MEN BY THESE PRESENTS: This 7th day of May, 2015, that North Beckley Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Raleigh County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the sources and in the manner hereinafter set forth, to the order of BRANCH BANKING AND TRUST COMPANY or registered assigns (the "Registered Owner"), on June 1, 2018, the principal sum of TWO HUNDRED TEN THOUSAND DOLLARS (\$210,000) at the rates per annum set forth as follows:

A. Interest on this Bond shall be payable at the rate of 1.64% per annum (hereinafter sometimes called the "Tax-Exempt Rate").

B. Principal and interest on the Bonds shall be due and payable in arrears commencing on June 1, 2015, and continuing on the same day of each month thereafter in such amounts as set forth in the EXHIBIT A hereto. The principal amount of the Bond and any unpaid interest accrued thereon shall be due and payable thirty-six (36) months from the date hereof, being May 1, 2018.

The principal of and interest on this Bond are payable in any coin or currency which on the date of payment thereof is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of Branch Banking and Trust Company, as Paying Agent.

This Bond is subject to prepayment of principal and interest, in whole on any scheduled payment date with a 1% prepayment premium.

This Bond is issued (i) to finance costs of design, acquisition and construction of certain additions, betterments, improvements and extensions to the existing public sewerage facilities of the Issuer, including the initial tie-in of the Stanaford Acres Sewerage System, Inc. sewer system to the Issuer's existing public sewerage facilities, and all necessary appurtenant facilities (the "Project"); and (ii) to pay the costs of issuance of 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 statues of the State of West Virginia (the "State"),

including particularly Chapter 16, Article 13A of the Code of West Virginia of 1931, as amended (the "Act"), and a Resolution duly enacted by the Issuer on April 21, 2015 (the "Resolution"), and is subject to all the terms and conditions thereof. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S (I) SEWERAGE SYSTEM REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,090,898 (THE "SERIES 1999 BONDS"), (II) SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$5,307,741 (THE "SERIES 2003 BONDS"), AND (III) SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 29, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$4,544,324 AND SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED OCTOBER 29, 2009, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$2,415,521 (TOGETHER, THE "SERIES 2009 BONDS," AND COLLECTIVELY WITH THE 1999 BONDS AND THE 2003 BONDS, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge from Net Revenues to be derived from the operation of the System, on a parity with the lien of the Prior Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues and unexpended proceeds of the Bonds. Under the Resolution, 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 be provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds. The Issuer has entered into certain further covenants with the Registered Owner, for the terms of which reference is made to the Resolution. Remedies provided the Registered Owner are exclusively as provided in the Resolution to which reference is here made for a detailed description thereof.

Subject to the requirements for transfer set forth below, this Bond is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State. This Bond is transferable, as provided in the Resolution, only by transfer of registration upon the books of the Registrar, to be made at the request of the Registered Owner hereof in person or by its attorney duly authorized in writing, and upon surrender of this Bond,

together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its duly authorized attorney.

All monies received from the sale of this Bond shall be applied solely to the payment of the costs of Project and the costs of issuance and related costs described in the Resolution, 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.

Under the Act, this Bond and the interest hereon are exempt from taxation by the State and the other taxing bodies of the State.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at 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 Bonds, together with all other obligations of the Issuer, do not exceed any limit prescribed by the Constitution or statutes of the State 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 and interest on this Bond.

All provisions of the Resolution and the 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.

This Bond shall not be valid or obligatory unless authenticated and registered by the Registrar by the execution of the Registrar's Certificate of Authentication and Registration attached hereto and incorporated herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, NORTH BECKLEY 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 the day and year first written
above.

[SEAL]


Chairman

ATTEST:


Secretary

Exhibit A

BOND DEBT SERVICE

North Beckley Public Service District, WV NAICS 221320 Customer Number 9948001419
Sewer Revenue Bond 2015 9948001419-00001

Dated Date 05/07/2015
Delivery Date 05/07/2015

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
05/07/2015						210,000.00	210,000.00
06/01/2015	5,750.76	1.640%	229.60	5,980.36		204,249.24	204,249.24
07/01/2015	5,701.22	1.640%	279.14	5,980.36		198,548.02	198,548.02
08/01/2015	5,709.01	1.640%	271.35	5,980.36		192,839.00	192,839.00
09/01/2015	5,716.81	1.640%	263.55	5,980.36		187,122.19	187,122.19
10/01/2015	5,724.63	1.640%	255.73	5,980.36		181,397.56	181,397.56
11/01/2015	5,732.45	1.640%	247.91	5,980.36		175,665.11	175,665.11
12/01/2015	5,740.29	1.640%	240.08	5,980.36		169,924.82	169,924.82
01/01/2016	5,748.13	1.640%	232.23	5,980.36		164,176.69	164,176.69
02/01/2016	5,755.99	1.640%	224.37	5,980.36		158,420.71	158,420.71
03/01/2016	5,763.85	1.640%	216.51	5,980.36		152,656.85	152,656.85
04/01/2016	5,771.73	1.640%	208.63	5,980.36		146,885.12	146,885.12
05/01/2016	5,779.62	1.640%	200.74	5,980.36	71,764.34	141,105.50	141,105.50
06/01/2016	5,787.52	1.640%	192.84	5,980.36		135,317.99	135,317.99
07/01/2016	5,795.43	1.640%	184.93	5,980.36		129,522.56	129,522.56
08/01/2016	5,803.35	1.640%	177.01	5,980.36		123,719.21	123,719.21
09/01/2016	5,811.28	1.640%	169.08	5,980.36		117,907.93	117,907.93
10/01/2016	5,819.22	1.640%	161.14	5,980.36		112,088.71	112,088.71
11/01/2016	5,827.17	1.640%	153.19	5,980.36		106,261.54	106,261.54
12/01/2016	5,835.14	1.640%	145.22	5,980.36		100,426.40	100,426.40
01/01/2017	5,843.11	1.640%	137.25	5,980.36		94,583.29	94,583.29
02/01/2017	5,851.10	1.640%	129.26	5,980.36		88,732.19	88,732.19
03/01/2017	5,859.09	1.640%	121.27	5,980.36		82,873.10	82,873.10
04/01/2017	5,867.10	1.640%	113.26	5,980.36		77,006.00	77,006.00
05/01/2017	5,875.12	1.640%	105.24	5,980.36	71,764.34	71,130.88	71,130.88
06/01/2017	5,883.15	1.640%	97.21	5,980.36		65,247.73	65,247.73
07/01/2017	5,891.19	1.640%	89.17	5,980.36		59,356.54	59,356.54
08/01/2017	5,899.24	1.640%	81.12	5,980.36		53,457.30	53,457.30
09/01/2017	5,907.30	1.640%	73.06	5,980.36		47,549.99	47,549.99
10/01/2017	5,915.38	1.640%	64.98	5,980.36		41,634.62	41,634.62
11/01/2017	5,923.46	1.640%	56.90	5,980.36		35,711.16	35,711.16
12/01/2017	5,931.56	1.640%	48.81	5,980.36		29,779.60	29,779.60
01/01/2018	5,939.66	1.640%	40.70	5,980.36		23,839.94	23,839.94
02/01/2018	5,947.78	1.640%	32.58	5,980.36		17,892.16	17,892.16
03/01/2018	5,955.91	1.640%	24.45	5,980.36		11,936.25	11,936.25
04/01/2018	5,964.05	1.640%	16.31	5,980.36		5,972.20	5,972.20
05/01/2018	5,972.20	1.640%	8.16	5,980.36	71,764.34		
	210,000.00		5,293.02	215,293.02	215,293.02		

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is the Bond described in and issued under the provisions of the within-mentioned Resolution and has been duly registered in the name of the registered owner set forth above.

Date: May 7, 2015

BRANCH BANKING AND TRUST COMPANY,
as Registrar

By: *Phillip R. Ober II*
Its: Authorized Officer



SPILMAN THOMAS & BATTLE, PLLC

A T T O R N E Y S A T L A W

May 7, 2015

North Beckley Public Service District
Beckley, West Virginia

Branch Banking and Trust Company
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by North Beckley Public Service District in Raleigh County, West Virginia (the “Issuer”), a public service district, public corporation and political subdivision created and existing under the laws of the State of West Virginia (the “State”), of its \$210,000 Sewer Revenue Bonds, 2015 Series A (Branch Banking and Trust Company), dated the date hereof (the “Bonds”).

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State, including particularly, Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (collectively, the “Act”), and a Bond Resolution duly adopted by the Issuer on April 21, 2015 (the “Bond Resolution”), to pay the costs of the acquisition and construction of certain additions, betterments and improvements to the existing public sewerage facilities of the Issuer, including the initial tie-in of the existing sewer system of the Stanaford Acres Sewerage System, Inc. (“Stanaford”) to the Issuer’s existing public sewerage facilities, and all necessary appurtenant facilities (the “Project”), and to pay the costs of issuance hereof and related costs. The existing sewerage facilities of the Issuer, the Project, and any further improvements or extensions thereto are herein called the “System.”

We have examined the applicable provisions of the Act, the Bond Resolution and the Bonds, which are to be purchased by Branch Banking and Trust Company (the “Purchaser”). The Bonds are originally issued in the form of one Bond, registered as to principal and interest to the Purchaser. All capitalized items used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Resolution.

North Beckley Public Service District
Branch Banking and Trust Company
West Virginia Water Development Authority
May 7, 2015
Page 2

In our capacity as bond counsel, we have examined the transcript of proceedings (the "Transcript") relating to the Bonds, including, but not limited to, certified copies of the Bond Resolution and a copy of a signed and authenticated Bond. The Bonds recite that they have been issued pursuant to the Act to be used in the manner described in the Bond Resolution to finance the costs described therein.

We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the first paragraph hereof. We have relied upon and assumed the correctness of the legal conclusions contained in the legal opinion letter of even date herewith of Rist, Higgins & Associates, P.L.L.C., as counsel to the Issuer.

The Issuer has executed a Certificate as to Arbitrage dated as of the date hereof (the "Tax Certificate"), pursuant to which the Issuer has covenanted to, among other things, the use, expenditure and investment of the proceeds of the Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Bonds (the "Covenants"), such that the requirements of the Internal Revenue Code of 1986, as amended, and regulations promulgated pursuant thereto (collectively, the "Code"), necessary to establish and maintain the excludability from gross income for federal income tax purposes of the interest on the Bonds. For the purposes of this opinion, we have assumed that the Issuer has and will continue to comply with the Covenants. Further, without undertaking to verify the same by independent investigation, we have relied upon the accuracy of, and assumed the correctness of, certifications and representations by representatives of the Issuer with respect to factual matters relevant to both our opinion and the requirements of the Code.

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, that:

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

North Beckley Public Service District
Branch Banking and Trust Company
West Virginia Water Development Authority
May 7, 2015
Page 3

2. The Bond Resolution has been duly adopted by the Issuer, is in full force and effect as of the date hereof and is valid and binding upon the Issuer and enforceable against the Issuer in accordance with its terms.

3. The Bonds have been duly authorized, executed and delivered by the Issuer and, assuming proper authentication, are valid and binding special obligations of the Issuer. The Bonds are payable from the Net Revenues of the System, on a parity with respect to liens, pledge and source of security for payment with the Prior Bonds, all in accordance with the terms of the Bonds and the Bond Resolution.

4. Under current law, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although we observe that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. The opinion set forth in the preceding sentence is subject to the condition that all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest on the Bonds be, or continue to be, excludable from gross income for federal income tax purposes are so satisfied, and therefore failure by the Issuer to comply with the Covenants, among other things, could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance. We express no opinion regarding any other tax consequences of the ownership of or receipt or accrual of interest on the Bonds. Furthermore, we express no opinion as to the effect on the excludability of the interest on the Bonds from gross income of (a) any future event for which the Bond Resolution requires an opinion of Bond Counsel or (b) any future amendment of the Bond Resolution or waiver of the terms thereof.

5. The Bonds are, under the Act, exempt from taxation by the State and the other taxing bodies of the State.

6. The Issuer has designated the Bonds as “qualified tax-exempt obligations” for purposes of the Code and has covenanted that it does not reasonably expect to issue more than \$10,000,000 of tax-exempt obligations (other than private activity bonds or obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligations) during calendar year 2015. Therefore, the Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3)(B) of the Code.

North Beckley Public Service District
Branch Banking and Trust Company
West Virginia Water Development Authority
May 7, 2015
Page 4

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Bond Resolution 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 generally, and by equitable principles, whether considered at law or in equity, and by the exercise of judicial discretion. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents.

This opinion is given as of the date hereof, based on the law in effect and the factual representations made to us as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any changes in law that may hereafter occur or any changes in facts or circumstances that may hereafter occur or come to our attention. This opinion is limited to the matters set forth above, and no other opinions should be implied or inferred beyond the matters expressly stated.

Our services as bond counsel to the Issuer have been limited to rendering the foregoing opinions based on our review of such proceedings and documents as we deem necessary to approve the tax-exempt status of the interest on the Bonds. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

This opinion is rendered to the addressees set forth above solely for their use in connection with the transactions contemplated under the Bond Resolution, is solely for the benefit of those addressees, and their respective successors and assigns and, except where we have given our prior written consent, may not be relied upon by anyone else or used for any purpose other than in connection with the consummation of the transactions contemplated in the Bond Resolution.

We have examined the executed and authenticated Bond number AR-1, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Very truly yours,

Spilman Thomas & Battle, PLLC

Spilman Thomas & Battle, PLLC

RIST, HIGGINS & ASSOCIATES, P.L.L.C.
ATTORNEYS AT LAW
1800 HARPER ROAD
BECKLEY, WEST VIRGINIA 25801

TELEPHONE NO. 304-255-1400/255-4849
FACSIMILE NO. 304-255-6914

John F. Rist, III
E-Mail: j.rist@suddenlinkmail.com

James C. Higgins (RETIRED)

May 7, 2015

North Beckley Public Service District
Beckley, West Virginia

Branch Banking and Trust Company
Charleston, West Virginia

Spilman Thomas & Battle, PLLC
Charleston, West Virginia

Ladies and Gentlemen:

We are counsel to North Beckley Public Service District, a public service district in Raleigh County, West Virginia (the "Issuer"), in connection with the issuance and sale of the North Beckley Public Service District Sewer Revenue Bonds, 2015 Series A (Branch Banking and Trust Company) (the "Bonds"). As such counsel, we have reviewed copies of the approving opinion of Spilman Thomas & Battle, PLLC, as bond counsel, the Bond Resolution duly adopted by the Issuer on April 21, 2015 (the "Bond Resolution"), and other documents, papers, agreements, instruments and certificates relating to the Bonds and orders of The County Commission of Raleigh County relating to the Issuer and the appointment of members of the Public Service Board of the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Resolution when used herein.

We are of the opinion that:

1. The Issuer is duly created and validly existing as a public service district and as a public corporation and political subdivision of the State of West Virginia.
2. The members and officers of the Public Service Board of the Issuer have been duly, lawfully and properly appointed and elected, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.

3. The Bond Resolution has been duly adopted by the Issuer and is in full force and effect as of the date hereof and constitutes a valid and binding obligation of the Issuer enforceable in accordance with its terms.

4. To the best of our knowledge, the execution and delivery of the Bonds and the consummation of the transactions contemplated by the Bonds and the Bond 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 agreement, document or instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

5. To the best of our knowledge, the Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations required by law for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition, construction and improvements of the Project including, without limitation, the acquisition of the assets of Stanaford Acres Sewerage System, Inc. necessary for 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 Raleigh County.

6. To the best of our 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 Bond Resolution, the acquisition, construction and improvements of the Project, the operation of the System, the validity of the Bonds or pledge of the Net Revenues set forth in the Bond Resolution.

We express no other opinions other than those expressly stated hereinabove. Without limiting the generality of the foregoing sentence, we express no opinion as to the tax, bond or securities laws of the United States or of any state thereof.

It is to be understood that the rights of the various parties to the transaction and the enforceability of the instruments and agreements may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights (to the extent constitutionally applicable), and that the enforcement thereof may also be subject to the exercise of judicial discretion in the appropriate cases.

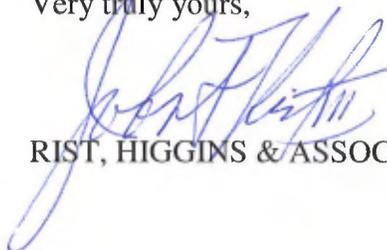
This opinion is rendered only for the benefit of the addressees and may not be relied upon by other parties without our prior written consent. No attorney-client privilege is waived or intended to be waived by this opinion.

North Beckley Public Service District, *et al.*

May 7, 2015

Page 3

Very truly yours,

A handwritten signature in blue ink, appearing to read "Robert Higgins", is written over the typed name of the firm.

RIST, HIGGINS & ASSOCIATES, P.L.L.C.

7204645 (18326.2)



SPILMAN THOMAS & BATTLE, PLLC

ATTORNEYS AT LAW

\$210,000
NORTH BECKLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, 2015 SERIES A
(BRANCH BANKING AND TRUST COMPANY)

May 7, 2015

North Beckley Public Service District
Beckley, West Virginia

Branch Banking and Trust Company
Charleston, West Virginia

Ladies and Gentlemen:

We are special counsel to North Beckley Public Service District, a public service district in Raleigh County, West Virginia (the "Issuer"), in connection with certain matters before the Public Service Commission of West Virginia (the "PSC"). As such counsel, we are of the opinion that:

The PSC has approved (i) the acquisition of Stanaford Acres Sewerage System, Inc. ("Stanaford") by the Issuer by Commission Order dated April 25, 2012 in Case No. 11-0086-PSD-S-PC due to Stanaford's failing sewerage system; (ii) the sale of the above-referenced Bonds to Branch Banking and Trust Company by Recommended Decision dated December 16, 2013, as modified by Commission Orders dated January 28, 2014 and April 1, 2014 in Case No. 13-1267-PSD-PC-19A; and (iii) certain surcharges for the customers of Stanaford and certain rate increases for all customers of the Issuer in Case No. 14-1924-PSD-CN by Commission Order dated April 17, 2015 (collectively, the "Orders"). The time for appeal of the Orders except for the April 17, 2015, Order has expired prior to the date hereof. The Issuer has certified that it does not intend to appeal the April 17, 2015, Order. The Orders other than the April 17, 2015, Order are in full force and effect.

This opinion is rendered only for the benefit of the addressees and may not be relied upon by other parties without our prior written consent. No attorney-client privilege is waived or intended to be waived by this opinion.

Very truly yours,

SPILMAN THOMAS & BATTLE, PLLC

7253302 (18326.2)

\$210,000
NORTH BECKLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, 2015 SERIES A
(BRANCH BANKING AND TRUST COMPANY)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEYS ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. 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. PUBLIC SERVICE COMMISSION ORDERS/RATES
11. SIGNATURES AND DELIVERY
12. BOND PROCEEDS
13. SPECIMEN BONDS
14. CONFLICT OF INTEREST
15. EXECUTION OF COUNTERPARTS

We, the undersigned Chairman and Secretary of the Public Service Board of North Beckley Public Service District in Raleigh County, West Virginia (the "Issuer" or the "District"), and the undersigned counsel and special counsel to the Issuer hereby certify in connection with the Issuer's Sewer Revenue Bonds, 2015 Series A (Branch Banking and Trust Company), dated the date hereof (the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning set forth in the Bond Resolution of the Issuer duly adopted April 21, 2015 (the "Bond Resolution").

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 and construction of the Project, the operation of the System, the receipt of Gross Revenues, the pledge of Net Revenues, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or 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, 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, licenses, orders, authorizations, registrations, exemptions, consents and certificates required by law for the creation and existence of the Issuer, the acquisition and construction of the Project, the operation of the System, the imposition of rates and charges and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect. It is anticipated that the District will use its current employees to perform all or a portion of the Project. To the extent the District hires contractors to perform all or any portion of the Project, then competitive bids for the acquisition and construction of the Project will be solicited in accordance with Chapter 5, Article 22, Section 1 of the Code of West Virginia, 1931, as amended.

4. INDEBTEDNESS: There are outstanding obligations of the Issuer which will rank on a parity with the Bonds as to liens, pledge, source of and security for payment, being the Issuer's: (i) Sewerage System Revenue Bonds, Series 1999 (West Virginia SRF Program), dated January 28, 1999, issued in the original aggregate principal amount of \$8,090,898 (the "Series 1999 Bonds"), (ii) Sewerage System Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated September 29, 2003, issued in the original aggregate principal amount of \$5,307,741 (the "Series 2003 Bonds"), and (iii) Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), dated October 29, 2009, issued in the original aggregate principal amount of \$4,544,324 and Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated October 29, 2009, issued in the original aggregate principal amount of \$2,415,521 (together, the "Series 2009 Bonds," and collectively with the 1999 Bonds and the 2003 Bonds, the "Prior Bonds"). The Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Resolutions.

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

Bond Resolution

Public Service Commission Orders

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

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Minutes of Current Year Organizational Meeting

Affidavit of Publication of Notice of Public Hearing

Excerpt of Minutes of Board Meeting on Adoption of the Bond Resolution

West Virginia Water Development Authority Consent to Issuance of Parity Bonds

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

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Jan R. Datsko	January 24, 2012	December 31, 2017
Tom Foti	February 4, 2014	December 31, 2019
Todd Robinson	November 13, 2012	December 31, 2015

The duly elected, qualified and acting officers of the Public Service Board of the Issuer are as follows:

Chairman – Jan R. Datsko
Treasurer – Tom Foti
Secretary – Todd Robinson

The duly appointed and acting Counsel to the Issuer is John F. Rist, III, of Rist Higgins & Associates PLLC, Beckley, 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 including, without limitation, the acquisition of all assets of Stanaford Acres Sewerage System, Inc., and the operation and maintenance of the System have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds.

8. MEETINGS, ETC.: All actions, 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 Code of West Virginia, 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.: To the extent the District hires contractors to perform all or any portion of the Project, all contractors have been required to maintain Worker's Compensation, public liability insurance, vehicular liability insurance and property damage insurance, and builder's risk insurance where applicable in accordance with the Bond Resolution. All insurance for the System required by the Bond Resolution is in full force and effect.

10. PUBLIC SERVICE COMMISSION ORDERS/RATES: The Public Service Commission of West Virginia has approved (i) the acquisition of Stanaford Acres Sewerage System, Inc. ("Stanaford") by the Issuer by Commission Order dated April 25, 2012 in Case No. 11-0086-PSD-S-PC due to Stanaford's failing sewerage system; (ii) the sale of the Bonds to Branch Banking and Trust Company by a Recommended Decision dated December 16, 2013, as modified by Commission Orders dated January 28, 2014 and April 1, 2014 in Case No. 13-1267-PSD-PC-19A; and (iii) certain surcharges for the customers of Stanaford and certain rate increases for all customers of the Issuer in Case No. 14-1924-PSD-CN by Commission Order dated April 17, 2015 (collectively, the "Orders"). The Orders grant to the Issuer approval for the acquisition of Stanaford by the Issuer, a certificate of public convenience and necessity for the Project, approves the financing of the Project and approves rates and charges for the services of the System. The time for appeal of the Orders except for the April 17, 2015, Order has expired prior to the date hereof. The Issuer does not intend to appeal the April 17, 2015, Order. The Orders other than the April 17, 2015, Order are in full force

and effect. The surcharges for the existing customers of Stanaford as prescribed in the Orders are effective as of the date hereof. The Step 1 rates prescribed in the Orders will become effective upon substantial completion of the Project and during the remaining three-year period after the acquisition of Stanaford. The Step 2 rates prescribed in the Orders will become effective upon substantial completion of the Project and after the remaining three-year period after the acquisition of Stanaford.

11. 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, dated the date hereof, by his 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 manual signature. The seal impressed upon the Bonds and this certificate is the duly authorized, proper and only seal of the Issuer. The Registrar did officially authenticate and deliver the Bonds to the Purchaser.

12. BOND PROCEEDS: On the date hereof, the Issuer received \$210,000 from the Purchaser, being the entire principal amount of the Bonds.

13. SPECIMEN BONDS: The Specimen Bond delivered concurrently herewith is a true and accurate specimen of the Bonds.

14. 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 Resolution and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

15. 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.

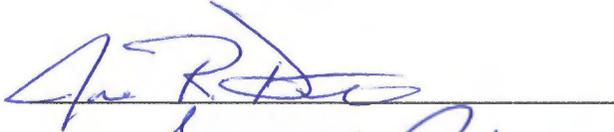
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IN WITNESS WHEREOF, our signatures and the official seal of NORTH BECKLEY PUBLIC SERVICE DISTRICT on the day and year first written above.

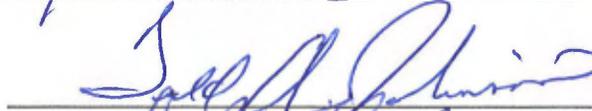
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SIGNATURE

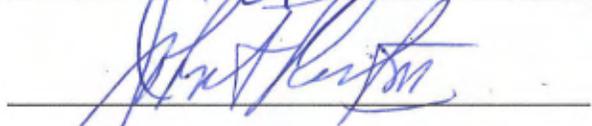
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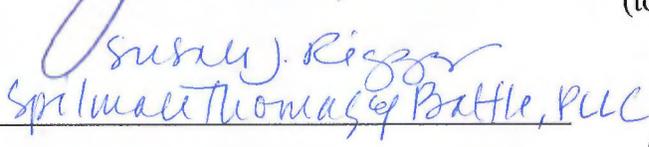
Chairman



Secretary



Counsel to Issuer
(to the best of my knowledge and belief)


Susan J. Rizzo
Spilma & Thomas & Battle, PLLC

Special PSC Counsel to Issuer
(with regard to paragraph 10 only)

\$210,000
NORTH BECKLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, 2015 SERIES A
(BRANCH BANKING AND TRUST COMPANY)

CERTIFICATE AS TO ARBITRAGE

On this 7th day of May, 2015, the undersigned Chairman of the Public Service Board of North Beckley Public Service District in Raleigh County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of \$210,000 North Beckley Public Service District Sewer Revenue Bonds, 2015 Series A (Branch Banking and Trust Company) (the "Bonds"), hereby certifies as follows:

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or any predecessor thereto (collectively, the "Code"). 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. All capitalized words and terms used in this Certificate and not otherwise defined herein shall have the same meaning set forth in the Bond Resolution duly adopted by the Issuer on April 21, 2015 (the "Bond Resolution").

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

3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer that may not certify its obligations or the certification of which may not be relied upon by holders of obligations of the Issuer or that there is any disqualification of the Issuer by the Internal Revenue Service because a certification made by the Issuer contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on May 7, 2015, the date on which the Bonds are being physically delivered in exchange for the entire principal amount of the Bonds of \$210,000. To the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. 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 the gross or other proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Issuer has, therefore, covenanted to not intentionally use any portion of the proceeds of the Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as otherwise allowed under Section 148 of the Code. The Issuer, in the Bond Resolution, has further covenanted that it will take all actions that may be required of it so that the interest on

the Bonds will be and remain excluded from gross income for federal income tax purposes and will not take any actions which would adversely affect such exclusion.

6. The Bonds were sold on May 7, 2015 to Branch Banking and Trust Company (the “Purchaser”), for a purchase price of \$210,000, being the par value thereof, there being no interest accrued thereon.

7. The entire principal of the Bonds in the amount of \$210,000 will be paid to the Issuer on the Closing Date and deposited in the 2015 Series A Bonds Construction Trust Fund for the purposes of (i) financing costs of design, acquisition and construction of certain additions, betterments, improvements and extensions to the existing public sewerage facilities of the Issuer, including the initial tie-in of the Stanaford Acres Sewerage System, Inc. sewer system to the Issuer’s existing public sewerage facilities, and all necessary appurtenant facilities (the “Project”); and (ii) paying the costs of issuance of the Bonds and related costs.

8. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at \$214,613.72. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Bonds	\$ 210,000.00
Issuer’s Contribution	<u>4,613.72</u>
Total Sources	\$ 214,613.72

USES

Cost of Acquisition and Construction of the Project	\$ 177,413.72
Costs of Issuance of the Bonds	<u>37,200.00</u>
Total Uses	\$ 214,613.72

The costs of paying the costs of the Project is estimated to be at least equal to the gross proceeds of the Bonds and the contribution from the Issuer. Except for the proceeds of the Bonds and contribution from the Issuer, no other funds of the Issuer will be available to meet such costs, which would constitute “replacement proceeds” within the meaning of Treasury Regulations §1.148-1(c), inasmuch as (i) the Issuer does not reasonably expect that the term of the Bonds is longer than is reasonably necessary for the governmental purposes of the Issuer; (ii) the weighted average maturity of the Bonds does not exceed 120% of the average expected economic life of the betterments and improvements for the System; and (iii) there are no amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the proceeds of the Bonds were not used or to be used for that governmental purpose.

9. Pursuant to Article IV of the Bond Resolution, the following special funds or accounts have been created or continued if previously established by the Prior Resolutions, relative to the Bonds:

- (1) Revenue Fund (established by the Prior Resolutions);
- (2) Renewal and Replacement Fund (established by the Prior Resolutions);
- (3) I&I Fund (established by the Prior Resolutions);
- (4) 2015 Series A Bonds Construction Trust Fund; and
- (5) 2015 Series A Bonds Sinking Fund.

10. Pursuant to Article IV of the Bond Resolution, the proceeds of the Bonds will be deposited in the 2015 Series A Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Bonds and related costs.

11. Monies held in the 2015 Series A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to meet costs of acquisition and construction of the Project.

12. Except for the 2015 Series A Bonds Sinking Fund, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay the principal of and interest on the Bonds, or which are pledged as collateral for the Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Bonds if the Issuer encounters financial difficulties.

13. Except for a reasonable temporary period until such proceeds are needed for the purpose for which such Bonds were issued or as otherwise allowed, no portion of the proceeds of the Bonds will be used, directly or indirectly, to acquire higher yielding investments, or to replace funds which were used, directly or indirectly, to acquire higher yielding investments, all within the meaning of Section 148 of the Code.

14. The Issuer will comply with the provisions of the Code, for which the effective date precedes the date of delivery of the Bonds to the Purchaser.

15. It is anticipated that all of the proceeds of the Bonds will be expended on the Project within six (6) months from the date of issuance thereof.

16. The costs of issuance of the Bonds will be paid from proceeds of the Bonds.

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

18. No more than 10% of the 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. Less than 5% of the proceeds of the Bonds have been or will be used to make or finance loans to any person who is not a governmental unit. The covenants of the Issuer set forth above shall not, in any way, limit or restrict the ability of the Issuer to pay the costs of design and other preliminary costs of the Project from the proceeds of the Bonds.

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

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

21. The Issuer shall use the proceeds of the Bonds solely for the costs of the Project, and the Project is and will be operated solely for a public purpose as a local governmental activity of the Issuer.

22. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions and refrain from taking such actions as shall be necessary to comply with the Code in order to ensure the interest on the Bonds is excludable from gross income for federal income tax purposes.

23. The Bonds are not and will not be, in whole or in part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

24. The Issuer is a governmental unit and has general taxing powers; no Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the aggregate face amount of all tax-exempt bonds or obligations (other than private activity bonds) issued by the Issuer during the calendar year 2015, the calendar year in which the Bonds are issued, is not reasonably expected to exceed \$5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general tax powers not subordinate to such unit shall, for Purposes of applying this paragraph and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this paragraph and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other

entities benefitting thereby shall be treated as one issuer. Therefore, the Issuer qualifies for the small governmental issuer exception to rebate.

25. The Issuer has retained the right to amend or supplement its authorizing documents if such amendment or supplement is necessary to preserve the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

26. The Issuer shall comply with the yield restriction on the proceeds of the Bonds as set forth in the Code.

27. 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.

28. The transactions contemplated herein do not represent an exploitation of the difference between taxable and tax-exempt interest rates and the execution and delivery of the Bonds is not occurring sooner than otherwise necessary, nor are the Bonds in principal amounts greater than otherwise necessary or to be outstanding longer than otherwise necessary.

29. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds.

30. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service.

31. On the basis of the foregoing, it is not expected that the proceeds of any of the Bonds will be used in a manner that would cause of the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

32. 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.

33. Spilman Thomas & Battle, PLLC is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinion regarding the tax-exempt status of interest on the Bonds.

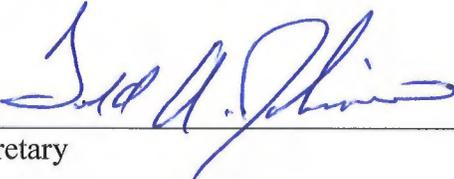
34. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

[Remainder of Page Intentionally Left Blank]

WITNESS my signature, dated as of the day and year first written above.

NORTH BECKLEY PUBLIC SERVICE
DISTRICT

By: 
Its: Chairman

Attest:

Its: Secretary

**NORTH BECKLEY PUBLIC SERVICE DISTRICT
POST-ISSUANCE COMPLIANCE POLICY**

Adopted: April 21, 2015

This policy is being adopted by the North Beckley Public Service District (the “PSD”) in order to promote compliance by the PSD with the requirements of federal and state law and the covenants in its bond documents that apply following the issuance of Bonds (as hereinafter defined) by the PSD. For purposes of this policy, the term “Bonds” means any obligations of the PSD incurred for the purpose of borrowing money, including, without limitations, bonds, notes and lease-purchase agreements.

**ARTICLE I
PURPOSE AND SCOPE OF POLICY**

1.1 This Post-Issuance Compliance Policy (this “Policy”) establishes policies and procedures in connection with Bonds issued by the PSD to maximize the likelihood that all applicable post-issuance compliance requirements are followed. As an issuer of Bonds, the PSD is required by the terms of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended from time to time, and including the Regulations promulgated thereunder (collectively, the “Code”), to take certain actions after the issuance of Bonds to maintain their continuing tax-exempt status. Further, this Policy is intended to manage and mitigate risk associated with the terms, conditions and agreements contained in all documents governing indebtedness of the PSD (collectively, “Debt Documents”) and to assist the PSD in complying with the covenants and restrictions contained in Debt Documents.

1.2 The PSD reserves the right to use its discretion as necessary and appropriate to make exceptions or request additional provisions as circumstances warrant. The PSD also reserves the right to amend these policies and procedures from time to time.

**ARTICLE II
RESPONSIBILITIES AND PROCEDURES**

2.1 Oversight. The General Manager of the PSD and the Public Service Board of the PSD (the “Board”) shall bear responsibility for oversight of this Policy. The Board shall receive quarterly updates from the Compliance Officer identified below regarding compliance with this Policy.

2.2 Compliance Officer. The General Manager of the PSD is responsible for maintaining this Policy (the “Compliance Officer”).

2.3 Violation of Policy. Promptly upon obtaining knowledge of any violation of or noncompliance with this Policy, the Compliance Officer shall notify the Board and take all necessary or appropriate actions to remedy such noncompliance in a timely manner.

2.4 Training. The Compliance Officer shall be provided with training adequate for purposes of this Policy. For the five years following adoption of this Policy, such training shall be repeated at least annually, and thereafter, training shall occur periodically and any new staff shall be trained as appropriate.

2.5 External Advisors. The Compliance Officer shall consult with bond counsel and other legal counsel and advisors, as needed, when issuing Bonds and following the issuance of Bonds to identify compliance requirements.

ARTICLE III FEDERAL TAX LAW COMPLIANCE

3.1 Allocation of Proceeds. All expenditures of tax-exempt bond proceeds must be tracked until the bond proceeds are spent. For purposes of Private Use (as hereinafter defined) and rebate analysis, the Compliance Officer shall identify and monitor the allocation of the expenditures (e.g. to facilities, equipment, cost, etc.) and timing of the expenditures in compliance with all applicable Internal Revenue Service (“IRS”) requirements. Documents should be retained, in accordance with Article V, to evidence the allocation of bond proceeds. These documents include, but are not limited to, requisitions, draw schedules, draw requests, invoices, cancelled checks, construction or purchase contracts. In addition, documents evidencing pre-issuance expenditures that are reimbursed with bond proceeds should be retained, along with any corresponding reimbursement resolution.

3.2 Private Business Use of Bond-Finance Facilities. The Compliance Officer shall consult with bond counsel before entering into any agreement or other arrangement for the sale, lease, management or use of Bond-financed property, including without limitation, service, vendor or management contracts, leases, research agreements, licenses to use Bond-financed property, agreements granting special rights or entitlements to any private party or naming rights agreements. Further, the Compliance Officer shall confer at least annually with PSD employees responsible for Bond-financed assets to identify and discuss any existing or planned use of Bond-financed assets, to determine that those uses are consistent with all covenants and restrictions set forth in a tax certificate relating to applicable Bonds. To the extent that the Compliance Officer discovers that any applicable tax restrictions regarding use of Bond proceeds and Bond-financed assets will or may be violated, the Compliance Officer shall consult promptly with bond counsel and other legal counsel and advisors to determine a course of action to remediate all nonqualified bonds, if such counsel advises that a remedial action is necessary.

3.3 Arbitrage and Rebate.

(a) In general, arbitrage arises when tax-exempt bond proceeds are invested and the yield on the investments is greater than the yield on the bonds. The Code contains two separate sets of requirements relating to arbitrage, yield restriction and rebate, which must be compiled with to ensure that tax-exempt bonds do not lose their tax-exempt status.

(b) The investment of tax-exempt bond proceeds must be tracked and diligently reviewed by the Compliance Officer until all of the proceeds are spent. The tax regulations include yield restriction rules, which limit the yield at which the proceeds may be invested. Generally, yield restricted investments must not be invested at a yield “materially higher” than the yield on the tax-exempt bonds.

(c) If the yield restriction rule is violated, then the PSD must rebate to the IRS a “rebate amount” that is calculated with respect to the bond proceeds. The rebate amount is equal to the yield on certain investments purchased with the proceeds of the bonds in excess of the yield on the bonds, plus all income attributable to the excess. Rebates must be made to the federal government within sixty (60) days after the end of every fifth bond year and within sixty (60) days after the last bond is redeemed. Detailed records of any transactions that may have an effect on either the yield on the bonds or the yield on the investments should be maintained. The PSD shall be responsible for determining whether any arbitrage rebate calculations need to be performed. If it is determined that such calculations are or are likely to be required, the PSD shall engage expert advisors (each, a “Rebate Service Provider”) to assist in the arbitrage calculation, or shall determine that it has adequate financial, accounting and legal resources of its own to make such calculations. The PSD shall make any rebate payments required on a timely basis.

(d) The rebate requirements with respect to a construction bond issue will be deemed to be satisfied if all “available construction proceeds” are allocated as follows (measured from the date of the issuance of the bonds): (i) at least 10% within six (6) months, (ii) at least 45% within twelve (12) months, (iii) at least 75% within eighteen (18) months and (iv) 100% within twenty-four (24) months. These are subject to certain exceptions, including that bonds do not fail to satisfy the spending requirement for the fourth spend-down period (i.e., 100% within two (2) years of the Issue Date) if the only unspent available construction proceeds are amounts for Reasonable Retainage¹ if such amounts (together with all earnings on such amounts) are allocated to expenditures within three (3) years of the Issue Date. The PSD will seek to comply with these exceptions for all bond issuances involving construction proceeds.

3.4 Post-Issuance Modifications. The Compliance Officer shall consult with bond counsel before making any modifications or amendments to the bond documents for a bond issue, including without limitation, entering into or modifying investment agreements; making any change in security for Bonds; engaging in post-issuance credit enhancement transactions (e.g., bond insurance or letter of credit) or hedging transactions; terminating or appointing successor trustees; releasing any liens; or reissuing or refunding Bonds.

¹ “Reasonable Retainage” means an amount, not to exceed 5% of the net sale proceeds of the issue that is retained for reasonable business purposes relating to the property financed with proceeds of the issue. For example, Reasonable Retainage may include a retention to ensure or promote compliance with a construction contract in circumstances in which the retained amount is not yet payable, or in which the PSD reasonably determines that a dispute exists regarding completion or payment.

3.5 Remediation. Adherence to this Policy will enable the PSD to identify violations of federal tax-exempt bond requirements in a timely manner. Whenever anyone identifies a potential violation of a federal tax requirement, a change in use of equipment or a facility financed with tax-exempt debt that may result in Private Use or a violation of this Policy, that person should immediately notify the Compliance Officer. The Compliance Officer will determine whether it is in fact a violation and, if so, will work with bond counsel to determine whether there are any feasible remedial actions available under applicable regulations. If the PSD determines or is advised that corrective action is necessary with respect to any issue of Bonds, the PSD will in a timely manner: (i) take remedial actions described under Section 1.141-12 of the Code, (ii) seek to enter into a closing agreement with the IRS pursuant to the Tax-Exempt Bonds Voluntary Closing Agreement Program (“VCAP”) or (iii) take such other actions as recommended by bond counsel. If no self-remediation actions are available or desirable, the Compliance Officer in consultation with bond counsel will disclose non-compliance and attempt to negotiate a closing agreement with the IRS under VCAP.

ARTICLE IV DEBT COMPLIANCE

4.1 Compliance Officer Responsibilities. The Compliance Officer is responsible for familiarizing herself or himself with the covenants, notice requirements and default provisions in all Debt Documents and shall take the actions identified below. The Compliance Officer shall report all actions taken under this Policy to the Board.

(a) The Compliance Officer is responsible for complying with all notice and reporting requirements contained in the Debt Documents, and the Compliance Officer shall maintain:

- (i) A calendar of reporting dates under all outstanding Debt Documents;
- (ii) A checklist of reporting requirements under all Debt Documents in summary fashion;
- (iii) A list of notice requirements under all Debt Documents; and
- (iv) On a current basis a comprehensive detail of all defaults and events of defaults under all Debt Documents.

(b) In the event the Compliance Officer determines that a default has occurred, the Compliance Officer shall report such default to the Board as soon as practicable and provide an explanation of the events creating such default and how such default has been remedied or will be remedied.

ARTICLE V DOCUMENT RETENTION

5.1 Record retention is essential to supporting tax deductions, credits and exclusions. All records should be retained until they are no longer material to any series of tax-exempt bonds or tax filing. Records relating to a tax-exempt bond issuance should be kept for as long as the

bonds are outstanding, plus three years after the final redemption date of the bonds or any bonds issued to refund the bonds. The record retention period begins with the date of the original issuance of the bonds that have been refunded.

5.2 The Compliance Officer is responsible for seeing that the required documents are compiled and retained. The decision regarding whether a particular document must be retained should be made on a case-by-case basis. Generally, the IRS has indicated that documents that should be retained include, but are not limited to:

- (a) Basic financing documents from each bond transaction, including bond indentures, loan agreements, bond counsel opinion, tax agreements, and a copy of the bond transcript;
- (b) Bond expenditure and allocation documentation, including requisition forms, trustee statements and any other documents describing how tax-exempt bond proceeds have been allocated;
- (c) Documentation demonstrating the use of tax-exempt bond-financed property by public and private sources, including management and service contracts, research agreements, and leases;
- (d) Documentation generated during the compliance process, such as floor plans, questionnaires and spreadsheets;
- (e) Documentation of all sources of payment or security for bonds; and
- (f) Documentation of investment of bond proceeds, including purchase and sale of securities, SLGs subscriptions, yield calculations for each investment class, actual investment income received from the investment of proceeds, guaranteed investment contracts, and rebate calculations.

5.3 Because records must be retained until they are no longer material, the PSD may choose to maintain electronic copies. Electronic records are permissible as long as they comply with Revenue Procedure 97-22, 1997-1 C.B. Section 4.01 of Revenue Procedure 97-22 provides the general requirements for an electronic storage system and the PSD shall adhere to all such requirements to the extent the PSD elects to maintain electronic records.

ARTICLE VI MISCELLANEOUS

6.1 Nothing contained in this Policy shall be deemed to be a covenant, agreement or obligation of an officer, employee, member of Council, or agent of the PSD in his or her individual capacity, and no such person shall incur any personal liability with respect to any action taken by him or her pursuant to this Policy, provided he or she acts in good faith.

6.2 This Policy is for the sole benefit of the PSD. It is not to be relied upon by any third parties and does not create in, or grant to, any third parties rights, claims or privileges.

7204334 (18326.2)

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TOWN CENTER
 1057 CHARLESTON TOWN CTR
 CHARLESTON
 WV
 253899997
 05/12/2015 (800)275-8777 3:55 PM

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Product Description	Sale Qty	Final Price
First-Class Mail Large Envelope (Domestic) (OGDEN, UT 84201) (Weight:0 Lb 1.00 Oz) (Expected Delivery Day) (Friday 05/15/2015)	1	\$0.98
Certified (©©USPS Certified Mail #:70121640 000186600721)	1	\$3.30
Return Receipt	1	\$2.70
Total		\$6.98
Cash		\$10.00
Change		(\$3.02)

For tracking or inquiries go to
 USPS.com or call 1-800-222-1811.

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OGDEN, UT 84201

Postage	\$ 0.98
Certified Fee	\$3.30
Return Receipt Fee (Endorsement Required)	\$2.70
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.98

OGDEN, UT 84201

05/12/2015

Sent To
 Internal Revenue Service
 Ogden, UT 84201

PS Form 3800, August 2009 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Internal Revenue Service
 Ogden, UT 84201

2. Article Number
 (Transfer from service label)
 7012 1640 0001 8660 0721

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X Agent Addressee

B. Received by (Printed Name)
 C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail® Priority Mail Express™
 Registered Return Receipt for Merchandise
 Insured Mail Collect on Delivery

4. Restricted Delivery? (Extra Fee) Yes

PS Form 3811, July 2013 Domestic Return Receipt



SPILMAN THOMAS & BATTLE, PLLC

ATTORNEYS AT LAW

May 12, 2015

John F. Allevato
304.340.3885
jallevato@spilmanlaw.com

CERTIFIED MAIL 7012 1640 0001 8660 0721
RETURN RECEIPT REQUESTED

Internal Revenue Service
Ogden, UT 84201

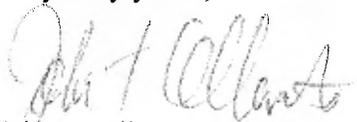
Re: North Beckley Public Service District Sewer Revenue Bonds, 2015 Series
A (Tax-Exempt)

Dear Sir or Madam:

Enclosed is the Form 8038-G, Information Return for Tax-Exempt Governmental Obligations Bonds, relative to the above-described bond issue. Please file same and send confirmation of this filing to the Issuer.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



John F. Allevato

JFA:KMM:cb2-7304553

Enclosures

Information Return for Tax-Exempt Governmental Obligations

Under Internal Revenue Code section 149(e)
 See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>
1 Issuer's name North Beckley Public Service District		2 Issuer's employer identification number (EIN) 55-0477675
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) John F. Allevato, Esquire		3b Telephone number of other person shown on 3a 304.340.3885
4 Number and street (or P.O. box if mail is not delivered to street address) 300 Kanawha Boulevard, East	Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Charleston, West Virginia 25301		7 Date of issue May 7, 2015
8 Name of issue Sewer Revenue Bonds, 2015 Series A (Branch Banking and Trust Company)		9 CUSIP number N/A
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Donna Sawyers, General Manager		10b Telephone number of officer or other employee shown on 10a 304.253.2191

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15	210,000	00
16 Housing	16		
17 Utilities	17		
18 Other. Describe	18		
19 If obligations are TANs or RANs, check only box 19a		<input type="checkbox"/>	
If obligations are BANs, check only box 19b		<input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box		<input type="checkbox"/>	

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	05/01/2018	\$ 210,000	\$ 210,000	1.5369 years	1.6456 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

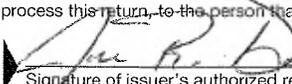
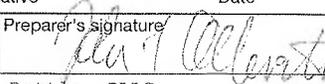
22 Proceeds used for accrued interest	22		
23 Issue price of entire issue (enter amount from line 21, column (b))	23	210,000	00
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	37,200	00
25 Proceeds used for credit enhancement	25		
26 Proceeds allocated to reasonably required reserve or replacement fund	26		
27 Proceeds used to currently refund prior issues	27		
28 Proceeds used to advance refund prior issues	28		
29 Total (add lines 24 through 28)	29	37,200	00
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	172,800	00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded		N/A	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded		N/A	years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)			
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)			

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	0
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	0
b	Enter the final maturity date of the GIC ▶ _____		
c	Enter the name of the GIC provider ▶ _____		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	0
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
b	Enter the date of the master pool obligation ▶ _____		
c	Enter the EIN of the issuer of the master pool obligation ▶ _____		
d	Enter the name of the issuer of the master pool obligation ▶ _____		
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box		<input type="checkbox"/>
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box		<input type="checkbox"/>
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
b	Name of hedge provider ▶ _____		
c	Type of hedge ▶ _____		
d	Term of hedge ▶ _____		
42	If the issuer has superintegrated the hedge, check box		<input type="checkbox"/>
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box		<input checked="" type="checkbox"/>
44	If the issuer has established written procedures to monitor the requirements of section 148, check box		<input checked="" type="checkbox"/>
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____		
b	Enter the date the official intent was adopted ▶ _____		

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	 Signature of issuer's authorized representative	Date	Jan R. Datsko, Chairman Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	PTIN
	John F. Allevato, Esquire			P01083380
	Firm's name ▶ Spilman Thomas & Battle, PLLC	Firm's EIN ▶ 55-0282458	Check <input type="checkbox"/> if self-employed	
Firm's address ▶ 300 Kanawha Boulevard, East, Charleston, WV 25301	Phone no. (304) 340-3885			

FORM 8038 STATISTICS

North Beckley Public Service District, WV NAICS 221320 Customer Number 9948001419
 Sewer Revenue Bond 2015 9948001419-00001

Dated Date 05/07/2015
 Delivery Date 05/07/2015

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	06/01/2015	5,750.76	1.640%	100.000	5,750.76	5,750.76
	07/01/2015	5,701.22	1.640%	100.000	5,701.22	5,701.22
	08/01/2015	5,709.01	1.640%	100.000	5,709.01	5,709.01
	09/01/2015	5,716.81	1.640%	100.000	5,716.81	5,716.81
	10/01/2015	5,724.63	1.640%	100.000	5,724.63	5,724.63
	11/01/2015	5,732.45	1.640%	100.000	5,732.45	5,732.45
	12/01/2015	5,740.29	1.640%	100.000	5,740.29	5,740.29
	01/01/2016	5,748.13	1.640%	100.000	5,748.13	5,748.13
	02/01/2016	5,755.99	1.640%	100.000	5,755.99	5,755.99
	03/01/2016	5,763.85	1.640%	100.000	5,763.85	5,763.85
	04/01/2016	5,771.73	1.640%	100.000	5,771.73	5,771.73
	05/01/2016	5,779.62	1.640%	100.000	5,779.62	5,779.62
	06/01/2016	5,787.52	1.640%	100.000	5,787.52	5,787.52
	07/01/2016	5,795.43	1.640%	100.000	5,795.43	5,795.43
	08/01/2016	5,803.35	1.640%	100.000	5,803.35	5,803.35
	09/01/2016	5,811.28	1.640%	100.000	5,811.28	5,811.28
	10/01/2016	5,819.22	1.640%	100.000	5,819.22	5,819.22
	11/01/2016	5,827.17	1.640%	100.000	5,827.17	5,827.17
	12/01/2016	5,835.14	1.640%	100.000	5,835.14	5,835.14
	01/01/2017	5,843.11	1.640%	100.000	5,843.11	5,843.11
	02/01/2017	5,851.10	1.640%	100.000	5,851.10	5,851.10
	03/01/2017	5,859.09	1.640%	100.000	5,859.09	5,859.09
	04/01/2017	5,867.10	1.640%	100.000	5,867.10	5,867.10
	05/01/2017	5,875.12	1.640%	100.000	5,875.12	5,875.12
	06/01/2017	5,883.15	1.640%	100.000	5,883.15	5,883.15
	07/01/2017	5,891.19	1.640%	100.000	5,891.19	5,891.19
	08/01/2017	5,899.24	1.640%	100.000	5,899.24	5,899.24
	09/01/2017	5,907.30	1.640%	100.000	5,907.30	5,907.30
	10/01/2017	5,915.38	1.640%	100.000	5,915.38	5,915.38
	11/01/2017	5,923.46	1.640%	100.000	5,923.46	5,923.46
	12/01/2017	5,931.56	1.640%	100.000	5,931.56	5,931.56
	01/01/2018	5,939.66	1.640%	100.000	5,939.66	5,939.66
	02/01/2018	5,947.78	1.640%	100.000	5,947.78	5,947.78
	03/01/2018	5,955.91	1.640%	100.000	5,955.91	5,955.91
	04/01/2018	5,964.05	1.640%	100.000	5,964.05	5,964.05
	05/01/2018	5,972.20	1.640%	100.000	5,972.20	5,972.20
		210,000.00			210,000.00	210,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	05/01/2018	1.640%	5,972.20	5,972.20		
Entire Issue			210,000.00	210,000.00	1.5369	1.6456%

ACCOUNTANT'S CERTIFICATE

\$210,000
NORTH BECKLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, 2015 SERIES A
(BRANCH BANKING AND TRUST COMPANY)

May 4, 2015

North Beckley Public Service District
Beckley, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

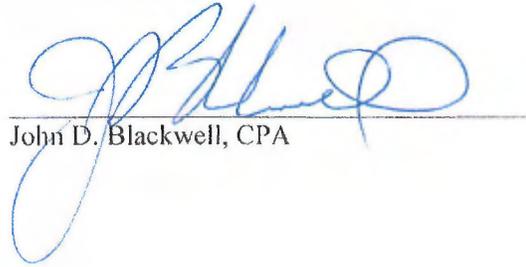
West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Branch Banking and Trust Company
Charleston, West Virginia

Based upon the sewer rates and charges set forth in the Commission Order of the Public Service Commission of West Virginia dated April 17, 2015, in Case No. 14-1924-PSD-CN, and projected operation and maintenance expenses and anticipated customer usage as furnished to me by North Beckley Public Service District (the "Issuer"), it is my opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system (the "System") of the Issuer, to (i) provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any Fiscal Year for payment of principal of and interest on the Sewer Revenue Bonds, 2015 Series A (Branch Banking and Trust Company) to be issued in an original principal amount not to exceed \$210,000 (the "2015 A Bonds") and all other obligations secured by or payable from such revenues, including the Issuer's: (a) Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), dated October 29, 2009, issued in the original aggregate principal amount of \$4,544,324 (the "2009 A Bonds"); (b) Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated October 29, 2009, issued in the original aggregate principal amount of \$2,415,521 (the "2009 B Bonds"); (c) Sewerage System Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated September 29, 2003, issued in the original aggregate principal amount of \$5,307,741 (the "2003 Bonds") and (d) Sewerage System Revenue Bonds, Series 1999 (West Virginia SRF Program), dated January 28, 1999, issued in the original aggregate principal amount of \$8,090,898 (the "1999 Bonds," and collectively with the 2009 A Bonds, the 2009 B Bonds and the 2003 Bonds, the "Prior Bonds").

It is further my opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the 2015 A Bonds plus the estimated average increased annual Net Revenues to be received in each of the three (3) succeeding years after the completion of the improvements to be financed by the 2015 A Bonds are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest, if any, on the Prior Bonds and the 2015 A Bonds.

The Issuer is current on all payments and reserve requirements at the West Virginia Municipal Bond Commission.



John D. Blackwell, CPA

\$210,000
NORTH BECKLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, 2015 SERIES A
(BRANCH BANKING AND TRUST COMPANY)

CERTIFICATE OF REGISTRAR

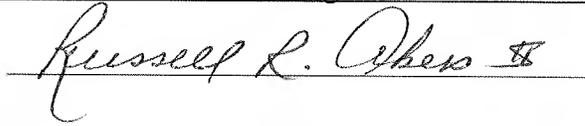
BRANCH BANKING AND TRUST COMPANY, Charleston, West Virginia (the "Bank"), as Registrar for the above-captioned Bonds (the "Bonds"), hereby certifies on this 7th day of May, 2015 as follows:

1. The Bank is a state banking corporation duly organized, validly existing, and in good standing under the laws of the State of North Carolina, may lawfully conduct business in West Virginia, and is lawfully empowered, pursuant to such laws, to accept the duties and obligations contemplated and as provided under the Bond Resolution of North Beckley Public Service District (the "Issuer") adopted on April 21, 2015 (the "Resolution") and to serve in the capacity of Registrar under the Resolution. All capitalized terms used herein but not defined herein shall have the same meanings as set forth in the Resolution.

2. The Bank has duly authorized, by all necessary action, the authentication of the Bonds and the execution and delivery of this Certificate and the acceptance of all duties of Registrar under the Resolution, and any and all other documents and agreements as may be required to be executed, delivered and received by the Bank in order to carry out, give effect to, and consummate the transactions contemplated thereby.

3. The person indicated in paragraph 4 below was at the time of the authentication of the Bonds, and is now, a duly elected, qualified and acting incumbent in his office; and, pursuant to authorization from the Board of Directors of the Bank, such person, in his official capacity, was and is authorized to authenticate the Bonds for and on behalf of the Bank.

4. Appearing opposite the name and title of the person indicated below is a true and correct specimen of his signature.

Name	Title	Signature
Russell R. Akers, II	Vice President	

5. The Bonds have been duly authenticated, registered and delivered to the Purchaser, and an advance equal to the entire principal amount of the Bonds has been deposited in the 2015 Series A Bonds Construction Trust Fund, as required by the Resolution.

IN WITNESS WHEREOF, BRANCH BANKING AND TRUST COMPANY,
Charleston, West Virginia, has caused this Certificate to be executed by its duly authorized
officer as of the day and year first written above.

BRANCH BANKING AND TRUST COMPANY

By: 
Its: Authorized Officer

\$210,000
NORTH BECKLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, 2015 SERIES A
(BRANCH BANKING AND TRUST COMPANY)

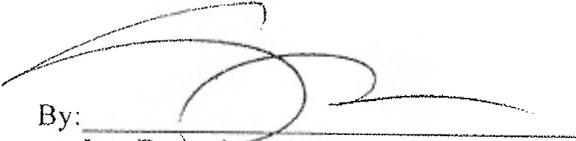
CERTIFICATE OF PAYING AGENT

The undersigned Sara L. Rogers, Executive Director of the WEST VIRGINIA MUNICIPAL BOND COMMISSION (the "Bond Commission"), hereby certifies as follows:

1. I am the duly appointed Executive Director of the Bond Commission.
2. The Bond Commission has duly authorized, by all necessary action, the acceptance of all duties of the Paying Agent for the above-captioned Bonds under the Bond Resolution dated April 21, 2015, adopted by the Public Service Board of the North Beckley Public Service District.

WITNESS my signature this 7th day of May, 2015.

WEST VIRGINIA MUNICIPAL BOND COMMISSION


By: _____
Its: Executive Director

\$210,000
NORTH BECKLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, 2015 SERIES A
(BRANCH BANKING AND TRUST COMPANY)

CERTIFICATE OF PURCHASER

Branch Banking and Trust Company, Charleston, West Virginia (the “Purchaser”), as original purchaser from the North Beckley Public Service District (the “Issuer”) of the above-captioned Bonds (the “Bonds”), hereby certifies on this 7th day of May, 2015 that:

1. We are purchasing the Bonds for our own portfolio and none of the Bonds have been the subject of an initial offering to the public. We do not intend to divide the Bonds purchased by us nor to resell or otherwise dispose of all or any part of the Bonds purchased by us, except as permitted by law on a basis of full disclosure to any subsequent holder of the Bonds and subject to applicable securities laws and regulations thereunder.

2. The weighted average maturity of the Bonds is 1.5369 years.

3. The interest rate on the Bonds is 1.64%.

4. This certificate may be relied upon by the Issuer with respect to its Certificate as to Arbitrage relating to the Bonds, and by Spilman Thomas & Battle, PLLC in rendering its tax opinion with respect to the Bonds.

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IN WITNESS WHEREOF, BRANCH BANKING AND TRUST COMPANY,
Charleston, West Virginia, has caused this Certificate to be executed by its duly authorized
officer, as of the day and year first above written.

BRANCH BANKING AND TRUST COMPANY

By: Russell R. Ober
Its: Authorized Officer

At a regular meeting of the County Court of Raleigh County, West Virginia, held at the courthouse on the 13th day of November, 1962, at 10:00 a.m., there were present John C. Ward, President, and H. G. Farmer, Commissioner. H. G. Farmer introduced and caused to be read a proposed resolution and order entitled:

"A Resolution and Order Proposing the Creation of a Public Service District within Raleigh County, West Virginia, and Providing for the Establishment of a Date of a Public Hearing Thereon and for Publication of a Notice of such Public Hearing";

and moved that all rules otherwise requiring deferred consideration be suspended and the adoption of said proposed resolution and order. In the absence of A. J. Lilly, Commissioner, John C. Ward, President, seconded said motion, and after due consideration the President called for a vote upon said motion with the following result:

For the Motion: John C. Ward, President
H. G. Farmer, Commissioner

Against the Motion: None

The said resolution and order follows:

"WHEREAS, the County Court of Raleigh County, deeming it to be in the public interest, on its own motion proposes the creation of a public service district within Raleigh County, West Virginia; and

"WHEREAS, pursuant to the provisions of Article 13A of Chapter 16 of the Code of West Virginia, a public hearing is required to be held relative to the creation of the proposed public service district;

"NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the County Court of Raleigh County, West Virginia, as follows:

"Section 1. That the County Court of Raleigh County, West Virginia, deeming it to be in the public interest, hereby

proposes the creation of a public service district within Raleigh County, West Virginia, as provided by Article 13A of Chapter 16 of the Code of West Virginia.

"Section 2.

"a) The name and corporate title of said public service district shall be the North Beckley Public Service District.

"b) The Territory to be embraced in the public service district shall be as follows:

NORTH BECKLEY PUBLIC SERVICE DISTRICT

Beginning at a point of latitude and longitude as shown on a general highway map of Raleigh County, Revised January 1, 1957, said point being N 37° 48' 30" W 81° 14' 40" said point being the most northerly point of the Crab-Orchard MacArthur Public Service District; thence in a northeasterly direction approximately 3 1/2 miles with a point of latitude and longitude N 37° 50' 36" W 81° 11' 54"; thence due east approximately .4 mile to a point of latitude and longitude N 37° 50' 38" W 81° 11' 20"; thence due south approximately .7 mile to a point of latitude and longitude N 37° 50' 00" W 81° 11' 20"; thence due east approximately 2.6 mile to a point of latitude and longitude N 37° 50' 00" W 81° 08' 40"; thence in a northeasterly direction approximately 1.1 miles to the extreme end of West Virginia State Highway 41/4; thence with West Virginia State Route 31/4 to its intersection with State Routes 41 and 61; thence with routes 41 and 19 to the south side of New River at Royal; thence with the south side of New River in a general easterly direction to the mouth of Glade Creek; thence in a general southerly direction with Glade Creek and with the Shady Spring Public Service District # 1 line to its intersection with the district line of Shady Spring and Richmond District at the mouth of Scott Branch; thence with Scott Branch and the north boundary line of the Shady Spring Public Service District # 1 to its intersection with State Route 22; thence in a westerly direction with State Route 22 to its intersection with State Route 9; thence continuing in a westerly direction with State Route 9 to its intersection with State Route 9/7; thence in a general northwesterly direction and continuing with the north boundary line of the Shady Spring Public Service District # 1 to the northern most corner of the Shady Spring Public Service District # 1, said corner being at the intersection of Route 9/7, commonly called the Old Worley Road and the corporate limits to the City of Beckley; thence in a northwesterly direction and with the corporate line of the City of Beckley to its intersection with Little Whitestick Creek; thence continuing with the corporate line of the City of Beckley in a general westerly direction to the most northwestern corner of the corporation line of the City of Beckley, said corner being approximately .3 mile north of West Virginia State Route 3, commonly known as the Harper Road, said ^{also} point being a corner of the Crab Orchard-MacArthur Public Service District.

thence in a general northwesterly direction and with the northern boundary line of the Crab Orchard-MacArthur Public Service District and parallel with West Virginia State Route 3 approximately .3 mile north thereof, to the point of beginning.

"c) The purpose of said public service district shall be to construct or acquire by purchase or otherwise and maintain, operate and improve and extend properties supplying sewerage or water services or both within such territory.

"d) The territory described above does not include within its limits the territory of any public service district organized under Article 13A of Chapter 16, Code of West Virginia, nor does such territory include within its limits any city, incorporated town, other municipal corporation, or any part thereof.

"Section 3. That on the 11th day of December, 1962, at the hour of 1:30 p.m. this County Court shall meet in the County Courtroom in the courthouse at Beckley, West Virginia, for the purpose of conducting a public hearing on the creation of the proposed public service district, at which time and place all persons residing in or owning or having any interest in property in the proposed public service district may appear and shall have an opportunity to be heard for and against the creation of said district, and, at such hearing, the County Court shall consider and determine the feasibility of the creation of the proposed public service district.

"Section 4. That the Clerk of this Court is hereby authorized and directed to cause notice of such hearing in substantially the form hereinafter set out to be published on November 30, 1962, in The Beckley Post-Herald, a newspaper of general circulation published in Raleigh County."

"NOTICE OF PUBLIC HEARING ON CREATION OF NORTH
BECKLEY PUBLIC SERVICE DISTRICT"

"Notice is hereby given that deeming it to be in the public interest the County Court of Raleigh County, West Virginia, on its own motion, has proposed the creation of a public service district within Raleigh County for the purpose of constructing or acquiring by purchase or otherwise and the maintenance, operation

and extension of public service properties supplying sewerage or water services or both within the district hereinafter described, to be named North Beckley Public Service District and having the following description:

NORTH BECKLEY PUBLIC SERVICE DISTRICT

Beginning at a point of latitude and longitude as shown on a general highway map of Raleigh County, Revised January 1, 1957, said point being N 37° 48' 30" W 81° 14' 40" said point being the most northerly point of the Crab-Orchard MacArthur Public Service District; thence in a northeasterly direction approximately 3 1/2 miles with a point of latitude and longitude N 37° 50' 38" W 81° 11' 54"; thence due east approximately .4 mile to a point of latitude and longitude N 37° 50' 38" W 81° 11' 20"; thence due south approximately .7 mile to a point of latitude and longitude N 37° 50' 00" W 81° 11' 20"; thence due east approximately 2.6 mile to a point of latitude and longitude N 37° 50' 00" W 81° 08' 40"; thence in a northeasterly direction approximately 1.1 miles to the extreme end of West Virginia State Highway 41/4; thence with West Virginia State Route 41/4 to its intersection with State Routes 41 and 61; thence with routes 41 and 19 to the south side of New River at Royal; thence with the south side of New River in a general easterly direction to the mouth of Glade Creek; thence in a general southerly direction with Glade Creek and with the Shady Spring Public Service District # 1 line to its intersection with the district line of Shady Spring and Richmond District at the mouth of Scott Branch; thence with Scott Branch and the north boundary line of the Shady Spring Public Service District # 1 to its intersection with State Route 22; thence in a westerly direction with ~~the~~ State Route 22 to its intersection with State Route 9; thence continuing in a westerly direction with State Route 9 to its intersection with State Route 9/7; thence in a general northwesterly direction and continuing with the north boundary line of the Shady Spring Public Service District # 1 to the northern most corner of the Shady Spring Public Service District # 1, said corner being at the intersection of Route 9/7, commonly called the Old Worley Road and the corporate limits to the City of Beckley; thence in a northwesterly direction and with the corporate line of the City of Beckley to its intersection with Little Whitestick Creek; thence continuing with with the corporate line of the City of Beckley in a general westerly direction to the most northwestern corner of the corporation line of the City of Beckley, said corner being approximately .3 mile north of West Virginia State Route 3, commonly known as the Harper Road, said point^{also} being a corner of the Crab Orchard-MacArthur Public Service District.

thence in a general northwesterly direction and with the northern boundary line of the Crab Orchard-MacArthur Public Service District and parallel with West Virginia State Route 3 approximately .3 mile north thereof, to the point of beginning.

"All persons residing in or owning or having any interest in property in said proposed public service district are hereby notified that the County Court of Raleigh County will conduct a public hearing on the 11th day of December, 1962, at 1:30 o'clock p.m. in the County Courtroom in the Courthouse at Beckley, West Virginia, at which time and place all interested persons may appear before the County Court and shall have an opportunity to be heard for and against the creation of the proposed public service district.

By order of the County Court this 13th day of November, 1962.

ATTEST: C. O. Smith, Jr.
Clerk of the County Court of
Raleigh County, West Virginia

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

I, C. C. Smith, Jr., Clerk of the County Court of
Raleigh County, West Virginia, hereby certify that the foregoing
is a true and correct copy of an order entered by the County Court
of Raleigh County at a regular meeting held on the 13th day of
November, 1962.

Given under my hand this 25th day of May
1963.

C. C. Smith, Jr.
Clerk C.A.
County Court of Raleigh County

(Court's seal)

West Virginia:

At a regular session of the County Court of Raleigh County, West Virginia, held at the Courthouse in the County Courtroom thereof, on the 26th day of January, 1963. P R E S E N T: John C. Ward, President
R. C. Farmer, Commissioner
Charles T. Burdiss, Com.

RESOLUTION AND ORDER APPOINTING MEMBERS TO

THE PUBLIC SERVICE BOARD OF THE NORTH

BECKLEY PUBLIC SERVICE DISTRICT

The following resolution and order was adopted by unanimous vote of the County Court of Raleigh County, West Virginia, upon motion of H. G. Farmer, seconded by Charles T. Burdiss:

WHEREAS, the County Court of Raleigh County, West Virginia, did heretofore, by resolution and order passed December 11, 1962, create North Beckley Public Service District; and

WHEREAS, under the provision of Article 13a, Chapter 16, of the Code of West Virginia, the powers of said public service district shall be vested in, and exercised by, a public service board;

NOW, THEREFORE, Be It Resolved and Ordered by the County Court of Raleigh County, West Virginia, as follows:

Section 1. That the said court hereby finds and determines that the following persons, who are residents of North Beckley Public Service District are hereby appointed members of the public service board of said district, and their respective terms of office shall be as follows: James D. Lilly for a term of six years from December 1, 1962; Cary Don Houchins for a term of four years from December 1, 1962; and Walter James for a term of two years from December 1, 1962.

Section 2. The aforesaid persons shall meet as soon as practicable at the office of the Clerk of said County Court, and shall qualify by taking the oath of office, and thereafter said appointees constituting the initial public service board of North Beckley Public Service District shall meet and organize in compliance with the provisions of Article 13a of Chapter 16 of the Code of West Virginia.

(Com Record No.32
page 18E)

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

I, C. O. Smith, Jr., Clerk of the County Court of
Raleigh County, West Virginia, hereby certify that the foregoing
is a true and correct copy of an order entered by the County
Court of Raleigh County at a regular meeting held on the 26th
day of January, 1963.

Given under my hand this 4 day of March,
1963.

C. O. Smith, Jr.
Clerk
County Court of Raleigh County
Prof. Elizabeth Allen, CL

(Court's Seal)

West Virginia:

At a regular session of the County Court of Raleigh County, West Virginia, held at the Courthouse in the County Courtroom thereof, on the 26th day of January, 1963. P R E S E N T: John C. Ward, President
H. C. Farmer, Commissioner
Charles T. Burdiss, Com.

RESOLUTION AND ORDER APPOINTING MEMBERS TO

THE PUBLIC SERVICE BOARD OF THE NORTH

BECKLEY PUBLIC SERVICE DISTRICT

The following resolution and order was adopted by unanimous vote of the County Court of Raleigh County, West Virginia, upon motion of H. G. Farmer, seconded by Charles T. Burdiss:

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WHEREAS, under the provision of Article 13a, Chapter 16, of the Code of West Virginia, the powers of said public service district shall be vested in, and exercised by, a public service board;

NOW, THEREFORE, Be It Resolved and Ordered by the County Court of Raleigh County, West Virginia, as follows:

Section 1. That the said court hereby finds and determines that the following persons, who are residents of North Beckley Public Service District are hereby appointed members of the public service board of said district, and their respective terms of office shall be as follows: James D. Lilly for a term of six years from December 1, 1962; Cary Don Houchins for a term of four years from December 1, 1962; and Walter James for a term of two years from December 1, 1962.

Section 2. The aforesaid persons shall meet as soon as practicable at the office of the Clerk of said County Court, and shall qualify by taking the oath of office, and thereafter said appointees constituting the initial public service board of North Beckley Public Service District shall meet and organize in compliance with the provisions of Article 13a of Chapter 16 of the Code of West Virginia.

(Comm Record No.32
page 18E)

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

I, C. O. Smith, Jr., Clerk of the County Court of
Raleigh County, West Virginia, hereby certify that the foregoing
is a true and correct copy of an order entered by the County
Court of Raleigh County at a regular meeting held on the 26th
day of January, 1963.

Given under my hand this 4 day of March,
1963.

C. O. Smith, Jr.
Clerk
County Court of Raleigh County
By: Edwin Hunt, Jr.

(Court's Seal)

Skelton, Raleigh County, West Virginia
February 20, 1963

Pursuant to the provisions of a resolution and order adopted January 26, 1963, by the County Court of Raleigh County, West Virginia, entitled:

"RESOLUTION AND ORDER APPOINTING MEMBERS TO PUBLIC SERVICE BOARD OF THE NORTH BECKLEY PUBLIC SERVICE DISTRICT."

the persons who had been appointed members of said public service board by said resolution and order and who had qualified by taking an oath of office, met at the Office of the Houchins Manufacturing Co. in Skelton, West Virginia, at 7:30 p.m. on February 20, 1963, for the purpose of organization. There were present: James D. Lilly, Cary D. Houchins and Walter James. James D. Lilly was elected Chairman of said public service board by a unanimous vote of the members.

Chairman Lilly asked for nominations for appointment to the office of Secretary of the public service board. It was moved by Walter James and seconded by Cary D. Houchins that Cary D. Houchins be appointed Secretary of the public service board. The motion was adopted by the following vote:

Aye: James D. Lilly
Cary D. Houchins
Walter James

Nay: None

Chairman Lilly asked for nominations for appointment to the office of Treasurer of North Beckley Public Service District. It was moved by Cary D. Houchins and seconded by Walter James that Walter James be appointed Treasurer of the North Beckley Public Service District. The motion was adopted by the following vote:

Aye: James D. Lilly
Cary D. Houchins
Walter James

Nay: None

The Chairman then stated that it was in order to provide a corporate seal for the district. It was moved by Cary D. Houchins and seconded by Walter James that the Secretary be instructed to procure a seal for the district, said seal to contain the words "North Beckley Public Service District, Raleigh County, West Virginia." The motion was adopted by the following vote:

Aye: James D. Lilly
Cary D. Houchins
Walter James

Nay: None

The Chairman then announced that Section 1409(38d) of Article 13a of Chapter 16 of the West Virginia Code requires that the public service board determine by resolution its own rules of procedure, fix the time and place of its meetings and the manner in which special meetings may be called. Thereupon, the following resolution was introduced by Cary D. Houchins and on motion of Cary D. Houchins and seconded by Walter James was adopted by the following vote:

Aye: James D. Lilly
Cary D. Houchins
Walter James

Nay: None

"A RESOLUTION SETTING FORTH RULES OF PROCEDURE FOR THE PUBLIC SERVICE BOARD OF NORTH BECKLEY PUBLIC SERVICE DISTRICT FIXING THE TIME AND PLACE OF THE MEETINGS OF SAID BOARD AND THE MANNER IN WHICH SPECIAL MEETINGS MAY BE CALLED."

"BE IT AND IT IS HEREBY RESOLVED BY THE PUBLIC SERVICE BOARD OF NORTH BECKLEY PUBLIC SERVICE DISTRICT, RALEIGH COUNTY, WEST VIRGINIA, AS FOLLOWS:

"Section 1. Regular meetings of the Public Service Board of North Beckley Public Service District shall be held without notice at the office of the Houchins Manufacturing Co. in Skelton, West Virginia, on the 1st Wednesday of each month at 7:30 p.m. unless the same shall be a legal holiday, in which event said meeting shall be held on the next succeeding secular day.

"Section 2. The first regular meeti., in January, 1964, and the first regular meeting in January on each succeeding year shall be the annual organization meeting, at which time a Chairman shall be selected from the members of the Board and a Secretary and Treasurer shall be appointed.

"Section 3. The Chairman of the Public Service Board may, when he deems it expedient and shall, upon the written request of two members of the Board, call a special meeting of the Board for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered to each member of the Board or may be mailed to the business or home address of each member of the Board at least two days prior to the date of such special meeting. At such special meeting no business shall be considered other than as designated in the call, but if all the members of the Board are present at a special meeting, any and all business may be transacted at such special meeting.

"Section 4. A majority of the members of the Board shall constitute a quorum for the purpose of conducting the business and exercising the powers of the District and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. When a quorum is in attendance, action may be taken by the Board upon a vote of a majority of the members of said Board.

"Section 5. At the regular meetings of the Board the following shall be the order of business:

- "1. Roll Call
- "2. Reading and approval of the minutes of the previous meeting
- "3. Bills and communications
- "4. Reports of the Secretary and Treasurer
- "5. Reports of committees
- "6. Unfinished business
- "7. New business
- "8. Adjournment

"Section 6. All resolutions shall be in writing and shall be copied in a journal of the proceedings of the Board, and the voting on all questions coming before the Board shall be by roll call and the Ayes and Nays shall be entered upon the minutes of such meeting."

Thereupon, the following resolution was introduced by Cary D. Houchins, read in full and pursuant to motion made by Cary D. Houchins and seconded by Walter James, was adopted by the following vote:

Aye: James D. Lilly
Cary D. Houchins
Walter James

Nay: None

"Whereas, North Beckley Public Service District, herein called the 'Applicant,' after thorough consideration of the various aspects of the problem and study of available data has hereby determined that the construction of certain public works, generally described as a sanitary sewerage system and sewage treatment plant in said district is desirable and in the public interest and to that end it is necessary that action preliminary to the construction of said works be taken immediately; and

"WHEREAS, under the terms of Public Law 560, 83rd Congress, as amended, the United States of America has authorized the making of advances to public bodies to aid in financing the cost of engineering and architectural surveys, designs, plans, working drawings, specifications or other action preliminary to and in preparation for the construction of public works; and

"WHEREAS, the Applicant has examined and duly considered such Act and the Applicant considers it to be in the public interest and to its benefit to file an application under said Act and to authorize other action in connection therewith;

WEST VIRGINIA:

At a regular session of the County Court of Raleigh County, West Virginia, held on the 11th day of December, 1962, in the County Court Room of the Court House.

P R E S E N T: John C. Ward, President
H. G. Farmer, Commissioner
A. J. Lilly, Commissioner

This being the date fixed by prior action of the County Court for conducting the public hearing on the creation of the proposed North Beckley Public Service District, as contemplated and provided for in an order heretofore passed by this Court on the 13th day of November, 1962, the President announced that all persons residing in, or owning, or having any interest in property in such proposed public service district desiring to be heard for or against the creation would be heard, and all such interested persons desiring to be heard were given full opportunity. Among those present at the meeting were W. Beverly Hume, County Sanitarian, Raleigh County, Dennis M. Leary, Jr., Engineer, W. H. File, Jr., Attorney, and several residents and property owners from the proposed district.

The County Court, having further discussed and considered the feasibility of the creation of the proposed district, is of the opinion that in the public interest, the said district should be created.

Thereupon, H. G. Farmer, Commissioner, moved the passage of the following resolution and order, which motion was duly seconded by A. J. Lilly, Commissioner, and passed unanimously by said Court:

WHEREAS, the County Court of Raleigh County, West Virginia, did heretofore, by an order passed on the 13th day of November, 1962,

fix a date for a public hearing on the creation of the proposed North Beckley Public Service District, and in and by said order, provide that all persons residing in or owning, or having any interest in property in the proposed public service district might appear before the County Court at this meeting and have the opportunity to be heard for and against the creation of said district; and

WHEREAS, notice of this hearing was duly given in the manner provided and required by said order and by Article 13a of Chapter 16 of the Code of West Virginia, and all interested persons have been afforded an opportunity of being heard for and against the creation of said district, but no written protest has been filed by the requisite number of qualified voters registered and residing within said proposed public service district, and said County Court has given due consideration to all matters for which such hearing was offered; and

WHEREAS, it is now deemed desirable by said County Court to adopt a resolution and order creating said district;

NOW, THEREFORE, Be It Resolved and Ordered by the County Court of Raleigh County, West Virginia, as follows:

Section 1. That a public service district within Raleigh County, West Virginia, is hereby created, and such district shall have the following described boundaries:

BEGINNING at a point of latitude and longitude as shown on a general highway map of Raleigh County, Revised January 1, 1957, said point being N 37° 48' 30" W 81° 14' 40" said point being the most northerly point of the Crab Orchard-MacArthur Public Service District; thence in a northeasterly direction approximately 3½ miles with a point of latitude and longitude N 37° 50' 38" W 81° 11' 54"; thence due east approximately .4 mile to a point of latitude and

longitude N 37° 50' 38" W 81° 11' 20"; thence due south approximately .7 mile to a point of latitude and longitude N 37° 50' 00" W 81° 11' 20"; thence due east approximately 2.6 mile to a point of latitude and longitude N 37° 50' 00" W 81° 08' 40"; thence in a northeasterly direction approximately 1.1 miles to the extreme end of West Virginia State Highway 41/4; thence with West Virginia State Route 41/4 to its intersection with State Routes 41 and 61; thence with routes 41 and 19 to the south side of New River at Royal; thence with the south side of New River in a general easterly direction to the mouth of Glade Creek; thence in a general southerly direction with Glade Creek and with the Shady Spring Public Service District #1 line to its intersection with the district line of Shady Spring and Richmond District at the mouth of Scott Branch; thence with Scott Branch and the north boundary line of the Shady Spring Public Service District #1 to its intersection with State Route 22; thence in a westerly direction with State Route 22 to its intersection with State Route 9; thence continuing in a westerly direction with State Route 9 to its intersection with State Route 9/7; thence in a general northwesterly direction and continuing with the north boundary line of the Shady Spring Public Service District #1 to the northern most corner of the Shady Spring Public Service District #1, said corner being at the intersection of Route 9/7, commonly called the Old Worley Road and the corporate limits to the City of Beckley; thence in a northwesterly direction and with the corporate line of the City of Beckley to its intersection with Little Whitestick Creek; thence continuing with the corporate line of the City of Beckley in a general westerly direction to the most northwestern corner of the corporation line of the City of Beckley, said corner being approximately .3 mile north of West Virginia State Route 3, commonly known as the Harper Road, said point also

being a corner of the Crab Orchard-MacArthur Public Service District; thence in a general northwesterly direction and with the northern boundary line of the Crab Orchard-MacArthur Public Service District and parallel with West Virginia State Route 3 approximately .3 mile north thereof, to the point of beginning.

Section 2. That said public service district so created shall have the name and corporate title of "North Beckley Public Service District" and shall constitute a public corporation and political subdivision of the State of West Virginia, having all of the rights and powers conferred on public service districts by the laws of the State of West Virginia, and particularly Article 13a, Chapter 16, of the Code of West Virginia.

Section 3. That the County Court of Raleigh County, West Virginia, has determined that the territory within said county, being in Town District, is so situated that the construction or acquisition by purchase or otherwise, and the maintenance, operation, improvement and extension of properties supplying sewerage or water services or both within such territory by said public service district will be conducive to the preservation of public health, comfort and convenience of such area.

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

I, C. O. Smith, Jr., Clerk of the County Court of Raleigh County, West Virginia, hereby certify that the foregoing is a true and correct copy of an order entered by the County Court of Raleigh County at a regular meeting held on the 11th day of December, 1962.

Given under my hand this 11th day of December,
1962.

C. O. Smith, Jr.
Clerk, County Court of Raleigh
County

(COURT'S SEAL)

BECKLEY POST-HERALD

BECKLEY, WEST VIRGINIA

Publisher's Fee \$

COPY OF PUBLICATION

NOTICE OF PUBLIC HEARING ON CREATION OF NORTH BECKLEY PUBLIC SERVICE DISTRICT

Notice is hereby given that deeming it to be in the public interest the County Court of Raleigh County, West Virginia, on its own motion, has proposed the creation of a public service district within Raleigh County for the purpose of constructing or acquiring by purchase or otherwise and the maintenance, operation and extension of public service properties supplying sewerage or water services or both within the district hereinafter described, to be named North Beckley Public Service District and having the following description:

NORTH BECKLEY PUBLIC SERVICE DISTRICT Beginning at a point of latitude and longitude as shown on a general highway map of Raleigh County, Revised January 3, 1957, said point being N 37 degrees 35' 20" W 51 degrees 11' 40" said point being the most northerly point of the Crab Orchard-MacArthur Public Service District; thence in a northeasterly direction approximately 3 1/2 miles with a point of latitude and longitude N 37 degrees 50' 39" W 51 degrees 11' 51"; thence due east approximately 4 mile to a point of latitude and longitude N 37 degrees 50' 20" W 51 degrees 11' 20"; thence due south approximately 7 mile to a point of latitude and longitude N 37 degrees 50' 00" W 51 degrees 11' 20"; thence due east approximately 2.6 mile to a point of latitude and longitude N 37 degrees 50' 00" W 51 degrees 03' 40"; thence in a northeasterly direction approximately 1.2 miles to the extreme end of West Virginia State Highway 41-4; thence with West Virginia State Route 41-4 to its intersection with States Routes 41 and 61; thence with routes 41 and 61 to the south side of New River at Royal; thence with the south side of New River in a general easterly direction to the mouth of Glade Creek; thence in a general southerly direction with Glade Creek and with the Shady Spring Public Service District No. 1 line to its intersection with the district line of Shady Spring and Richmond District at the mouth of Scott Branch; thence with Scott Branch and the north boundary line of the Shady Spring Public Service District No. 1 to its intersection with State Route 22; thence in a westerly direction with State Route 22 to its intersection with State Route 9; thence continuing in westerly direction with State Route 9 to its intersection with State Route 5-7; thence in a general northwesterly direction and continuing with the north boundary line of the Shady Spring Public Service District No. 1, said corner being at the intersection of Route 5-7 commonly called the Old Worley Road and the corporate limits to the City of Beckley; thence in a northwesterly direction and with the corporate line of the City of Beckley to its intersection with Little Whitecreek Creek; thence continuing with the corporate line of the City of Beckley in a general westerly direction to the most northwestern corner of the corporation line of the City of Beckley, said corner being approximately 3 mile north of West Virginia State Route 3, commonly known as the Harper Road, said point also being a corner of the Crab Orchard-MacArthur Public Service District; thence in a general northwesterly direction and with the northern boundary line of the Crab Orchard-MacArthur Public Service District and parallel with West Virginia State Route 3 approximately 3 mile north thereof, to the point of beginning.

All persons residing in or owning or having any interest in property in said proposed public service district are hereby notified that the County Court of Raleigh County will conduct a public hearing on the 14th day of December, 1962, at 1:30 o'clock p.m. in the County Courtroom in the Courthouse at Beckley, West Virginia, at which time and place all interested persons may appear before the County Court and shall have an opportunity to be heard for and against the creation of the proposed public service district.

By order of the County Court this 12th day of November, 1962. C. O. Smith, Jr., Clerk of the County Court of Raleigh County, West Virginia

STATE OF WEST VIRGINIA,
County of Raleigh, To-Wit:
I, _____, Editor of The Beckley Post-Herald, a newspaper published in said Raleigh County, do hereby certify that the attached notice was published in said newspapers once a week for _____ consecutive weeks, commencing on the _____ day of _____, 19____, and that a copy of same was posted at the front door of the court house of Raleigh County, West Virginia, on the _____ day of _____, 19____.

Editor BECKLEY POST-HERALD

IN RE: NORTH BECKLEY PUBLIC SERVICE DISTRICT

H. G. Farmer introduced and caused to be read a proposed resolution and order entitled:

"A Resolution and Order Proposing the Creation of a Public Service District Within Raleigh County, West Virginia, and Providing for the Establishment of a Date of a Public Hearing Thereon and for Publication of a Notice of such Public Hearing;

and moved that all rules otherwise requiring deferred consideration be suspended and the adoption of said proposed resolution and order. In the absence of A. J. Lilly, Commissioner, John C. Ward, President, seconded said motion, and after due consideration the President called for a vote upon said motion with the following result:

For the Motion: John C. Ward, President
H. G. Farmer, Commissioner

Against the Motion: None

The said resolution and order follows:

"WHEREAS, the County Court of Raleigh County, deeming it to be in the public interest, on its own motion proposes the creation of a public service district within Raleigh County, West Virginia; and

"WHEREAS, pursuant to the provisions of Article 13A of Chapter 16 of the Code of West Virginia, a public hearing is required to be held relative to the creation of the proposed public service district;

"NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the County Court of Raleigh County, West Virginia, as follows:

"Section 1. That the County Court of Raleigh County, West Virginia, deeming it to be in the public interest, hereby proposes the creation of a public service district within Raleigh County, West Virginia, as provided by Article 13A of Chapter 16 of the Code of West Virginia.

"Section 2.

"a) The name and corporate title of said public service district shall be the North Beckley Public Service District.

"b) The Territory to be embraced in the public service district shall be as follows:

NORTH BECKLEY PUBLIC SERVICE DISTRICT

beginning at a point of latitude and longitude as shown on a general highway map of Raleigh County, revised January 1, 1957, said point being N 37° 48' 30" W 81° 14' 40", said point being the east northerly point of the Crab Orchard MacArthur Public Service District; thence in a northeasterly direction approximately 3 1/2 miles with a point of latitude and longitude N 37° 50' 36" W 81° 11' 54"; thence due east approximately .4 mile to a point of latitude and longitude N 37° 50' 38" W 81° 11' 20"; thence due south approximately .7 mile to a point of latitude and longitude N 37° 50' 00" W 81° 11' 20"; thence due east approximately 2.6 mile to a point of latitude and longitude N 37° 50' 00" W 81° 08' 40"; thence in a northeasterly direction approximately 1.1 miles to the extreme end of West Virginia State Highway 41/4; thence with West Virginia State Route 41/4 to its intersection with State Routes 41 and 61; thence with routes 41 and 19 to the south side of New River at Royal; thence with the south side of New River in a general easterly direction to the mouth of Glade Creek; thence in a general southerly direction with Glade Creek and with the Shady Spring Public Service District # 1 line to its intersection with the district line of Shady Spring and Richmond District at the mouth of Scott Branch; thence with Scott Branch and the north boundary line of the Shady Spring Public Service District # 1 to its intersection with State Route 22; thence in a westerly direction with State Route 22 to its intersection with State Route 9; thence continuing in a westerly direction with State Route 9 to its intersection with State Route 9/7; thence in a general northwesterly direction and continuing with the north boundary line of the Shady Spring Public Service District # 1 to the northern most corner of the Shady Spring Public Service District # 1, said corner being at the intersection of Route 9/7, commonly called the Old Worley Road and the corporate limits to the City of Beckley; thence in a northwesterly direction and with the corporate line of the City of Beckley to its intersection with Little Waltestick Creek; thence continuing with the corporate line of the City of Beckley in a general westerly direction to the most northwestern corner of the corporation line of the City of Beckley, said corner being approximately .3 mile north of West Virginia State Route 3, commonly known as the Harper Road, said point also being a corner of the Crab Orchard MacArthur Public Service District.

North Beckley Public Service District

Page Two

thence in a general northwesterly direction and with the northern boundary line of the Crab Orchard-MacArthur Public Service District and parallel with West Virginia State Route 3 approximately .3 mile north thereof to the point of beginning.

"c) The purpose of said public service district shall be to construct or acquire by purchase or otherwise and maintain, operate and improve and extend properties supplying sewerage or water services or both within such territory.

"d) The territory described above does not include within its limits the territory of any public service district organized under Article 13A of Chapter 16, Code of West Virginia, nor does such territory include within its limits any city, incorporated town, other municipal corporation, or any part thereof.

"Section 3. That on the 11th day of December, 1962, at the hour of 1:30 p.m. this County Court shall meet in the County Courtroom in the courthouse at Beckley, West Virginia, for the purpose of conducting a public hearing on the creation of the proposed public service district, at which time and place all persons residing in or owning or having any interest in property in the proposed public service district may appear and shall have an opportunity to be heard for and against the creation of said district, and, at such hearing, the County Court shall consider and determine the feasibility of the creation of the proposed public service district.

"Section 4. That the Clerk of this Court is hereby authorized and directed to cause notice of such hearing in substantially the form hereinafter set out to be published on November 30, 1962, in The Beckley Post-Herald, a newspaper of general circulation published in Raleigh County.

"NOTICE OF PUBLIC HEARING ON CREATION OF NORTH
BECKLEY PUBLIC SERVICE DISTRICT"

"Notice is hereby given that deeming it to be in the public interest the County Court of Raleigh County, West Virginia, on its own motion, has proposed the creation of a public service district within Raleigh County for the purpose of constructing or acquiring by purchase or otherwise and the maintenance, operation and extension of public service properties supplying sewerage or water services or both within the district hereinafter described, to be named North Beckley Public Service District and having the following description:

NORTH BECKLEY PUBLIC SERVICE DISTRICT

Beginning at a point of latitude and longitude as shown on a general highway map of Raleigh County, Revised January 1, 1957, said point being N 37° 48' 30" W 81° 14' 40" said point being the most northerly point of the Crab Orchard-MacArthur Public Service District; thence in a northeasterly direction approximately 3 1/2 miles with a point of latitude and longitude N 37° 50' 38" W 81° 11' 54"; thence due east approximately .4 mile to a point of latitude and longitude N 37° 50' 38" W 81° 11' 20"; thence due south approximately .7 mile to a point of latitude and longitude N 37° 50' 00" W 81° 11' 20"; thence due east approximately 2.6 mile to a point of latitude and longitude N 37° 50' 00" W 81° 08' 40"; thence in a northeasterly direction approximately 1.1 miles to the extreme end of West Virginia State Highway 41/4; thence with West Virginia State Route 41/4 to its intersection with State Routes 41 and 61; thence with routes 41 and 19 to the south side of New River at Royal; thence with the south side of New River in a general easterly direction to the mouth of Glade Creek; thence in a general southerly direction with Glade Creek and with the Shady Spring Public Service District # 1 line to its intersection with the district line of Shady Spring and Richmond District at the mouth of Scott branch; thence with Scott branch and the north boundary line of the Shady Spring Public Service District # 1 to its intersection with State Route 22; thence in a westerly direction with State Route 22 to its intersection with State Route 94; thence continuing in a westerly direction with State Route 94 to its intersection with State Route 97; thence in a general northwesterly direction and continuing with the north boundary line of the Shady Spring Public Service District # 1 to the northern west corner of the Shady Spring Public Service District # 1, said corner being at the intersection of route 97, commonly called the Old Berley Road and the corporate limits to the City of Beckley; thence in a northwesterly direction and with the corporate line of the City of Beckley to its intersection with Little Whitestick Creek; thence continuing with with the corporate line of the City of Beckley in a general westerly direction to the most north-western corner of the corporation line of the City of Beckley, said corner being approximately .3 mile north of West Virginia State Route 3, commonly known as the Harper Road, said point being a corner of the Crab Orchard-MacArthur Public Service District.

North Beckley Public Service District

Page two

thence in a general northwesterly direction and with the northern boundary line of the Crab Orchard-MacArthur Public Service District and parallel with West Virginia State Route 3 approximately 2 1/2 mile north thereof to the point of beginning.

IN RE: NORTH BECKLEY PUBLIC SERVICE
DISTRICT.

This being the date fixed by prior action of the County Court for conducting the public hearing on the creation of the proposed North Beckley Public Service District, as contemplated and provided for in an order heretofore passed by this Court on the 13th day of November, 1962, the President announces that all persons residing in, or owning, or having any interest in property in such proposed public service district desiring to be heard for or against the creation would be heard, and all such interested persons desiring to be heard were given full opportunity. Among those present at the meeting were W. Beverly Hure, County Sanitarian, Raleigh County, Dennis M. Leary, Jr., Engineer, W. H. Fife, Jr., Attorney, and several residents and property owners from the proposed district.

The County Court, having further discussed and considered the feasibility of the creation of the proposed district, is of the opinion that in the public interest, the said district should be created.

Thereupon, H. G. Farmer, Commissioner, moved the passage of the following resolution and order, which motion was duly seconded by A. J. Lilly, Commissioner, and passed unanimously by said Court:

WHEREAS, the County Court of Raleigh County, West Virginia, did heretofore, by an order passed on the 13th day of November, 1962,

fix a date for a public hearing on the creation of the proposed North Beckley Public Service District, and in and by said order, provide that all persons residing in or owning, or having any interest in property in the proposed public service district might appear before the County Court at this meeting and have the opportunity to be heard for and against the creation of said District; and

WHEREAS, notice of this hearing was duly given in the manner provided and required by said order and by Article 13a of Chapter 16 of the Code of West Virginia, and all interested persons have been afforded an opportunity of being heard for and against the creation of said district, but no written protest has been filed by the requisite number of qualified voters registered and residing within said proposed public service district, and said County Court has given due consideration to all matters for which such hearing was offered; and

WHEREAS, it is now deemed desirable by said County Court to adopt a resolution and order creating said district;

NOW, THEREFORE, Be It Resolved and Ordered by the County Court of Raleigh County, West Virginia, as follows:

Section 1. That a public service district within Raleigh County, West Virginia, is hereby created, and such district shall have the following described boundaries:

BEGINNING at a point of latitude and longitude as shown on a general highway map of Raleigh County, Revised January 1, 1957, said point being N 37° 48' 30" W 81° 14' 40" said point being the most northerly point of the Crab Orchard-MacArthur Public Service District; thence in a northeasterly direction approximately 3/4 miles with a point of latitude and longitude N 37° 50' 35" W 81° 11' 54"; thence due east approximately .4 mile to a point of latitude and

longitude N 37° 50' 35" W 81° 11' 20" E thence due south approximately .7 mile to a point of latitude and longitude N 37° 50' 00" W 81° 11' 20" E thence due east approximately 2.6 mile to a point of latitude and longitude N 37° 50' 00" W 81° 63' 40" E thence in a northeasterly direction approximately 1.1 miles to the extreme end of West Virginia State Highway 41/4 thence with West Virginia State Route 41/4 to its intersection with State Route 41 and 19 thence with route 41 and 19 to the south side of New River at Royal thence with the south side of New River in a general easterly direction to the mouth of Glade Creek thence in a general southerly direction with Glade Creek and with the Shady Spring Public Service District #1 line to its intersection with the district line of Shady Spring and Richmond District at the south of Scott Branch thence with Scott Branch and the north boundary line of the Shady Spring Public Service District #1 to its intersection with State Route 22 thence in a westerly direction with State Route 22 to its intersection with State Route 7 thence continuing in a westerly direction with State Route 7 to its intersection with State Route 9/7 thence in a general northwesterly direction and continuing with the north boundary line of the Shady Spring Public Service District #1 to the northern most corner of the Shady Spring Public Service District #1, said corner being at the intersection of route 9/7 commonly called the Old Worley Road and the corporate limits to the City of Beckley thence in a northwesterly direction and with the corporate line of the City of Beckley to its intersection with Little Whiteside Creek thence continuing in the corporate line of the City of Beckley in a general westerly direction to the most northwestern corner of the corporation line of the City of Beckley, said corner being approximately .3 mile north of West Virginia State Route 3, commonly known as the Harper Road, said point also

being a corner of the Crab Orchard-MacArthur Public Service District, thence in a general northwesterly direction and with the northern boundary line of the Crab Orchard-MacArthur Public Service District and parallel with West Virginia State Route 3 approximately .3 mile north thereof, to the point of beginning.

Section 2. That said public service district so created shall have the name and corporate title of "North Beckley Public Service District" and shall constitute a public corporation and political subdivision of the State of West Virginia, having all of the rights and powers conferred on public service districts by the laws of the State of West Virginia, and particularly Article 13a, Chapter 16, of the Code of West Virginia.

Section 3. That the County Court of Raleigh County, West Virginia, has determined that the territory within said county, being in Town District, is so situated that the construction or acquisition by purchase or otherwise, and the maintenance, operation, improvement and extension of properties supplying sewerage or water services or both within such territory by said public service district will be conducive to the preservation of public health, comfort and convenience of such area.

-6-

I, BETTY RIFFE, Clerk of the County Commission of Raleigh County, West Virginia, hereby certify that the foregoing is a true copy from the records of my office.

In Testimony Whereof, I hereunto place my hand and affix my seal of said Commission this the ^{26th} day of July, 1979

BETTY RIFFE, Clerk

By Betty Riffe Clerk

BEFORE THE COUNTY COMMISSION OF RALEIGH COUNTY, WEST VIRGINIA

IN RE: SHADY SPRING PUBLIC SERVICE DISTRICT,
BRADLEY PUBLIC SERVICE DISTRICT,
NORTH BECKLEY PUBLIC SERVICE DISTRICT,
CRAB ORCHARD/MACARTHUR PUBLIC SERVICE DISTRICT.

This the 17th day of December, 1996, came the Petitioners and petitions the County Commission to approve the agreed Boundary modifications and corrections of all the Public Service Districts providing sewer service in Raleigh County, West Virginia. In addition, the Petitioners are requesting the County Commission approve transfer of all property from the dissolved Public Service Districts to the appropriate new Public Service District. The purpose of the realignment shall be to provide definite boundaries of each Public Service District and provide more efficient service to the citizens of Raleigh County. The new boundary for each Public Service District is attached and marked as Exhibit A.

Wherefore, the Petitioners request the County Commission to accept the new boundary lines for the Public Service Districts providing sewer service in Raleigh County, West Virginia, and set a public hearing as required by West Virginia Code 16-13A-2 and such other general relief this Court deems just and proper.

SHADY SPRING PUBLIC SERVICE
DISTRICT, BRADLEY PUBLIC SERVICE
DISTRICT, NORTH BECKLEY PUBLIC
SERVICE DISTRICT, CRAB
ORCHARD/MACARTHUR PUBLIC
SERVICE DISTRICT

Shady Spring Public Service District Legal Description

Beginning at a point where the centerline of the West Virginia Turnpike (I-77) intersects Piney Creek, thence approximately 2.0 miles in a southeasterly direction along the centerline of the West Virginia Turnpike to its intersection with Sullivan Road, thence approximately 1.0 miles in a southeasterly direction to a point of Latitude and Longitude N37°42'28" W81°10'42", said point being on the ridge line of Griffiths Ridge, thence following Griffiths Ridge approximately 6.4 miles in a southeasterly direction to a point of Latitude and Longitude N37°38'35" W81°07'59", thence leaving Griffiths Ridge approximately 2.5 miles in a southerly direction to the intersections of the centerlines of Odd Road (County Route 48) and Bob Vines Road (County Route 48/4), thence approximately 1.2 miles in a southerly direction along the centerline of Bob Vines Road (County Route 48/4) to a point where County Route 48/4 intersect the Raleigh County line, thence into Mercer County approximately 1.6 miles in a southeasterly direction to a point of Latitude and Longitude N37°34'02" W81°07'11", thence approximately 0.6 miles due east to a point of Latitude and Longitude, N37°34'02" W81°06'33", thence approximately 0.4 miles in a northerly direction to a point of Latitude and Longitude N37°34'23" W81°06'31", thence approximately 0.3 miles in an easterly direction to a point of Latitude and Longitude N37°34'24" W81°06'09", thence approximately 0.8 miles in a northerly direction to a point of Latitude and Longitude N37°35'05" W81°06'09", thence approximately 0.5 miles to a northeasterly direction to a point where the Raleigh, Summers, and Mercer County lines have a common boundary point, thence along the Raleigh County line 45.9 miles in a northeasterly and northwesterly direction to the confluence of the Piney Creek and New River, thence approximately 2.3 miles in a southwesterly direction along the centerline of Piney Creek upstream to the confluence of Piney Creek and Fat Creek, said point being a common boundary between North Beckley, Shady Spring Public Service Districts and the City of Beckley Sanitary Board, thence following Fat Creek in a southerly direction from the confluence of Piney Creek and Fat Creek approximately 16,500 feet to the confluence of Fat Creek and Pedge Branch, a tributary of Fat Creek;

thence, following Pedge Branch in a southerly and easterly direction approximately 750 feet to an unnamed tributary of Pedge Branch;

thence, following the unnamed tributary of Pedge Branch approximately 1,800 feet in a southerly direction to the centerline of Interstate 64;

thence, following the centerline of Interstate 64 in a westerly direction approximately 12,600 feet to the intersection of Airport Road (West Virginia Route 9);

thence, following Airport Road (West Virginia Route 9/9) approximately 1,150 feet to the intersection of Airport Road and Orchard Hill Road (West Virginia Route 9)

thence, following Orchard Hill Road in a southerly and westerly direction approximately 3,900 feet to a point opposite the southernmost property corner of the Cherry Hills subdivision;

thence, following the property lines and two foot reservation easement of the Cherry Hills subdivision approximately 100 feet north-northwest and 800 feet west-northwesterly to a point on a ridge, being a common corner to Parcel 8, Shady Spring District 11, Tax Map No. 8.

thence, following the top of a ridge across Parcels 8, 8C and 5, Shady Spring District 11, Tax Map No. 8 to a point where Beaver Creek flows into Piney Creek, this line is further described as follows:

Leaving a point at the center of an existing gate at or near the property corner of the Cherry Hills subdivision and the Leon Lucas property further described as Parcel 8, Shady Spring District 11, Tax Map No. 8 (and having coordinates in the West Virginia State Plane Coordinate System of N276675, E1960025; thence approximately 640 feet in a west-southwest direction to a high point (N276340, E1959475 in the West Virginia State Plane Coordinate system);

thence approximately 500 feet west-northwest to a point on the ridge (N276630, E1959070); thence approximately 850 feet west-southwest to a high point (N276305, E1958290); thence approximately 575 feet southwest to a high point (N275880, E1957910); thence approximately 1,170 feet to a point on the centerline of Interstate 64 (N276360, E1956850) this point also being about 30 feet south of a sign crossing over the east bound lane of the road; thence following the centerline approximately 680 feet south (west-bound) to the center of a bridge crossing the highway (N275735, E1956590); thence leaving the Interstate centerline and following the ridge approximately 1,950 feet west to the point where Beaver Creek flows into Piney Creek (N275800, E1954640).

thence, following the centerline of Piney Creek upstream approximately 3,150 feet to a point where an old Chesapeake and Ohio railroad bridge crossed Piney Creek;

thence, leaving the centerline of Piney Creek and heading due south to the centerline of the Chesapeake and Ohio Railroad tracks;

thence, following the centerline of the Chesapeake and Ohio Railroad tracks in a southerly and westerly direction 4,300 feet to the centerline of a railroad bridge crossing Piney Creek;

thence, leaving the center line of the railroad tracks and following the centerline of Piney Creek approximately 3,600 feet to a point where a natural gas pipeline crosses Piney Creek; said point being a common boundary between Crab Orchard/MacArthur and Shady Spring Public Service Districts and the City of Beckley Sanitary Board, thence following the centerline of Piney Creek upstream approximately 3.7 miles in a southwesterly direction to a point of beginning.

Crab Orchard/MacArthur Public Service District Legal Description

Beginning at a point of Latitude and Longitude N37°48'38" W81°14'07", said point being a common boundary between Crab Orchard/MacArthur, North Beckley, and Bradley Public Service Districts, thence approximately 12.4 miles in a southwesterly direction to a point of Latitude and Longitude N37°46'40" W81°27'26", said point being a point on the Raleigh County line, thence with the Raleigh County line in a southeasterly and then northeasterly direction approximately 37.2 miles to a point where Bob Vines Road (County Route 48/4) intersects the Raleigh County line, thence approximately 1.2 miles in a northerly direction along the centerline of Bob Vines Road (County Route 48/4) to its intersection with Odd Road (County Rte. 48), thence approximately 2.5 miles in a northerly direction to a point of Latitude and Longitude N37°38'35" W81°07'59", said point being on the ridge line of Griffiths Ridge, thence following Griffiths Ridge approximately 6.4 miles in a northwesterly direction to a point of Latitude and Longitude N37°42'28" W81°10'42", thence leaving Griffiths Ridge in a northwesterly direction approximately 1.0 mile to the intersections of the centerlines of the West Virginia Turnpike (I-77) and Sullivan Road (County Rte. 25), thence approximately 2.0 miles in a northwesterly direction along the centerline of the West Virginia Turnpike (I-77) to its intersection with Piney Creek, thence following the centerline of Piney Creek downstream approximately 3.7 miles in a northeasterly to a point where a natural gas pipeline crosses Piney Creek, said point being a common boundary between Crab Orchard/MacArthur and Shady Spring Public Service Districts and the City of Beckley Sanitary Board, thence leaving Piney Creek and following a natural gas pipeline approximately 5,200 feet to its intersection with Raleigh Ridge Road (WV Route 19/10);

thence, following the centerline of Raleigh Ridge Road (WV Route 19/10) approximately 2,400 feet westerly to the intersection with the centerline of Fitzpatrick Road (WV Route 20);

thence, following the centerline of Fitzpatrick Road westerly approximately 3,500 feet to the centerline of the intersection with Old Pemberton Road and Old Soak Creek Road;

thence, leaving the intersection of Fitzpatrick Road, Old Pemberton Road, and Old Soak Creek Road and following a line across the West Virginia Turnpike Robert C. Byrd Drive interchange approximately 2250 feet to the west-southwest to a point at the intersection of the centerlines of Old Eccles Road (WV Route 3/18) and Highland Road;

thence, leaving the intersection of Old Eccles Road (WV Route 3/18) and Highland Drive and following Old Eccles Road in a westerly direction approximately 4,500 feet to the centerline of Old Mill Road (WV Route 3/21);

thence, leaving the centerline of Old Eccles Road and following the centerline of Old Mill Road approximately 2,000 feet in an easterly direction to the center a bridge over the West Virginia Turnpike;

thence, leaving Old Mill Road and following the centerline of the West Virginia Turnpike (Interstates 77 & 64) northerly approximately 2,650 feet to the centerline of the Chesapeake and Ohio railroad tracks following Whitestick Creek;

thence, leaving the West Virginia Turnpike centerline and following the centerline of the railroad tracks approximately 850 feet west to the centerline of Old Wickham Road;

thence, following the centerline of Old Wickham Road to the east approximately 600 feet to a point opposite the right-of-way of Hutchinson Road (not constructed);

thence, leaving the centerline of Old Wickham Road and following the centerline of the Hutchinson Road right-of-way to the north approximately 800 feet;

thence, leaving the right-of-way and following the property line between Tax Map District 10, Map No. 200-3 Parcels 65 through 75 and Parcels 117.1 through 123 for a total distance of approximately 618 feet;

thence, following the property line between Parcels 78 and 75 100.1 feet in an easterly direction to a property corner;

thence, leaving the property corner and following the property line between Parcel 78 and Parcels 76, 77, 79, and 80 northerly for a distance of 215 feet to the centerline of the Harold Road right-of-way;

thence, leaving the Harold Road right-of-way and following the property line between Parcels 81 through 87 and Parcels 106 and 107 northerly for a distance of 450 feet to the centerline of the Oppie Road right-of-way;

thence, leaving the Oppie Road right-of-way and following the property line between Parcel 93 and Parcel 94 northerly for a distance of 239 feet to the Harper Industrial Park tract;

thence, following Harper Industrial park property line approximately 860 feet in a northwesterly direction to a corner, approximately 1,400 feet northerly to a corner, approximately 1,200 feet east-northeasterly to a corner, being a common corner between ~~Parcels 186 and 187~~ on Town District 10, Tax Map No. 26;

thence, following the property line approximately 300 feet southeast to the centerline of George Street;

thence, following a line 800 feet due east to the centerline of Harper Park Drive;

thence approximately 520 feet east to the centerline of Harper Road (WV Rte. 3) and the centerline of the West Virginia Turnpike (I-77), thence following the centerline of the West Virginia Turnpike (I-77) in a northerly direction 600 feet to a point, said point being a common boundary between North Beckley and Crab Orchard/MacArthur Public Service Districts and the City of Beckley Sanitary Board; thence following a line 600 feet parallel to the north of the centerline of Harper Road (WV Rte. 3) in a northwesterly direction approximately 0.6 miles to a point where the

600 feet parallel offset intersects the Tamarack Entrance Road, thence 335± feet in a southwesterly direction along the centerline of the Tamarack Entrance Road to its intersection with Dry Hill Road (County Rte. 11), thence 0.4 miles in a northwesterly direction along the centerline of Dry Hill Road (County Rte. 11) to its intersection with Summit Drive, thence approximately 0.2 miles in a northwesterly direction to a point of Latitude and Longitude N37°48'06" W81°13'45", thence approximately 0.2 miles in a northwesterly direction to a point of Latitude and Longitude N37°48'14" W81°13'54", thence approximately 0.5 miles in a northwesterly direction to a point of beginning.

North Beckley Public Service District Legal Description

Beginning at a point of Latitude and Longitude N37°48'38" W81°14'07", said point being a common boundary between Bradley, Crab Orchard/MacArthur and North Beckley Public Service Districts, thence approximately 0.5 miles in a southeasterly direction to a point of Latitude and Longitude N37°48'14" W81°13'54", thence approximately 0.2 miles in a southeasterly direction to a point of Latitude and Longitude N37°48'06" W81°13'45", thence approximately 0.2 miles in a southeasterly direction to the intersections of Summit Drive and Dry Hill Road (County Route 11), thence 0.4 miles in a southeasterly direction along the centerline of Dry Hill Road (County Route 11) to its intersection with the Tamarack Entrance Road, thence approximately 335± feet in a northeasterly direction along the centerline of the Tamarack Entrance Road, thence 0.6 miles in a southeasterly direction following a line 600 feet parallel to the north of the centerline of Harper Road (WV Rte. 3) to a point where the 600-foot parallel offset intersects the West Virginia Turnpike (I-77), said point being a common boundary between Crab Orchard/MacArthur and North Beckley Public Service Districts and the City of Beckley Sanitary Board, thence following the West Virginia Turnpike (I-77) right-of-way north approximately 1,400 feet to Pikeview Drive; at a point where the WV Turnpike and Pikeview Drive right-of-way split and the WV Turnpike Highway Maintenance Facility property begins,

thence, following Pikeview Drive north and east approximately 1,800 feet to the intersection of Pikeview Drive and New River Drive;

thence, following New River Drive east approximately 8,200 feet to the intersection of New River Drive and Robert C. Byrd Drive; several properties are excluded on either side of new River Drive that are currently served by the other utility;

thence, following the centerline of Robert C. Byrd Drive south approximately 100 feet to the center of the bridge crossing Little Whitestick Creek;

thence, following the center of Little Whitestick Creek east approximately 450 feet to the centerline of the bridge crossing Elm Street (formerly Center St.) And adjoining the property of the existing North Beckley PSD Hubbard Street Lift Station;

thence, leaving Elm Street and following the centerline of the alley east approximately 500 feet to the intersection of Lyons Street (formerly South Street);

thence, following the centerline of Lyons Street north approximately 75 feet to a point opposite the property corner dividing parcels 64 and 64.2 on the District 10, Tax Map. 100-3;

thence, leaving the centerline in an easterly direction and following the common boundary between Parcels No. 64 and 64.2 approximately 250 feet to a point, said point being the common corner between Parcels 64, 64.2 and 21 on Tax Map No. 100-3;

thence, in a northerly direction approximately 170 feet and following the common property line between Parcel 64 and Parcels 21, 20.01 and 20 to a point, the point being the common corner between Parcels 64, 20 and 19 on Tax Map No. 100-3;

thence, leaving the corner and traveling in an easterly direction approximately 230 feet following the common property line between Parcels 19 and 20 to a point on the centerline of Mellon Street (WV Route 19/45 and formerly Hancock Road);

thence, following the centerline of Mellon Street north approximately 1,070 feet to the intersection with the centerline of Rural Acres Drive (WV Route 19/8);

Note that there are properties excluded in this area that are currently served by the Sanitary Board or require gravity service to be served. These include the apartments and WV Glass on the north side of Rural Acres Drive.



thence, following the centerline of Rural Acres Drive in an easterly direction approximately 2,500 feet to the intersection with the centerline of Eisenhower Drive (US Routes 19 & 21);

thence, leaving the centerline of Rural Acres Drive and following the centerline of Eisenhower Drive approximately 250 feet in a southerly direction to a point opposite the property corner separating Parcels 97 and 98 between Hankwoods Drive and Neal Street;

thence, leaving the centerline of Eisenhower Drive in an easterly direction 25 feet to the property corner separating Parcels 97 and 98 on Raleigh County Tax Map 100-6, and continuing approximately 640 feet along the property line separating Parcels 91 through 97 from Parcels 98 through 103 and continuing along the same straight line approximately 350 feet to the centerline of Cranberry Creek, for a total distance of approximately 1,015 feet more or less;

thence, following Cranberry Creek approximately 8,500 feet to the point where Cranberry Creek joins Piney Creek;

thence, following the centerline of Piney Creek in a northerly and easterly direction approximately 21,000 feet to the confluence of Piney Creek and Fat Creek, said point being a common boundary between North Beckley and Shady Spring Public Service Districts and the City of Beckley Sanitary Board, thence approximately 1.6 miles in a northeasterly direction along the centerline of Piney Creek to the confluence of Piney Creek and Batoff Creek, said point being a common Boundary between Bradley, North Beckley, and Shady Spring Public Service Districts, thence N48°58'46"W 630± feet to the centerline of Stanaford Road (WV Rte. 41), thence westerly approximately 2.2 miles along the centerline of Stanaford Road (WV Rte. 41) to its intersection with Mill Creek Road (WV Rte. 61), thence with the centerline of Stanaford Road (WV Route 41) approximately 120± feet in a southeasterly direction to its intersection with Powderkeg Road (County Route 41/4), thence in a westerly direction along the centerline of County Route 41/4 approximately 0.2 miles to the extreme end of Powderkeg Road (County Route 41/4), thence approximately 2.3 miles in a westerly direction to a point of Latitude and Longitude N37°50'47" W81°10'46", thence approximately 1.5 miles in a southwesterly direction to a point of Latitude and Longitude

N37°49'35" W81°11'26", thence approximately 0.8 miles in a northwesterly direction to a point of Latitude and Longitude N37°49'54" W81°12'11", thence approximately 0.7 miles in a southeasterly direction to a point of Latitude and Longitude N37°49'38" W81°12'51", thence approximately 1.1 miles in a northwesterly direction to a point of Latitude and Longitude N37°49'54" W81°13'59", thence approximately 1.3 miles in a southeasterly direction to a point of Latitude and Longitude N37°48'51" W81°13'29", thence approximately 840± feet in a southwesterly direction to a point of Latitude and Longitude N37°48'43" W81°13'32", thence approximately 0.5 miles in a southwesterly direction to a point of beginning.

Bradley Public Service District Legal Description

Beginning at a point of Latitude and Longitude N37°48'38" W81°14'07", said point being a common boundary between Crab Orchard/MacArthur, North Beckley, and Bradley Public Service Districts, thence approximately 12.4 miles in a southwesterly direction to a point of Latitude and Longitude N37°46'40" W81°27'26", said point being a point on the Raleigh County line, thence with the Raleigh County line in a northwesterly and then easterly direction approximately 57.9 miles to a point where the Raleigh County line intersects the New River, thence with the Raleigh County line and the New River upstream in a southerly direction approximately 3.3 miles to the confluence of the Piney Creek and New River, thence along the centerline of Piney Creek upstream in a southerly direction approximately 0.4 miles to the confluence of Batoff Creek and Piney Creek, said point being a common boundary between Shady Spring, North Beckley, and Bradley Public Service Districts, thence N48°58'46"W 630± feet to the centerline of Stanaford Road (WV Rte. 41), thence westerly approximately 2.2 miles along the centerline of Stanaford Road (WV Rte. 41) to its intersection with Mill Creek Road (WV Rte. 61), thence with the centerline of Stanaford Road (WV Route 41) approximately 120± feet in a southeasterly direction to its intersection with Powderkeg Road (County Route 41/4), thence in a westerly direction along the centerline of Powderkeg Road (County Route 41/4) approximately 0.2 miles to the extreme end of Powderkeg Road (County Route 41/4), thence approximately 2.3 miles in a westerly direction to a point of Latitude and Longitude N37°50'47" W81°10'46", thence approximately 1.5 miles in a southwesterly direction to a point of Latitude and Longitude N37°49'35" W81°11'26", thence approximately 0.8 miles in a northwesterly direction to a point of Latitude and Longitude N37°49'54" W81°12'11", thence approximately 0.7 miles in a southeasterly direction to a point of Latitude and Longitude N37°49'38" W81°12'51", thence approximately 1.1 miles in a northwesterly direction to a point of Latitude and Longitude N37°49'54" W81°13'59", thence approximately 1.3 miles in a southeasterly direction to a point of Latitude and Longitude N37°48'51" W81°13'29", thence approximately 840± feet in a southwesterly direction to a point of Latitude and Longitude N37°48'43" W81°13'32", thence approximately 0.5 miles in a southwesterly direction to a point of beginning.

AFFIDAVIT OF PUBLICATION

BECKLEY NEWSPAPERS INC.

BECKLEY, WEST VIRGINIA

January 14, 19 97

STATE OF WEST VIRGINIA
COUNTY OF RALEIGH, to-wit:

I, Jack L. Scott, being first duly sworn upon my oath, do depose and say that I am Director of Advertising for Beckley Newspapers Inc., a corporation, publisher of the newspaper entitled The Register-Herald, an Independent newspaper; that I have been duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published daily, for at least fifty weeks during the calendar year, in the municipality of Beckley, Raleigh County, West Virginia; that such newspaper is a newspaper of "general circulation" as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforesaid municipality and county; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is circulated to the general public at a definite price of consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices; that the annexed notice

of Notice of Public Hearing
(Description of notice)

was duly published in said newspaper once a week for two successive weeks (Class II), commencing with the issue of the 7th day of January, 1997, and ending with the issue of the 14th day of January, 1997, (and was posted at the

on the _____ day of _____); that said annexed notice was published on the following dates: January 7 & 14, 1997 and that the

cost of publishing said annexed notice as aforesaid was \$ 673.09.

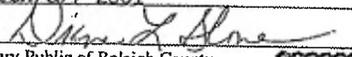
Signed _____

Jack L. Scott
Director of Advertising
Beckley Newspapers

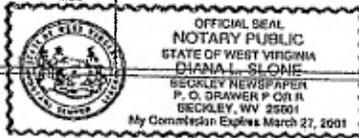
Taken, subscribed and sworn to before me in my said county this

14th day of January, 19 97

My commission expires March 27, 2001


Notary Public of Raleigh County,
West Virginia

R/H



COPY OF PUBLICATION

BEFORE THE COUNTY COMMISSION OF RALEIGH COUNTY, WEST VIRGINIA
E. SHADY SPRING PUBLIC SERVICE DISTRICT, BRADLEY PUBLIC SERVICE DISTRICT, NORTH BECKLEY PUBLIC SERVICE DISTRICT, CRAB ORCHARD/MACARTHUR PUBLIC SERVICE DISTRICT.

NOTICE

The County Commission of Raleigh County, West Virginia, shall hold a public hearing on January 28, 1997, at 11:00 am to modify, correct and go the boundaries for the Public Service Districts providing sewer service in Raleigh County, West Virginia. In addition, the County Commission shall consider the transfer of all property from the dissolved Public Service Districts to the appropriate new Public Service Districts. The purpose of the realignment shall be to provide definite boundaries of each Public Service District and provide more efficient service to the citizens of Raleigh County. The new boundary for each Public Service District is attached and marked as Exhibit A.

DY SPRING PUBLIC SERVICE DISTRICT, BRADLEY PUBLIC SERVICE DISTRICT, NORTH BECKLEY PUBLIC SERVICE DISTRICT, CRAB ORCHARD/MACARTHUR PUBLIC SERVICE DISTRICT.

Shady Spring Public Service District Legal Description

beginning at a point where the centerline of the West Virginia Turnpike (I-77) intersects Piney Creek, thence approximately 2.0 miles in a southerly direction along the centerline of Sullivan Road (County Route 25), thence approximately 1.0 miles in a northwesterly direction to a point of Latitude and Longitude N 37 degrees 42' 28" W 81 degrees 10' 42", said point being on the ridge line of Griffiths Ridge, thence following Griffiths Ridge approximately 6.4 miles in a southeasterly direction to a point of Latitude and Longitude N 37 degrees 38' 35" W 81 degrees 07' 59", thence leaving Griffiths Ridge approximately 2.5 miles in a southerly direction to the intersections of the centerlines of Old Road (County Route 48/4) and Bob Vines Road (County Route 48/4), thence approximately 1.2 miles in a southerly direction along the centerline of Old Road (County Route 48/4) to a point where County Route 48/4 intersects the Raleigh County line, thence into Mercer County approximately 1.6 miles in a westerly direction to a point of Latitude and Longitude N 37 degrees 34' 02" W 81 degrees 07' 11", thence approximately 0.6 miles due east to a point of Latitude and Longitude, N 37 degrees 34' 02" W 81 degrees 05' 33", thence approximately 0.4 miles in a northerly direction to a point of Latitude and Longitude N 37 degrees 34' 23" W 81 degrees 06' 31", thence approximately 0.3 miles in an easterly direction to a point of Latitude and Longitude N 37 degrees 34' 24" W 81 degrees 06' 09", thence approximately 0.8 miles in a northerly direction to a point of Latitude and Longitude N 37 degrees 35' 05" W 81 degrees 06' 09", thence approximately 0.5 miles to a northeasterly direction to a point where the Raleigh, Summers, and Mercer County lines have a common boundary point, thence along the Raleigh County line 45.3 miles in a northeasterly and northwesterly direction to the confluence of the Piney Creek and New River, thence approximately 2.3 miles in a southwesterly direction along the centerline of Piney Creek upstream of Piney Creek and Fat Creek, said point being a common boundary between North Beckley, Shady Spring Public Service Districts and the City of Beckley Sanitary Board, thence following Fat Creek in a southerly direction from its confluence of Fat Creek and Fat Creek approximately 16,500 feet to the confluence of Fat Creek and Pedge Branch, a tributary of Fat Creek; thence, following Pedge Branch in a southerly and easterly direction approximately 750 feet to an unnamed tributary of Pedge Branch; thence, following the unnamed tributary of Pedge Branch approximately 1,800 feet in a southerly direction to the centerline of Interstate 64; thence, following the centerline of Interstate 64 in a westerly direction approximately 12,600 feet to the intersection of Airport Road (West Virginia Route 9) and Airport Road (West Virginia Route 9) approximately 1,150 feet to the intersection of Airport Road and Orchard Hill Road (West Virginia Route 9) approximately 3,900 feet to a point opposite the southernmost property corner of the Cherry Hills subdivision; thence, following Orchard Hill Road in a southerly and westerly direction approximately 3,900 feet to a point opposite the southernmost property corner of the Cherry Hills subdivision; thence, following the property lines and two foot reservation easement of the Cherry Hills subdivision approximately 100 feet north-northwest 1,800 feet west-northwest to a point on a ridge, being a common corner to Parcel 8, Shady Spring District 11, Tax Map No. 8; thence, following the top of a ridge across Parcels 8, 8C and 5, Shady Spring District 11, Tax Map No. 8 to a point where Beaver Creek flows into Piney-Creek, this line is further described as follows:

beginning at a point at the center of an existing pole at or near the property corner of the Cherry Hills subdivision and the Leon Lucas property further described as Parcel 8, Shady Spring District 11, Tax Map No. 8 land having coordinates in the West Virginia State Plane Coordinate System of 16575, E 1960025; thence approximately 640 feet in a west-southwest direction to a high point (N276340, E1959475 in the West Virginia State Plane Coordinate system); thence approximately 500 feet west-northwest to a point on the ridge (N276630, E1959070); thence approximately 8950 feet west-southwest to a high point (N276305, E1958290); thence approximately 575 feet southwest to a high point (N275880, E1957910); thence approximately 1,170 feet to a point on the centerline of Interstate 64 (N276360, E1956850) (this point also being about 30 feet south of a sign crossing the highway (N275735, E1956590); thence leaving the Interstate centerline and following the ridge approximately 1,350 feet west to the point where Beaver Creek flows into Piney Creek (N275800, E1954540).

thence, following the centerline of Piney Creek upstream approximately 3,150 feet to a point where an old Chesapeake and Ohio railroad bridge crossed Piney Creek; thence, leaving the centerline of Piney Creek and heading due south to the centerline of the Chesapeake and Ohio Railroad tracks; thence, following the centerline of the Chesapeake and Ohio Railroad tracks in a southerly and westerly direction 4,300 feet to the centerline of a railroad bridge crossing Piney Creek; thence, leaving the centerline of the railroad tracks and following the centerline of Piney Creek approximately 3,600 feet to a point where a natural gas pipeline crosses Piney Creek; said point being a common boundary between Crab Orchard/MacArthur and Shady Spring Public Service Districts and the City of Beckley Sanitary Board, thence following the centerline of Piney Creek upstream approximately 3.7 miles in a southwesterly direction to a point of beginning.

Crab Orchard/MacArthur Public Service District Legal Description

beginning at a point of Latitude and Longitude N 37 degrees 48' 38" W 81 degrees 14' 07", said point being a common boundary between Crab Orchard/MacArthur, North Beckley, and Bradley Public Service Districts, thence approximately 12.4 miles in a southeasterly direction to a point of Latitude and Longitude N 37 degrees 46' 48" W 81 degrees 27' 25", said point being a point on the Raleigh County line, thence with the Raleigh County line in a southeasterly and then northeasterly direction approximately 37.2 miles to a point where Bob Vines Road (County Route 48/4) intersects the Raleigh County line, thence approximately 1.2 miles in a northerly direction along the centerline of Bob Vines Road (County Route 48/4) to its intersection with Old Road (County Route 48), thence approximately 2.5 miles in a northerly direction to a point of Latitude and Longitude N 37 degrees 38' 35" W 81 degrees 07' 59", said point being on the ridge line of Griffiths Ridge approximately 6.4 miles in a northwesterly direction to a point of Latitude and Longitude N 37 degrees 42' 28" W 81 degrees 10' 42", thence leaving Griffiths Ridge in a northwesterly direction approximately 1.0 mile to the intersections of the centerlines of the West Virginia Turnpike (I-77) and Sullivan Road (County Route 25), thence approximately 2.0 miles in a northwesterly direction along the centerline of Piney Creek downstream approximately 3.7 miles in a northeasterly to a point where a natural gas pipeline crosses Piney Creek, said point being a common boundary between Crab Orchard/MacArthur and Shady Spring Public Service Districts and the City of Beckley Sanitary Board, thence leaving Piney Creek and following a natural gas pipeline approximately 5,200 feet to its intersection with Raleigh Ridge Road (WV Route 19/10); thence, following the centerline of Raleigh Ridge Road (WV Route 19/10) approximately 2,400 feet westerly to the intersection with the centerline of Fitzpatrick Road (WV Route 20); thence, following the centerline of Fitzpatrick Road westerly approximately 3,500 feet to the centerline of the intersection with Old Pemberton and Old Spok Creek Road;

thence, leaving the intersection of Fitzpatrick Road, Old Pemberton Road, and Old Spok Creek Road and following a line across the West Virginia Turnpike (Robert C. Byrd Drive interchange) approximately 2250 feet to the west-southwest to a point at the intersection of the centerlines of Old Eccles Road (WV Route 3/18) and Highland Drive; thence, leaving the intersection of Old Eccles Road (WV Route 3/18) and Highland Drive and following Old Eccles Road in a westerly direction approximately 4,500 feet to the centerline of Old Mill Road (WV Route 3/21); thence, leaving the centerline of Old Eccles Road and the following the centerline of Old Mill Road approximately 2,000 feet in an easterly direction to the center a bridge over the West Virginia Turnpike;

thence, leaving Old Mill Road and following the centerline of the West Virginia Turnpike (Interstates 77 & 64) northerly approximately 2,650 feet the centerline of the Chesapeake and Ohio railroad tracks following Whitestick Creek; thence, leaving the West Virginia Turnpike centerline and following the centerline of the railroad tracks approximately 850 feet west to the centerline of Old Wickham Road; thence, following the centerline of Old Wickham Road and following the centerline of the Hutchinson Road right-of-way to the north approximately 800 feet;

thence, leaving the right-of-way and following the property line between Tax Map District 10, Map No. 200-3 Parcels 65 through 75 and Parcels 71 through 123 for a total distance of approximately 518 feet; thence, following the property line between Parcels 78 and 75 100 feet in an easterly direction to a property corner; thence, leaving the property corner and following the property line between Parcel 78 and Parcels 76, 77, 79 and 80 northerly for a distance of 5 feet to the centerline of the Harold Road right-of-way; thence, leaving the Harold Road right-of-way and following the property line between Parcels 81 through 87 and Parcels 107 northerly for a distance of 450 feet to the centerline of the Opple Road right-of-way; thence, leaving the Opple Road right-of-way and following the property line between Parcel 93 and Parcel 94 northerly for a distance of 239 feet to the Harper Industrial Park tract;

thence, following Harper Industrial Park property line approximately 860 feet in a northwesterly direction to a corner, approximately 1,400 feet northerly to a corner, approximately 1,200 feet east-northeasterly to a corner, being a common corner between Parcels 138, 1 and 138.1 on Town District 10, Tax Map No. 26; thence, following the property line approximately 300 feet southeast to the centerline of George Street; thence, following a line 800 feet due east to the centerline of Harper Park Drive; thence, approximately 520 feet east to the centerline of Harper Road (WV Rte. 3) and the centerline of the West Virginia Turnpike (I-77), thence following the centerline of the West Virginia Turnpike (I-77) in a northerly direction 500 feet to a point, said point being a common boundary between North Beckley and Crab Orchard/MacArthur Public Service Districts and the City of Beckley Sanitary Board; thence following a line 600 feet parallel to the north of the centerline of Harper Road (WV Rte. 3) in a northwesterly direction approximately 0.6 miles to a point where the 600 feet parallel offset intersects the Tamarack Entrance Road, thence 335+ feet in a southwesterly direction along the centerline of the Tamarack Entrance Road to its intersection with Dry Hill Road (County Rte. 11), thence 0.4 miles in a northwesterly direction along the centerline of Dry Hill Road (County Rte. 11) to its intersection with Summit Drive, thence approximately 0.2 miles in a northwesterly direction to a point of Latitude and Longitude N 37 degrees 48' 06" W 81 degrees 13' 45", thence approximately 0.2 miles in a northwesterly direction to a point of Latitude and Longitude N 37 degrees 48' 06" W 81 degrees 13' 45", thence approximately 0.2 miles in a northwesterly direction to a point of Latitude and Longitude N 37 degrees 48' 14" W 81 degrees 13' 54", thence approximately 0.5 miles in a northwesterly direction to a point of beginning.

North Beckley Public Service District Legal Description

Beginning at a point of Latitude and Longitude N 37 degrees 48' 38" W 81 degrees 14' 07", said point being a common boundary between Bradley, Crab Orchard/McArthur and North Beckley Public Service Districts, thence approximately 06. miles in a southeasterly direction to a point of Latitude and Longitude N 37 degrees 48' 14" W 81 degrees 13' 54", thence approximately 0.2 miles in a southeasterly direction to a point of Latitude and Longitude N 37 degrees 48' 09" W 81 degrees 13' 45", thence approximately 0.2 miles in a southeasterly direction to the intersection of Summit Drive and Dry Hill Road (County Route 11) to its intersection with the Tamarack Entrance Road, thence approximately 335+ feet in a northeasterly direction along the centerline of the Tamarack Entrance Road, thence 0.6 miles in a southeasterly direction following a line 600 feet parallel to the north of the centerline of Harper Road (WV Rte. 3) to a point where the 600-foot parallel offset intersects the West Virginia Turnpike (I-77), said point being a common boundary between Crab Orchard/McArthur and North Beckley Public Service Districts and the City of Beckley Sanitary Board, thence following the West Virginia Turnpike (I-77) right-of-way north approximately 1,400 feet to Pikeview Drive; at a point where the WV Turnpike and Pikeview Drive right-of-way split and the WV Turnpike Highway Maintenance Facility property begins, thence, following Pikeview Drive north and east approximately 1,800 feet to the intersection of Pikeview Drive and New River Drive; thence, following New River Drive east approximately 8,200 feet to the intersection of New River Drive and Robert C. Byrd Drive; several properties are excluded on either side of New River Drive that are currently served by the other utility; thence, following the centerline of Robert C. Byrd Drive south approximately 100 feet to the center of the bridge crossing Little Whiteslick Creek; thence, following the center of Little Whiteslick Creek east approximately 450 feet to the centerline of the bridge crossing Elm Street (formerly Center St.) And adjoining the property of the existing North Beckley PSD Hubbard Street Lift Station; thence, leaving Elm Street and following the centerline of the alley east approximately 500 feet to the intersection of Lyons Street (formerly South Street); thence, following the centerline of Lyons Street north approximately 75 feet to a point opposite the property corner dividing parcels 64 and 64.2 on the District 10, Tap Map, 100-3; thence, leaving the centerline in an easterly direction and following the common boundary between Parcels No. 64 and 64.2 approximately 250 feet to a point, said point being the common corner between Parcels 64, 64.2 and 21 on Tax Map No. 100-3; thence, in a northerly direction approximately 170 feet and following the common property line between Parcel 64 and Parcels 21, 20.61 and 20 to a point, the point being the common corner between Parcels 64, 20 and 19 on Tax Map No. 100-3; thence, leaving the corner and traveling in an easterly direction approximately 230 feet following the common property line between Parcels 19 and 20 to a point on the centerline of Mellon Street (WV Route 19/45 and formerly Hancock Road); thence, following the centerline of Mellon Street north approximately 1,070 feet to the intersection with the centerline of Rural Acres Drive (WV Route 19/8);

Note that there are properties excluded in this area that are currently served by the Sanitary Board or require gravity service to be served. These include the apartments and WV Glass on the north side of Rural Acres Drive.

thence, following the centerline of Rural Acres Drive in an easterly direction approximately 2,600 feet to the intersection with the centerline of Eisenhower Drive (US Routes 19 & 21);

thence, leaving the centerline of Rural Acres Drive and following the centerline of Eisenhower Drive approximately 250 feet in a southerly direction to a point opposite the property corner separating Parcels 97 and 98 between Henkwoods Drive and Neal Street;

thence, leaving the centerline of Eisenhower Drive in an easterly direction 25 feet to the property corner separating Parcels 97 and 98 on Raleigh County Tax Map 100-9, and continuing approximately 640 feet along the property line separating Parcels 91 through 97 from Parcels 98 through 103 and continuing along the same straight line approximately 350 feet to the centerline of Cranberry Creek, for a total distance of approximately 1,015 feet more or less;

thence, following Cranberry Creek approximately 8,600 feet to the point where Cranberry Creek joins Piney Creek;

thence, following the centerline of Piney Creek in a northerly and easterly direction approximately 21,000 feet to the confluence of Piney Creek and Fat Creek, said point being a common boundary between North Beckley and Shady Spring Public Service Districts and the City of Beckley Sanitary Board, thence approximately 1.6 miles in a northeasterly direction along the centerline of Piney Creek to the confluence of Piney Creek and Batoff Creek, said point being a common boundary between Bradley, North Beckley, and Shady Spring Public Service Districts, thence N 48 degrees 58' 46" W 830 +- feet to the centerline of Stansford Road (WV Rte. 41), thence westerly approximately 2.2 miles along the centerline of Stansford Road (WV Rte. 41) to its intersection with Mill Creek Road (WV Rte. 61), thence with the centerline of Stansford Road (WV Route 41) approximately 120 +- feet in a southeasterly direction to its intersection with Powderkerk Road (County Route 41/4), thence in a westerly direction along the centerline of Powderkerk Road (County Route 41/4) approximately 0.2 miles to the extreme end of Powderkerk Road (County Route 41/4), thence approximately 2.3 miles in a westerly direction to a point of Latitude and Longitude N 37 degrees 50' 47" W 81 degrees 10' 48", thence approximately 1.5 miles in a southeasterly direction to a point of Latitude and Longitude N 37 degrees 49' 35" W 81 degrees 11' 26", thence approximately 0.8 miles in a northwesterly direction to a point of Latitude and Longitude N 37 degrees 49' 54" W 81 degrees 12' 11", thence approximately 0.7 miles in a southeasterly direction to a point of Latitude and Longitude N 37 degrees 49' 38" W 81 degrees 12' 51", thence approximately 1.1 miles in a northwesterly direction to a point of Latitude and Longitude N 37 degrees 49' 54" W 81 degrees 12' 59", thence approximately 1.3 miles in a southeasterly direction to a point of Latitude and Longitude N 37 degrees 48' 51" W 81 degrees 13' 29", thence approximately 840 +- feet in a southwesterly direction to a point of Latitude and Longitude N 37 degrees 48' 43" W 81 degrees 13' 32", thence approximately 0.5 miles in a southwesterly direction to a point of beginning.

Bradley Public Service District Legal Description

Beginning at a point of Latitude and Longitude N 37 degrees 48' 38" W 81 degrees 14' 07", said point being a common boundary between Crab Orchard/McArthur, North Beckley, and Bradley Public Service Districts, thence approximately 12.4 miles in a southwesterly direction to a point of Latitude and Longitude N 37 degrees 46' 40" W 81 degrees 27' 26", said point being a point on the Raleigh County line; thence with the Raleigh County line in a northwesterly and then easterly direction approximately 57.3 miles to a point where the Raleigh County line intersects the New River, thence with the Raleigh County line and the New River upstream in a southerly direction approximately 3.3 miles to the confluence of the Piney Creek and New River, thence along the centerline of Piney Creek upstream in a southerly direction approximately 0.4 miles to the confluence of Batoff Creek and Piney Creek, said point being a common boundary between Shady Spring, North Beckley, and Bradley Public Service Districts, thence N 48 degrees 58' 46" W 830 +- feet to the centerline of Stansford Road (WV Rte. 41), thence westerly approximately 2.2 miles along the centerline of Stansford Road (WV Rte. 41) to its intersection with Mill Creek Road (WV Rte. 61), thence with the centerline of Stansford Road (WV Route 41) approximately 120 +- feet in a southeasterly direction to its intersection with Powderkerk Road (County Route 41/4), thence in a westerly direction along the centerline of Powderkerk Road (County Route 41/4) approximately 0.2 miles to the extreme end of Powderkerk Road (County Route 41/4), thence approximately 2.3 miles in a westerly direction to a point of Latitude and Longitude N 37 degrees 50' 47" W 81 degrees 10' 48", thence approximately 1.5 miles in a southeasterly direction to a point of Latitude and Longitude N 37 degrees 49' 35" W 81 degrees 11' 26", thence approximately 0.8 miles in a northwesterly direction to a point of Latitude and Longitude N 37 degrees 49' 54" W 81 degrees 12' 11", thence approximately 0.7 miles in a southeasterly direction to a point of Latitude and Longitude N 37 degrees 49' 38" W 81 degrees 12' 51", thence approximately 1.1 miles in a northwesterly direction to a point of Latitude and Longitude N 37 degrees 49' 54" W 81 degrees 12' 59", thence approximately 1.3 miles in a southeasterly direction to a point of Latitude and Longitude N 37 degrees 48' 51" W 81 degrees 13' 29", thence approximately 840 +- feet in a southwesterly direction to a point of Latitude and Longitude N 37 degrees 48' 43" W 81 degrees 13' 32", thence approximately 0.5 miles in a southwesterly direction to a point of beginning.

1-14-Tue-2-III

IN RE: BUDGET REVISION, COAL SEVERANCE

Commissioner Baker moved to approve the revision as recommended by County Administrator, Dennis Sizemore, motion seconded by Commissioner Humphrey and carried.

(see following page)

I, BETTY RIFFE, Clerk of the County Commission of Raleigh County, West Virginia, hereby certify that the foregoing is a true copy from the records of my office.

In Testimony Whereof, I hereunto place my hand and affix my seal of said Commission this the 30 day of May, 07

BETTY RIFFE, Clerk

By Sherril Sisco, Deputy

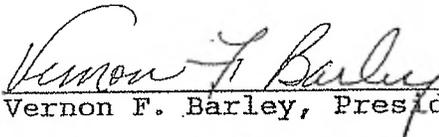
BEFORE THE COUNTY COMMISSION OF RALEIGH COUNTY, WEST VIRGINIA

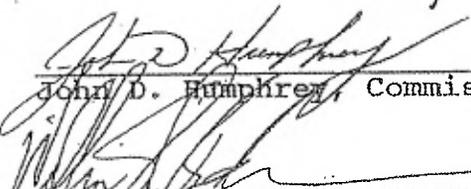
RE: Shady Spring Public Service District, Bradley Public Service District, North Beckley Public Service District and Crab Orchard - MacArthur Public Service District

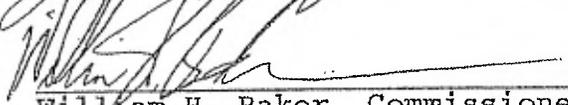
This the 28th day of January, 1997, came the Petitioners, Shady Spring Public Service District, Bradley Public Service District, North Beckley Public Service District and Crab Orchard - MacArthur Public Service District by Representatives and requested the County Commission amend, modify, correct, dissolve and realign the current boundaries for the Public Service Districts providing sewer service within Raleigh County. A petition was properly filed before the County Commission satisfying the requirements of West Virginia Code 16-13A-2. Furthermore, notice of the Public Hearing before the County Commission was published in the Register-Herald as a Class II legal advertisement pursuant to West Virginia Code 16-13A-2. In addition, a representative of the Petitioners posted a notice of the petition and hearing in at least five (5) conspicuous places within each affected area. Thus, the notice requirements set forth in West Virginia Code 16-13A-2 was satisfied.

During the Public Hearing, overwhelming support was expressed for the Public Service Districts boundary realignment.

Therefore, based upon the requirements set forth in West Virginia Code 16-13A-2 being satisfied and the support expressed at the public hearing, the County Commission doth Adjudge, Order and Decree the new boundaries for each Public Service District shall be as set forth in Exhibit A attached hereto and made a part hereof.


Vernon F. Barley, President


John D. Humphrey, Commissioner


William H. Baker, Commissioner

BEFORE THE COUNTY COMMISSION OF RALEIGH COUNTY, WEST VIRGINIA

**IN RE: SHADY SPRING PUBLIC SERVICE DISTRICT,
BRADLEY PUBLIC SERVICE DISTRICT,
NORTH BECKLEY PUBLIC SERVICE DISTRICT,
CRAB ORCHARD/MACARTHUR PUBLIC SERVICE DISTRICT.**

NOTICE

The County Commission of Raleigh County, West Virginia, shall hold a public hearing on January 28, 1997, at 11:00 am to modify, correct and realign the boundaries for the Public Service Districts providing sewer service in Raleigh County, West Virginia. In addition, the County Commission shall consider the transfer of all property from the dissolved Public Service Districts to the appropriate new Public Service Districts. The purpose of the realignment shall be to provide definite boundaries of each Public Service District and provide more efficient service to the citizens of Raleigh County. The new boundary for each Public Service District is attached and marked as Exhibit A.

**SHADY SPRING PUBLIC SERVICE
DISTRICT, BRADLEY PUBLIC SERVICE
DISTRICT, NORTH BECKLEY PUBLIC
SERVICE DISTRICT, CRAB
ORCHARD/MACARTHUR PUBLIC
SERVICE DISTRICT**

received
1-26-12

County Commission of Raleigh County



P O BOX 2518
116 1/2 NORTH HEBER STREET
BECKLEY, WEST VIRGINIA 25802-2518

January 24, 2011

Mr. Jan Datsko
710 Teel Road
Beckley, WV 25801

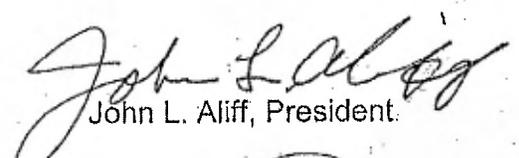
Dear Mr. Datsko:

We are pleased to inform you that the County Commission, at their meeting on January 24, 2012, reappointed you to the North Beckley Public Service District Board and your new term will expire December 31, 2017.

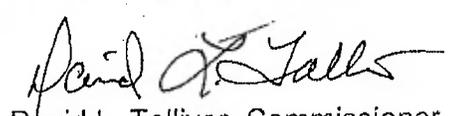
Please stop by the County Clerk's office at your earliest convenience to take the oath of office.

We appreciate your past service and continued willingness to serve the citizens of Raleigh County in this manner.

Respectfully,


John L. Aliff, President.


Pat Reed, Commissioner


David L. Tolliver, Commissioner

cc: North Beckley PSD

RECEIVED
11-16-12

County Commission of Raleigh County



P O BOX 2518
116 1/2 NORTH HEBER STREET
BECKLEY, WEST VIRGINIA 25802-2518

November 13, 2012

Mr. Todd Robinson
112 Springwood Lane
Beckley, WV 25801

Dear Mr. Robinson:

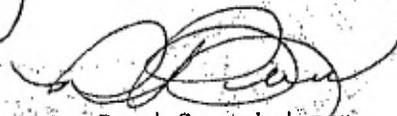
We are pleased to inform you that on November 13, 2012, in a regular meeting, the Raleigh County Commission appointed you to the North Beckley Public Service District to fill a vacancy. Your term will expire on December 31, 2015.

Please stop by the County Clerk's office at your earliest convenience to take the oath of office.

We appreciate your willingness to serve the citizens of Raleigh County in this manner.

Respectfully,


John L. Aliff, President


Pat Reed, Commissioner


Dave Tolliver, Commissioner

cc: North Beckley Public Service District

RECEIVED
2/6/14

County Commission of Raleigh County



P O BOX 2518
116 1/2 NORTH HEBER STREET
BECKLEY, WEST VIRGINIA 25802-2518

February 4, 2014

Mr. Tom Foti
3 4 Hummingbird Lane
Beckley, WV 25801

Dear Mr. Foti:

We are pleased to inform you that on February 4, 2014, in a regular meeting, the Raleigh County Commission appointed you to the North Beckley Public Service District and your term will expire on December 31, 2019.

Please stop by the County Clerk's Office at your earliest convenience to take the oath of office.

We appreciate your willingness to serve the citizens of Raleigh County in this manner.

Respectfully,

Handwritten signature of Dave Tolliver in cursive.

Dave Tolliver, President

Handwritten signature of Pat Reed in cursive.

Pat Reed, Commissioner

Handwritten signature of Linda K. Epling in cursive.

Linda K. Epling, Commissioner

cc: ✓ North Beckley PSD

OATH

STATE OF WEST VIRGINIA
COUNTY OF RALEIGH

}

ss.

I, TOM FOTT, do solemnly swear that I will support the constitution of the United States and the constitution of this State and that I will faithfully discharge the duties of my office of _____

NORTH BECKLEY PUBLIC SERVICE DISTRICT

to the best of my skill and judgment, so help me God.

Tom Fott

Subscribed and sworn to before the undersigned,

this the 20TH day of FEBRUARY, 19 2014

Betty Riffe

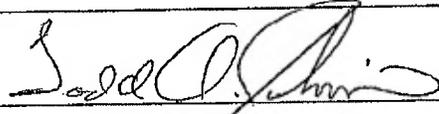
Clerk County Commission, Raleigh County, WV

OATH

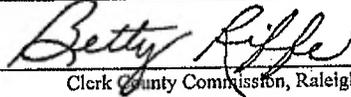
STATE OF WEST VIRGINIA }
COUNTY OF RALEIGH } ss.

I, TODD AUSTEN ROBINSON, do solemnly swear that I will support the constitution of the United States
and the constitution of this State and that I will faithfully discharge the duties of my office of NORTH BECKLEY P.S.D.

to the best of my skill and judgment, so help me God.



Subscribed and sworn to before the undersigned, this the 11th day of DECEMBER, 2012.

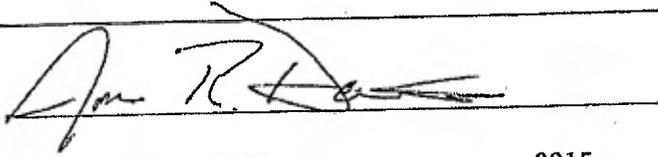


Clerk County Commission, Raleigh County, W. Va.

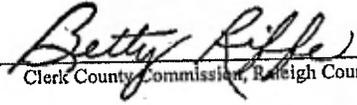
OATH

STATE OF WEST VIRGINIA }
COUNTY OF RALEIGH } ss.

I, JAN RICHARD DATSKO, do solemnly swear that I will support the constitution of the United States
and the constitution of this State and that I will faithfully discharge the duties of my office of NORTH BECKLEY PUBLIC SERVICE
DISTRICT BOARD CHAIRMAN
to the best of my skill and judgment, so help me God.



Subscribed and sworn to before the undersigned, this the 2nd day of APRIL 2015.


Clerk County Commission, Raleigh County, W. Va.

RULES OF PROCEDURE

NORTH BECKLEY PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: NORTH BECKLEY PUBLIC SERVICE DISTRICT.

Section 2. The principal office of North Beckley Public Service District (the "District") will be located at 122 Clear Water Lane, Beckley, Raleigh County, West Virginia.

Section 3. The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed North Beckley Public Service District, and in the center shall be inscribed the corporate seal.

Section 4: The fiscal year of the District shall begin on July 1 of each year and shall end on the following June 30.

ARTICLE II

PURPOSE

This District is organized exclusively for the purposes set forth in Chapter 16, Article 13A of the Code of West Virginia of 1931, as amended (the "Act").

ARTICLE III

MEMBERSHIP

Section 1. The members of the Board of the District (the "Board") shall be those persons appointed by The County Commission of Raleigh County, West Virginia, or otherwise appointed pursuant to the Act, who shall serve for such terms as may be specified in the order of the County Commission or otherwise.

Section 2. Should any member of the Board resign or otherwise become legally disqualified to serve as a member of the 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 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 Board.

ARTICLE IV

MEETINGS OF THE PUBLIC SERVICE BOARD

Section 1. The members of the Board shall hold regular monthly meetings on the 2nd Thursday of each month, at such place and hour as the members shall determine from time to time. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Board may be called at any time by the Chairman or by a quorum of the Board.

Section 2. At any meeting of the Board, two (2) members shall constitute a quorum. Each member of the 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 two (2) 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. 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 the Board, and the date, time, place and purpose of all special meetings of the Board, shall be made available, in advance, to the public and news media (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 Board at the front door or bulletin board of the office of the District and, if different from the office, at the front door or bulletin board of the place fixed for regular meetings of the Board not less than three (3) business days before a regularly scheduled meeting is to be held, stating the date, time and place fixed and entered of record by the 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 Board not less than three (3) business days before such regular meeting is to be held. The agenda listing the matters requiring official action that may be addressed at the meeting may be amended up to two (2) business days prior to the meeting. 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 Board at the front door or bulletin board of the office of the District and at the front door or bulletin board of the place fixed for the regular meetings of the Board not less than two (2) business days before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. In addition, a copy of the agenda listing the matters requiring official action that may be addressed at the meeting for each special meeting shall be posted at the same locations by the Secretary of the Board not less than two (2) business days before such special meeting is to 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.

For the purposes of calculating the number of days in any notice period based upon business days, Saturdays, Sundays, legal holidays and the day of the meeting are not counted.

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.

ARTICLE V

OFFICERS

Section 1. The officers of the Public Service Board shall be a Chairman, a Secretary and a Treasurer. The Chairman shall be elected from the members of the Public Service Board. The Secretary and Treasurer need not be members of the Public Service Board, and may be the same person.

Section 2. The officers of the Public Service Board shall be elected each year by the members at the first meeting held in such year. The officers so elected shall serve until the next annual election by the membership and until their successors are duly elected and qualified. Any vacancy occurring among the officers shall be filled by the members of the Public Service Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the following January meeting of the Board when their successors shall be elected hereinabove provided.

ARTICLE VI

DUTIES OF OFFICERS

Section 1. When present, the Chairman shall preside as Chairman at all meetings of the Public Service Board. The Chairman shall, together with the Secretary, sign the minutes of all meetings at which he or she shall preside. The Chairman shall attend generally to the executive business of the Board and exercise such powers as may be conferred by the Board, by these Rules of Procedure, or as prescribed by law. The Chairman shall execute, and if necessary, acknowledge for record, any deeds, deeds of trust, contracts, notes, bonds, agreements or other papers necessary, requisite, proper or convenient to be executed by or on behalf of the Board when and if directed by the members of the Board.

Section 2. The Secretary shall keep a record of all proceedings of the Board which shall be available for inspection as other public records. The Secretary shall, together with the Chairman, sign the minutes of the meetings at which he or she is present. The Secretary shall have charge of the minute book, be the custodian of the Common Seal of the District and all deeds and other writings and papers of the Board. The Secretary shall also perform such other duties as he or she may have under law by virtue of the office or as may be conferred from time to time by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 3. The Treasurer shall be the lawful custodian of all funds of the District and shall disburse funds of the District on orders authorized or approved by the Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him and shall prepare and submit such reports and statements of the financial condition of the Board as the members may from time to time prescribe. He shall perform such other duties as may be required of him by law or as may be conferred upon him by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 4. If the Chairman, Secretary or Treasurer is absent from any meeting, the remaining members of the Board shall select a temporary chairman, secretary or treasurer, as necessary, who shall have all of the powers of the absent officer during such period of absence.

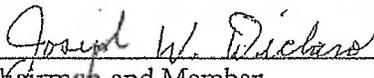
ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

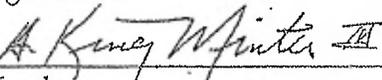
These Rules of Procedure may be altered, changed, amended, repealed or added to at any regular or special meeting of the Board by a majority vote of the entire Board, or at any regular or special meeting of the members when a quorum is present in person and a majority of those present vote for the amendment; but no such change, alteration, amendment, repeal or addition shall be made at any special meeting unless notice of the intention to propose such change, alteration, amendment, repeal or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.

These Rules of Procedure shall replace any and all previous rules of procedure, bylaws or similar rules heretofore adopted by the District.

Adopted this 11th day of September, 2003.



Chairman and Member



Member



Member

CERTIFICATION

Certified a true copy of the Rules of Procedure duly adopted by the Board of North Beckley Public Service District on September 11, 2003.

Dated this 11~~th~~ day of September, 2003.

[SEAL]


Secretary

NORTH BECKLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS MEETING

February 12, 2015

The regular monthly meeting of the Board of Directors was held in the District's office at 122 Clear Water Ln, Beckley, WV on February 12, 2015.

Chairman, Jan Datsko called the meeting to order at 4:30 pm

DIRECTORS PRESENT: Jan Datsko, Todd Robinson and Tom Foti

DIRECTORS ABSENT: None

STAFF PRESENT: Donna Sawyers, General Manager; Tammy Lewis, Secretary; and Engineer, Mike Lawson

OTHERS PRESENT: Eric Combs from Region I

Mr. Foti made a motion to dispense with the reading of the minutes of the regular monthly meeting of January 8, 2015 and to accept them as presented. Mr. Datsko seconded the motion and it was carried by unanimous vote.

After reviewing the bills received since the January 8, 2015 meeting, Mr. Foti made a motion to approve the bills for payment. Mr. Datsko seconded the motion and it was carried by unanimous vote.

In the election of officers for the year 2015, Mr. Robinson made a motion to name Mr. Jan Datsko as Chairman. Mr. Foti seconded the motion and it was carried by unanimous vote. Mr. Robinson made a motion to name Mr. Tom Foti as Secretary. Mr. Datsko seconded the motion and it was carried by unanimous vote. Mr. Datsko made a motion to name Mr. Todd Robinson as Treasurer. Mr. Foti seconded the motion and it was carried by unanimous vote.

Mr. Eric Combs with Region One updated the Board on the Stanaford Acres Project. IJDC gave the authorization to bid the project. The advertisement for bids will be in the newspaper February 17th and 24th. The following meetings will be held at the Districts office. A pre-bid meeting will be held Wednesday March 4th at 10:00 a.m., the bid opening will be Friday March 20th at 10:00 a.m., and a Special Meeting will be held on Tuesday April 28th at 4:30 p.m. for the bond closing.

Ms. Sawyers provided the Board with a proposal letter from B B & T for the financing of the \$210,000 tie-in loan that reflects the interest rate that has been provided to the PSC for the Stanaford Acres Project.

Due to the attorney being absent from the meeting, any discussion on the drug testing was tabled again.

A quote from Precision Pump & Valve Service was given to the Board by Ms. Sawyers for the rebuild or replacement of the 105 hp pump for the Sprague pump station. The replacement cost is \$57,793 and the rebuild price is \$18,092. After reviewing the quote, Mr. Foti made a motion to have the pump rebuilt at the cost of \$18,092. Mr. Robinson seconded the motion and it was carried by unanimous vote.

After reviewing the agreement with the Beckley-Raleigh County Health Department to perform the necessary immunizations for the District employees, Mr. Robinson made a motion for the Chairman to sign the contract. Mr. Foti seconded the motion and it was carried by unanimous vote.

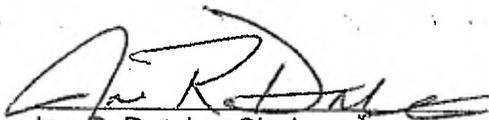
Mr. Robinson made a motion to adopt the resolution to sign signature cards for the bank account to be established for the Stanaford Acres Project that will be administered by Region I Development. Mr. Datsko seconded the motion and it was carried by unanimous vote.

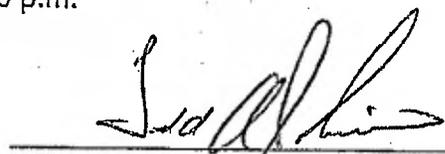
Engineer, Mike Lawson told the Board that it is at the Engineers discretion as to whether the pre-bid meeting is mandatory or not and he has decided that the pre-bid meeting will be held but it will not be mandatory. He also informed the Board that the District would obtain the permit from DEP to de-water the ponds in the Stanaford Acres Project; however, the work will be done by the contractors.

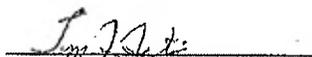
The Board went into executive session at 5:30 p.m. to discuss personnel.

The Board returned to regular session at 5:36 p.m. Mr. Foti made a motion to make the salary adjustment effective March 1, 2015 as discussed in the executive session for Adam Farley, the employee that has been on a 90 day probationary period and will become a permanent employee at that time. Mr. Robinson seconded the motion and it was carried by unanimous vote.

No further business came before the meeting and it was upon motion duly made and seconded unanimously adjourned at 5:40 p.m.


Jan R. Datsko, Chairman


Todd A. Robinson, Secretary


Tom F. Foti, Treasurer

NORTH BECKLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS MEETING

March 12, 2015

The regular monthly meeting of the Board of Directors was held in the District's office at 122 Clear Water Ln, Beckley, WV on March 12, 2015.

Chairman, Jan Datsko called the meeting to order at 4:30 pm

DIRECTORS PRESENT: Jan Datsko, Todd Robinson and Tom Foti

DIRECTORS ABSENT: None

STAFF PRESENT: Donna Sawyers, General Manager; Tammy Lewis, Secretary; Attorney John Rist and Engineer, Mike Lawson

OTHERS PRESENT: Eric Combs from Region I

Mr. Robinson made a motion to accept the minutes of the regular monthly meeting of February 12, 2015 after the correction to the election of officers. The position of Secretary should be Mr. Todd Robinson and the position of Treasurer should be Mr. Tom Foti. Mr. Datsko seconded the motion and it was carried by unanimous vote.

After reviewing the bills received since the February 12, 2015 meeting, Mr. Foti made a motion to approve the bills for payment. Mr. Datsko seconded the motion and it was carried by unanimous vote.

Mr. Eric Combs with Region One updated the Board on the Stanaford Acres Project. A pre-bid meeting was held Wednesday March 4th at 10:00 a.m. and 8 contractors attended the meeting. The bid opening will be Friday March 20th at 10:00 a.m., and a Special Meeting will be held on Tuesday April 28th at 4:30 p.m. for the bond closing. He will set up a conference call after the bid opening.

Ms. Sawyers will contact B B & T to confirm the interest rate has not changed from what was provided to the PSC for the Stanaford Acres Project for the financing of the \$210,000 tie-in loan.

Ms. Sawyers informed the Board that no one had applied for the SCBG and she has asked Region I to revise the District's last application for resubmittal for the Phase III B Piney View project. It must be submitted to IJDC by April 10th. The Board agreed to have Region I apply for the SCBG for the District.

After Attorney Rist reviewed the District's drug policy, he stated that it covered all that was necessary for the District.

Engineer, Mike Lawson told the Board that he will prepare any necessary addendums resulting from the pre bid meeting.

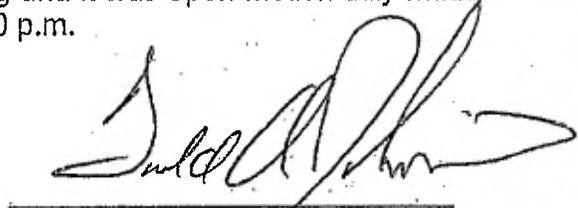
Ms. Sawyers told the Board that there are some businesses that are either not having their grease traps cleaned properly or not often enough. The Boards policy and/or sewer user ordinance will be reviewed to determine the best corrective action to be taken.

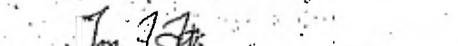
Engineer Mike Lawson will get the cost of the line extension to pick up approximately 30 homes that would flow by gravity to the pump station that was installed in the last project. The County Commission may assist in the cost of this extension.

The Board was told that the vendor for the ultra violet (UV) disinfection system was here to evaluate the system and give pricing for the upgrade or replacement of the system.

No further business came before the meeting and it was upon motion duly made and seconded unanimously adjourned at 5:10 p.m.


Jan R. Datsko, Chairman


Todd A. Robinson, Secretary


Tom F. Foti, Treasurer

**AFFIDAVIT OF PUBLICATION
BECKLEY NEWSPAPERS
BECKLEY, WEST VIRGINIA 25801**

04/10/2015

STATE OF WEST VIRGINIA
COUNTY OF RALEIGH, to wit:

I, Tara Meyer, being duly sworn upon my oath, do depose and say that I am Legal Advertising Clerk for Beckley Newspapers, a corporation, publisher of the newspaper entitled The Register-Herald, an Independent newspaper; that I have been duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published daily for at least fifty weeks during the calendar year, in the municipality of Beckley, Raleigh County, West Virginia; that such newspaper is a newspaper of "general circulation" as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area of areas of the aforesaid municipality and county; that such newspaper averages in length four or more pages, exclusive of any cover, per issue; that such newspaper is circulated to the general public at a definite price of consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matter, advertisements and other notices; that the annexed notice

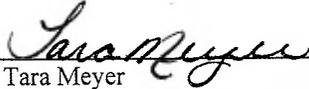
of NOTICE OF PUBLIC HEARING
(Description of notice)

was duly published in said newspaper once a week for 1 successive weeks (Class 1), commencing with the issue of 04/10/2015

and ending with the issue of 04/10/2015, that said annexed notice was published on the following dates: 04/10/2015,

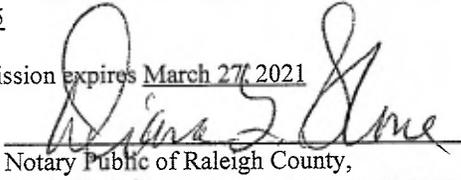
and that the cost of publishing said annexed notice as aforesaid was \$ 65.96

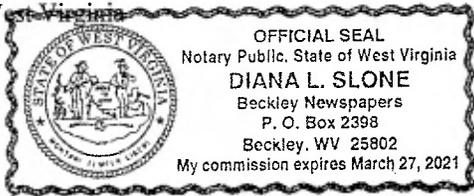
Signed


Tara Meyer
Legal Advertising Clerk
Beckley Newspapers

Taken, subscribed and sworn to before me in my said county this day:
04/10/2015

My commission expires March 27, 2021


Notary Public of Raleigh County,
West Virginia



COPY OF PUBLICATION

**NOTICE OF
PUBLIC HEARING
ON NORTH BECKLEY
PUBLIC SERVICE
DISTRICT
BOND RESOLUTION**

The Public Service Board (the "Board") of North Beckley Public Service District (the "District") will meet in special session on Tuesday, April 21, 2015, at 4:30 p.m., prevailing time, at the District's offices at 122 Clear Water Lane, Beckley, Raleigh County, West Virginia, to hold a public hearing on the following Bond Resolution:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS, IMPROVEMENTS AND EXTENSIONS TO THE SEWER TREATMENT AND DISTRIBUTION FACILITIES OF NORTH BECKLEY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COSTS, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$210,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, 2015 SERIES A (BRANCH BANKING AND TRUST COMPANY); 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 ANY OTHER DOCUMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The Bonds will be issued to finance the costs of acquisition and construction of additions, betterments, improvements and extensions to the existing public sewerage facilities of the District, including, but not limited to, the construction of the connection of the Stanford Acres Sewerage System, Inc.'s wastewater treatment plant and collection system (the "Project") and to pay costs of issuance of the Bonds and related costs of the Project.

The Board of the District expects to adopt the Bond Resolution following the public hearing. A copy of the Bond Resolution is on file at the District's office.

/s/ Todd Robinson
Secretary
4-10-FRI-1-RH; L 2821

NORTH BECKLEY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds, 2015 Series A
(Branch Banking and Trust)

EXCERPT OF MINUTES ON ADOPTION OF BOND RESOLUTION,
POST-ISSUANCE COMPLIANCE POLICY AND SWEEP RESOLUTION

The undersigned SECRETARY of the Public Service Board of North Beckley Public Service District hereby certifies that the following is a true and correct excerpt of the minutes of a special meeting of the said Public Service Board:

The Public Service Board of North Beckley Public Service District met in special session, pursuant to notice duly posted, on the 21st day of April 2015, in Raleigh County, West Virginia, at the hour of 4:30 p m.

PRESENT:

Jan Datsko, Chairman	Elizabeth Benedetto, Esquire
Todd Robinson, Secretary	Karrie Mattox
Tom Foti, Treasurer	Mike Lawson
Donna Sawyer, General Manager	Eric Combs
Tammey Lewis	John Rist, Esquire

ABSENT:

NONE

Jan Datsko, Chairman, presided and Todd Robinson, 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 opened the floor for the Public Hearing for any objections and suggestions on the bond financing. Hearing no objections or suggestions, the Public Hearing was closed.

Thereupon, the Chairman presented a proposed Bond Resolution in writing entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWER TREATMENT AND DISTRIBUTION FACILITIES OF NORTH BECKLEY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COSTS, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$210,000

IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, 2015 SERIES A (BRANCH BANKING AND TRUST COMPANY); 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 ANY OTHER DOCUMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

And caused the same to be read and there was discussion. Thereupon, on motion duly made by Mr. Robinson and seconded by Mr. Foti, 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 Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Mr. Robinson and seconded by Mr. Foti, it was unanimously ordered that the said Sweep Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Chairman presented a proposed Post-Issuance Compliance Policy in order to promote compliance with the requirements of federal and state law regarding issuance of bonds. Thereupon, on motion duly made by Mr. Robinson and seconded by Mr. Foti, it was unanimously ordered that the said Post-Issuance Compliance Policy 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.

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CERTIFICATION

I HEREBY CERTIFY THAT THE FOREGOING IS A TRUE COPY OF THE MINUTES OF North Beckley Public Service District and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 7th day of May, 2015



Secretary

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 25th day of April 2012.

CASE NO. 11-0086-PSD-S-PC

**NORTH BECKLEY PUBLIC SERVICE DISTRICT
AND STANAFORD ACRES SEWERAGE SYSTEMS, INC.,**

Joint petition for consent and approval of North Beckley Public Service District's acquisition of Stanaford Acres Sewerage Systems, Inc.'s sanitary sewer system.

COMMISSION ORDER

The Commission approves a Joint Stipulation and Agreement for Settlement (Joint Stipulation) and grants its prior consent and approval for the parties to enter into a proposed Asset Purchase Agreement (Agreement), as modified by the Joint Stipulation.

BACKGROUND

On September 5, 2007, Stanaford Acres Sewerage Systems, Inc. (Stanaford) filed a petition requesting that the Commission initiate proceedings in the Circuit Court of Raleigh County, West Virginia, to place Stanaford under the control and responsibility of a receiver. Stanaford Acres Sewerage Systems, Inc., Case No. 07-1699-S-PC. The petition stated that the individual responsible for the operation and maintenance of the Stanaford sewer system was no longer physically able to complete the required tasks.

On April 2, 2008, a Recommended Decision (Final April 22, 2008), directed Commission Staff to petition the Circuit Court of Raleigh County, West Virginia, to place Stanaford into receivership, with Dianna J. Powell serving as receiver. In its decision, the Commission concluded that the appointment of a receiver was necessary to continue operation of the Stanaford system until such time as it could become part of the North Beckley Public Service District (North Beckley) sewer system. The petition seeking receivership was never filed in the circuit court.

On April 23, 2010, Staff filed a Petition to Reopen Case No. 07-1699-S-PC. Staff indicated that (i) a petition for receivership had not been filed with the Circuit Court as directed in the final order, and (ii) Staff had been in discussions with North Beckley to acquire the Stanaford system. Staff requested that the Commission retain the case and assist with receivership or acquisition of the system. On July 19, 2010, the Commission reopened Case No. 07-1699-S-PC.

On December 13, 2010, the Commission issued an Order joining North Beckley as a party to Case No. 07-1699-S-PC and requiring North Beckley to file a status report regarding its negotiations to acquire the Stanaford sewer system.

On January 31, 2011, North Beckley and Stanaford filed a Joint Petition for Commission Consent and Approval of the acquisition of Stanaford by North Beckley (Joint Petition). The Petitioners filed the proposed Agreement, North Beckley Annual Reports for years ending 2009 and 2010, a Resolution adopted by Stanaford officers at a November 9, 2010 meeting approving the Agreement, and the minutes from the North Beckley November 10, 2010 board meeting approving the Agreement attached to the Joint Petition.

On April 1, 2011, the Commission issued an Order closing Case No. 07-1699-S-PC because of the pendency of this case.

On April 4, 2011, Staff filed its Final Joint Staff Memorandum. Staff supports the acquisition of Stanaford by North Beckley and separate rate schedules for Stanaford and North Beckley customers. Staff expressed concern with the condition in the Agreement that requires the Commission to issue a final, non-appealable order establishing separate rates to be charged to the Stanaford customers that will generate additional revenues to pay the increased repair, replacement and maintenance costs of the Stanaford system. Staff stated that any future rate filing must reflect the operations of the entire combined district. Staff recommended that North Beckley make future Rule 42 rate filings that reflect the separate rate structures and request increases for only one of the rate schedules. Staff recommended approving the Agreement without approving the terms and conditions therein.

On April 14, 2011, North Beckley filed a response to the Staff memorandum. North Beckley emphasized that the terms and conditions precedent to settlement found in Article IV of the Agreement must be approved or North Beckley will not pursue the acquisition of Stanaford. North Beckley further stated that it should not be required to file a Rule 42 rate case, including district revenues and expenses, but rather should only be required to meet the requirements of Rule 19A because any proposed rate increase would only affect Stanaford customers.

On December 29, 2011, the parties filed the Joint Stipulation for Commission consideration.

On February 17, 2012, the Commission issued an Order scheduling a hearing to discuss the Joint Stipulation.

On February 28, 2012, the Commission convened a hearing in this matter. Ms. Donna Sawyers, general manager for North Beckley, and Mr. Mike Lawson, a

professional engineer consulting with North Beckley, testified regarding the condition of the Stanaford System, the proposed acquisition of Stanaford by North Beckley, and the future of the joined systems. Mr. Lawson estimates that the cost to rehabilitate the Stanaford system will be \$2.7 million, given the current state of the Stanaford system. North Beckley has had some preliminary discussions with the West Virginia Department of Environmental Protection (DEP) and other grant sources, but does not yet have a proposal to pay for the necessary upgrades to the Stanaford system by any means other than a rate increase to the former Stanaford customers.

North Beckley plans to maintain two rate structures and sets of books: one for the former Stanaford customers and one for all current North Beckley customers. Ms. Sawyers testified that North Beckley is preparing a certificate case for an improvement project affecting the current North Beckley system that would increase the rates of current North Beckley customers. Ms. Sawyers also testified that North Beckley does not have a proposed schedule for when the rates for the two sets of customers will be combined. The Joint Stipulation and the Agreement contemplate that the rates will reflect "single tariff pricing" when the rates of North Beckley and Stanaford are within five percent of one another. See, Stipulation at paragraph 10, b. and Agreement at Article IV, paragraph D. In fact, as reflected below, these rates are currently within five percent of one another for the average residential customer.

DISCUSSION

The Commission commends the parties for attempting to reach a resolution in this difficult and protracted case. The Commission recognizes that combining systems is often problematic and appreciates the cooperation between Staff and the parties to join these two systems. Sewer service is a public health and safety concern, and the customers of Stanaford Acres deserve sewer service meeting all the regulatory requirements of this Commission and DEP. Under the Joint Stipulation and Agreement, North Beckley will have the opportunity to expand its customer base through this acquisition, and, over time, have a larger customer base over which to spread its cost of service. The Commission is also aware of the reluctance of North Beckley to undertake the significant improvements required for the Stanaford collection system, if the cost of those improvements would require a significant rate increase on the current North Beckley customers. The Stanaford system sorely needs rehabilitation and solid management if it is to continue to function and provide this essential public health service. The Commission is pleased that North Beckley has stepped forward to provide the needed management of the Stanaford system and to pursue funding for the badly needed rehabilitation.

During the February 28, 2012 hearing, North Beckley indicated that it is currently pursuing funding from the West Virginia Infrastructure and Jobs Development Council (IJDC) for a project called North Beckley PSD, Phase III-B, Piney View Sewer Extension (Phase III-B Extension). Hearing Transcript, February 28, 2012, at 38-42 (hereinafter Tr. at ____). As indicated earlier, at the hearing the engineer for North Beckley indicated that the preliminary estimate for the Stanaford system rehabilitation is \$2.7 million. Tr. at 18. The Commission understands that the cost estimates and funding for both the Phase III-B Extension and the Stanaford collection system rehabilitation project are preliminary. It would be irresponsible for the Commission, however, to fail to consider the magnitude of the potential rate impact on the current Stanaford customers if those customers alone fund the needed improvements to the Stanaford collection system.

The current tariffs for North Beckley and Stanaford reflect that customer rates for the two utilities are less than 2.5 percent apart. A North Beckley customer using 4,000 gallons per month, the average customer usage, pays \$33.74, while the average Stanaford customer pays \$34.50 per month. The North Beckley minimum bill for 2,000 gallons per month is \$18.14 and the Stanaford minimum bill for 3,000 gallons per month is \$27.75. Reviewing the Rule 42 information filed by North Beckley with the IJDC, it appears that the North Beckley average customer would pay \$38.80 per month, an increase of \$5.06, or fifteen percent, if both the loan and grant funding proposed by North Beckley are approved for the proposed Phase III-B Extension. If the project were fully funded by loan, the average customer would pay \$40.28, an increase of \$6.54, or 19.4 percent. The Commission would be willing to entertain a proposal by North Beckley to move the Stanaford rates to the post-project rates of North Beckley, if the Phase III-B project progressed more rapidly than the Stanaford collection system rehabilitation project.

North Beckley estimates that the proposed Stanaford system rehabilitation will cost \$2.7 million. If North Beckley is able to fund the project equally through (i) a DEP Sewer and Water State Revolving Fund (SWSRF) loan with a one percent administration fee for a term of thirty years, and (ii) grant funds, the relatively small customer base of Stanaford, would require a rate of nearly \$59 for the average customer per month, an increase of over \$24, or 70 percent. If the entire \$2.7 million project is funded by a SWSRF loan, the rate for the average Stanaford customer would be \$83 or more per month, an increase of over \$48, or 140 percent. The Commission is very concerned about a monthly rate of over \$80 for the average Stanaford customer if a stand-alone rate approach, as referenced in paragraph 10.b of the Joint Stipulation, is used. This is a rate more than twice the level of the post Phase III-B Extension stand-alone rates for current North Beckley customers.

We also considered two options for combining the rates of North Beckley and Stanaford on completion of both the Phase III-B Extension and the Stanaford collection system rehabilitation project. The first option examined the impact of combined rates under the loan/grant and loan only options described above. Under the loan/grant option, the combined rates for the average North Beckley customer would be about \$41 per month, an increase of slightly more than \$2, or 5.6 percent above the post Phase III-B Extension stand-alone rates of North Beckley. Under the loan only option, the combined North Beckley rates would be about \$43 per month. Under this option, the current North Beckley average customer would pay between \$2 to \$3 more per month under the single tariff pricing approach than the post-project stand-alone North Beckley rate, but the average Stanaford customer would pay a rate about one-half of the stand-alone Stanaford rate. The second option reviewed by the Commission included a \$10 per month surcharge rate for the Stanaford customers at the completion of the Stanaford collection system rehabilitation project that would be phased out over a reasonable period. Under the loan/grant option, the combined rates with the surcharge would initially be less than \$2 per month for the current North Beckley average customer and less than \$3 if the projects were funded entirely by loans.

The single tariff pricing approach envisions that various customers within a utility system will support the extensions and improvements of other portions of the system, but over time all customers will benefit. These benefits flow from (i) the consolidation of efforts, (ii) savings from enlarged scale and scope of operations, and (iii) the spreading of fixed costs over a greater customer base. The Commission is grateful for the effort of North Beckley and Stanaford to resolve this public health and safety concern and will do all it reasonably can to support North Beckley in its efforts to seek certificates from the Commission and funding from the IJDC to improve and upgrade both systems.

The Commission will accept the Joint Stipulation attached to this Order as Appendix A and authorize the existing rates of North Beckley and Stanaford to remain in effect. The Joint Stipulation contemplates that North Beckley can pursue an exception to file a Tariff Rule 19A for a future rate change, however, as noted by Staff Counsel at the hearing, Staff expected any such request to include a full review of both the North Beckley and Stanaford financial information post acquisition of the Stanaford system. The Commission's understands that Staff will not oppose a North Beckley filing for a Tariff Rule 19A exception in a future rate proceeding, and that all parties to the future filing(s) will be permitted to recommend positions different than those on which the Joint Stipulation is based. The Commission hopes that a resolution to future North Beckley case filings can be developed that includes a reasonable phase-in of Stanaford rates to a single tariff for the combined North Beckley system.

The Joint Stipulation seeks Commission prior consent and approval to enter into the Agreement whereby North Beckley will acquire Stanaford. Pursuant to W.Va. Code §24-2-12, a public utility must obtain permission from the Commission before entering into certain transactions including acquisitions or mergers. Under the statute, the Commission is authorized to consent to a proposed transaction without approving its terms and conditions, if the transaction is reasonable, does not adversely affect the public, and no party is given an undue advantage. As requested by the parties in the Joint Stipulation, the Commission will grant its prior consent and approval for the parties to enter into the Agreement as filed on January 31, 2011, and as may be modified by the Joint Stipulation, without approving the terms and conditions of the Agreement.

FINDINGS OF FACT

1. North Beckley and Stanaford requested prior Commission consent and approval to enter into an Agreement whereby North Beckley would acquire the Stanaford system. Joint Petition at Exhibit A.
2. North Beckley, Stanaford and Staff resolved their differences concerning the Agreement and entered into a Joint Stipulation. See, Attachment A.

CONCLUSIONS OF LAW

1. The Agreement as modified by the Joint Stipulation is reasonable, does not adversely affect the public, and no party to the Agreement is given an undue advantage over the others. W.Va. Code §24-2-12.
2. Consent in advance should be given to North Beckley and Stanaford to enter into the Agreement, as revised by the Joint Stipulation, without approving the terms and conditions of the Agreement.

ORDER

IT IS THEREFORE ORDERED that pursuant to W.Va. Code §24-2-12 the Commission grants its prior consent for the Petitioners to enter into the Agreement, as modified by the Joint Stipulation, without specifically approving the terms and conditions of the Agreement.

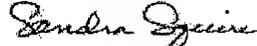
IT IS FURTHER ORDERED that North Beckley shall file, as a closed entry in this case, a fully executed copy of the Agreement as modified by the Joint Stipulation.

IT IS FURTHER ORDERED that that North Beckley shall file, as a closed entry in this case, notification that it has connected the Stanaford system to its own system.

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

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this Order by electronic service on all parties of record who have filed an e-service agreement, by United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Staff by hand delivery.

A True Copy, Dated:


Sandra Aguirre
Executive Secretary

SMS/slc
110086cd.doc

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 11-0086-PSD-S-PC

NORTH BECKLEY PUBLIC SERVICE DISTRICT,
a public utility, and
STANAFORD ACRES SEWERAGE SYSTEMS, INC.,
a public utility.

**Joint petition for Commission Consent and Approval
of North Beckley Public Service District's acquisition
of the Stanaford Acres Sewerage Systems, Inc.'s sanitary
sewer treatment and collection system.**

JOINT STIPULATION AND AGREEMENT FOR SETTLEMENT

Pursuant to W. Va. Code § 24-1-9 and Rules 11 and 13 of the Public Service Commission of West Virginia's (the "Commission") *Rules of Practice and Procedure*, the North Beckley Public Service District (the "District"), Stanaford Acres Sewerage Systems, Inc. ("Stanaford") (the District and Stanaford sometimes collectively referred to herein as the "Petitioners"), and the Staff of the Public Service Commission of West Virginia ("Staff," and together with the District and Stanaford, the "Parties") join in this Joint Stipulation and Agreement for Settlement ("Joint Stipulation") and propose and recommend to the Commission that it approve this settlement among the Parties of all issues raised in Case No. 11-0086-PSD-S-PC, on the terms and conditions set forth below ("Settlement").

I. BACKGROUND

1. On September 5, 2007, Stanaford filed a petition requesting that the Commission initiate proceedings in the Circuit Court of Raleigh County, West Virginia, to place Stanaford under the control and responsibility of a receiver. Stanaford's petition was designated as

Stanaford Acres Sewerage Systems, Inc., Case No. 07-1699-S-PC. Stanaford's petition stated that the individual responsible for the operation and maintenance of Stanaford's sewer system was no longer physically able to complete such tasks.

2. Following a public hearing convened on February 25, 2008, the Commission, by Recommended Decision entered April 2, 2008 (Final April 22, 2008), directed that Staff petition the Circuit Court of Raleigh County, West Virginia, to place Stanaford into receivership, with Dianna J. Powell serving as receiver. In its decision, the Commission concluded that the appointment of a receiver was necessary to continued operation of Stanaford's system until such time as it could become part of the District's sewer system.

3. On April 22, 2010, Staff filed a Petition to Reopen Case No. 07-1699-S-PC. In the two years subsequent to April 22, 2008, Staff worked informally with Stanaford to arrange for a receiver; however, Dianna J. Powell became disinterested in serving as receiver, and Stanaford's system continued to deteriorate as the owners were not able to maintain the system. On July 19, 2010, the Commission issued an Order reopening Case No. 07-1699-S-PC.

4. On December 13, 2010, the Commission issued an Order making the District a party to Case No. 07-1699-S-PC and requiring the District to file a status report regarding its negotiations to acquire Stanaford's sewer system.

5. On January 31, 2011, the District and Stanaford filed their "Joint Petition for Commission Consent and Approval of North Beckley Public Service District's Acquisition of Stanaford Acres Sewerage Systems, Inc.'s Sanitary Sewer System" ("Joint Petition"), seeking the Commission's consent to and approval of the District's acquisition of Stanaford's sewer treatment and collection system. The filing was designated as Case No. 11-0086-PSD-S-PC.

6. Attached to the Joint Petition, Petitioners filed a proposed Asset Purchase Agreement (the "Agreement"), the District's Annual Reports for years ending 2009 and 2010, a Resolution adopted by Stanaford officers at a November 9, 2010 meeting approving the Agreement, and the minutes from the Board of the District's November 10, 2010 meeting approving the Agreement.

7. On March 7, 2011, Staff filed its Initial Joint Staff Memorandum.

8. On April 4, 2011, Staff filed its Final Joint Staff Memorandum.

9. The Parties have discussed settlement to resolve the issues raised in this case. Based on those discussions, the Parties reached the Settlement embodied in this Joint Stipulation.

II. THE SETTLEMENT

10. The terms of the Settlement, which the Parties believe to be a fair and just resolution of this case and in the best interests of the customers of the District and Stanaford, are as follows:

a. The Parties recommend that the Commission approve the Asset Purchase Agreement by and between the District and Stanaford filed in this matter pursuant to which the District will acquire Stanaford, without any additional conditions, modifications, or restrictions.

b. The Parties agree that upon acquisition of Stanaford, the District will be permitted to maintain separate rates and charges to be charged to the customers connected to the Stanaford system (the "Stanaford Customers"). At such time that the District files a rate case to modify the rates and charges for the Stanaford Customers, the District will request a waiver of the revenue ceiling limitation of Tariff Rule 19A, thus permitting the District to file such rate case pursuant to Tariff Rule 19A (rather than Tariff Rule 42), and the

Staff agrees to support the District's requested waiver and the processing of the rate case pursuant to Tariff Rule 19A. The Parties agree that the rates to be charged the Stanaford Customers will not impact the District's customers, and will be established to provide adequate revenues to cover (1) the increased costs of repair, remediation, replacement, operation and maintenance, (2) any other expenses that may be incurred by the District to operate the Stanaford system, and (3) increased debt service and required reserve accounts. The Parties agree that rates charged the District's customers and the Stanaford Customers may be blended at the request of the District when the rate schedules are within five percent (5%) of each other, subject to gradualism and rate shock considerations.

c. The Parties agree that the escrow account established by the District and Stanaford must be paid to the District and used to pay costs associated with the design, repair, replacement, remediation, and/or replacement of the Stanaford system (the "Project").

d. The Parties agree that only those portions of the Project that are outside the District's usual course of business will require Commission approval. The Parties agree that the initial connection of Stanaford's system to the District's system does not require a certificate of convenience and necessity from the Commission.

e. The Parties agree that the District has to acquire adequate funding from any source or sources sufficient to provide for the payment in full of all costs associated with the Project.

f. Stanaford and the District agree that any condition, modification, or restriction placed upon the proposed acquisition by the Commission as a condition of its approval of

the acquisition, must be agreed to in writing by the District and Stanaford, and failure by either party to agree to any such condition, modification, or restriction will not be considered a default or breach of the Asset Purchase Agreement.

g. The Parties recognize that the following conditions must be met before the District acquires Stanaford:

1. The real estate to be transferred by Stanaford to the District must be free and clear from any covenants or deed restrictions which would prohibit the District from using the property for the collection, treatment, and discharge of sanitary sewage;
2. All real estate to be transferred by Stanaford to the District must be free from the presence of any toxic or hazardous substance or any pollutant of any nature, as defined and regulated by applicable federal, state or local environmental laws;
3. The District and Stanaford must be able to obtain all necessary governmental permits, licenses and approvals for the Asset Purchase Agreement, the transfer of Stanaford's assets, and the operation of Stanaford's assets;
4. The West Virginia Department of Environmental Protection must agree to waive Stanaford's current violations and enter an Order concerning its position with reference to the Project;
5. The District must be able to obtain any and all permits required for the Project;
6. The Asset Purchase Agreement must be approved by the District's Board, and by Stanaford's Board of Directors; and

7. The representations and warranties of Stanaford contained in the Asset Purchase Agreement shall have been true and correct at and as of the date of the Asset Purchase Agreement, and shall be true and correct at and as of the closing date, and Stanaford shall have performed and complied with all its obligations required by the Asset Purchase Agreement.

11. The Parties support and recommend this Joint Stipulation and the Settlement as being in the public interest and as a fair, reasonable, and complete resolution of all the issues raised in this proceeding. The Parties shall support the Settlement and make reasonable, good faith efforts to obtain approval of the Settlement by the Commission and any appeal therefrom.

12. The Parties further recommend that the Commission issue findings of fact and conclusions of law to the effect that the Asset Purchase Agreement satisfies the statutory test in W. Va. Code § 24-2-12 in that (i) the terms and conditions of the Asset Purchase Agreement are reasonable; (ii) no party to the Asset Purchase Agreement has an undue advantage over another; (iii) the Asset Purchase Agreement does not and will not adversely affect the public in the State of West Virginia, and, accordingly, that the Asset Purchase Agreement be approved, without approving the specific terms and conditions thereof.

13. The Parties propose this Joint Stipulation and the Settlement without adopting any of the compromise positions that may be set forth herein as regulatory principles applicable to future proceedings. The Parties note that at pages 2-3 of the December 21, 2007 Commission Order, entered in *West Virginia-American Water Company*, Case No. 07-0998-W-42T, the Commission indicated its appreciation of the reluctance of parties to stipulated settlements to be bound in future cases by virtue of their agreements on substantive issues in a settled case, and that a disclaimer of the type appearing in the preceding sentence, which is part of virtually every

settlement agreement filed with the Commission, should be respected as it fosters the development of settlements in contested cases without prejudice to the settling parties. Thus, the Parties' willingness to execute this Joint Stipulation is expressly predicated upon the effectiveness of the disclaimer in the first sentence of this paragraph and the Commission's endorsement thereof in Case No. 07-0998-W-42T. Moreover, the Parties affirm that, in recommending to the Commission that it can and should approve the Settlement on the basis of a finding that a particular component is reasonable in the context of the overall Settlement, no inference can or should be made as to the willingness of any Party to recommend or support the same or a similar resolution of the same issue in future cases.

14. This Joint Stipulation is entered into subject to the acceptance and approval of the Commission, and will have no effect whatsoever until and unless approved by the Commission in all of its material terms. The Parties acknowledge that it is the Commission's prerogative to accept, reject, or modify any stipulation, but they respectfully reiterate that each component of the Settlement, and in particular the resolution of each disputed issue and the provisions of this paragraph, is integral to and inseparable from the others. None of the Parties advocates the Commission's resolution of any issue as proposed in this Joint Stipulation other than in the context of their support for the Settlement as a whole. Accordingly, in the event that the Settlement is modified or rejected by the Commission, it is expressly understood that the Parties are not bound to accept the Settlement as modified or rejected, and that they may avail themselves of whatever rights are available to them under law and the Commission's *Rules of Practice and Procedure*.

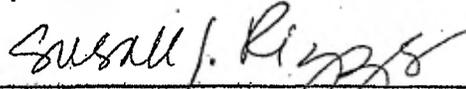
15. The Parties may execute this Settlement in separate counterparts, each of which, when so executed and delivered, shall constitute an original, but all of which together shall constitute one and the same instrument.

WHEREFORE, the Parties, on the basis of the foregoing, respectfully request that the Commission make appropriate findings of fact and conclusions of law adopting and approving the Joint Stipulation in its entirety.

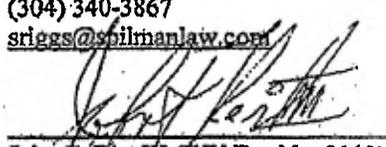
Respectfully submitted this 29th day of December, 2011.

**NORTH BECKLEY PUBLIC SERVICE
DISTRICT**

By Counsel



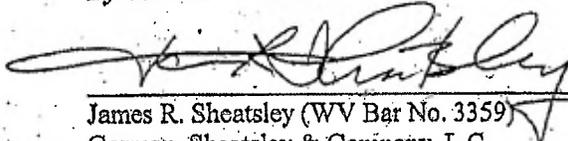
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**STANAFORD ACRES SEWERAGE
SYSTEMS, INC.**

By Counsel



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**THE STAFF OF THE PUBLIC SERVICE
COMMISSION OF WEST VIRGINIA**

By Counsel

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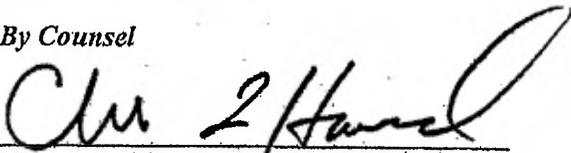
**STANAFORD ACRES SEWERAGE
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**THE STAFF OF THE PUBLIC SERVICE
COMMISSION OF WEST VIRGINIA**

By Counsel



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(304) 340-0464

CERTIFICATE OF SERVICE

I, Susan J. Riggs, counsel for North Beckley Public Service District, do hereby certify that on this 29th day of December, 2011, a copy of the foregoing "*Joint Stipulation and Agreement for Settlement*" was served upon the following counsel of record as follows:

VIA U.S. MAIL

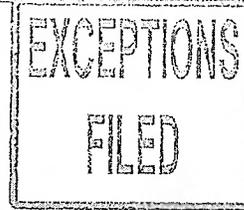
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Gorman, Sheatsley & Company, L.C.
P.O. Box 5518
Beckley, West Virginia 25801-7507
Counsel for Stanaford Acres Sewerage Systems, Inc.

VIA HAND DELIVERY

Christopher Howard, Esquire
Staff Attorney
Public Service Commission of West Virginia
201 Brooks Street
Charleston, West Virginia 25301
Counsel for Commission Staff

Susan J. Riggs by KOF
Susan J. Riggs (WV State Bar #5246)

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON



Entered: December 16, 2013

CASE NO. 13-1267-PSD-PC-19A

NORTH BECKLEY PUBLIC SERVICE DISTRICT
a public utilities, Raleigh County.

Rule 19A application to increase sewer rates and charges
of Stanaford Acres Sewerage System, Inc., and
request for approval of a bank loan.

RECOMMENDED DECISION

A \$210,000 loan is approved and the Staff-recommended rate increase for the Stanaford customers is approved.

CASE RECORD

On August 21, 2013, North Beckley Public Service District (District or NBPSD), by counsel Susan J. Riggs, filed with the Public Service Commission (Commission), pursuant to Rule 19A of the Commission's Rules for the Construction and Filing of Tariffs (Tariff Rules), an application for the implementation of a monthly surcharge for the customers of Stanaford Acres Sewerage System, Inc. (Stanaford), in order to fund the costs of the initial tie-in of the Stanaford sewer system to the District's system. The District related as follows: In North Beckley Pub. Serv. Dis. and Stanaford Acres Sewer Sys., Inc., Case No. 11-0086-PSD-S-PC (2012), the Commission approved the District's constructing a tie-in between its system and the Stanaford system preparatory to the District's taking over the Stanaford system. The Stanaford system has three uninterconnected discharge points; two can be connected to the District's system by gravity, but connecting the third will require a lift station. The estimated cost of the project is \$246,116.32. The District plans to use \$37,079.79 of its cash on hand for the project, but needs a loan of approximately \$210,000 to fully fund the project; the District contemplates a loan payable over three years at a 4% annual interest rate. The District requested that such a loan be approved and that a monthly surcharge of \$24.28, to be charged the Stanaford customers and to be in effect for three years, be approved; the surcharge would increase the District's revenue by \$56,232, a 65% increase for the Stanaford customers, and would be sufficient to pay the debt service on the loan.

On September 19, 2013, Staff Attorney Chris Howard filed an Initial Joint Staff Memorandum, advising the District of the notice requirements of Tariff Rule 8.2, and an attached memorandum from William A. Nelson, of the Utilities Division.

On October 1, 2013, the Commission issued an Order referring this matter to the Division of Administrative Law Judges for decision no later than April 18, 2014. Staff was ordered to file its final report no later than December 2, 2013, and the District was ordered to mail to each individual customer, no later than October 31, 2013, a notice of its requested increase, as required by Tariff Rule 8.2.f, and to file a certificate evidencing such mailing no later than November 15, 2013.

On October 23, 2013, the District, by counsel, filed a joint motion with Stanaford that Stanaford be joined as a party in this matter.

On November 7, 2013, Stanaford, by its manager Dianna Powell, filed a statement providing five reasons why it supported the District's requests, including the following:

Stanaford is an upper middle class community with very nice homes served by a troubled sewer system. Part of the reason the system is troubled was the very low rates charged by Stanaford to its customers for over 30 years.

The District requested the three year payback as it will coincide with the payoff of another District loan which will be substituted with the proposed loan to replace the entire Stanaford collection system and remove the Stanaford treatment systems. The result will be that the rates of Stanaford and the District can be blended immediately after a Stanaford project so that the Stanaford customers will see a significant rate decrease. Stanaford fully supports this approach.

On November 15, 2013, the undersigned issued a Procedural Order granting the motion for joinder; Stanaford was added as a party.

Also on November 15, 2013, the District, by counsel, filed a motion for leave to include substitute language in the notice of its requested rate increase and a completed Tariff Form 6-A, which stated that, on October 30, 2013, it had mailed to each of the Stanaford customers an attached notice, which was a detailed statement of what was being proposed in this matter, as well as background information. It also advised the customers of a meeting on the proposal on November 7, 2013. The motion requested approval of the District's having sent the letter instead of the limited information normally included in the notice of a requested rate increase.

By Procedural Order issued November 18, 2013, the motion was granted; it was therefore declared that the District had completed the requirements of Tariff Rules 8.2.f and 8.2.g.

On December 3, 2013, Mr. Howard filed the Final Joint Staff Memorandum and the Staff Report, consisting of a Rule 42 Exhibit and a document that included the Staff-recommended rates, prepared by Mr. Nelson, of the Utilities Division, which included the following: The purpose of

the agreement approved in Case No. 11-0086-PSD-S-PC was for the District to acquire Stanaford; one condition of the agreement for finalization of the acquisition was that the District establish rates to be charged the Stanaford customers. The District serves approximately 3,588 customers and Stanaford serves approximately 193 customers, all residential. The District has been offered a \$210,000 loan from BB&T, at an annual interest rate of 1.65% and payable over three years. Staff examined the District's records for the fiscal year ending June 30, 2012, and Stanaford's books and records for the year ending December 31, 2012. Staff's cash flow analysis for the District shows that the District is operating at a deficit.¹ However, because the District and Stanaford in this matter have requested increased charges only for the Stanaford customers and the District apparently is using unencumbered investment savings to offset its cash flow deficit when needed, Staff's recommendations related only to a new Schedule VI of the District's tariff, applicable to the Stanaford customers alone. Staff recommended a Step 1 increase for the Stanaford customers, to become effective when this decision becomes final and remain in effect for three years; at the end of the three years the Stanaford customers would pay the same rates as the District's customers, which, unless modified in another case, will be the District's current rates; Schedule VI would be discontinued; those rates Staff presented as Step 2 rates.² The Step 1 rates would provide \$58,570 in additional annual revenue, and would be sufficient to pay the debt service on the loan.

On December 13, 2013, the District, by counsel, filed a letter accepting the Staff-recommended rates, and stating, "Due to the immediate environmental concerns related to the Stanaford system's inadequate treatment of its customers' sewage, the District desires to proceed as quickly as possible with obtaining the requested loan and completing the initial tie-in of the Stanaford system to the District's system."

DISCUSSION

The Staff-recommended Step 1 rates will be approved. Under the Stanaford current tariff, a customer using 4,000 gallons in a month pays \$34.50. Adding the proposed \$24.28 monthly surcharge would result in a monthly bill of \$58.78. Under the Step 1 Schedule VI rates, a Stanaford customer using 4,000 gallons in a month will be billed \$57.96. Under Tariff Rule 8.2.i, a utility that accepts the Staff-recommended rates is required to publish and post a notice of them. However, because the rate changes approved here affect only the Stanaford customers; the letter sent in October by the District to the Stanaford customers apprised them of the proposed surcharge and no Stanaford customer objected to the surcharge; and the Staff-recommended Step 1 rates will not cause higher monthly bills for the average customer than the surcharge would have, no further

¹ The cash flow chart shows, at going level, total annual revenue of \$2,302,171 and total annual cash requirements of \$1,515,651, including \$1,463,850 in operation and maintenance expenses, leaving \$786,520 for debt service. However, the District's debt service requirements total \$1,069,492, creating an annual deficit of \$282,972 and a debt service coverage factor of 75.17%.

² The cash flow chart shows that under Step 1 the District's total revenue would be \$2,360,741; its cash requirements total \$1,515,651, leaving \$845,090 for debt service. With debt service requirements totaling \$1,069,492, the District would have a deficit of \$224,402 and a debt service coverage factor of 80.76%. Under Step 2, the District's total annual revenue would be \$2,295,243 and its total annual cash requirements would be \$1,512,908, leaving \$782,334 for debt service. With debt service requirements totaling \$976,900, the District would have a deficit of \$194,566 and a debt service coverage factor of 80.28%.

notice needs to be issued and the District will be deemed to have substantially complied with Tariff Rule 8.2.i.

The October letter to the Stanaford customers advised them that, at the end of the three years needed to repay the \$210,000 loan, the District “will be filing for a general adjustment in the rate it charges to all of its customers.” W.Va. Code §24-2-3 requires the Commission to set reasonable rates whenever it finds any existing rates “unjust, unreasonable, insufficient or unjustly discriminatory” or otherwise in violation of the law. The District’s last rate increase was approved in 2006 (Case No. 06-0503-PSD-19A) and the record in this matter makes clear that the District’s rates for its customers as a whole are already grossly inadequate to pay for its expenses and to provide adequate debt service coverage. Because the information needed to fix reasonable rates for all of the District’s customers has not been provided and the undersigned does not wish to hold up the Stanaford tie-in and approval of the loan needed for that construction, she will not require in this matter the further information needed to approve rate increases for all of the District’s customers. However, the District will be ordered to file, within sixty days of the date on which this decision becomes final, an application for a general rate increase. Further, because those rates undoubtedly will become effective within three years, the Step 2 rates will not be approved.

FINDINGS OF FACT

1. On August 21, 2013, North Beckley Public Service District filed with the Public Service Commission, pursuant to Rule 19A of the Commission’s Rules for the Construction and Filing of Tariffs, an application for the implementation of a monthly surcharge for the customers of Stanaford Acres Sewerage System, Inc., in order to fund the costs of the initial tie-in of the Stanaford sewer system to the District’s system, which was approved in North Beckley Pub. Serv. Dis. and Stanaford Acres Sewer Sys., Inc., Case No. 11-0086-PSD-S-PC (2012). (See application).

2. The Stanaford system has three uninterconnected discharge points; two can be connected to the District’s system by gravity, but connecting the third will require a lift station. The estimated cost of the project is \$246,116.32. (See application).

3. The District plans to use \$37,079.79 of its cash on hand for the project, but needs a loan of approximately \$210,000 to fully fund the project. (See application).

4. The District has been offered a \$210,000 loan from BB&T, at an annual interest rate of 1.65% and payable over three years. (See Final Joint Staff Memorandum filed December 3, 2013).

5. Staff examined the District’s records for the fiscal year ending June 30, 2012, and Stanaford’s books and records for the year ending December 31, 2012. (See Final Joint Staff Memorandum).

6. Staff's cash flow analysis for the District shows that the District is operating at a deficit. At going level, the District has total annual revenue of \$2,302,171 and total annual cash requirements of \$1,515,651, including \$1,463,850 in operation and maintenance expenses, leaving \$786,520 for debt service. However, the District's debt service requirements total \$1,069,492, creating an annual deficit of \$282,972 and a debt service coverage factor of 75.17%. (See Final Joint Staff Memorandum).

7. Because the District and Stanaford in this matter have requested increased charges only for the Stanaford customers and the District apparently is using unencumbered investment savings to offset its cash flow deficit when needed, Staff's recommendations related only to a new Schedule VI of District tariff, applicable to the Stanaford customers alone. Staff recommended a Step 1 increase for the Stanaford customers, to become effective when this decision becomes final and remain in effect for three years; at the end of the three years the Stanaford customers would pay the same rates as the District's customers and Schedule VI would be discontinued; Staff presented those rates as Step 2 rates. (See Final Joint Staff Memorandum).

8. The Step 1 rates would provide \$58,570 in additional annual revenue, and would be sufficient to pay the debt service on the loan. (See Final Joint Staff Memorandum).

9. Under Step 1 the District's total revenue would be \$2,360,741; its cash requirements total \$1,515,651, leaving \$845,090 for debt service. With debt service requirements totaling \$1,069,492, the District would have a deficit of \$224,402 and a debt service coverage factor of 80.76%. Under Step 2, the District's total annual revenue would be \$2,295,243 and its total annual cash requirements would be \$1,512,908, leaving \$782,334 for debt service. With debt service requirements totaling \$976,900, the District would have a deficit of \$194,566 and a debt service coverage factor of 80.28%. (See Final Joint Staff Memorandum).

10. The District accepted the Staff-recommended rates. (See filing of December 13, 2013).

11. On October 30, 2013, the District mailed to each of the Stanaford customers an attached notice, which was a detailed statement of what was being proposed in this matter, including the proposed \$24.28 surcharge, as well as background information. No objection was filed. (See filing of November 15, 2013; Commission case file).

12. Under the Stanaford current tariff, a customer using 4,000 gallons in a month pays \$34.50. Adding the proposed \$24.28 monthly surcharge would result in a monthly bill of \$58.78. Under the Step 1 Schedule VI rates, a Stanaford customer using 4,000 gallons in a month would be billed \$57.96. Accordingly, the bills issued the Stanaford customers under the Staff-recommended Step 1 rates are generally lower than what the bills would have been had the proposed surcharge been approved. (See filing of November 15, 2013; Final Joint Staff Memorandum).

CONCLUSIONS OF LAW

1. Because the Stanaford customers were fully informed of proposed monthly charges greater than the Step 1 rates recommended by Staff, it is not necessary for the District to provide further notice; it has substantially complied with Tariff Rule 8.2.i.

2. It is appropriate to approve the loan stated at Finding of Fact 4 because it is reasonable.

3. It is appropriate to approve the Staff-recommended Step 1 rates, as provided in Appendix A, because they will be sufficient to pay the debt service on the loan.

4. Because the District's current rates are insufficient to pay its expenses and to provide adequate debt service coverage, the District will be ordered to file, within sixty days of the date on which this decision becomes final, an application for a general rate increase and the Step 2 rates recommended by Staff will not be approved.

ORDER

IT IS, THEREFORE, ORDERED that the \$210,000 loan, at an annual interest rate of 1.65% and payable over three years, IS APPROVED.

IT IS FURTHER ORDERED that the rates, as provided in Appendix A hereto, are approved, to become effective on the date on which this decision becomes final, because they are sufficient to pay the debt service on said loan.

IT IS FURTHER ORDERED that North Beckley Public Service District file an original and at least five (5) copies of a proper tariff reflecting the rates approved herein within thirty (30) days of the date on which this decision becomes final.

IT IS FURTHER ORDERED that North Beckley Public Service District file with the Commission, no later than sixty (60) days after the date on which this decision becomes final, an application to increase its rates.

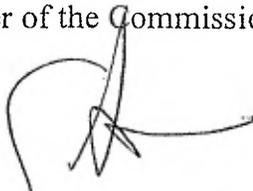
IT IS FURTHER ORDERED that this matter be removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this order upon the Commission by hand delivery, and by electronic service upon all parties of record who have filed an e-service agreement with the Commission and by United States Certified Mail, return receipt requested, and upon all parties of record who have not filed an e-service agreement with the Commission.

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.



Sunya Anderson
Administrative Law Judge

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NORTH BECKLEY PUBLIC SERVICE DISTRICT
CASE NO. 13-0962-PSD-42T

APPROVED TARIFF

SCHEDULE I

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

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

RATES (customers with metered water supply)

First	2,000 gals used per month	\$9.07 per 1,000 gallons
Next	23,000 gals used per month	\$7.80 per 1,000 gallons
All Over	25,000 gals used per month	\$5.21 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than \$18.14 per month, which is the equivalent of 2,000 gallons of usage.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

DISCONNECT/RECONNECT/ADMINISTRATIVE FEES

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Beckley Water, a disconnection fee of \$25.00 shall be charged, or in the event the delinquent sewer bill is collected by the water company, an administrative fee of \$25.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with Beckley Water, is reconnected, a reconnection fee of \$25.00 shall be charged.

TAP FEE

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

A tap fee of \$100.00 will be charged to customers applying for service before construction is completed adjacent to the customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of \$300.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

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

LEAK ADJUSTMENT

\$0.47 per 1,000 gallons is to be used when the bill reflects unusual water consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SCHEDULE II

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

APPLICABILITY

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

$$A \times R \times .0006233 \times C$$

- | | | |
|----------|---|---|
| S | = | the surcharge in dollars |
| A | = | the area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet |
| R | = | the measured monthly rainfall in inches |
| 0.000623 | = | a conversion factor to change inches of rain x square feet of surface to thousands of gallons of water |

C = the District's approved rate per thousand gallons of metered water usage

The District shall not impose the surcharge unless, and until, the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

The surcharge shall be calculated and imposed for each month that the condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the rules and regulations of the Public Service Commission of West Virginia.

Note: The surcharge is not cumulative so as not to reduce the incentive of the larger users to disconnect. The minimum charge does not apply to the surcharge.

SCHEDULE III

SURCHARGE FORMULA TO BE APPLIED IN THE CASES OF USERS PRODUCING UNUSUAL WASTE

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$C_i = V_o V_i + B_o B_i + S_o S_i$$

C_i = charge to unusual users per year

V_o = average unit cost of transport and treatment chargeable to volume, in dollars per gallon

V_i = volume of waste water from unusual users, in gallons per year

B_o = average unit cost of treatment, chargeable to Biochemical Oxygen Demand (BOD), in dollars per pound

B_i = weight of BOD from unusual users, in pounds per year

S_o = average unit cost of treatment (including sludge treatment) chargeable to total solids, in dollars per pound

S_i = weight of total solids from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its waste, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the Public Service District, should not be introduced into the sewer system need not be handled

by it. The results of the preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefor, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the aforesaid investigation and an audit of the Utility's records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the Public Service District, as the case may be. Such audited figures shall then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment shall be made as aforesaid.

SCHEDULE IV

Where the amount of sanitary sewage discharge into the Utility's wastewater collection and/or treatment system by certain industrial plant or plants cannot be accurately determined by the use of the plant's water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to the Utility a sewer charge calculated at fifty gallons of water per each employee at the plant each working day.

SCHEDULE V

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for wastewater and leachate haulers.

RATES

Commodity charge -- Each customer shall pay a commodity charge of \$40.00 per 1,000 gallons per load. Load will be actual capacity of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined, or verified solely, by the Utility.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the District or 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.

SCHEDULE VI

APPLICABILITY

Applicable to those customers formerly served by the Stanaford Acres Sewerage System.

AVAILABILITY

Available for general domestic, commercial and industrial service.

RATES (customers with metered water supply)

First	3,000 gals used per month	\$15.54 per 1,000 gallons (Includes a surcharge of \$7.82 for debt repayment)
All Over	3,000 gals used per month	\$11.34 per 1,000 gallons (Includes a surcharge of \$7.82 for debt repayment)

MINIMUM CHARGE

No bill will be rendered for less than \$46.62 per month, which is the equivalent of 3,000 gallons with a 5/8-inch meter. (Includes a surcharge of \$23.45 for debt repayment)

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

Equivalent of 4,500 gallons of water usage or \$63.63 per month. (Includes a surcharge of \$32.01 for debt repayment)

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

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

A tap fee of \$300.00 will be charged to all customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the Stanaford 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.

LEAK ADJUSTMENT

\$1.91 per 1,000 gallons is to be used when the bill reflects unusual water consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 28th day of January, 2014.

CASE NO. 13-1267-PSD-PC-19A

NORTH BECKLEY PUBLIC SERVICE DISTRICT,
a public utility, Beckley, Raleigh County.

Rule 19A application to increase sewer rates and charges of Stanaford Acres Sewerage System, Inc. and request for approval of a bank loan.

COMMISSION ORDER

The Commission modifies a Recommended Decision to remove a requirement that a rate case be filed within sixty days and conditionally approves the use of Step 2 rates.

BACKGROUND

On August 21, 2013, North Beckley Public Service District filed to increase rates under Rule 19A of the Commission Rules for the Construction and Filing of Tariffs, 150 C.S.R. Series 2, to add a \$24.28 monthly surcharge for three years for the former customers of Stanaford Acres Sewerage System, Inc. The Commission approved North Beckley's takeover of the Stanaford system in 2012 in Case Number 11-0086-PSD-S-PC. Rule 19A Application at 1-2 & Exs. A-B (Aug. 21, 2013).

The Stanaford system has three discharge points. Two can be connected to North Beckley by gravity, and the third discharge point requires a lift station that is estimated to cost \$246,116. North Beckley proposed to use \$37,079 from cash on hand and requested approval of a \$210,000 loan at 1.65 percent interest for three years. North Beckley later plans to enter into a separate loan for a project to replace the entire Stanaford collection system and remove the Stanaford treatment systems. North Beckley and Stanaford rates then will be blended and rates for customers of the former Stanaford system will significantly decrease. Id.; Staff Rule 42 Financial Ex. Transmittal Ltr. at 2 (Dec. 3, 3012). Stanaford supported this approach. Stanaford Ltr. at 1-3 (Nov. 7, 2013).

North Beckley serves 3,588 customers and Stanaford serves 193, all residential. Staff Rule 42 Financial Ex. Transmittal Ltr. at 2 (Dec. 3, 3012); North Beckley's Tariff Form No. 2 (Aug. 21, 2013).

On October 1, 2013, the case was referred to the Division of Administrative Law Judges. Comm'n Referral Order at 1.

On December 3, 2013, Commission Staff filed recommended rates, accompanied by a cash flow analysis that showed North Beckley was operating at a deficit. Staff Rule 42 Financial Ex. Transmittal Ltr. at 4, Statement D Schedule 1 & Statement F Schedule 2 (Dec. 3, 2013).

Because increased charges were requested only for former Stanaford customers and North Beckley was apparently using unencumbered investment savings to offset the cash flow deficit when needed, Staff only proposed increased rates for former Stanaford customers. Staff Recommended Revenue Requirements & Rates Report at 1-2 (Dec. 3, 2013). Under Step 1 the Stanaford surcharge will apply, but under Step 2 (at the end of three years), Stanaford customers will pay the same rates as other North Beckley customers. Step 1 rates for Stanaford customers will generate \$58,570 annually in additional revenues, and operating expenses at both North Beckley and Stanaford will be reduced after the takeover. The combination of the additional revenue from the surcharge and reduced operating expenses is sufficient to pay the \$71,891 annual debt service on the proposed \$210,000 loan. Staff Rule 42 Financial Ex. Transmittal Ltr. at 3, Statement C (debt service amount) & Statements G & A2 (adjustments to operating expenses).

On December 13, 2013, North Beckley and Stanaford accepted the Staff rates. Joint Response to Final Joint Staff Memorandum at 1. Because of environmental concerns related to the Stanaford system's inadequate treatment of sewage, North Beckley proposed to proceed as quickly as possible. Id.

The ALJ approved North Beckley's entry into the \$210,000 loan and Staff's Step 1 rates for former Stanaford customers. She also noted that the Staff cash flow analysis showed an annual deficit. Rec. Dec. at 3, 5 (Dec. 16, 2013). Because W. Va. Code § 24-2-3 requires the Commission to set reasonable rates and the record was clear that current rates are inadequate to pay expenses and provide adequate debt service coverage, the ALJ required North Beckley to file a rate case. Because the information needed to establish reasonable rates for all customers was not provided and the ALJ did not wish to delay the Stanaford tie-in, she required a rate case to be filed within sixty days of a final Order in this proceeding. Id. at 4. The ALJ did not approve the Staff Step 2 rates because they were not proposed to be effective until three years later. Id.

On December 30, 2013, North Beckley filed Exceptions to the Recommended Decision, asserting that Staff's revenue requirement erroneously included \$241,552 for the 2009B State Revolving Fund issue, but this was a forgivable State Revolving Fund/American Recovery and Reinvestment Act of 2009 loan. The "debt service" is forgiven annually and is not a draw on cash flow. Exceptions at 3. Although removal of this item does not completely erase the Staff cash flow deficit, the operating deficit is reduced dramatically. Id. at 3-4.

North Beckley plans to file a combination certificate application and rate case in 2014. Id. at 3-4. North Beckley has submitted a preliminary application to the West Virginia Jobs and Infrastructure Development Council for the Stanaford replacement project with a draft Rule 42 financial exhibit that takes these matters into account:

- a) The combination rate and certificate case will address approval of loan funding and appropriate rates;
- b) The 1999A Water Development Authority/State Revolving Fund bond issue, with a \$404,544 annual principal payment and a \$40,960 annual administrative fee, will mature in 2020 and has a fully funded reserve account;
- c) The proposed loan scenario for the replacement project contemplates wrapping the \$210,000 loan so that part of the principal payments is deferred beyond the three-year term approved in the Recommended Decision; and
- d) Until the certificate and rate case are filed, unencumbered cash balances are more than sufficient to cover any operating cash deficit. Average annual capital expenditures of \$79,862 over the last five years indicate that North Beckley is not in a distressed cash flow position.

Id. Under these circumstances, North Beckley argued that requiring a rate case within sixty days of a final Order would be an unnecessary expenditure of funds by the utility and the inefficient use of Commission resources. Id. at 4.

Staff recommended that the Exceptions be granted. When the ARRA debt requirement is forgiven, the annual operating deficit is only \$41,420. Staff Response to Exceptions at 1-3 (Dec. 31, 2013).

On January 8, 2014, Stanaford also supported the Exceptions. Stanaford Response to Exceptions at 1.

DISCUSSION

The ALJ correctly notes that reasonable rates are required by statute. Usually, a utility will not operate at a deficit under reasonable rates. Upon these particular facts, though, requiring a rate proceeding within sixty days of a final Order would be an unnecessary expenditure of funds by North Beckley and the inefficient use of Commission resources because North Beckley is preparing a combination certificate and rate proceeding for a project to complete its takeover of the Stanaford system and can

absorb the operating deficit for a short while. The Commission will grant the Exceptions and remove the requirement to file a rate case within sixty days.

The Commission also will approve the Staff Step 2 rates for use at the end of the three-year loan period. Because North Beckley will file a combination rate and certificate proceeding in 2014, the Step 2 rates may never take effect. Instead, revised rates will be set in the combination rate and certificate proceeding that will apply to all North Beckley customers. We approve the use of the Staff Step 2 rates for use, but only if revised rates for all North Beckley customers that will be established in the forthcoming rate and certificate proceeding are not in effect at the end of the three-year loan period.

As modified by this Order, the Commission will adopt the Recommended Decision.

FINDINGS OF FACT

1. Under Step 1 rates, North Beckley will operate at a \$41,420 deficit. Staff Rule 42 Financial Ex. Transmittal Ltr. at 4, Statement D Schedule 1 & Statement F Schedule 2 (Dec. 3, 2013); Staff Response to Exceptions at 1-3 (Dec. 31, 2013).

2. During the last five years, North Beckley's average annual capital expenditures have been \$79,862. North Beckley Exceptions at 3-4.

3. North Beckley will file a combined certificate and rate proceeding in 2014 that will, among other matters, request approval of a loan for the Stanaford replacement project and blended rates that will apply to all customers. Id.

4. Until the certificate and rate case are filed, North Beckley's unencumbered cash balances should be sufficient to cover the \$41,420 operating cash deficit. Id.

CONCLUSIONS OF LAW

1. Requiring a rate proceeding within sixty days of a final Order would be an unnecessary expenditure of funds by North Beckley and the inefficient use of Commission resources because North Beckley is preparing a combination certificate and rate proceeding to be filed in 2014 for a project to complete its takeover of the Stanaford system and North Beckley should be able to absorb a \$41,420 operating deficit for a short while.

2. The Staff Step 2 rates should be approved for use at the end of the three-year loan period, but only if revised rates for all North Beckley customers that will be established in the forthcoming rate and certificate proceeding are not in effect at the end of that three-year loan period.

ORDER

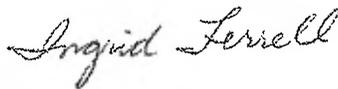
IT IS THEREFORE ORDERED that the North Beckley Exceptions are granted. North Beckley is not required to file a rate proceeding within sixty days of the date of this Order and the Staff Step 2 rates are approved for use at the end of the three-year loan period, but only if revised rates for all North Beckley customers that will be established in the forthcoming rate and certificate proceeding are not in effect at the end of the three-year loan period.

IT IS FURTHER ORDERED that the Recommended Decision, as modified by this Commission Order, is adopted.

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 Executive Secretary of the Commission serve a copy of this Order by electronic service on all parties of record who have filed an e-service agreement, and by United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Commission Staff by hand delivery.

A True Copy, Teste,



Ingrid Ferrell
Executive Secretary

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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 1st day of April 2014.

CASE NO. 13-1267-PSD-PC-19A

NORTH BECKLEY PUBLIC SERVICE DISTRICT,
a public utility, Beckley, Raleigh County.

Rule 19A application to increase sewer rates and charges of Stanaford Acres Sewerage System, Inc. and request for approval of a bank loan.

COMMISSION ORDER

The Commission corrects the rates under Schedule VI of the tariff attached as Appendix A to the December 16, 2013 Recommended Decision.

BACKGROUND

On August 21, 2013, North Beckley Public Service District (North Beckley) filed to increase rates under Rule 19A of the Commission Rules for the Construction and Filing of Tariffs, 150 C.S.R. Series 2, to add a \$24.28 monthly surcharge for three years for the former customers of Stanaford Acres Sewerage System, Inc. (Stanaford). The Commission approved North Beckley's takeover of the Stanaford system in 2012 in Case Number 11-0086-PSD-S-PC.

On October 1, 2013, the case was referred to the Division of Administrative Law Judges (ALJ).

On December 3, 2013, Commission Staff filed recommended rates, accompanied by a cash flow analysis that showed North Beckley was operating at a deficit. These rates were accepted by North Beckley and Stanaford.

On December 16, 2013, the ALJ issued a Recommended Decision approving North Beckley's entry into the \$210,000 loan and Staff's Step 1 rates for former Stanaford customers. Further, because the information needed to establish reasonable rates for all customers was not provided and the ALJ did not wish to delay the Stanaford tie-in, she required a rate case to be filed within sixty days of a final Order in this proceeding. The ALJ did not approve the Staff Step 2 rates because they were not proposed to be effective until three years later.

On December 30, 2013, North Beckley filed Exceptions to the Recommended Decision, asserting that Staff's revenue requirement erroneously included \$241,552 for the 2009B State Revolving Fund issue, but this was a forgivable State Revolving Fund/American Recovery and Reinvestment Act of 2009 (ARRA) loan. The "debt service" is forgiven annually and is not a draw on cash flow. Although removal of this item does not completely erase the Staff cash flow deficit, the operating deficit is reduced dramatically. Under these circumstances, North Beckley argued that requiring a rate case within sixty days of a final Order would be an unnecessary expenditure of funds by the utility and the inefficient use of Commission resources.

Staff and Stanaford supported the Exceptions, with Staff recommending the Exceptions be granted. When the ARRA debt requirement is forgiven, the annual operating deficit is only \$41,420.

On January 28, 2014, the Commission issued an Order modifying the December 16, 2013 Recommended Decision to remove the requirement that North Beckley file a rate case within sixty days and conditionally approved the use of Step 2 rates.

On March 18, 2014, North Beckley filed a Motion requesting the Commission correct the rates set forth in Schedule VI of the tariff attached as Appendix A to the December 16, 2013 Recommended Decision. North Beckley explained these rates were the approved Step 1 rates, and that the January 28, 2013 Commission Order did not address or modify the Step 1 rates. North Beckley further explained that the usage blocks under Schedule VI included different surcharge amounts for the first 3,000 gallons and each additional 1,000 gallons used per month. The tariff attached to the Recommended Decision used the same surcharge for both blocks. North Beckley closed by stating that Staff and Stanaford Acres support this Motion.

DISCUSSION

Staff recommended an embedded surcharge amount of \$7.82 per 1,000 gallons for the first 3,000 gallons used per month, dropping to \$5.71 for each additional 1,000 gallons used per month. The December 16, 2013 Recommended Decision approved an embedded surcharge amount of \$7.82 per 1,000 gallons in each block.

It is appropriate for the Commission to amend the rates set forth in Schedule VI of the tariff approved by the Recommended Decision to indicate the correct surcharge for each block.

FINDINGS OF FACT

1. North Beckley filed to increase rates to add a \$24.28 monthly surcharge for three years for the former customers of Stanaford. August 21, 2013 Application.

2. This case was referred to the Division of Administrative Law Judges. October 1, 2013 Commission Referral Order.

3. The ALJ approved the Staff-recommended Step 1 rates for former Stanaford customers, and required North Beckley file a rate case within sixty days of a final Order in this proceeding. The ALJ did not approve the Staff Step 2 rates because they were not proposed to be effective until three years later. December 16, 2013 Recommended Decision.

4. North Beckley filed Exceptions to the Recommended Decision, asserting that requiring a rate case within sixty days of a final Order would be an unnecessary expenditure of funds by the utility and the inefficient use of Commission resources. December 30, 2013 Exceptions.

5. The Commission modified the December 16, 2013 Recommended Decision by removing the requirement that North Beckley file a rate case within sixty days and conditionally approved the use of Step 2 rates. January 28, 2014 Commission Order.

6. North Beckley filed a Motion requesting the Commission correct the rates set forth in Schedule VI of the tariff attached as Appendix A to the December 16, 2013 Recommended Decision because the ALJ had approved the same embedded surcharge for both blocks. March 18, 2014 Motion.

CONCLUSION OF LAW

The Commission will correct the rates as set forth in Schedule VI of the tariff attached as Appendix A to the December 16, 2013 Recommended Decision.

ORDER

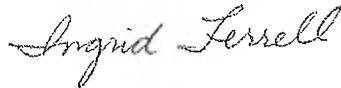
IT IS THEREFORE ORDERED that the rates attached to this Order as Appendix A will replace the rates for Schedule VI that were approved by the December 16, 2013 Recommended Decision.

IT IS FURTHER ORDERED that North Beckley Public Service District file an original and six copies of a proper tariff reflecting the rates approved within thirty days of the date of this Order.

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

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this Order by electronic service on all parties of record who have filed an e-service agreement, by United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Staff by hand delivery.

A True Copy, Teste,



Ingrid Ferrell
Executive Secretary

LHG/lrm
131267cb

SCHEDULE VI

APPLICABILITY

Applicable to those customers formerly served by the Stanaford Acres Sewerage System.

AVAILABILITY

Available for general domestic, commercial and industrial Service.

(I) RATES (customers with metered water supply)

First	3,000 gallons used per month	\$ 15.54 per 1,000 gallons
		(Includes a surcharge of \$7.82 for debt repayment)
All Over	3,000 gallons used per month	\$ 11.34 per 1,000 gallons
		(Includes a surcharge of \$5.71 for debt repayment)

(I) MINIMUM CHARGE

No minimum bill will be rendered for less than \$46.62 per month, which is the equivalent of 3,000 gallons with a 5/8 inch meter.
(Includes a surcharge of \$23.45 for debt repayment)

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

Equivalent of 4,500 gallons of water usage or \$63.63 per month.
(Includes a surcharge of \$32.01 for debt repayment)

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

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

A tap fee of \$300.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to Stanaford 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.

(D) LEAK ADJUSTMENT

\$1.91 per 1,000 gallons is to be used when a bill reflects unusual water consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

(I) Indicates Increase

(D) Indicates Decrease

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 17th day of April, 2015.

CASE NO. 14-1924-PSD-CN

NORTH BECKLEY PUBLIC SERVICE DISTRICT,
a public utility, Beckley, Raleigh County.

Application for a certificate of
convenience and necessity to construct
the Stanaford Replacement Project.

COMMISSION ORDER

The Commission corrects language in the tariff.

BACKGROUND

The sewer system at Stanaford Acres needs replaced. North Beckley Public Service District's facilities can treat the flows from Stanaford Acres and North Beckley agreed to take over the Stanaford Acres system. The Commission approved the acquisition in an earlier case.¹

In the pending case, North Beckley applied for a certificate of convenience and necessity to install new lines and manholes at Stanaford Acres and to decommission the wastewater treatment plants there. North Beckley also asked the Commission to approve a rate increase and funding for the certificate project.

On December 2, 2014, the case was referred to the Division of Administrative Law Judges for further proceedings. Comm'n Referral Order at 1-2.

On February 18, 2015, Commission Staff recommended a five percent rate increase (CN Step 1 rates) to be "effective upon substantial completion of the project and during the remaining three-year period after the acquisition of Stanaford Acres." Staff also recommended a 3.3 percent rate decrease (CN Step 2 rates) that would become "effective upon substantial completion of the project and after the remaining three-year

¹ On April 25, 2012, in North Beckley Public Service District & Stanaford Acres Sewerage Systems, Inc., Case Number 11-0086-PSD-S-PC, the Commission granted its prior consent for North Beckley and Stanaford Acres to enter into an Asset Purchase Agreement. Comm'n Order at 1-7 & Att. A (Joint Stipulation and Agreement for Settlement).

period after the acquisition of Stanaford Acres.” Final Joint Staff Memorandum at 1-3 & attached Utilities & Engineering Divisions Final Recommendation at 1-9.

On March 18, 2015, the ALJ approved the certificate, Staff-recommended rates and proposed financing, with this clarification:

Referring [to] the three-year loan period as the “3 year period after the acquisition of Stanaford Acres,” as provided in the Staff-recommended tariffs, is unclear. The phrase will be changed to the “three-year period after January 28, 2014.”

Rec. Dec. at 3, 4 (Mar. 18, 2015) (Concl. of Law 6).

On March 27, 2015, North Beckley filed Exceptions, explaining that the CN Step 1 rates in this case are designed to generate sufficient revenues to pay back the project funding from the West Virginia Infrastructure and Jobs Development Council (Infrastructure) as well as a loan with BB&T that was previously approved by the Commission. By changing the Staff tariff language for the CN Step 1 rates from “3 year period after *the acquisition of Stanaford Acres*” to “three-year period *after January 28, 2014*,” the Recommended Decision shortens the period of CN Step 1 rates that are necessary to pay back both the BB&T and Infrastructure loans. Exceptions at 1-6.

In an earlier proceeding, North Beckley obtained consent to enter into a \$210,000 loan with BB&T at 1.65 percent interest for three years to fund the initial tie-in, as well as approval of increased rates for Stanaford Acres customers for three years that would generate sufficient revenue to pay the debt service on the BB&T loan (19A Step 1 rates). After the BB&T loan was repaid, Staff recommended that all North Beckley customers pay the same rates (19A Step 2 rates). North Beckley PSD, Case No. 13-1267-PSD-PC-19A, Rec. Dec. at 6 & App. A, (Dec. 16, 2013); Comm’n Order at 2-3 (Apr. 1, 2014) (correcting Schedule VI rates in Rec. Dec.)

In the Exceptions, North Beckley advised that it has not been able to meet the required debt service on its existing financing, so its bondholders would not agree to the BB&T loan on a parity basis. As a result, North Beckley has not yet closed on the BB&T loan. To proceed with the takeover of Stanaford Acres, North Beckley filed this case to obtain a certificate as well as rates sufficient to meet its debt service requirements, thus allowing the BB&T loan to be issued on parity with existing debt and proposed project debt. North Beckley will close both the BB&T tie-in loan and the Infrastructure project loan upon approval of the certificate, project financing and increased rates requested in this case. The rate structure proposed by Staff provides sufficient revenues to pay the debt service for both loans (CN Step 1 rates) and upon the complete pay-down of the BB&T loan, revenues sufficient to pay the debt service on the Infrastructure loan only (CN Step 2 rates).

DISCUSSION

Although in 2013 the Commission granted its consent for North Beckley to enter into a three-year loan with BB&T, as well as increased rates for three years for customers residing in Stanaford Acres, to date North Beckley has not been able to close on the tie-in loan and the three-year 19A Step 1 rates have not taken effect.

In the pending certificate case, North Beckley requested rates that will generate sufficient revenues to allow North Beckley to close on both the BB&T tie-in loan, as well as the Infrastructure funding for the certificate project. Increased rates were designed in this certificate case with two steps so that all customers will pay the same rates after the BB&T loan is repaid.

Staff's tariff reflects this schedule with the language that the CN Step 1 rates will be "effective upon substantial completion of the project and during the remaining three-year period after the acquisition of Stanaford Acres" and that the decreased CN Step 2 rates would become "effective upon substantial completion of the project and after the remaining three-year period after the acquisition of Stanaford Acres."

Upon these facts, substituting a specific date for the phrase "after the acquisition of Stanaford Acres" does not provide clarification or specificity as the ALJ intended. The Staff-proposed language is necessary to provide that the CN Step 1 rates will be in effect for the entire three-year period when the BB&T loan is being repaid. The Commission will grant the Exceptions and restore the language that Staff proposed.

Because North Beckley's takeover of the Stanaford Acres involves multiple loans and rates, it is helpful to provide this summary:

around April 24, 2015	BB&T loan closing, three-year payback period begins. 19A Step 1 rates commence.
May 7, 2015	Infrastructure loan closing, start of certificate project.
around April 1, 2016	Substantial completion of certificate project, about one year into the BB&T three-year payback period. CN Step 1 rates begin and continue in effect until the BB&T loan is repaid (about two more years).
around May 1, 2018	BB&T loan is paid off, lower CN Step 2 rates commence. Revenues for the BB&T loan are no longer needed.

FINDINGS OF FACT

1. In the Staff-proposed tariff for the CN Step 1 rates, the ALJ substituted "after January 28, 2014" for the phrase "after the acquisition of Stanaford Acres." Rec. Dec. at 3, 4 (Mar. 18, 2015) (Concl. of Law 6).
2. North Beckley opposed the ALJ's substitution and requested that the Staff-proposed language be approved. North Beckley Exceptions at 1-6 (Mar. 27, 2015).

CONCLUSIONS OF LAW

1. Upon these facts, substituting a specific date for the phrase "after the acquisition of Stanaford Acres" does not provide clarification or specificity of the time period during which the CN Step 1 rates will be in effect.
2. The Staff-proposed language is necessary to provide that the CN Step 1 rates will be in effect for the entire three-year period when the BB&T loan is being repaid.

ORDER

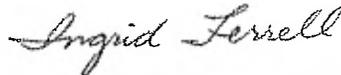
IT IS THEREFORE ORDERED that the Exceptions filed by North Beckley PSD are granted. The Commission adopts the Staff-recommended tariff that appears in Appendix A to this Order.

IT IS FURTHER ORDERED that the Recommended Decision is adopted to the extent that it is consistent with this Order.

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 Executive Secretary of the Commission serve a copy of this Order by electronic service on all parties of record who have filed an e-service agreement, and by United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Commission Staff by hand delivery.

A True Copy, Teste,



Ingrid Ferrell
Executive Secretary

CLW/sek
141924ca.doc

STAFF RECOMMENDED STEP 1 TARIFF

(Effective upon substantial completion of the project and during the remaining
3 year period after the acquisition of Stanford Acres)

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

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

(I) RATES (customers with metered water supply)

First	2,000 gals used per month	\$ 9.52 per 1,000 gallons
Next	23,000 gals used per month	\$ 8.19 per 1,000 gallons
All Over	25,000 gals used per month	\$ 5.47 per 1,000 gallons

(I) MINIMUM CHARGE

No bill shall be rendered for less than \$ 19.04 per month which is the equivalent of
2,000 gallons of usage.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added
to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected
only once for each bill where it is appropriate.

DISCONNECT/RECONNECT/ADMINISTRATIVE FEES

Whenever water service, which has been disconnected for non-payment of sewer bills in conjunction
with a water service termination agreement with Beckley Water, a disconnection fee of \$25 shall be
charged; or in the event the delinquent sewer bill is collected by the water company, an
administrative fee of \$25.00 shall be charged.

Whenever water service which has been previously disconnected or otherwise withheld for
non-payment of a sewer bill in conjunction with a water service termination agreement with
Beckley Water, is reconnected, a reconnection fee of \$25.00 shall be charged.

TAP FEE

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

A tap fee of \$100.00 will be charged to customers applying for service before construction is
completed adjacent to customer's premises in connection with a certificate proceeding before the
Commission. This pre-construction tap fee will be invalid after the completion of construction
adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of \$300.00 will be charged to customers applying for service outside of a certificate
proceeding before the Commission for each new tap to the system.

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.

(I) LEAK ADJUSTMENT

\$0.77 per 1,000 gallons is to be used when a bill reflects unusual water consumption which can
be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such
consumption above the customer's historical average usage.

(Effective upon substantial completion of the project and during the remaining
3 year period after the acquisition of Stanaford Acres)

SCHEDULE II

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

APPLICABILITY

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

$$S = A \times R \times .0006233 \times C$$

S = The surcharge in dollars.

A = The area under roof and/or the area of any other water collection surface connected to the District's sanitary sewer, in square feet.

R = The measured monthly rainfall in inches.

.0006233 = A conversion factor to change inches of rain x square feet of surface
thousands of gallons of water.

C = the District's approved rate per thousand gallons of metered water usage.

The District shall not impose the surcharge unless, and until, the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

Note: The surcharge is not cumulative so as not to reduce the incentive of the larger users to disconnect. The minimum charge does not apply to the surcharge.

(Effective upon substantial completion of the project and during the remaining
3 year period after the acquisition of Stanford Acres)

SCHEDULE III

SURCHARGE FORMULA TO BE APPLIED IN THE CASES OF USERS PRODUCING UNUSUAL WATER

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$C_i = V_o V_i + B_o B_i + S_o S_i$$

- C_i = charge to unusual users per year
 V_o = average unit cost of transport and treatment chargeable to volume,
in dollars per gallon
 V_i = volume of wastewater from unusual users, in gallons per year
 B_o = average unit cost of treatment, chargeable to Biochemical Oxygen
Demand (BOD), in dollars per pound
 B_i = weight of BOD from unusual users, in pounds per year
 S_o = average unit cost of treatment (including sludge treatment), chargeable
to total solids in dollars per pound
 S_i = weight of total solids from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. The total cost of any such study performed shall be borne entirely by the unusual user. Waste containing materials which, in the judgement of the utility, should not be introduced into the sewer system, will not be accepted. The results of the preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefore, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the utility records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the utility, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

(Effective upon substantial completion of the project and during the remaining
3 year period after the acquisition of Stanaford Acres)

SCHEDULE IV

Where the amount of sanitary sewage discharge into the Utility's wastewater collection and/or treatment system by certain industrial plant or plants cannot be accurately determined by the use of the plant's water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to the Utility a sewer charge calculated at fifty gallons of water per each employee at the plant each working day.

SCHEDULE V

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for wastewater and leachate haulers.

RATES

Commodity charge - Each customer shall pay a commodity charge of \$40 per 1,000 gallons per load. Load will be the actual capacity of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined, or verified solely, by the Utility.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the District or 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.

(Effective upon substantial completion of the project and during the remaining
3 year period after the acquisition of Stanaford Acres)

SCHEDULE VI

APPLICABILITY

Applicable to those customers formerly served by the Stanaford Acres Sewerage System.

AVAILABILITY

Available for general domestic, commercial and industrial Service.

RATES (customers with metered water supply)

First	3,000 gallons used per month	\$ 16.32 per 1,000 gallons (Includes a surcharge of \$7.82 for debt repayment)
All Over	3,000 gallons used per month	\$ 11.91 per 1,000 gallons (Includes a surcharge of \$5.71 for debt repayment)

MINIMUM CHARGE

No minimum bill will be rendered for less than \$48.96 per month, which is the equivalent of 3,000 gallons with a 5/8 inch meter. (Includes a surcharge of \$23.45 for debt repayment)

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

Equivalent of 4,500 gallons of water usage or \$63.63 per month.
(Includes a surcharge of \$32.01 for debt repayment)

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

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

A tap fee of \$300.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to Stanaford 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.

LEAK ADJUSTMENT

\$1.91 per 1,000 gallons is to be used when a bill reflects unusual water consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

STAFF RECOMMENDED STEP 2 TARIFF

(Effective upon substantial completion of the project and after the remaining 3 year period after the acquisition of Stanaford Acres)

APPLICABILITY

Applicable within the entire territory served, including the former Stanaford Acres Sewerage System.

AVAILABILITY

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

(I) RATES (customers with metered water supply)

First	2,000 gals used per month	\$ 9.47	per 1,000 gallons
Next	23,000 gals used per month	\$ 8.14	per 1,000 gallons
All Over	25,000 gals used per month	\$ 5.44	per 1,000 gallons

(I) MINIMUM CHARGE

No bill shall be rendered for less than \$ 18.94 per month which is the equivalent of 2,000 gallons of usage.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

DISCONNECT/RECONNECT/ADMINISTRATIVE FEES

Whenever water service, which has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with Beckley Water, a disconnection fee of \$25 shall be charged; or in the event the delinquent sewer bill is collected by the water company, an administrative fee of \$25.00 shall be charged.

Whenever water service which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with Beckley Water, is reconnected, a reconnection fee of \$25.00 shall be charged.

TAP FEE

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

A tap fee of \$100.00 will be charged to customers applying for service before construction is completed adjacent to customer's premises in connection with a certificate proceeding before the Commission. This pre-construction tap fee will be invalid after the completion of construction adjacent to an applicant's premises that is associated with a certificate proceeding.

A tap fee of \$300.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

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.

(I) LEAK ADJUSTMENT

\$0.77 per 1,000 gallons is to be used when a bill reflects unusual water consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

(Effective upon substantial completion of the project and after
the remaining 3 year period after the acquisition of Stanaford Acres)

SCHEDULE II

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

APPLICABILITY

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

$$S = A \times R \times .0006233 \times C$$

S = The surcharge in dollars.

A = The area under roof and/or the area of any other water collection surface connected to the District's sanitary sewer, in square feet.

R = The measured monthly rainfall in inches.

.0006233 = A conversion factor to change inches of rain x square feet of surface thousands of gallons of water.

C = the District's approved rate per thousand gallons of metered water usage.

The District shall not impose the surcharge unless, and until, the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.

Note: The surcharge is not cumulative so as not to reduce the incentive of the larger users to disconnect. The minimum charge does not apply to the surcharge.

(Effective upon substantial completion of the project and after
the remaining 3 year period after the acquisition of Stanford Acres)

SCHEDULE III

SURCHARGE FORMULA TO BE APPLIED IN THE CASES OF USERS PRODUCING UNUSUAL WATER

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$C_i = V_o V_i + B_o B_i + S_o S_i$$

C_i = charge to unusual users per year

V_o = average unit cost of transport and treatment chargeable to volume,
in dollars per gallon

V_i = volume of wastewater from unusual users, in gallons per year

B_o = average unit cost of treatment, chargeable to Biochemical Oxygen
Demand (BOD), in dollars per pound

B_i = weight of BOD from unusual users, in pounds per year

S_o = average unit cost of treatment (including sludge treatment), chargeable
to total solids in dollars per pound

S_i = weight of total solids from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the cost of transport and treatment thereof, will be made. The total cost of any such study performed shall be borne entirely by the unusual user. Waste containing materials which, in the judgement of the utility, should not be introduced into the sewer system, will not be accepted. The results of the preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefore, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the utility records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the utility, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

STAFF RECOMMENDED STEP 2 TARIFF

(Effective upon substantial completion of the project and after
the remaining 3 year period after the acquisition of Stanford Acres)

SCHEDULE IV

Where the amount of sanitary sewage discharge into the Utility's wastewater collection and/or treatment system by certain industrial plant or plants cannot be accurately determined by the use of the plant's water meter or meters, and said plant cannot install a flow meter to measure such waste, a special formula will be used whereby such plant or plants will pay to the Utility a sewer charge calculated at fifty gallons of water per each employee at the plant each working day.

SCHEDULE V

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for wastewater and leachate haulers.

RATES

Commodity charge - Each customer shall pay a commodity charge of \$40 per 1,000 gallons per load. Load will be the actual capacity of the truck or other transport method delivering wastewater and leachate. Actual capacity shall be determined, or verified solely, by the Utility.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the District or 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.

501 Tennessee Avenue
Charleston, WV 25302
(304) 353-1635
Fax (304) 340-4702

April 20, 2015

Donna Sawyer
Manager
North Beckley Public Service District
122 Clear Water Lane
Beckley, WV 25801

Dear Ms. Sawyer:

Branch Banking and Trust Company ("BB&T") is pleased to offer this proposal for the financing requested by the North Beckley Public Service District in Beckley, West Virginia ("District").

- (1) **Project:** Sewer revenue bond to install lines to bring in the Stanaford Acres Subdivision sewerage system
- (2) **Amount To Be Financed:** up to \$210,000.00
- (3) **Interest Rates, Financing Terms and Corresponding Payments:**

Term	Rate
3 years	1.64%

Payments shall be monthly in arrears, as requested. See the attached draft amortization schedule(s) for information on payments.

The financing proceeds shall be deposited on behalf of the District in a project fund account with Branch Banking & Trust. Earnings on the project fund shall accrue to the benefit of the District for use on Project costs or interest payments.

The interest rates stated above are valid for a closing not later than 45 days after today. Closing of the financing is contingent upon completing documentation acceptable to BB&T.

Lender counsel fees shall be paid by the District on behalf of BB&T. All applicable taxes, permits, costs of lawyers for the District and any other costs shall be the District's responsibility and separately payable by the District. The financing documents shall allow prepayment of the principal balance in whole on a scheduled payment date with a 1% prepayment premium.

The stated interest rates assume that the District expects to borrow less than \$10,000,000 in calendar year 2015 and that the District shall comply with IRS Code Sections 141, 148 and 149. BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing is not qualified tax-exempt financing for the purpose of IRS Code Section 265(b)(3).

(4) **Financing Documents:**

It shall be the responsibility of the District to retain and compensate counsel to appropriately structure the revenue bond according to Federal and West Virginia State Statutes. BB&T shall also require the District's Bond Counsel to provide an unqualified legal opinion. BB&T reserves the right to review the bond which must be mutually accepted by BB&T and the District.

(5) **Security:**

The sewer revenue bond shall be secured by a parity lien on the revenues of the District which shall include the additional revenues from the addition of the Stanaford Acres Project.

* * * * *

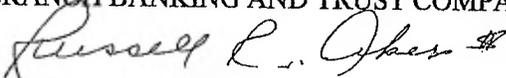
BB&T appreciates the opportunity to make this financing proposal and requests to be notified within five days of this proposal should BB&T be the successful proposer.

BB&T shall have the right to cancel this offer by notifying the District of its election to do so (whether or not this offer has previously been accepted by the District) if at any time prior to the closing there is a material adverse change in the District's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the District or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T. We reserve the right to negotiate and/or terminate our interest in this transaction should we be the successful proposer.

Please call me at (304) 353-1635 with your questions and comments. We look forward to hearing from you.

Sincerely,

BRANCH BANKING AND TRUST COMPANY



Russell R. Akers, II
Vice President

Enclosure

BOND DEBT SERVICE

North Beckley Public Service District, WV NAICS 221320 Customer Number 9948001419
Sewer Revenue Bond 2015 9948001419-00001

Dated Date 05/07/2015
Delivery Date 05/07/2015

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
05/07/2015						210,000.00	210,000.00
06/01/2015	5,750.76	1.640%	229.60	5,980.36		204,249.24	204,249.24
07/01/2015	5,701.22	1.640%	279.14	5,980.36		198,548.02	198,548.02
08/01/2015	5,709.01	1.640%	271.35	5,980.36		192,839.00	192,839.00
09/01/2015	5,716.81	1.640%	263.55	5,980.36		187,122.19	187,122.19
10/01/2015	5,724.63	1.640%	255.73	5,980.36		181,397.56	181,397.56
11/01/2015	5,732.45	1.640%	247.91	5,980.36		175,665.11	175,665.11
12/01/2015	5,740.29	1.640%	240.08	5,980.36		169,924.82	169,924.82
01/01/2016	5,748.13	1.640%	232.23	5,980.36		164,176.69	164,176.69
02/01/2016	5,755.99	1.640%	224.37	5,980.36		158,420.71	158,420.71
03/01/2016	5,763.85	1.640%	216.51	5,980.36		152,656.85	152,656.85
04/01/2016	5,771.73	1.640%	208.63	5,980.36		146,885.12	146,885.12
05/01/2016	5,779.62	1.640%	200.74	5,980.36	71,764.34	141,105.50	141,105.50
06/01/2016	5,787.52	1.640%	192.84	5,980.36		135,317.99	135,317.99
07/01/2016	5,795.43	1.640%	184.93	5,980.36		129,522.56	129,522.56
08/01/2016	5,803.35	1.640%	177.01	5,980.36		123,719.21	123,719.21
09/01/2016	5,811.28	1.640%	169.08	5,980.36		117,907.93	117,907.93
10/01/2016	5,819.22	1.640%	161.14	5,980.36		112,088.71	112,088.71
11/01/2016	5,827.17	1.640%	153.19	5,980.36		106,261.54	106,261.54
12/01/2016	5,835.14	1.640%	145.22	5,980.36		100,426.40	100,426.40
01/01/2017	5,843.11	1.640%	137.25	5,980.36		94,583.29	94,583.29
02/01/2017	5,851.10	1.640%	129.26	5,980.36		88,732.19	88,732.19
03/01/2017	5,859.09	1.640%	121.27	5,980.36		82,873.10	82,873.10
04/01/2017	5,867.10	1.640%	113.26	5,980.36		77,006.00	77,006.00
05/01/2017	5,875.12	1.640%	105.24	5,980.36	71,764.34	71,130.88	71,130.88
06/01/2017	5,883.15	1.640%	97.21	5,980.36		65,247.73	65,247.73
07/01/2017	5,891.19	1.640%	89.17	5,980.36		59,356.54	59,356.54
08/01/2017	5,899.24	1.640%	81.12	5,980.36		53,457.30	53,457.30
09/01/2017	5,907.30	1.640%	73.06	5,980.36		47,549.99	47,549.99
10/01/2017	5,915.38	1.640%	64.98	5,980.36		41,634.62	41,634.62
11/01/2017	5,923.46	1.640%	56.90	5,980.36		35,711.16	35,711.16
12/01/2017	5,931.56	1.640%	48.81	5,980.36		29,779.60	29,779.60
01/01/2018	5,939.66	1.640%	40.70	5,980.36		23,839.94	23,839.94
02/01/2018	5,947.78	1.640%	32.58	5,980.36		17,892.16	17,892.16
03/01/2018	5,955.91	1.640%	24.45	5,980.36		11,936.25	11,936.25
04/01/2018	5,964.05	1.640%	16.31	5,980.36		5,972.20	5,972.20
05/01/2018	5,972.20	1.640%	8.16	5,980.36	71,764.34		
	210,000.00		5,293.02	215,293.02	215,293.02		

Governmental Finance

501 Tennessee Avenue

Charleston, WV 25302

(304) 353-1653

Fax (304) 340-4702

May 7, 2015

North Beckley Public Service District
Sewer Revenue Bonds, 2015 Series A (Branch Banking and Trust Company)

North Beckley Public Service District
Beckley, West Virginia

Spilman Thomas & Battle, PLLC
Charleston, West Virginia

Ladies and Gentlemen:

The undersigned, Rusty Akers, Vice President of Branch Banking and Trust Company, Charleston, West Virginia (the "Purchaser"), on behalf of the Purchaser in connection with its purchase of \$210,000 aggregate principal amount of the above-referenced Bonds (the "Bonds"), issued by North Beckley Public Service District (the "Issuer") on the date hereof, hereby makes the following representations and warranties to you that:

1. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by our purchase of the Bonds.

2. We understand that no official statement, prospectus, offering circular or other offering statement containing material information with respect to the Issuer or the Bonds is being issued, that the Bonds are unrated, and that in due diligence, we have made our own inquiry and analysis with respect to the Issuer, the Bonds and the security therefor, and other material factors affecting the security for and payment of the Bonds, and are relying solely on such inquiry and analysis in our purchase of the Bonds.

3. We acknowledge that prior to the date hereof, we have requested or have had access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and we have had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Bonds and the security therefor, so that as a reasonable investor, we have been able to make our decision to purchase the Bonds. No such information requested by us has been denied to us.

North Beckley Public Service District, *et al.*

May 7, 2015

Page 2

4. We understand that the Internal Revenue Code of 1986, as amended (the "Code"), prescribes satisfaction of several requirements in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes, some of which apply after issuance of the Bonds, and that noncompliance by the Issuer with certain of such requirements could cause interest on the Bonds to be includable in gross income for federal income tax purposes and thus, subject to federal income taxation retroactively to the date hereof. We also understand that under the Code, interest on obligations, such as the Bonds, which are not "private activity bonds," is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations by Section 55 of the Code, but that a provision of the Code which is applicable to corporations (as defined for federal income tax purposes), and which would impose an alternative minimum tax on a portion of the excess of adjusted net book income over pre-book alternative minimum taxable income, could subject part of the interest on the Bonds received by corporations to such corporate alternative minimum tax. Additionally, we understand that there may be other federal income tax consequences as a result of our ownership of the Bonds and that Spilman Thomas & Battle, as Bond Counsel, expresses no opinion with respect to such matters.

5. We understand that the Bonds (a) are not being registered under the Securities Act of 1933, as amended, and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, (c) will carry no rating from any rating service, and (d) may be resold only to purchasers who meet the criteria set forth herein and who, as a condition to such purchase, deliver an executed letter substantially in the form hereof to Spilman Thomas & Battle, PLLC, Charleston, West Virginia.

6. We are purchasing the Bonds for investment in our own account and do not intend to divide the Bonds purchased by us nor to resell or otherwise dispose of all or any part of the Bonds purchased by us, except as permitted by law on a basis of full disclosure to any subsequent holder of the Bonds and subject to applicable securities laws and regulations thereunder.

7. We have had the opportunity to consult with and be advised by legal counsel as to the significance of this letter and we have satisfied ourselves that the Bonds are a lawful investment for us under all applicable laws.

8. The signatory below is a duly authorized officer of the Purchaser with the authority to sign on behalf of the Purchaser and has duly authorized, executed and delivered this letter.

North Beckley Public Service District, *et al.*
May 7, 2015
Page 3

Very truly yours,

BRANCH BANKING AND TRUST COMPANY

By: 
Its: Authorized Officer



WEST VIRGINIA

Water Development Authority

Celebrating 41 Years of Service 1974 - 2015

May 7, 2015

\$210,000

**NORTH BECKLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, 2015 SERIES A
(BRANCH BANKING AND TRUST COMPANY)**

CONSENT TO ISSUANCE OF PARITY BONDS

In reliance upon a certificate of John Blackwell, CPA, independent certified public accountant, and the opinion of Spilman Thomas & Battle, PLLC, Bond Counsel, stating that the coverage and parity requirements have been met (copies of which are attached hereto), the undersigned duly authorized representative of the West Virginia Water Development Authority, the registered owner of the Prior Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Revenue Bonds, 2015 Series A (Branch Banking and Trust Company) (the "Bonds"), in the original principal amount of \$210,000, by the North Beckley Public Service District (the "Issuer"), under the terms of the Bond Resolution authorizing the Bonds, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's (i) Sewerage System Revenue Bonds, Series 1999 (West Virginia SRF Program), dated January 28, 1999, issued in the original aggregate principal amount of \$8,090,898 (the "Series 1999 Bonds"), (ii) Sewerage System Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated September 29, 2003, issued in the original aggregate principal amount of \$5,307,741 (the "Series 2003 Bonds"), (iii) Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), dated October 29, 2009, issued in the original aggregate principal amount of \$4,544,324, and (iv) Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated October 29, 2009, issued in the original aggregate principal amount of \$2,415,521 (collectively, the "Prior Bonds").

WITNESS my signature on this 7th day of May, 2015.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: Sheila A. Miller
Its: Authorized Representative

7197045 (18326.2)

WV MUNICIPAL BOND COMMISSION

900 Pennsylvania Avenue, Suite 1117
 Charleston, WV 25302
 (304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: May 7, 2015

ISSUE: North Beckley Public Service District	
ADDRESS: 122 Clear Water Lane Beckley, WV 25801	COUNTY: Raleigh
PURPOSE OF ISSUE: New Money: <input checked="" type="checkbox"/> Refunding:	REFUNDS ISSUE(S) DATED:
ISSUE DATE: May 7, 2015	CLOSING DATE: May 7, 2015
ISSUE AMOUNT: \$210,000.00	RATE: 1.64%
1ST DEBT SERVICE DUE: June 1, 2015	1ST PRINCIPAL DUE: June 1, 2015
1ST DEBT SERVICE AMOUNT: \$5,980.36	PAYING AGENT: WV Municipal Bond Commission
BOND COUNSEL: Spilman Thomas & Battle, PLLC Contact Person: Elizabeth Benedetto, Esquire Phone: (304) 340-3861	UNDERWRITER'S COUNSEL: Contact Person: Phone: (304)
CLOSING BANK: Branch Banking & Trust Company Contact Person: Rusty Akers Phone: 304-353-1635	ESCROW TRUSTEE: Contact Person: Phone:
KNOWLEDGEABLE ISSUER CONTACT Contact Person: Donna Sawyers Position: General Manager Phone: (304) 253-2191	OTHER: Contact Person: Camden P. Siegrist, Esquire Function: Bank's Counsel Phone: (304) 347-1129
DEPOSITS TO MBC AT CLOSE: By: <input type="checkbox"/> Wire <input type="checkbox"/> Check <input type="checkbox"/> In-House Transfer <input type="checkbox"/> Other	Accrued Interest: \$ Capitalized Interest: \$ Reserve Account: \$ Other: Escrow to Refund \$
REFUNDS & TRANSFERS BY MBC AT CLOSE By: <input type="checkbox"/> Wire <input type="checkbox"/> Check <input type="checkbox"/> IGT <input type="checkbox"/> To Other: _____	<input type="checkbox"/> To Escrow Trustee: \$ <input type="checkbox"/> To Issuer \$ _____ (less any fees) (Release of Surplus Funds) <input type="checkbox"/> To Cons. Invest. Fund \$
NOTES:	
FOR MUNICIPAL BOND COMMISSION USE ONLY: Documents Required: _____ Transfers Required: _____	

BOND DEBT SERVICE

North Beckley Public Service District, WV NAICS 221320 Customer Number 9948001419
 Sewer Revenue Bond 2015 9948001419-00001

Dated Date 05/07/2015
 Delivery Date 05/07/2015

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
05/07/2015						210,000.00	210,000.00
06/01/2015	5,750.76	1.640%	229.60	5,980.36		204,249.24	204,249.24
07/01/2015	5,701.22	1.640%	279.14	5,980.36		198,548.02	198,548.02
08/01/2015	5,709.01	1.640%	271.35	5,980.36		192,839.00	192,839.00
09/01/2015	5,716.81	1.640%	263.55	5,980.36		187,122.19	187,122.19
10/01/2015	5,724.63	1.640%	255.73	5,980.36		181,397.56	181,397.56
11/01/2015	5,732.45	1.640%	247.91	5,980.36		175,665.11	175,665.11
12/01/2015	5,740.29	1.640%	240.08	5,980.36		169,924.82	169,924.82
01/01/2016	5,748.13	1.640%	232.23	5,980.36		164,176.69	164,176.69
02/01/2016	5,755.99	1.640%	224.37	5,980.36		158,420.71	158,420.71
03/01/2016	5,763.85	1.640%	216.51	5,980.36		152,656.85	152,656.85
04/01/2016	5,771.73	1.640%	208.63	5,980.36		146,885.12	146,885.12
05/01/2016	5,779.62	1.640%	200.74	5,980.36	71,764.34	141,105.50	141,105.50
06/01/2016	5,787.52	1.640%	192.84	5,980.36		135,317.99	135,317.99
07/01/2016	5,795.43	1.640%	184.93	5,980.36		129,522.56	129,522.56
08/01/2016	5,803.35	1.640%	177.01	5,980.36		123,719.21	123,719.21
09/01/2016	5,811.28	1.640%	169.08	5,980.36		117,907.93	117,907.93
10/01/2016	5,819.22	1.640%	161.14	5,980.36		112,088.71	112,088.71
11/01/2016	5,827.17	1.640%	153.19	5,980.36		106,261.54	106,261.54
12/01/2016	5,835.14	1.640%	145.22	5,980.36		100,426.40	100,426.40
01/01/2017	5,843.11	1.640%	137.25	5,980.36		94,583.29	94,583.29
02/01/2017	5,851.10	1.640%	129.26	5,980.36		88,732.19	88,732.19
03/01/2017	5,859.09	1.640%	121.27	5,980.36		82,873.10	82,873.10
04/01/2017	5,867.10	1.640%	113.26	5,980.36		77,006.00	77,006.00
05/01/2017	5,875.12	1.640%	105.24	5,980.36	71,764.34	71,130.88	71,130.88
06/01/2017	5,883.15	1.640%	97.21	5,980.36		65,247.73	65,247.73
07/01/2017	5,891.19	1.640%	89.17	5,980.36		59,356.54	59,356.54
08/01/2017	5,899.24	1.640%	81.12	5,980.36		53,457.30	53,457.30
09/01/2017	5,907.30	1.640%	73.06	5,980.36		47,549.99	47,549.99
10/01/2017	5,915.38	1.640%	64.98	5,980.36		41,634.62	41,634.62
11/01/2017	5,923.46	1.640%	56.90	5,980.36		35,711.16	35,711.16
12/01/2017	5,931.56	1.640%	48.81	5,980.36		29,779.60	29,779.60
01/01/2018	5,939.66	1.640%	40.70	5,980.36		23,839.94	23,839.94
02/01/2018	5,947.78	1.640%	32.58	5,980.36		17,892.16	17,892.16
03/01/2018	5,955.91	1.640%	24.45	5,980.36		11,936.25	11,936.25
04/01/2018	5,964.05	1.640%	16.31	5,980.36		5,972.20	5,972.20
05/01/2018	5,972.20	1.640%	8.16	5,980.36	71,764.34		
	210,000.00		5,293.02	215,293.02	215,293.02		

SWEEP RESOLUTION

North Beckley Public Service District

WHEREAS, North Beckley Public Service District (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued its \$210,000 Sewer Revenue Bonds, 2015 Series A (Branch Banking and Trust Company) (the "Bonds");

WHEREAS, the Issuer makes monthly debt service payments on the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

WHEREAS, pursuant to Section 5a of Chapter 13, Article 3 of the Code of West Virginia, 1931, as amended, the MBC has established fees for its services (the "MBC Fee"); and

WHEREAS, the Issuer finds and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service payments be made by electronic funds transfer with the State Treasurer sweeping the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, along with the MBC Fee, shall be made to the MBC by electronic funds transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) The Chairman, Secretary and Treasurer are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 21st day of April, 2015.


Chairman

BOND DEBT SERVICE

North Beckley Public Service District, WV NAICS 221320 Customer Number 9948001419
 Sewer Revenue Bond 2015 9948001419-00001

Dated Date 05/07/2015
 Delivery Date 05/07/2015

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05/01/2016	5,779.62	1.640%	200.74	5,980.36	71,764.34	141,105.50	141,105.50
06/01/2016	5,787.52	1.640%	192.84	5,980.36		135,317.99	135,317.99
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10/01/2016	5,819.22	1.640%	161.14	5,980.36		112,088.71	112,088.71
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08/01/2017	5,899.24	1.640%	81.12	5,980.36		53,457.30	53,457.30
09/01/2017	5,907.30	1.640%	73.06	5,980.36		47,549.99	47,549.99
10/01/2017	5,915.38	1.640%	64.98	5,980.36		41,634.62	41,634.62
11/01/2017	5,923.46	1.640%	56.90	5,980.36		35,711.16	35,711.16
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01/01/2018	5,939.66	1.640%	40.70	5,980.36		23,839.94	23,839.94
02/01/2018	5,947.78	1.640%	32.58	5,980.36		17,892.16	17,892.16
03/01/2018	5,955.91	1.640%	24.45	5,980.36		11,936.25	11,936.25
04/01/2018	5,964.05	1.640%	16.31	5,980.36		5,972.20	5,972.20
05/01/2018	5,972.20	1.640%	8.16	5,980.36	71,764.34		
	210,000.00		5,293.02	215,293.02	215,293.02		



west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, West Virginia 25304-2345
Phone: 304-926-0495
Fax: 304-926-0496

Earl Ray Tomblin, Governor
Randy C. Huffinan, Cabinet Secretary
www.dep.wv.gov

January 31, 2014

DONNA F. SAWYERS, GEN. MGR.
NORTH BECKLEY PSD
122 CLEAR WATER LN
BECKLEY, WV 25801

CERTIFIED RETURN RECEIPT REQUESTED

Dear Permittee:

Enclosed please find WV/NPDES Permit Number WV0027740 dated January 31, 2014.

In response to comments presented in email correspondence dated the 30th day of January 2014 on the draft WV/NPDES Water Pollution Control Permit, the agency presents the following responses.

Comment No. 1 : IU02 - Mercury Monitoring

A reassessment of the maximum allowable headworks loading is completed for various pollutants at permit reissuance. Effluent limits for industrial users are derived to be protective of pass through, interference, inhibition, and sludge disposal criteria. This can potentially result in an increase or decrease of a particular effluent limit for an industrial user. In this case, a reduction in the mercury limit was necessary. Please note, that after further reassessment, the mercury limit had to be reduced even more to be protective of pass through at the wastewater treatment plant. A review of effluent data indicates that the industrial user can easily achieve the new limitation.

Comment No. 2 : Raleigh County Landfill - Process Description

Section E.2.a.2 has been corrected.

Comment No. 3 : IU03 - Monitoring Revisions

As discussed over the phone, this industrial user does not appear to need the additional increase in flow. Further, please note that an increased flow limitation would result in a reduction in some or all of the effluent limitations imposed for this facility. The agency only grants what is necessary for industrial users when considering flow and effluent limitations.

Promoting a healthy environment.

DONNA F. SAWYERS, GEN. MGR.

Page 2

January 31, 2014

This industrial user is subject to a federal effluent guideline (40 CFR 442.16). This effluent guideline prescribes technology based standards for copper, mercury, and oil and grease. As such, these requirements must be imposed at a minimum. Additionally, an assessment of inhibition and pass through must be conducted for these pollutants and the most stringent limitations imposed. The BOD and TSS limitations were revised in accordance with an overall review and reassessment of influent loadings at the POTW as part of the draft permit. Please note that a correction was made to the oil and grease limitation in the final permit to be consistent with the effluent guideline.

Comment No. 4 : Lewis Nissan - Monitoring

The agency believes that monitoring in conjunction with an oil/water separator log is appropriate. If a facility can demonstrate compliance and routine maintenance, the permittee may request a modification in the future for a reduction in monitoring.

Comment No. 5 : Section D - Numbering Error

The numbering error in Section D has been corrected.

Comment No. 6 : Beckley Garbage Wastewater Introduction

Sections E.2.a.5 and E.2.b.5 have been corrected to reflect that the wastewater is directly connected to the collection system and not trucked to the WWTP. Please note that the previous permit required a permit modification to be submitted prior to the direct connection being made. No modification was submitted.

Comment No. 7 : Little General Store

The contract operator for this remediation has been corrected to Simon and Associates.

Comment No. 8 : Beckley Maintenance

Sections E.2.a.10 and E.2.b.10 were corrected to remove the reference to settling and to remove the oil separator log.

Comment No. 9 : Beckley West Maintenance Garage

The language regarding the waiver of monitoring was removed in this permit because a permit modification was required to effectuate any change in monitoring. This language is unnecessary because the permittee may submit a permit modification request at any time regardless of whether it is stated in the permit or not.

Please note that a Discharge Monitoring Report (DMR) is to be completed and submitted to this Division each month.

DONNA F. SAWYERS, GEN. MGR.

Page 3

January 31, 2014

Special Condition: Please note that, pursuant to EPA comments, monitoring for iron has been imposed at Outlet 001 in the final permit due to a completed TMDL.

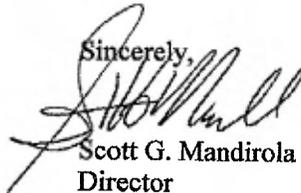
Finally note that copies of all future correspondence regarding the permit must be forwarded to the Field Inspector and Field Supervisor at the following address:

Department of Environmental Protection
Environmental Enforcement
254 Industrial Drive
Oak Hill, WV 25901

Also, please note the attachment to this permit which describes the annual permit fee requirement. Reissuance of your permit does not change the annual fee billing cycle.

If you have any questions, please contact Bhupinder Gill of this Division at (304) 926-0499 at extension 1017.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Mandirola", is written over the typed name and title.

Scott G. Mandirola
Director

SGM:bg

Enclosures

Permit Number: WV0027740

Permittee: NORTH BECKLEY PSD

cc: Bureau of Public Health
Construction Assistance
Env. Insp. Supv.
Env. Insp.
Public Service Commission
US EPA



STATE OF WEST VIRGINIA
 DEPARTMENT OF ENVIRONMENTAL PROTECTION
 DIVISION OF WATER AND WASTE MANAGEMENT
 601 57TH STREET SE
 CHARLESTON, WV 25304-2345

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 WATER POLLUTION CONTROL PERMIT

NPDES PERMIT NO.: WV0027740
 SUBJECT: Sewage

ISSUE DATE: January 31, 2014
 EFFECTIVE DATE : April 01, 2014
 EXPIRATION DATE: January 30, 2019
 SUPERSEDES: Permit No. WV0027740
 dated February 27, 2009

LOCATION: BECKLEY	Raleigh	Lower New River
(City)	(County)	(Drainage Basin)

See the next page for a list of Outlets.

TO WHOM IT MAY CONCERN:

This is to certify that: NORTH BECKLEY PSD
 122 CLEAR WATER LN
 BECKLEY, WV 25801

is hereby granted a West Virginia NPDES Water Pollution Control Permit to:

operate and maintain an existing wastewater collection system and an existing 2.5 million gallons per day sequential batch reactor wastewater treatment plant which are further described as follows.

The wastewater collection system is comprised of approximately 24,400 linear feet of four (4) inch diameter gravity sewer line, 126,168 linear feet of six (6) inch diameter gravity sewer line, 248,509 linear feet of eight (8) inch diameter gravity sewer line, 43,750 linear feet of 10 inch gravity sewer line, 27,091 linear feet of 12 inch diameter gravity sewer line, 30,014 linear feet of 15 inch diameter gravity sewer line, 3,000 linear feet of 21 inch diameter gravity sewer line, 20 linear feet of 30 inch diameter gravity sewer line, 3267 manholes, 220 cleanouts, 13 lift stations, 2,300 linear feet of one and one half (1.5) inch diameter force main, 2,500 linear feet of three (3) inch diameter force main, 2,678 linear feet of four (4) inch diameter force main, 2,912 linear feet of six (6) inch diameter force main, 7,062 linear feet of eight (8) inch diameter force main, 8,600 linear feet of 10 inch diameter force main, and all requisite appurtenances.

The wastewater treatment plant is comprised of an influent lift station with 520 linear feet of 20 inch diameter force main, a mechanical barscreen, a manual barscreen, two (2) mechanical grit removal chambers, two (2) sequential batch reactors with a volume of 1, 237, 200 gallons each which function as an integral clarifier with a surface area of 6,362 square feet each, three (3) 200 horsepower blowers, an effluent flow equalization chamber with a volume of 347,500 gallons, ultraviolet disinfection facilities, cascade post aeration, an aerobic digester with a volume of 347,500 gallons, a 1.7 meter sludge dewatering belt press, a nonpotable water supply system, a dewatered sludge storage bin with a volume of 3,100 cubic feet, an emergency generator, and all requisite appurtenances.

These facilities are to serve a population equivalent of approximately 25,000 persons in the North Beckley Public Service District, and environs, and discharge treated wastewater through Outlet No. 001 to Cranberry Creek, approximately 1.6 miles from its mouth, of Piney Creek of the New River of the Kanawha River.

This permit is subject to the following terms and conditions :

The information submitted on, and with, Permit Application No. WV0027740, dated the 29th day of August 2013 and additional information received on November 05, 2013, are all hereby made terms and conditions of this Permit with like effect as if all such Permit application information was set forth herein, and with other conditions set forth in Sections A, B, C, D, and E, and Appendix A.

The validity of this permit is contingent upon the payment of the applicable annual permit fee, as required by Chapter 22, Article 11, Section 10 of the Code of West Virginia.

Inspectable Unit	Latitude	Longitude	Receiving Stream	Dist. to Stream Mouth (in Mile)	Milepost
001	37°47'43"	81°10'16"	CRANBERRY CK	1.6	N/A
IU01	37°47'43"	81°10'16"	N/A	N/A	N/A
IU02	37°47'43"	81°10'16"	N/A	N/A	N/A
IU03	37°47'43"	81°10'16"	N/A	N/A	N/A
IU04	37°47'43"	81°10'16"	N/A	N/A	N/A
IU05	37°47'43"	81°10'16"	N/A	N/A	N/A
IU09	37°47'43"	81°10'16"	N/A	N/A	N/A
IU10	37°47'43"	81°10'16"	N/A	N/A	N/A
IU13	37°47'43"	81°10'16"	N/A	N/A	N/A
IU14	37°47'43"	81°10'16"	N/A	N/A	N/A
IU15	37°47'43"	81°10'16"	N/A	N/A	N/A
IU16	37°47'43"	81°10'16"	N/A	N/A	N/A
IU17	37°47'43"	81°10'16"	N/A	N/A	N/A
IU18	37°47'43"	81°10'16"	N/A	N/A	N/A
S01	37°47'43"	81°10'16"	N/A	N/A	N/A

A.001 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to discharge from Outlet Number(s) 001 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>						<u>Monitoring Requirements</u>		
	<u>Quantity</u>		<u>Units</u>	<u>Other Units</u>		<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>	
50050 - (Flow, in Conduit or thru plant) (Year Round) (ML-1) (RF-A)	N/A	N/A	N/A	Rpt Only Minimum	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mgd	Continuous	measured
00310 - (BOD, 5-Day 20 Deg.C) (Year Round) (ML-B) (RF-A)	626 Avg. Monthly	1251 Max. Daily	Lbs/Day	N/A	30 Avg. Monthly	60 Max. Daily	mg/l	1/week	Batch
00530 - (Total Suspended Solids) (Year Round) (ML-A) (RF-A)	626 Avg. Monthly	1251 Max. Daily	Lbs/Day	N/A	30 Avg. Monthly	60 Max. Daily	mg/l	1/week	Batch
81010 - (BOD, % Removal) (Year Round) (ML-K) (RF-A)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	4/Month	Calculated
81011 - (Suspended Solids, % Removal) (Year Round) (ML-K) (RF-A)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	4/Month	Calculated
74055 - (Coliform, Fecal) (Year Round) (ML-A) (RF-A)	N/A	N/A	N/A	N/A	200 Mon. Geo. Mean	400 Max. Daily	Cnts/100ml	1/week	Grab
00400 - (pH) (Year Round) (ML-A) (RF-A)	N/A	N/A	N/A	6 Inst. Min.	N/A	9 Inst. Max.	S.U.	1/week	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):

All batch samples shall be collected at the sampling station at the equalization basin. Other effluent samples shall be collected at, or as near as possible to, the point of discharge.

This discharge shall not cause violation of Title 47, Series 2, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.001 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to discharge from Outlet Number(s) 001 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Quantity</u>		<u>Discharge Limitations</u>			<u>Other Units</u>		<u>Units</u>	<u>Monitoring Requirements</u>	
			<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>					
00300 - (Dissolved Oxygen) (Year Round) (ML-A) (RF-A)	N/A	N/A	N/A	6 Inst. Min.	N/A	N/A	mg/l	1/week	Grab	
00610 - (Ammonia Nitrogen) (Summer May 1-Oct 31) (ML-A) (RF-A)	87.6 Avg. Monthly	175 Max. Daily	Lbs/Day	N/A	4.2 Avg. Monthly	8.4 Max. Daily	mg/l	1/week	Batch	
00610 - (Ammonia Nitrogen) (Winter Nov 1-Apr 30) (ML-A) (RF-A)	142 Avg. Monthly	284 Max. Daily	Lbs/Day	N/A	6.8 Avg. Monthly	13.6 Max. Daily	mg/l	1/week	Batch	
01119 - (Copper, Total Recoverable) (Year Round) (ML-A) (RF-A)	N/A	N/A	N/A	N/A	0.0104 Avg. Monthly	0.0164 Max. Daily	mg/l	1/month	Batch	
01114 - (Lead, Total Recoverable) (Year Round) (ML-A) (RF-B)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	Batch	
01094 - (Zinc, Total Recoverable) (Year Round) (ML-A) (RF-B)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	Batch	
01002 - (Arsenic, Total (as As)) (Year Round) (ML-A) (RF-B)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	Batch	

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):

All batch samples shall be collected at the sampling station at the equalization basin. Other effluent samples shall be collected at, or as near as possible to, the point of discharge.

This discharge shall not cause violation of Title 47, Series 2, Section 3, of the West Virginia Legislative Rules Issued pursuant to Chapter 22B, Article 3.

A.001 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to discharge from Outlet Number(s) 001 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>				<u>Monitoring Requirements</u>				
	<u>Quantity</u>		<u>Units</u>	<u>Other Units</u>	<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>		
01113 - (Cadmium, Total Recoverable) (Year Round) (ML-A) (RF-B)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	Batch
01032 - (Chromium, Hexavalent) (Year Round) (ML-A) (RF-B)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	Batch
00718 - (Cyanide, Weak Acid Dissocia (Year Round) (ML-A) (RF-B)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	Grab
71900 - (Mercury, Total (as Hg)) (Year Round) (ML-A) (RF-B)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	ug/l	1/quarter	Grab
01074 - (Nickel, Total Recoverable) (Year Round) (ML-A) (RF-B)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	Batch
01079 - (Silver, Total Recoverable) (Year Round) (ML-A) (RF-B)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	Batch
00900 - (Hardness, Total (as CaCO3)) (Year Round) (ML-A) (RF-C)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/6 months	Batch

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):

All batch samples shall be collected at the sampling station at the equalization basin. Other effluent samples shall be collected at, or as near as possible to, the point of discharge.

This discharge shall not cause violation of Title 47, Series 2, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.001 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to discharge from Outlet Number(s) 001 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>				<u>Monitoring Requirements</u>				
	<u>Quantity</u>		<u>Units</u>	<u>Other Units</u>	<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>		
00980 - (Iron, Total Recoverable) (Year Round) (ML-A) (RF-B)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	Batch
61426 - (Chronic Tox-Ceriodaphnia Du) (Year Round) (ML-A) (RF-D)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	TUc	1/year	Batch
61428 - (Chronic Toxicity - Pimephales) (Year Round) (ML-A) (RF-D)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	TUc	1/year	Batch

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):

All batch samples shall be collected at the sampling station at the equalization basin. Other effluent samples shall be collected at, or as near as possible to, the point of discharge.

This discharge shall not cause violation of Title 47, Series 2, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.IU01 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to accept the discharge from Outlet Number(s) IU01 (Pretreatment - Non Significant Industrial User)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>						<u>Monitoring Requirements</u>		
	<u>Quantity</u>		<u>Units</u>	<u>Other Units</u>		<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>	
00056 - (Flow Rate) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	1000 Max. Daily	gpd	N/A	N/A	N/A	N/A	1/daily	Estimated
00530 - (Total Suspended Solids) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	250 Max. Daily	mg/l	1/quarter	Grab
00400 - (pH) (Year Round) (ML-1) (RF-B)	N/A	N/A	N/A	5 Inst. Min.	N/A	10 Inst. Max.	S.U.	1/quarter	Grab
00552 - (Oil and Grease, Hexane EXT) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	30 Max. Daily	mg/l	1/quarter	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Beckley West Maintenance Garage: Refer to Section E.02.a.1 and E.02.b.1 for sampling and other requirements.

A.IU02 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to accept the discharge from Outlet Number(s) IU02 (Pretreatment - Significant Industrial User)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>						<u>Monitoring Requirements</u>		
	<u>Quantity</u>		<u>Units</u>	<u>Other Units</u>		<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>	
00056 - (Flow Rate) (Year Round) (ML-1) (RF-A)	Rpt Only Avg. Monthly	100000 Max. Daily	gpd	N/A	N/A	N/A	N/A	1/daily	measured
00310 - (BOD, 5-Day 20 Deg.C) (Year Round) (ML-1) (RF-A)	Rpt Only Avg. Monthly	162 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	2/month	Comp
00530 - (Total Suspended Solids) (Year Round) (ML-1) (RF-A)	Rpt Only Avg. Monthly	162 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	2/month	Comp
00400 - (pH) (Year Round) (ML-1) (RF-A)	N/A	N/A	N/A	5 Inst. Min.	N/A	10 Inst. Max.	S.U.	2/month	Grab
00625 - (Nitrogen, Kjeldahl Total) (Year Round) (ML-1) (RF-A)	Rpt Only Avg. Monthly	32 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	2/month	Comp
01119 - (Copper, Total Recoverable) (Year Round) (ML-1) (RF-A)	Rpt Only Avg. Monthly	0.011 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	Comp
01114 - (Lead, Total Recoverable) (Year Round) (ML-1) (RF-A)	Rpt Only Avg. Monthly	0.0025 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	Comp

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Raleigh County Landfill: Refer to Section E.02.a.2 and E.02.b.2 for sampling and other requirements.

A.IU02 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to accept the discharge from Outlet Number(s) IU02 (Pretreatment - Significant Industrial User)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>				<u>Monitoring Requirements</u>				
	<u>Quantity</u>		<u>Units</u>	<u>Other Units</u>	<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>		
01094 - (Zinc, Total Recoverable) (Year Round) (ML-1) (RF-A)	Rpt Only Avg. Monthly	0.014 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	Comp
01113 - (Cadmium, Total Recoverable) (Year Round) (ML-1) (RF-A)	Rpt Only Avg. Monthly	0.00075 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	Comp
71900 - (Mercury, Total (as Hg)) (Year Round) (ML-1) (RF-A)	Rpt Only Avg. Monthly	0.00015 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	ug/l	1/month	Grab
01074 - (Nickel, Total Recoverable) (Year Round) (ML-1) (RF-A)	Rpt Only Avg. Monthly	0.007 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	Comp
01079 - (Silver, Total Recoverable) (Year Round) (ML-1) (RF-A)	Rpt Only Avg. Monthly	0.000751 Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	mg/l	1/month	Comp
00978 - (Arsenic, Total Recoverable) (Year Round) (ML-1) (RF-A)	Rpt Only Avg. Monthly	0.003 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	Comp
00720 - (Cyanide, Total) (Year Round) (ML-1) (RF-A)	Rpt Only Avg. Monthly	0.012 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	Comp

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Raleigh County Landfill: Refer to Section E.02.a.2 and E.02.b.2 for sampling and other requirements.

A.IU02 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to accept the discharge from Outlet Number(s) IU02 (Pretreatment - Significant Industrial User)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>				<u>Monitoring Requirements</u>				
	<u>Quantity</u>		<u>Units</u>	<u>Other Units</u>	<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>		
01118 - (Chromium, Total Recoverable) (Year Round) (ML-1) (RF-A)	Rpt Only	0.014	Lbs/Day	N/A	Rpt Only	Rpt Only	mg/l	1/month	Comp
	Avg. Monthly	Max. Daily			Avg. Monthly	Max. Daily			

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Raleigh County Landfill: Refer to Section E.02.a.2 and E.02.b.2 for sampling and other requirements.

A.IU03 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to accept the discharge from Outlet Number(s) IU03 (Pretreatment - Significant Industrial User)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>						<u>Monitoring Requirements</u>		
	<u>Quantity</u>		<u>Units</u>	<u>Other Units</u>		<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>	
00056 - (Flow Rate) (Year Round) (ML-4) (RF-A)	Rpt Only Avg. Monthly	2000 Max. Daily	gpd	N/A	N/A	N/A	N/A	1/daily	Estimated
00310 - (BOD, 5-Day 20 Deg.C) (Year Round) (ML-4) (RF-A)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	200 Max. Daily	mg/l	1/month	Comp
00530 - (Total Suspended Solids) (Year Round) (ML-4) (RF-A)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	200 Max. Daily	mg/l	1/month	Comp
00400 - (pH) (Year Round) (ML-4) (RF-A)	N/A	N/A	N/A	6 Inst. Min.	N/A	9 Inst. Max.	S.U.	1/month	Grab
71900 - (Mercury, Total (as Hg)) (Year Round) (ML-4) (RF-A)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	3.1 Max. Daily	ug/l	1/month	Grab
01042 - (Copper, Total (as Cu)) (Year Round) (ML-4) (RF-A)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	0.84 Max. Daily	mg/l	1/month	Comp
81017 - (Chem. Oxygen Demand) (Year Round) (ML-4) (RF-A)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	2000 Max. Daily	mg/l	1/month	Comp

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Hercules Ashland Inc.:Refer to Section E.02.a.3 and E.02.b.3 for sampling and other requirements.

A.IU03 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to accept the discharge from Outlet Number(s) IU03 (Pretreatment - Significant Industrial User)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>						<u>Monitoring Requirements</u>		
	<u>Quantity</u>		<u>Units</u>	<u>Other Units</u>		<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>	
00552 - (Oil and Grease, Hexane EXTI (Year Round) (ML-4) (RF-A)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	26 Max. Daily	mg/l	1/month	Comp

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Hercules Ashland Inc.:Refer to Section E.02.a.3 and E.02.b.3 for sampling and other requirements.

A.IU04 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to accept the discharge from Outlet Number(s) IU04 (Pretreatment - Non Significant Industrial User)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>						<u>Monitoring Requirements</u>		
	<u>Quantity</u>		<u>Units</u>	<u>Other Units</u>		<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>	
00056 - (Flow Rate) (Year Round) (ML-1) (RF-N/A)	Rpt Only Avg. Monthly	1000 Max. Daily	gpd	N/A	N/A	N/A	N/A	1/daily	measured
00530 - (Total Suspended Solids) (Year Round) (ML-1) (RF-A)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	300 Max. Daily	mg/l	1/month	Grab
00400 - (pH) (Year Round) (ML-1) (RF-A)	N/A	N/A	N/A	5 Inst. Min.	N/A	10 Inst. Max.	mg/l	1/month	Grab
00552 - (Oil and Grease, Hexane EXT) (Year Round) (ML-1) (RF-A)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	30 Max. Daily	mg/l	1/month	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Caterpillar: Refer to Section E.02.a.4 and E.02.b.4 for sampling and other requirements.

A.IU05 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to accept the discharge from Outlet Number(s) IU05 (Pretreatment - Non Significant Industrial User)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>						<u>Monitoring Requirements</u>		
	<u>Quantity</u>		<u>Units</u>	<u>Other Units</u>		<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>	
00056 - (Flow Rate) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	1000 Max. Daily	gpd	N/A	N/A	N/A	N/A	1/daily	measured
00310 - (BOD, 5-Day 20 Deg.C) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	500 Max. Daily	mg/l	1/quarter	Grab
00530 - (Total Suspended Solids) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	500 Max. Daily	mg/l	1/quarter	Grab
00400 - (pH) (Year Round) (ML-1) (RF-B)	N/A	N/A	N/A	5 Inst. Min.	N/A	10 Inst. Max.	S.U.	1/quarter	Grab
00552 - (Oil and Grease, Hexane EXTI) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	30 Max. Daily	mg/l	1/quarter	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Beckley Garbage Disposal: Refer to Section E.02.a.5 and E.02.b.5 for sampling and other requirements.

A.IU09 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to accept the discharge from Outlet Number(s) IU09 (Pretreatment - Non Significant Industrial User)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>						<u>Monitoring Requirements</u>		
	<u>Quantity</u>		<u>Units</u>	<u>Other Units</u>		<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>	
00056 - (Flow Rate) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	100 Max. Daily	gpd	N/A	N/A	N/A	N/A	1/daily	Estimated
00530 - (Total Suspended Solids) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	250 Max. Daily	mg/l	1/quarter	Grab
00400 - (pH) (Year Round) (ML-1) (RF-B)	N/A	N/A	N/A	5 Inst. Min.	N/A	10 Inst. Max.	S.U.	1/quarter	Grab
00552 - (Oil and Grease, Hexane EXTRACT) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	30 Max. Daily	mg/l	1/quarter	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Wal-Mart No. 1351 Refer to Section E.2.a.6 and E.2.b.6 for sampling and other requirements.

A.IU10 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to accept the discharge from Outlet Number(s) IU10 (Pretreatment - Non Significant Industrial User)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>						<u>Monitoring Requirements</u>		
	<u>Quantity</u>		<u>Units</u>	<u>Other Units</u>		<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>	
00056 - (Flow Rate) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	1500 Max. Daily	gpd	N/A	N/A	N/A	N/A	1/daily	Estimated
00530 - (Total Suspended Solids) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	250 Max. Daily	mg/l	1/quarter	Grab
00400 - (pH) (Year Round) (ML-1) (RF-B)	N/A	N/A	N/A	5 Inst. Min.	N/A	10 Inst. Max.	S.U.	1/quarter	Grab
00552 - (Oil and Grease, Hexane EXT) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	30 Max. Daily	mg/l	1/quarter	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Raleigh County Maintenance Headquarters: Refer to Section E.02.a.7 and E.02.b.7 for sampling and other requirements.

A.IU13 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to accept the discharge from Outlet Number(s) IU13 (Pretreatment - Non Significant Industrial User)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>						<u>Monitoring Requirements</u>		
	<u>Quantity</u>		<u>Units</u>	<u>Other Units</u>		<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>	
00056 - (Flow Rate) (Year Round) (ML-4) (RF-A)	Rpt Only Avg. Monthly	5000 Max. Daily	gpd	N/A	N/A	N/A	N/A	1/daily	measured
00400 - (pH) (Year Round) (ML-4) (RF-A)	N/A	N/A	N/A	5 Inst. Min.	N/A	10 Inst. Max.	S.U.	1/month	Grab
34030 - (Benzene) (Year Round) (ML-4) (RF-A)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	50 Max. Daily	ug/l	1/month	Grab
34010 - (Toluene) (Year Round) (ML-4) (RF-A)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	50 Max. Daily	ug/l	1/month	Grab
81551 - (Xylene) (Year Round) (ML-4) (RF-A)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	50 Max. Daily	ug/l	1/month	Grab
01092 - (Zinc, Total (as Zn)) (Year Round) (ML-4) (RF-A)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	Grab
45501 - (Petroleum Hydrocarbons, Total) (Year Round) (ML-4) (RF-A)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	ug/l	1/month	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Little General Store BP#2075 (Simon and Associates) : Refer to Section E.02.a.9 and E.02.b.9 for sampling and other requirements.

A.IU13 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to accept the discharge from Outlet Number(s) IU13 (Pretreatment - Non Significant Industrial User)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>				<u>Monitoring Requirements</u>				
	<u>Quantity</u>		<u>Units</u>	<u>Other Units</u>	<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>		
34371 - (Ethylbenzene) (Year Round) (ML-4) (RF-A)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	50 Max. Daily	ug/l	1/month	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Little General Store BP#2075 (Simon and Associates) : Refer to Section E.02.a.9 and E.02.b.9 for sampling and other requirements.

A.IU14 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to accept the discharge from Outlet Number(s) IU14 (Pretreatment - Non Significant Industrial User)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>						<u>Monitoring Requirements</u>		
	<u>Quantity</u>		<u>Units</u>	<u>Other Units</u>		<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>	
00056 - (Flow Rate) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	4000 Max. Daily	gpd	N/A	N/A	N/A	N/A	1/daily	measured
00530 - (Total Suspended Solids) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	250 Max. Daily	mg/l	1/quarter	Grab
00400 - (pH) (Year Round) (ML-1) (RF-B)	N/A	N/A	N/A	5 Inst. Min.	N/A	10 Inst. Max.	S.U.	1/quarter	Grab
00552 - (Oil and Grease, Hexane EXT) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	30 Max. Daily	mg/l	1/quarter	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Heritage Equipment: Refer to Section E.2.a.9 and E.2.b.9 for sampling and other requirements.

A.IU15 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to accept the discharge from Outlet Number(s) IU15 (Pretreatment - Non Significant Industrial User)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>						<u>Monitoring Requirements</u>		
	<u>Quantity</u>		<u>Units</u>	<u>Other Units</u>		<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>	
00056 - (Flow Rate) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	5000 Max. Daily	gpd	N/A	N/A	N/A	N/A	1/daily	Estimated
00530 - (Total Suspended Solids) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	250 Max. Daily	mg/l	1/quarter	Grab
00940 - (Chloride (as Cl)) (Year Round) (ML-4) (RF-B)	Rpt Only Avg. Monthly	250 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Beckley Maintenance: Refer to Section E.2.a.10 and E.2.b.10 for sampling and other requirements.

A.IU16 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to accept the discharge from Outlet Number(s) IU16 (Pretreatment - Non Significant Industrial User)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>						<u>Monitoring Requirements</u>		
	<u>Quantity</u>		<u>Units</u>	<u>Other Units</u>		<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>	
00056 - (Flow Rate) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	1500 Max. Daily	gpd	N/A	N/A	N/A	N/A	1/daily	Estimated
00530 - (Total Suspended Solids) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	250 Max. Daily	mg/l	1/quarter	Grab
00400 - (pH) (Year Round) (ML-1) (RF-B)	N/A	N/A	N/A	5 Inst. Min.	N/A	10 Inst. Max.	S.U.	1/quarter	Grab
00552 - (Oil and Grease, Hexane EXT) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	30 Max. Daily	mg/l	1/quarter	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Lewis Nissan: Refer to Section E.2.a.11 and E.2.b.11 for sampling and other requirements.

A.IU17 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to accept the discharge from Outlet Number(s) IU17 (Pretreatment - Non Significant Industrial User)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>						<u>Monitoring Requirements</u>		
	<u>Quantity</u>		<u>Units</u>	<u>Other Units</u>		<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>	
00056 - (Flow Rate) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	1600 Max. Daily	gpd	N/A	N/A	N/A	N/A	1/daily	Estimated
00530 - (Total Suspended Solids) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	250 Max. Daily	mg/l	1/quarter	Grab
00400 - (pH) (Year Round) (ML-1) (RF-B)	N/A	N/A	N/A	5 Inst. Min.	N/A	10 Inst. Max.	S.U.	1/quarter	Grab
00552 - (Oil and Grease, Hexane EXTI) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	30 Max. Daily	mg/l	1/quarter	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Oak Hill Garbage Disposal Inc.: Refer to Section E.2.a.12 and E.2.b.12 for sampling and other requirements.

A.IU18 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to accept the discharge from Outlet Number(s) IU18 (Pretreatment - Non Significant Industrial User)

Such discharges shall be limited and monitored by the permittee as specified below:

<u>Effluent Characteristic</u>	<u>Discharge Limitations</u>						<u>Monitoring Requirements</u>		
	<u>Quantity</u>		<u>Units</u>	<u>Other Units</u>		<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>	
00056 - (Flow Rate) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	1000 Max. Daily	gpd	N/A	N/A	N/A	N/A	1/daily	Estimated
00530 - (Total Suspended Solids) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	250 Max. Daily	mg/l	1/quarter	Grab
00400 - (pH) (Year Round) (ML-1) (RF-B)	N/A	N/A	N/A	5 Inst. Min.	N/A	10 Inst. Max.	S.U.	1/quarter	Grab
00552 - (Oil and Grease, Hexane EXT) (Year Round) (ML-1) (RF-B)	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	30 Max. Daily	mg/l	1/quarter	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Southern Soil Conservation District: Refer to Section E.2.a.13 and E.2.b.13 for sampling and other requirements.

A.S01 SEWAGE SLUDGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to dispose sludge in accordance with the following from Outlet Number S01 (Sludge)

<u>Effluent Characteristic</u>	<u>Quantity</u>		<u>Units</u>	<u>Limitations</u>	<u>Other Units</u>	<u>Monitoring Requirements</u>			
						<u>Units</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>	
74055 - (Coliform, Fecal) (Year Round) (ML+) (RF-B)	N/A	N/A	N/A	N/A	N/A	Rpt Only Maximum	col/gr	1/quarter	Grab
00400 - (pH) (Year Round) (ML+) (RF-B)	N/A	N/A	N/A	Rpt Only Minimum	N/A	Rpt Only Maximum	S.U.	1/quarter	Grab
61521 - (Arsenic, Sludge Tot. Dry Wt.) (Year Round) (ML+) (RF-B)	N/A	N/A	N/A	N/A	N/A	20 Maximum	mg/kg	1/quarter	1 Week Comp
78476 - (Cadmium, Sludge, Tot Dry Wt.) (Year Round) (ML+) (RF-B)	N/A	N/A	N/A	N/A	N/A	39 Maximum	mg/kg	1/quarter	1 Week Comp
78473 - (Chromium, Dry Wt.) (Year Round) (ML+) (RF-B)	N/A	N/A	N/A	N/A	N/A	1000 Maximum	mg/kg	1/quarter	1 Week Comp
78475 - (Copper, Sludge, Tot, Dry Wt.) (Year Round) (ML+) (RF-B)	N/A	N/A	N/A	N/A	N/A	1500 Maximum	mg/kg	1/quarter	1 Week Comp
78468 - (Lead, Dry. Wt.) (Year Round) (ML+) (RF-B)	N/A	N/A	N/A	N/A	N/A	250 Maximum	mg/kg	1/quarter	1 Week Comp

A.S01 SEWAGE SLUDGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to dispose sludge in accordance with the following from Outlet Number S01 (Sludge)

<u>Effluent Characteristic</u>	<u>Quantity</u>		<u>Units</u>	<u>Limitations</u>	<u>Other Units</u>		<u>Units</u>	<u>Monitoring Requirements</u>	
								<u>Measurement Frequency</u>	<u>Sample Type</u>
78471 - (Mercury, Dry Wt.) (Year Round) (ML+) (RF-B)	N/A	N/A	N/A	N/A	N/A	10 Maximum	mg/kg	1/quarter	1 Week Comp
78465 - (Molybdenum, Dry Wgt) (Year Round) (ML+) (RF-B)	N/A	N/A	N/A	N/A	N/A	18 Maximum	mg/kg	1/quarter	1 Week Comp
78469 - (Nickel, Dry Wt.) (Year Round) (ML+) (RF-B)	N/A	N/A	N/A	N/A	N/A	200 Maximum	mg/kg	1/quarter	1 Week Comp
49031 - (Selenium, Sludge, Tot. Dry Wt.) (Year Round) (ML+) (RF-B)	N/A	N/A	N/A	N/A	N/A	36 Maximum	mg/kg	1/quarter	1 Week Comp
78467 - (Zinc, Dry Wt.) (Year Round) (ML+) (RF-B)	N/A	N/A	N/A	N/A	N/A	2800 Maximum	mg/kg	1/quarter	1 Week Comp
00916 - (Calcium, Total (as Ca)) (Year Round) (ML+) (RF-B)	N/A	N/A	N/A	N/A	N/A	Rpt Only Maximum	mg/kg	1/quarter	1 Week Comp
61553 - (Solids, Total Sludge Percent) (Year Round) (ML+) (RF-B)	N/A	N/A	N/A	Rpt Only Minimum	Rpt Only Avg.	Rpt Only Maximum	Percent	1/quarter	1 Week Comp

A.S01 SEWAGE SLUDGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

During the period beginning 4/1/2014 and lasting through midnight 1/30/2019 the permittee is authorized to dispose sludge in accordance with the following from Outlet Number S01 (Sludge)

<u>Effluent Characteristic</u>	<u>Quantity</u>		<u>Units</u>	<u>Limitations</u>	<u>Other Units</u>		<u>Units</u>	<u>Monitoring Requirements</u>	
								<u>Measurement Frequency</u>	<u>Sample Type</u>
78472 - (Potassium, Sludge Tot. Dry Wt (Year Round) (ML+) (RF-B)	N/A	N/A	N/A	N/A	N/A	Rpt Only Maximum	mg/kg	1/quarter	1 Week Comp
78478 - (Phosphorus, Sludge, Tot, Dry Wt (Year Round) (ML+) (RF-B)	N/A	N/A	N/A	N/A	N/A	Rpt Only Maximum	mg/kg	1/quarter	1 Week Comp
82294 - (Nitrogen, Ammonia Tot. DW) (Year Round) (ML+) (RF-B)	N/A	N/A	N/A	N/A	N/A	Rpt Only Maximum	mg/kg	1/quarter	1 Week Comp
78470 - (Nitrogen, Sludge Tot. Dry Wt) (Year Round) (ML+) (RF-B)	N/A	N/A	N/A	N/A	N/A	Rpt Only Maximum	mg/kg	1/quarter	1 Week Comp
51020 - (Organic Nitrogen) (Year Round) (ML+) (RF-B)	N/A	N/A	N/A	N/A	N/A	Rpt Only Maximum	mg/kg	1/quarter	1 Week Comp
00927 - (Magnesium, Tot (as Mg)) (Year Round) (ML+) (RF-B)	N/A	N/A	N/A	N/A	N/A	Rpt Only Maximum	mg/kg	1/quarter	1 Week Comp

B. SCHEDULE OF COMPLIANCE

1. The permittee shall achieve compliance with the provisions for waste treatment and the monitoring requirements specified in the permit in accordance with the following schedule :

Effective date of permit.

2. Reports of compliance or non-compliance with, and progress reports on interim and final requirements contained in the above compliance schedule, if any, shall be postmarked no later than 14 days following each schedule date.

Section C - Other Requirements

01. The herein-described treatment works, structures, electrical and mechanical equipment shall be adequately protected from physical damage by the maximum expected one hundred (100) year flood level, and operability shall be maintained during the twenty-five (25) year flood level.
02. The entire sewage treatment facility shall be adequately protected by fencing.
03. The proper operation and maintenance of the listed sewage treatment facility shall be performed, or supervised, by a certified operator possessing at least a Class III certificate for Waste Water Treatment Plant Operators as issued by the State of West Virginia. The on-site attendance of this facility's Class III operator shall be determined and directed by the Bureau for Public Health, Office of Environmental Health Services.
04. The arithmetic mean of values for effluent samples collected in a period of seven (7) consecutive days shall not exceed 45.0 mg/l for five (5) day Biochemical Oxygen Demand (BOD5) and Total Suspended Solids (TSS). Furthermore, the permittee may submit mitigating factors as an attachment to its Discharge Monitoring Report (DMR) related to an excursion of this requirement. The Director may choose to take those mitigating factors into consideration in determining whether enforcement action is required.
05. The permittee shall submit monthly according to the enclosed format, a Discharge Monitoring Report (DMR) indicating in terms of concentration and/or quantities the values of the constituents listed in Section A analytically determined to be in the plant effluent(s). Additional information pertaining to effluent monitoring and reporting can be found in Appendix A, Part III.
06. The required DMRs shall be received by the agency no later than 20 days following the end of the reporting period in accordance with the following requirements.
 - a) The agency is now requiring the permittee to utilize our electronic DMR (eDMR) system which is now mandatory.
 - b) The permittee is not required to submit hard copies of the DMRs to the addresses listed below when using eDMR. Special circumstances may result in the agency granting an exemption to eDMR and are considered on case by case basis. If the permittee was exempted by the agency from using the eDMR system, then the permittee is required to send hard copies to the addresses below. The permittee may contact the agency for more information about the eDMR system and potential exemptions from using it.

<p>Director Division of Water and Waste Management 601 57th Street, SE Charleston, West Virginia 25304 Attn: Permitting Program</p>	<p>U. S. Environmental Protection Agency Region III, Water Protection Division NPDES Enforcement Branch (3WP42) 1650 Arch Street Philadelphia, PA 19103</p>
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 - c) Regardless, in accordance with Appendix A, Section III.6 of this permit, the permittee shall maintain copies of DMRs (either hard copies or electronic copies) at the plant site and the DMRs shall be made readily available upon request from DEP personnel.
07. For any noncompliance reports required to be submitted in writing by Appendix A, Part IV, of this permit, a copy shall also be forwarded to the Environmental Protection Agency at the location specified in Section C.06, above.
08. In conjunction with all other reporting requirements of this permit, copies of all future correspondence regarding this permit, including copies of DMRs, will be forwarded to the Environmental Inspector and Environmental Inspector Supervisor at the following address:

<p>Department of Environmental Protection Environmental Enforcement 254 Industrial Drive Oak Hill, West Virginia 25901</p>
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09. The permittee shall not use alternate DMRs without prior approval from this agency.
10. The permittee shall not accept any new nondomestic discharges without first obtaining approval from the Director of the Division of Water and Waste Management, as provided in Title 47, Series 10, Section 14 of the West Virginia Legislative Rules.

Section C - Other Requirements

11. If any existing nondomestic discharge causes, or is suspected of causing, interference or pass through, as defined by 40 CFR Part 403.3, or otherwise violates any provision of 40 CFR Part 403, the permittee shall notify the Director of such violation or suspected violation.
12. If any existing nondomestic discharge is identified as being subject to Categorical Pretreatment Standard under 40 CFR Chapter 1, Subchapter N, and the discharge is not regulated by this permit, the permittee shall notify the Director of such identification.
13. The average daily design flow of the existing Publicly Owned Treatment Works has been established at 2.5 million gallons per day. When the average monthly effluent flow reported on Discharge Monitoring Reports reaches, or exceeds, 90 percent of the average design flow (2.25 million gallons per day) during three(3) consecutive monthly periods, the permittee shall submit a Plan of Action to the Director. The Plan of Action shall present, at a minimum, an analysis of current hydraulic and organic loadings on the plant, an analysis of the future projected loadings, and a Schedule of Tasks to accomplish procedures necessary to maintain required treatment levels.
14. Any future collection system extensions projected to cause an increase in the wastewater flow, equal to, or greater than, 125,000 gallons per day (five (5) percent of the design flow) shall require the permittee to contact the Director to secure approval of the extension. After consideration of the complexity of the project, and the available treatment capacity of the facility, the Director may require the permittee to seek approval through Modification of the Permit.
15. Over the term of this permit, the permittee is allowed up to three (3) excursion of the maximum daily fecal coliform effluent limitation prescribed in Section A.001. The number of allowed excursions is based upon one (1) percent (%) of the number of required self-monitoring events. Utilization of the excursion allowance is conditioned as follows:
 - a) Excursion allowances are afforded only to self-monitoring results and only when self-monitoring activities assess compliance with the maximum daily effluent limitation by analysis of an individual grab sample. No excursion allowance can be applied to analytical results obtained by representatives of the Director in the performance of their compliance assessment activities. Additionally, representatives of the Director may assess compliance with the maximum daily effluent limitation by collection and analysis of an individual grab sample.
 - b) No more than one excursion may be utilized in any calendar month.
 - c) The excursion allowance is contingent upon the permittee's prompt return to compliance as evidenced by the next required fecal coliform self-monitoring event.
 - d) The result for which an excursion allowance is claimed shall be included in the calculation of the average monthly effluent value.
 - e) Should an excursion allowance be utilized by the permittee, said allowance must be reported as an attachment to the Discharge Monitoring Report. This attachment should state that (1) an excursion allowance was taken in accordance with the conditions outlined above, (2) the total number of allowances taken to date during the term of this permit, and (3) the total number of allowances remaining during the term of this permit. The permittee shall maintain an on-site record of the excursion allowances utilized during the term of the permit.
16. The permittee shall be required to test the wastewater treatment plant's influent in order to calculate the percent (%) removal parameters for BOD5 and TSS contained in Section A.001 of this permit. Influent sampling requirements include:
 - a) Percent removal shall be defined as a percentage expression of the removal efficiency across the wastewater treatment plant for a given pollutant parameter, as determined from the thirty day average values of the influent concentrations to the facility and the thirty day average effluent pollutant concentrations. Only influent and effluent samples taken concurrently as specified below shall be used for reporting.
 - b) Influent BOD5 and TSS samples shall be collected using the permittee's established sampling schedule at least four (4) times per month for the wastewater treatment facility.
 - c) The permittee shall collect representative BOD5 and TSS influent samples using their established sampling procedures over an twenty-four (24) hour period.
 - d) Influent BOD5 and TSS sampling shall be performed over the same twenty-four (24) hour time period as the effluent BOD5 and TSS sampling.

Section C - Other Requirements

17. The analytical test procedures, set forth in 40 CFR Part 136, prescribe colorimetric methods for certain parameters. The digestion process for the performance of total recoverable is not sufficient for the utilization of a colorimetric procedure. Therefore, colorimetric procedures shall not be acceptable for the analysis of parameters prescribed as total recoverable.
18. Effluent monitoring for the following pollutants shall be conducted using the most sensitive methods and detection levels commercially available and economically feasible. The following methods are to be used unless the permittee desires to use an EPA Approved Test Method with a listed lower method detection level. Regardless, it is recognized that detection levels can vary from analysis to analysis and that non-detect results at a different MDL for the specified test method would not constitute a permit violation.

Parameter	EPA Method No.	Method Detection Level (ug/l)
Copper, Total Recoverable	200.8	0.5
Lead, Total Recoverable	200.8	0.6
Zinc, Total Recoverable	200.8	1.8
Chromium, Dissolved Hexavalent	218.6	0.6
Arsenic, Total	200.8	1.4
Nickel, Total Recoverable	200.8	0.5
Cadmium, Total Recoverable	200.8	0.5
Silver, Total Recoverable	200.8	0.1
Mercury, Total*	245.7	0.0018
Mercury, Total*	1631	0.0002
Cyanide, Free	Refer to Section C.14	

*The permittee may use either Method 245.7 or Method 1631 for the analysis of mercury.

19. For the measurement of Free Cyanide, the permittee shall use the standard method for weak acid dissociable cyanide, as specified in the latest edition of Standard Methods.
20. In incidences where a specific test method is not defined, the permittee shall utilize an EPA approved method with a method detection limit (MDL) sensitive enough to confirm compliance with the permit effluent limit for that parameter. If a MDL is not sensitive enough to confirm compliance, the most sensitive approved method must be used. If a more sensitive EPA approved method becomes available, that method shall be used. Should the current and/or new method not be sensitive enough to confirm compliance with the permitted effluent limit, analytical results reported as "not detected" at the MDL of the most sensitive method available will be deemed compliant for purposes of permit compliance. Results shall be reported on the Discharge Monitoring Reports as a numeric value less than the MDL.
21. Any "not detected (ND)" laboratory results from samples collected by the permittee must be "ND" at the method detection limit (MDL) for the test method used for that parameter and must be reported as less than the MDL (<MDL) used. The permittee may not report the result as zero, "ND", or report the result as less than a minimum level (ML), reporting limit (RL), or practical quantitation limit (PQL).

When averaging values of analytical results for DMR reporting purposes for monthly averages, the permittee should use actual analytical results when these results are greater than or equal to the MDL and should use zero (0) when these results are less than the MDL. If all analytical results are non-detect at the MDL (<MDL), then the permittee should use the actual MDL in the calculation for averaging and report the result as less than the average calculation.

22. Because the permittee is using ultraviolet light as their disinfection method, no Total Residual Chlorine (TRC) effluent limitation shall currently be imposed. Should the permittee in the future decide to use chlorine as a disinfection method, a TRC effluent limitation shall be promulgated and imposed.
 The permittee shall perform a daily inspection of the ultraviolet disinfection facilities. A written log recording the date of the inspection, the name of the individual performing the inspection, any deficiencies, and any corrective action implemented shall be maintained. The log shall be maintained at the site and available for review by Division personnel.
23. Because of the Sequential Batch Reactor technology being utilized by the permittee, "Batch" samples shall be collected. "Batch" sampling procedures shall be defined as the collection and compositing of one (1) grab sample from each individual batch discharge cycle during a 24-hour period.

Section C - Other Requirements

24. The permittee shall continue to implement a program to identify and eliminate sources of inflow and infiltration. A written progress report shall be provided on a quarterly basis, as an attachment to the Discharge Monitoring Report, detailing what has been performed in relation to the implementation and accomplishments of the inflow and infiltration elimination program. Failure of the permittee to comply with this requirement shall result in subsequent administrative and/or legal action, as may be necessary in order to obtain the compliance sought herein.
25. Unless otherwise authorized under Section A of this permit, any discharge from any point other than a permitted treatment outfall or permitted combined sewer system outfall is expressly prohibited. In the event there is a prohibited discharge from a sewer conveyance system, the permittee shall follow the reporting requirements contained in Appendix A, Part IV, Section 2.
26. The permittee shall annually perform chronic toxicity tests as described below, on the effluent from Outlet No. 001.
- a. Such testing will determine if an appropriate dilute effluent sample affects the survival or reproduction of the test species. Batch samples of the effluent, as prescribed in Section A, shall be collected for testing. An appropriate statistical test shall be used to determine whether differences in control and effluent data are significant.
 - i) The permittee shall conduct a three (3) brood (6-8 days) Ceriodaphnia Dubia survival and reproduction toxicity test on the final effluent diluted by appropriate control water. Toxicity will be demonstrated if there is a statistically significant difference at the 95 percent confident level in survival or reproduction between Ceriodaphnia Dubia exposed to an appropriate control water and the final effluent. All test solutions shall be renewed using an approved renewal schedule. If, in any control, more than 20% of the test organisms die, or less than 60% of surviving females in controls produced their third brood, that test shall be repeated.
 - ii) The permittee shall conduct a seven (7) day Pimephales Promelas fathead minnow larval survival and growth toxicity test on the final effluent diluted by appropriate control water. Toxicity will be demonstrated if there is a statistically significant difference at the 95 percent confidence level in survival or growth between fathead minnows exposed to an appropriate control water and the final effluent. All test solutions shall be renewed using an approved renewal schedule. If, in any control, more than 20% of the test organisms die, or average dry weight of surviving controls was less than 0.25 mg/l that test shall be repeated.
 - b. Results shall be reported in terms of chronic toxic units (TUc) and shall be submitted with the corresponding monthly Discharge Monitoring Report (DMR).

TUc= 100/NOEC or NOEL
Where NOEC (or NOEL) is No Observed Effect Concentration (or Level), which is expressed as percent (volume) effluent in dilution water.
For Example, if NOEC is 10%, TUc= 100/10=10

When the effluent demonstrates no toxicity at 100% effluent (no observed effect), the permittee may report zero TUc.
 - c. The monitoring required, herein, shall be conducted in accordance with the sample collection, preservation, and analytical procedures specified in 40 CFR 136.
 - d. In addition to the monitoring data reporting requirements of 40 CFR 136, the exact age of the test organisms at the initiation of the test shall be reported. Values of less than or equal to 24 hours are acceptable for Pimephales Promelas, fathead minnow. The range of the Ceriodaphnia Dubia used must be reported as a range in hours. All Ceriodaphnia Dubia used in the test must be less than 24 hours of age at test commencement. The age difference between the youngest and oldest Ceriodaphnia Dubia used in the test must not exceed eight (8) hours.
 - e. The chronic toxicity testing shall be performed on an annual (1/year) basis. The first chronic toxicity testing shall be carried out within six (6) months from the effective date of the permit. There shall be a minimum of six (6) months between sampling events.

Section C - Other Requirements

26. f. If chronic effluent toxicity testing exceeds a target value of 1.6 TUc, the permittee shall immediately resample and test the effluent. This shall be performed within 30 days of the initial demonstration of the exceedance of the target value prescribed herein. Copies of the retesting results shall be provided to the Director immediately upon completion of the test.
 - g. If the second test shows compliance, chronic effluent toxicity testing shall continue in accordance with the requirements, as prescribed herein. However, if the second test shows an exceedance, the Director shall impose further requirements, as may be necessary.
 - h. The Director may impose further requirements should the chronic effluent toxicity testing results demonstrate toxicity.
27. The permittee shall be required to sample the discharge from Outlet No. 001 for the pollutants listed in Appendix J, Table 2 of 40 CFR 122 as part of its next reissuance permit application following the procedures listed below. This data shall be submitted along with the next reissuance permit application.
- a. Grab samples shall be collected for pH, temperature, cyanide, total phenols, residual chlorine, oil and grease, fecal coliform, and volatile organics. Twenty-four (24) hour composite samples shall be collected for all other pollutants found in Appendix J, Table 2 of 40 CFR 122.
 - b. A minimum of three (3) test results for each pollutant shall be obtained a minimum of four (4) months apart. Each sampling result shall be collected in a manner to be representative of seasonal variations (such as April, August, and December).
 - c. All data collected over the term of the previous permit for a specific pollutant shall be summarized and submitted to the agency by the permittee.
 - d. The sample collection, preservation, and analysis shall be conducted in accordance with the procedures of 40 CFR Part 136. The permittee shall assure that the test procedure being utilized has an appropriate method detection level (MDL) for the parameters. Analyses shall be conducted using the most sensitive methods and detection levels commercially available, and economically feasible.

Section D - Sewage Sludge Management Requirements

01. The permittee shall monitor and report monthly on the enclosed Sewage Sludge Management Report form the quality and quantity of sewage sludge produced. The required report shall be received by the agency no later than 20 days following the end of the reporting period and in accordance with the following requirements.

- a) The agency is now requiring the permittee to utilize our electronic DMR (eDMR) system which is now mandatory.
- b) The permittee is not required to submit hard copies of the DMRs to the addresses listed below when using eDMR. Special circumstances may result in the agency granting an exemption to eDMR and are considered on case by case basis. If the permittee was exempted by the agency from using the eDMR system, then the permittee is required to send hard copies to the addresses below. The permittee may contact the agency for more information about the eDMR system and potential exemptions from using it.

Director
Division of Water and Waste Management
601 57th Street SE
Charleston, West Virginia 25304-2345
Attention: Permitting Program

Department of Environmental Protection
Environmental Enforcement
254 Industrial Drive
Oak Hill, West Virginia 25901

- c) Regardless, in accordance with Appendix A, Section III.6 of this permit, the permittee shall maintain copies of DMRs (either hard copies or electronic copies) at the plant site and the DMRs shall be made readily available upon request from DEP personnel.

02. The permittee shall provide copies of monthly reports to the county or regional solid waste authority in which the facility or land application site(s) is located.

03. The Sewage Sludge Monitoring Report form shall be submitted quarterly. The required report shall be received by the agency no later than 20 days following the end of the reporting period and in accordance with the following requirements.

- a) The agency is now requiring the permittee to utilize our electronic DMR (eDMR) system which is now mandatory.
- b) The permittee is not required to submit hard copies of the DMRs to the addresses listed below when using eDMR. Special circumstances may result in the agency granting an exemption to eDMR and are considered on case by case basis. If the permittee was exempted by the agency from using the eDMR system, then the permittee is required to send hard copies to the addresses below. The permittee may contact the agency for more information about the eDMR system and potential exemptions from using it.

Director
Division of Water and Waste Management
601 57th Street SE
Charleston, West Virginia 25304-2345
Attention: Permitting Program

Department of Environmental Protection
Environmental Enforcement
254 Industrial Drive
Oak Hill, West Virginia 25901

- c) Regardless, in accordance with Appendix A, Section III.6 of this permit, the permittee shall maintain copies of DMRs (either hard copies or electronic copies) at the plant site and the DMRs shall be made readily available upon request from DEP personnel.

04. In conjunction with all other reporting requirements of this permit, copies of all future correspondence regarding this permit, including copies of Sewage Sludge Management Reports, and Sewage Sludge Monitoring Reports, will be forwarded to the Environmental Inspector and Environmental Inspector Supervisor at the following address:

Department of Environmental Protection
Environmental Enforcement
254 Industrial Drive
Oak Hill, West Virginia 25901

05. The following method(s) of sludge disposal shall be used for sewage sludge generated and/or processed at the permitted facility:

- a. Land Application: Sewage sludge shall not be applied in a manner or in an amount that would cause the land application site(s) to exceed the annual, five (5) year cumulative, and lifetime loading rates as listed below. The following site(s) may be used for land application:

Section D - Sewage Sludge Management Requirements

05. a.	Land Application Site(s)	Maximum Annual Loading Rate(s) Tons/Acre	Five (5) Year Cumulative Loading Rate(s) Tons/Acre	Lifetime Loading Rate(s) Tons/Acre
	Farm Name: Fink Brammer Owner: Paul D. Fink, Jr. Field Name: Fink Brammer # 1	1.7	6.8	127
	Farm Name: Fink Massie Bottom Farm Owner: Paul D. Fink, Jr. Field Name: Fink Massie Bottom Field 1 Field Name: Fink Massie Bottom Field 2	1.7 1.7	6.8 6.8	127 127
	Farm Name: Fink Massie Top Farm Owner: Paul D. Fink Field Name: Fink Massie Top 1 Field Name: Fink Massie Top 2	1.7 1.7	6.8 6.8	127 127
	Farm Name: Fink McBride Owner: Paul D. Fink Field Name: Fink McBride 1 Field Name: Fink McBride 2	1.7 1.7	6.8 6.8	127 127
	Farm Name: Paul Fink Jr. Owner: Paul D. Fink Field Name: Paul Fink Jr. 1 Field Name: Paul Fink Jr. 2	1.7 1.7	6.8 6.8	127 127
	Farm Name: Kochinsky Farm Owner: Kenneth Kochinsky Field Name: Kochinsky 1	1.7	6.9	127
	Farm Name: Fink Amick Farm Owner: Paul D. Fink Field Name: Fink Amick 1 Field Name: Fink Amick 2	1.7 1.7	6.8 6.8	127 127
	Farm Name: Buzz McCormack Farm Owner: Kenneth R. (Buzz) McCormack Field Name: McCormack 1 Field Name: McCormack 2 Field Name: McCormack 3	1.7 1.7 1.7	6.8 6.8 6.8	127 127 127
	Farm Name: Michael Fink Farm Owner: Paul Fink Field Name: M. Fink Farm Field #1 Field Name: M. Fink Farm Field #2 Field Name: M. Fink Farm Field #3 Field Name: M. Fink Farm Field #4 Field Name: M. Fink Farm Field #5 Field Name: M. Fink Farm Field #6 Field Name: M. Fink Farm Field #7	1.7 1.7 1.7 1.7 1.7 1.7 1.7	6.8 6.8 6.8 6.8 6.8 6.8 6.8	139 139 139 139 139 139 139

b. Landfill Disposal: Sewage sludge may also be disposed at a landfill by placing the sewage sludge in the landfill cell, provided that the landfill obtains approval from the Division of Water and Waste Management to allow the acceptance of sewage sludge from the permittee, and provided that the landfill(s) is/are identified in the permit application. Prior approval by the Division of Water and Waste Management is required to change landfill disposal site(s).

06. Sewage sludge shall not be applied to land that has any of the following siting restrictions and/or location standards:

- a. Land that is frozen, snow-covered, or known to be flooded on a regular basis unless the applicant can demonstrate to the Secretary that the land application will not cause runoff into streams or wetlands.
- b. Land that is within 50 feet of surface water including any streams, springs, ponds, wetlands, or other collection points for surface water.
- c. Land that is within 200 feet of drinking water supply wells or other personal water supply.

Section D - Sewage Sludge Management Requirements

06. d. Land that is within 200 feet of an occupied dwelling.
 - e. Land that is within 50 feet of a federal or state highway.
 - f. Land that is within 100 feet of an adjacent property owner's property line.
 - g. Land that drains into a sinkhole.
 - h. Land that has been tested and determined to have a pH of less than 6.2 S.U., unless the pH is adjusted to 6.2 S.U. or greater.
 - i. Land that has a slope greater than 15 percent.
 - j. Land that has a seasonal high groundwater table less than two (2) feet from the surface.
 - k. Land that has less than 6 inches of soil over bedrock or an impervious pan.
 - l. Land that contains soil with surface permeability of less than 0.6 inches/hour or greater than 6 inches/hour.
 - m. Land that, if sewage sludge was applied, is likely to adversely affect a threatened or endangered species listed under Section 4 of the Endangered Species Act or its designated critical habitat.
 - n. Other land determined by the Secretary to be unsuitable of sewage sludge.
07. The following requirements concerning crops grown on land used for application of sewage sludge, the time requirements between application of sewage sludge and the harvesting of crops, and the restrictions on animal grazing and public access shall be met:
- a. Food crops with harvested parts that touch the sewage sludge/soil mixture and are totally above the land surface shall not be harvested for 14 months after application of sewage sludge.
 - b. Food crops with harvested parts below the surface of the land shall not be harvested for 20 months after application of sewage sludge when the sewage sludge remains on the land surface for four (4) months or longer prior to incorporation into the soil.
 - c. Food crops with harvested parts below the surface of the land shall not be harvested for 38 months after application of sewage sludge when the sewage sludge remains on the land surface for less than four (4) months prior to incorporation into the soil.
 - d. Food crops (human consumption), feed crops (animal consumption), and fiber crops shall not be harvested for 30 days after application of sewage sludge.
 - e. Animals shall not be allowed to graze on the land for 30 days after application of sewage sludge.
 - f. Turf grown on land where sewage sludge is applied shall not be harvested for one (1) year after application of the sewage sludge when the harvested turf is placed on either land with a high potential for public exposure or a lawn, unless otherwise specified by the permitting authority.
 - g. Public access to land with a high potential for public exposure shall be restricted for one year after application of sewage sludge.
 - h. Public access to land with a low potential for public exposure shall be restricted for 30 days after application of sewage sludge.
08. Sewage sludge shall not be stored at a land application site for a period longer than one week; except, storage can be allowed for a period not to exceed three months when provisions, approved by the Director of the Division of Water and Waste Management of the Department, are made to prevent leachate runoff to the surface water and/or groundwater.
09. Sewage sludge shall only be land applied during the hours of daylight.
10. Sewage sludge which is land applied shall not contain excessive amounts of other solid waste materials, as defined in Title 33, Series 2, Section 2.34 of the Legislative Rules.
11. Areas used for processing, curing, and/or storage of sewage sludge shall be designed, constructed and operated to prevent release of contaminants to the groundwater and/or surface water.

Section D - Sewage Sludge Management Requirements

12. The land application site(s) shall maintain the soil pH at a minimum of 6.2 S.U. for at least five (5) years from the date of application. The soil pH and soil nutrients shall be monitored once per year by obtaining a composite sample of each field utilized for land application during the previous year. The composite samples shall be made up of a minimum of four (4) aliquots taken at locations equally spaced through the land application site(s). The samples may be analyzed through the WVU Extension Service or by other certified laboratories.
13. All analyses performed on soils and sewage sludges shall be analyzed in accordance with analytical methods listed in 40 CFR Part 503.8 except that Nutrients may be analyzed in accordance with the most recently approved edition of Standard Methods and pH may be analyzed using EPA Method 9045A. Additionally, Fecal Coliform samples shall be prepared for analysis by using the method described in EPA 625R-92/013, Appendix F.
14. Sewage sludge disposed in a landfill cell shall be a non-hazardous material as defined in 40 CFR Part 261.24 and a minimum of 20 percent solids. If the sewage sludge is not 20 percent solids, a bulking agent may be used to achieve 20 percent solids before the sewage sludge is weighed in at the landfill. Alternative sludge disposal methods at the landfill can be utilized upon obtaining prior written approval from the Director of the Division of Water and Waste Management.
15. If sewage sludge is used for revegetation, or spread in any other manner at the landfill, the sewage sludge shall meet all of the land application requirements. These requirements include vector attraction and pathogen reduction methods, heavy metals limits, and abiding by an approved loading rate based on soil analyses.
16. The following primary method for pathogen reduction shall apply to the sewage sludge or sewage sludge products:
 - a. Lime Stabilization - Lime is added to maintain the sewage sludge pH above 12.0 S.U. for at least two (2) hours after the lime addition. The permittee shall record the pH of the sewage sludge at least twice, once upon addition of lime and once two (2) hours after addition.
 - b. If compliance cannot be achieved using the primary method for pathogen reduction, then the permittee must provide a written notification to the Director prior to using a secondary method so long as the secondary method has been previously approved and contained in this permit. The permittee shall not dispose of sewage sludge until providing this written notification to the Director. The following secondary method for pathogen reduction shall apply to the sewage sludge or sewage sludge products:
 - (1) Fecal Coliform Analyses - Seven (7) samples are collected and analyzed separately using either MF or MPN Method. The geometric mean of these results must be less than 2,000,000 colonies/dry gram. The permittee shall maintain all laboratory bench sheets indicating all raw data used in the analyses and the calculation of the results (unless analysis was performed by a certified contract laboratory). The seven (7) individual samples shall be evenly spaced over the monitoring period with no more than one (1) sample taken in each calendar week.
17. The following primary method for vector attraction reduction shall apply to the sewage sludge or sewage sludge products:
 - a. Lime Stabilization - Lime is added to maintain the sewage sludge pH above 12.0 S.U. for two (2) hours and above 11.5 S.U. for 24 hours after the lime addition. The permittee shall record the pH of the sewage sludge at the 0, 2, and 24 hour intervals of treatment, and record the duration of time (hours) that the pH is maintained at or above the specified minimum levels.
 - b. If compliance cannot be achieved using the primary method for vector attraction reduction, then the permittee must provide a written notification to the Director prior to using a secondary method so long as the secondary method has been previously approved and contained in this permit. The permittee shall not dispose of sewage sludge until providing this written notification to the Director. The following secondary method for vector attraction reduction shall apply to the sewage sludge or sewage sludge products:
 - (1) Specific Oxygen Uptake Rate (SOUR) - Sewage sludge is considered stable enough for land application if the SOUR is equal to or less than 1.5 milligrams of oxygen per hour per gram of total solids (dry weight basis) at a temperature of 20 degrees Celsius. The permittee shall take dissolved oxygen (DO) readings of the sewage sludge over a fifteen(15) minute period. Either the temperature (degrees Celsius) of the sample must be adjusted to 20 degrees Celsius or the SOUR of the sewage sludge is measured at the same temperature at which digestion is occurring in the treatment works and corrected to 20 degrees Celsius.

Section D - Sewage Sludge Management Requirements

18. The permittee shall maintain all records and reports of all monitoring required by Section D of this permit for five (5) years after the date of monitoring or reporting. Records should include all sample results, including pathogen and vector attraction reduction monitoring; any landfill receipts; land application records, including site maps, the landowner agreement, soil sample results, daily and cumulative sludge loading rate information; copies of all required reports; and records of all data used to complete these reports.
19. The appropriate composite sampling procedures shall be based upon the particular sludge processing methods used by the permittee. The composite sampling procedures for the various methods are described as follows:

Belt Press or Vacuum Filter - During the week that the composite sample is obtained, the permittee shall take a minimum of three (3) grab samples during each day of the week that the dewatering system is in operation. These grab samples are to be mixed together and the final sample obtained from the composite. Samples should be collected at a point immediately after the dewatering operation.

Liquid Sludge - During the week that the composite sample is obtained, the permittee shall take a representative grab sample from each truck load of sewage sludge hauled during that week. These grab samples are to be mixed together and the final sample obtained from the composite. Samples should be collected from the sewage sludge being pumped into the truck or as the sewage sludge is being discharged from the truck.

Sewage Sludge Drying Beds - During the week that the composite sample is obtained, the permittee shall take a minimum of four (4) grab samples from each bed finished during that week. These grab samples are to be mixed together and the final sample obtained from the composite.

Composting or Stock Piles - The permittee shall obtain a minimum of eight (8) grab samples from the pile of finished product. These grab samples are to be mixed together and the final sample obtained from the composite.

20. Written notification shall be given to the Director within five (5) days of the determination of any excursion(s) of the maximum allowable limitations for sewage sludge listed in Section A.S01 of this Permit. A written plan to identify and correct the excursion(s) must be submitted to the Director within sixty (60) days.
21. No single instantaneous grab sample of the final sewage sludge product shall exceed the values found below as listed in Table 2 of the West Virginia Sewage Sludge Management Regulations (Title 33, Series 2).

Metal	Concentration (mg/kg)
Arsenic	75
Cadmium	85
Chromium	3000
Copper	4300
Lead	840
Mercury	57
Molybdenum	75
Nickel	420
Selenium	100
Zinc	7500

22. Sewage sludge shall not be land applied in a manner or in an amount that will cause the land application site(s) to exceed the maximum soil concentrations for the following heavy metals:

Parameter	Maximum Allowable Limitations For Soils (mg/kg)
Arsenic	13.0
Cadmium	2.4
Chromium	290.0
Copper	92.0
Lead	85.0
Mercury	2.4
Molybdenum	4.6
Nickel	83.0*
Selenium	10.0
Zinc	290.0**

Section D - Sewage Sludge Management Requirements

22. * For sandy to silt loam soils with a permeability greater than 2.0 inches per hour, the maximum allowable soil concentration for nickel is 50.0 mg/kg.
 - ** For those sites with greater than 30% legume species, the maximum allowable soil concentration for zinc is 130.0 mg/kg for sandy to silt loam soils with permeability greater than 2.0 inches per hour and 200.0 mg/kg for other soil types.
23. All land application site(s) shall have new soil analyses performed for the metals listed in Section D.22 of this Permit when the cumulative loading reaches 50% of the assigned lifetime loading rate.
24. Should any landowner of a sludge land application site fail to comply with the terms and conditions pertaining to the landowner under an applicable landowner agreement, the permittee shall immediately contact said landowner and identify the violation causing the noncompliance with the said agreement. The permittee shall take all reasonable, escalating enforcement steps, up to and including disallowing further land application of sludge on the owner's site, in order to keep the landowner compliant with the terms and conditions of said land owner agreement. Also, the permittee shall immediately inform the Agency of any current noncompliance by the owner of a land application site by attaching a written summary of these violations, the cause of each violation, and the steps taken to prevent their recurrence with the submitted Sludge Monitoring Reports. Should the permittee take all of the enforcement steps outlined above, these actions may be used as a mitigating factor to any enforcement actions taken upon the permittee for the noncompliance by the land application site owners to the terms and conditions of Section D herein. However, the burden of proof in relation to the use of this mitigating factor shall lie exclusively upon the permittee. This condition shall not be used as a mitigating factor to any noncompliance associated with any other sections of this permit, even if said noncompliance is, in whole or in part, caused by the land application site owner.

Section E - Pretreatment (Industrial Users)

01. The permittee may accept non-domestic wastewater from the following Industrial User(s) providing each respective Industrial User maintains continued compliance with all applicable requirements of this section and all applicable limitations and monitoring requirements prescribed in Section(s) A.IU01-A.IU05, A.IU09-A.IU10 and A.IU13-A.IU18:

Industrial User Facility Name	Outfall	Classification
Beckley West Maintenance Garage	IU01	IU
Raleigh County Landfill	IU02	SIU
Hercules/Ashland Inc.	IU03	CIU 40CFR442.16
Caterpillar	IU04	IU
Beckley Garbage Disposal	IU05	IU
Wal-Mart No. 1351	IU09	IU
Raleigh County Maintenance Headquarters	IU10	IU
Little General BP #2075	IU13	IU
Heritage Equipment	IU14	IU
Beckley Maintenance	IU15	IU
Lewis Nissan	IU16	IU
Oakhill Garbage Disposal	IU17	IU
Southern Soil	IU18	IU

IU - Industrial User
 CIU - Categorical Industrial User
 SIU - Significant Industrial User

02. The acceptance of non-domestic wastewater from the Industrial Users listed in Section A.IU01-IU15 is subject to and contingent upon the following terms and conditions:

a. **NON-DOMESTIC WASTEWATERS APPROVED FOR ACCEPTANCE:**

- 1) The non-domestic wastewater approved for acceptance from Beckley West Maintenance Garage consists of intermittent discharges from general shop cleaning. The non-domestic wastewater shall be pretreated by a gravity oil & water separator. The maximum daily volume accepted shall not exceed 1,000 gallons. The actual volume accepted shall be estimated and recorded daily. Estimates shall be based upon metered water usage at Beckley West Maintenance Garage.
- 2) The non-domestic wastewater approved for acceptance from Raleigh County Landfill consists of leachate generated through the normal operations of a composite lined sanitary landfill. The non-domestic wastewater shall be transferred from landfill cells to a 350,000 gallon holding tank and is then sent to a separate 350,000 gallon aerated holding tank for treatment and then pumped to the wastewater treatment plant. The maximum daily volume accepted shall not exceed 100,000 gallons. The actual volume accepted shall be measured and recorded daily using a flow meter prior to discharge to the District.
- 3) The non-domestic wastewater approved for acceptance from Hercules Ashland consists of storm water collected in an outside containment dike, wastewater resulting from the rinsing of storage tanks, tanker trucks, and transfer hoses, and wastewater resulting from general facility cleaning rinses. The wastewater is subject to 40 CFR 442.16 (Transportation Equipment Cleaning). The maximum daily volume accepted shall not exceed 2,000 gallons. The actual volume accepted shall be estimated and recorded daily when discharged to the District.

Section E - Pretreatment (Industrial Users)

02. a. 4) The non-domestic wastewater approved for acceptance from Caterpillar (formerly Terex) consists of pretreated wastewater associated with the washing of parts from mining machinery for repairs. The non-domestic wastewater shall be pretreated by a Hotsy brand Model 500 Heli-sep oil& water seperator with treated water discharged in batches. The maximum daily volume accepted shall not exceed 1,000 gallons. The actual volume accepted shall be estimated and recorded daily. Estimates shall be based upon metered water usage at Terex.
- 5) The non-domestic wastewater approved for acceptance from Beckley Garbage Disposal consists of wastewater generated in the cleaning of garbage trucks exteriors and "toters". The non-domestic wastewater shall be pretreated by a containment pit where suspended solids are allowed to settle prior to entering the collection system. The maximum daily volume accepted shall not exceed 1,000 gallons. The actual volume accepted shall be estimated and recorded daily. The flow estimate shall be made by number of trucks washed multiplied by 500 gallons per truck.
- 6) The non-domestic wastewater approved for acceptance from Wal-Mart No. 1351 consists of pretreated floor wash wastewater, rain/snow/slush water dripping from vehicles brought into the shop, and wastewater from an employee handwashing sink and eyewash, all generated in the facilities Tire, Battery, and Lube Express Department. The wastewater is pretreated with a Zurn 500 gravity type oil seperator prior to discharge to the District. The maximum daily volume accepted shall not exceed 100 gallons. The actual volume accepted shall be estimated and recorded daily. Estimates shall be based upon metered water usage at Wal-Mart No. 1351 less domestic wastewater.
- 7) The non-domestic wastewater approved for acceptance from Raleigh County Maintenance Headquarters, Division of Highways, consists of flows generated from a vehicle wash station and from floor drains. The non-domestic wastewater shall be pretreated by an oil/water separator prior to discharge to the District. The maximum daily volume accepted shall not exceed 1,500 gallons. The actual volume accepted shall be estimated and recorded daily. The estimate shall be made by number of trucks washed multiplied by 500 gallons per vehicle.
- 8) The non-domestic wastewater approved for acceptance from Little General Store BP #2075, consists of pretreated contaminated groundwater from Simon and Associates, at the Little General Store location at 3604 Robert C. Byrd Drive in Beckley, WV. The contaminated groundwater shall be processed in an activated sludge/ fixed film bioreactor and then sent through an air-sparging tray stripper before being fed through a series of five additional 250-gallon air-sparging, bioreactor treatment tanks. The effluent is finally passed through a carbon canister before being discharged to the sanitary sewer. The maximum daily volume accepted from the Little General Store location shall not exceed 5,000 gallons per day. The actual volume of wastewater accepted shall be measured and recorded daily.
- 9) The non-domestic wastewater approved for acceptance from Heritage Equipment Inc. consists of flows generated from a truck wash station. The non-domestic wastewater shall be pretreated by an oil/water separator Heli-Sep model 1000. The maximum daily volume accepted shall not exceed 4,000 gallons. The actual volume accepted shall be recorded daily. The flow measurement shall be based on metered water used for truck washing.
- 10) The non-domestic wastewater approved for acceptance from Beckley Maintenance of West Virginia Parkways Authority consists of discharge water generated from storm water run off from a salt loading pad. The wastewater is collected in a catch basin. The maximum daily volume accepted shall not exceed 5,000 gallons. The actual volume accepted shall be estimated and recorded daily. Estimates shall be based upon rainfall during the previous 24 hour period and exposed area of pad.
- 11) The non-domestic wastewater approved for acceptance from Lewis Nissan consists of flows generated from washes and detailing from new and used cars. The subject waste water drains into troughs where settling occurs for solids. Then it drains to a 1000 gallon Gravity Oil & Water separator and is subsequently discharged to the District. The maximum daily volume accepted shall not exceed 1,500 gallons. The actual volume accepted shall be estimated and recorded daily.
- 12) The non-domestic wastewater approved for acceptance from Oak Hill Garbage Disposal, Inc. consists of wash water from a truck wash station and shall be pretreated by settling in the trough drains and an oil/water separator. The maximum daily volume accepted shall not exceed 1,600 gallons. The actual volume accepted shall be estimated and recorded daily.

Section E - Pretreatment (Industrial Users)

02. a. 13) The non-domestic wastewater approved for acceptance from Southern Soil Conservation District consists of wastewater from a vehicle maintenance and washing shop and shall be pretreated by an oil/water separator. The maximum daily volume accepted shall not exceed 1,000 gallons. The actual volume accepted shall be estimated and recorded daily.

b. **SAMPLING PROCEDURES:**

- 1) Beckley West Maintenance Garage

An individual grab sample and pH measurement shall be obtained at a time that is representative of normal operations.

In addition, the attached oil/water separator log must be completed monthly and submitted quarterly to North Beckley PSD. North Beckley PSD shall submit the log on a quarterly basis to DEP.

- 2) Raleigh County Landfill

An individual grab sample and pH measurement shall be obtained at a time that is representative of normal operations.

Composite samples shall be obtained by collection and combination of a minimum of four (4) equal volume aliquots with aliquots accepted at approximately equal time intervals over the daily discharge period.

- 3) Hercules Ashland

An individual grab sample and pH measurement shall be obtained at a time that is representative of normal operations.

Composite samples shall be obtained by collection and combination of a minimum of four (4) equal volume aliquots with aliquots accepted at approximately equal time intervals over the daily discharge period.

- 4) Caterpillar

An individual grab sample and pH measurement shall be obtained at a time that is representative of normal operations.

In addition, the attached oil/water separator log must be completed monthly and submitted quarterly to North Beckley PSD. North Beckley PSD shall submit the log on a quarterly basis to DEP.

- 5) Beckley Garbage Disposal

An individual grab sample and pH measurement shall be obtained after settling that is representative of normal operations.

- 6) Wal-Mart No. 1351

An individual grab sample and pH measurement shall be obtained at a time that is representative of normal operations.

In addition, the attached oil/water separator log must be completed monthly and submitted quarterly to North Beckley PSD. North Beckley PSD shall submit the log on a quarterly basis to DEP.

- 7) Raleigh County Maintenance Headquarters

An individual grab sample and pH measurement shall be obtained at a time that is representative of normal operations.

In addition, the attached oil/water separator log must be completed monthly and submitted quarterly to North Beckley PSD. North Beckley PSD shall submit the log on a quarterly basis to DEP.

- 8) Little General BP #2075

An individual grab sample and pH measurement shall be obtained at a time that is representative of normal operations.

Section E - Pretreatment (Industrial Users)

02. b. 9) Heritage Equipment

An individual grab sample and pH measurement shall be obtained at a time that is representative of normal operations.

In addition, the attached oil/water separator log must be completed monthly and submitted quarterly to North Beckley PSD. North Beckley PSD shall submit the log on a quarterly basis to DEP.

10) Beckley Maintenance

An individual grab sample and pH measurement shall be obtained at a time that is representative of normal operations.

11) Lewis Nissan

An individual grab sample and pH measurement shall be obtained at a time that is representative of normal operations.

In addition, the attached oil/water separator log must be completed monthly and submitted quarterly to North Beckley PSD. North Beckley PSD shall submit the log on a quarterly basis to DEP.

12) Oakhill Garbage Disposal Inc.

An individual grab sample and pH measurement shall be obtained at a time that is representative of normal operations.

In addition, the attached oil/water separator log must be completed monthly and submitted quarterly to North Beckley PSD. North Beckley PSD shall submit the log on a quarterly basis to DEP.

13) Southern Soil Conservation District

An individual grab sample and pH measurement shall be obtained at a time that is representative of normal operations.

In addition, the attached oil/water separator log must be completed monthly and submitted quarterly to North Beckley PSD. North Beckley PSD shall submit the log on a quarterly basis to DEP.

c. SAMPLING AND MONITORING REQUIREMENTS:

- 1) Samples on non-domestic wastestreams shall be collected at the discharge point prior to its mixing with any other wastestream unless otherwise specified.
- 2) Sampling and analyses required by Section A.IU01-A.IU05, A.IU09-A.IU10 and A.IU13-A.IU18 shall be conducted in accordance with sample collection, preservation, and analytical procedures specified in 40 CFR 136.
- 3) As specified in Section(s) A.IU01-A.IU05, A.IU09-A.IU10 and A.IU13-A.IU18, semi annual monitoring periods are Jan-Jun, Jul-Dec. Quarterly monitoring periods are Jan-Mar, Apr-Jun, Jul-Sep, Oct-Dec.
- 4) If the permittee or industrial user monitors any parameter more frequently than required by Section(s) A.IU01-A.IU05, A.IU09-A.IU10 and A.IU13-A.IU18, using procedures specified by Section E.02.c.2, then the results of additional monitoring must be reported.
- 5) All industrial users shall maintain information relative to self-monitoring for a minimum of three (3) years. The information maintained shall include: the date, exact location, method, and time of sampling; the sample preservation techniques used; the name of the person taking the samples; the date(s) the analyses were performed; the name of the person performing the analyses; and the analytical results.

Section E - Pretreatment (Industrial Users)

02. c. 6) Reporting of monitoring required by Section A.IU01-A.IU05, A.IU09-A.IU10 and A.IU13-A.IU18 shall be submitted to the Division of Water and Waste Management along with the permittee's Discharge Monitoring Reports. Reports shall contain results of all analysis performed, and the estimated daily volume of the wastewater accepted. Reports shall be due on the 20th day of the month following the end of the monitoring period. The agency is now requiring the permittee to utilize our electronic discharge monitoring report (eDMR) system which is now mandatory. The permittee is not required to submit hard copies of the DMRs to the addresses listed below when using eDMR. Special circumstances may result in the agency granting an exemption to eDMR and are considered on case by case basis. If the permittee was exempted by the agency from using the eDMR system, then the permittee is required to send hard copies to the addresses below. The permittee may contact the agency for more information about the eDMR system and potential exemptions from using it. Regardless, in accordance with Appendix A, Section III.6 of this permit, the permittee shall maintain copies of DMRs (either hard copies or electronic copies) at the plant site and the DMRs shall be made readily available upon request for DEP personnel.

Director
Division of Water and Waste Management
601 57th Street, SE
Charleston, West Virginia 25304
Attn: Permitting Branch

d. NOTIFICATION REQUIREMENTS:

- 1) All industrial users shall notify the permittee immediately of all discharges that could cause problems to the POTW, including any slug loadings, as defined by 40 CFR 403.5(b) of the Code of Federal Regulations.
- 2) All industrial users shall notify the permittee and the Division of Water and Waste Management of any discharge into the POTW of any substance, which otherwise disposed of, would be considered a hazardous waste under 40 CFR 261 of the Code of Federal Regulations unless they discharge less than fifteen (15) kilograms of non-acute hazardous waste in a calendar month.
- 3) For any instances that sampling results have a result of "non-detect" (less than the minimum detection level), the results shall be reported as less than the minimum detection level used. For example, if the laboratory results indicate non-detect for a parameter and the MDL is listed as 0.005 mg/l, the Industrial User shall indicate on the Discharge Monitoring Report for that parameter "< 0.005 mg/l". For purposes of averaging values, the Industrial User shall use the MDL for any values listed as non-detect, when calculating averages.
- 4) Each Industrial User shall submit a Discharge Monitoring Report for every monitoring period. If the Industrial User does not discharge any non-domestic waste to the POTW during a given monitoring period, the Industrial User shall still submit the appropriately filled out and signed Discharge Monitoring Report indicating "NO DISCHARGE" during the monitoring period.
- 5) Alternative discharge monitoring report forms shall not be used without prior approval from this Agency.

e. PROHIBITED DISCHARGES:

- 1) Pollutants which create a fire or explosion hazard in the POTW (wastestreams with a closed cup flashpoint of less than 140 degrees F or 60 degrees C using test methods specified in 40 CFR 261.21 of the Code of Federal Regulations).
- 2) Solid or viscous pollutants in amounts which will cause obstruction to the flow in the POTW resulting in interference.
- 3) Heat in such quantities that the temperature at the POTW exceeds 40 degrees C (104 degrees F).
- 4) Pollutants which result in the presence of toxic gases, vapors, or fumes within the POTW in a quantity that may cause acute worker health and safety problems.
- 5) Any trucked or hauled pollutants, except at discharge points designated by the POTW.
- 6) Any pollutant(s) discharged in a quantity which has the potential to cause Pass Through or Interference.

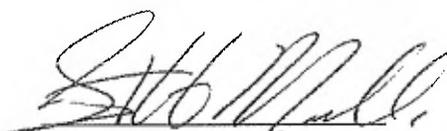
Section E - Pretreatment (Industrial Users)

03. In addition to the conditions listed in Section E.02, the following conditions apply specifically to Categorical and Significant Industrial User facilities listed in Section E.01.
- a. All baseline reports, reports on compliance, and self monitoring reports must be signed and certified in accordance with 40 CFR 403.12 of the Code of Federal Regulations.
 - b. If a Categorical Industrial User listed in Section E.01 conducts sampling that reveals a violation of their respective limitations prescribed in Section A or any of the prohibited discharges listed in Section E.02.e, the Categorical Industrial User shall notify the Director of said violation within 24 hours of becoming aware of the violation. In addition, the Categorical Industrial User shall repeat the sampling and analysis for the pollutant in violation and submit the results to the Director within 30 days.
04. Should any of the permittee's industrial users fail to comply with the specific terms and conditions pertaining to that specific industrial user in this permit, the permittee shall immediately contact said industrial user and identify the violation causing the noncompliance with the permit. The permittee shall take all reasonable, escalating enforcement steps, up to and including disallowing the continued acceptance of the nondomestic wastewater from the industrial user, to keep the industrial user compliant with the terms and conditions of the permit. Also, the permittee shall immediately inform the Agency of any current noncompliance by industrial users by attaching a written summary of these violations, the cause of each violation, and the steps taken to prevent their recurrence with the submitted Discharge Monitoring Reports. Should the permittee take all of the enforcement steps outlined above, these actions may be used as a mitigating factor to any enforcement actions taken upon the permittee for the noncompliance by the industrial users to the terms and conditions of Section E or Sections A.IU01-A.IU05, A.IU09-A.IU10 and A.IU13-A.IU18 herein. However, the burden of proof in relation to the use of this mitigating factor shall lie exclusively upon the permittee. This condition shall not be used as a mitigating factor to any noncompliance associated with any other section of this permit, even if said noncompliance is, in whole or in part, caused by an industrial user.
05. The permittee shall ensure that the industrial users shall complete and submit a DMR in accordance with Section A of this permit. DMRs for industrial users shall be submitted in accordance with the agency's eDMR system as prescribed in Section C of this permit. Logs submitted by the industrial users shall be submitted by the permittee as required attachment to the eDMRs.
06. This Division reserves the right to disallow the continued acceptance of the nondomestic wastewater(s) from any of the facilities described in Section E.01, or to require installation of additional pretreatment facilities, should the wastewater violate specified limitations, cause interference or pass-through at the POTW and result in effluent limitation violations or receiving stream degradation, or adversely impact POTW sludge disposal. Approval of the permittee's acceptance of the indirect discharge(s) in no way relieves the permittee of its obligation to comply with all terms and conditions of its WV/NPDES Permit and shall not constitute an affirmative defense in any enforcement action brought against the permittee.

The herein-described activity is to be extended, modified, added to, made, enlarged, acquired, constructed or installed, and operated, used and maintained strictly in accordance with the terms and conditions of this permit, with the plans and specifications submitted with Permit Application No. WV0027740; with the plan of maintenance and method of operation thereof submitted with such application(s); and with any applicable rules and regulations promulgated by the Environmental Quality Board and the Secretary of the Department of Environmental Protection.

Failure to comply with the terms and conditions of this permit, with the plans and specifications submitted with Permit Application No. WV0027740; and with the plan of maintenance and method of operation thereof submitted with such application(s) shall constitute grounds for the revocation or suspension of this permit and the invocation of all the enforcement procedures set forth in Chapter 22, Article 11, or 15 of the Code of West Virginia.

This permit is issued in accordance with the provisions of Chapter 22, Article 11 and 12 and/or 15 of the Code of West Virginia and is transferable under the terms of Section 11 of Article 11.

A handwritten signature in black ink, appearing to read "S. G. Mandirola", written over a horizontal line.

Scott G. Mandirola, Director

Appendix A

I. MANAGEMENT CONDITIONS:

1. Duty to Comply

- a) The permittee must comply with all conditions of this permit. Permit noncompliance constitutes a violation of the CWA and State Act and is grounds for enforcement action; for permit modification, revocation and reissuance, suspension or revocation; or for denial of a permit renewal application.
- b) The permittee shall comply with all effluent standards or prohibitions established under Section 307(a) of the CWA for toxic pollutants within the time provided in the regulations that establish these standards or prohibitions, even if the permit has not yet been modified to incorporate the requirement.

2. Duty to Reapply

If the permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the permittee must apply for a new permit at least 180 days prior to expiration of the permit.

3. Duty to Mitigate

The permittee shall take all reasonable steps to minimize or prevent any discharge in violation of this permit, which has a reasonable likelihood of adversely affecting human health or the environment.

4. Permit Actions

This permit may be modified, revoked and reissued, suspended, or revoked for cause. The filing of a request by the permittee for permit modification, revocation and reissuance, or revocation, or a notification of planned changes or anticipated noncompliance, does not stay any permit condition.

5. Property Rights

This permit does not convey any property rights of any sort or any exclusive privilege.

6. Signatory Requirements

All applications, reports, or information submitted to the Director shall be signed and certified as required in Title 47, Series 10, Section 4.6 of the West Virginia Legislative Rules.

7. Transfers

This permit is not transferrable to any person except after notice to the Director. The Director may require modification or revocation and reissuance of the permit to change the name of the permittee and incorporate such other requirements as may be necessary.

8. Duty to Provide Information

The permittee shall furnish to the Director, within a reasonable specified time, any information which the Director may request to determine whether cause exists for modifying, revoking and reissuing, suspending, or revoking this permit, or to determine compliance with this permit. The permittee shall also furnish to the Director, upon request, copies of records required to be kept by this permit.

9. Other Information

Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Director, it shall promptly submit such facts or information.

10. Inspection and Entry

The permittee shall allow the Director, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to:

- a) Enter upon the permittee's premises in which an effluent source or activity is located, or where records must be kept under the conditions of this permit;
- b) Have access to and copy at reasonable times, any records that must be kept under the conditions of this permit;
- c) Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit; and
- d) Sample or monitor at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by the State Act, any substances or parameters at any location.

11. Permit Modification

This permit may be modified, suspended, or revoked in whole or in part during its term in accordance with the provisions of Chapter 22-11-12 of the Code of West Virginia.

12. Water Quality

Subject to 47 WV CSR 10.3.4.a, the effluent or effluents covered by this permit are to be of such quality so as not to cause violation of applicable water quality standards.

13. Outlet Markers

A permanent marker at the establishment shall be posted in accordance with Title 47, Series 11, Section 9 of the West Virginia Legislative Rules.

14. Liabilities

- a) Any person who violates a permit condition implementing sections 301, 302, 306, 307, 308, 318, or 405 of the Clean Water Act is subject to a civil penalty not to exceed \$25,000 per day of such violation. Any person who willfully or negligently violates permit conditions implementing sections 301, 302, 306, 307, 308 or 405 of the Clean Water Act is subject to a fine of not less than \$2,500 nor more than \$25,000 per day of violation, or by imprisonment for not more than 1 year, or both.
- b) Any person who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this permit shall, upon conviction, be punished by a fine of not more than \$10,000 per violation, or by imprisonment for not more than 2 years, or by both.
- c) Any person who knowingly makes any false statement, representation, or certification in any record or other document submitted or required to be maintained under this permit, including monitoring reports or reports of compliance or noncompliance shall, upon conviction, be punished by a fine of not more than \$10,000 per violation, or by imprisonment for not more than 2 years, or by both.
- d) Nothing in 1.14 a), b), and c) shall be construed to limit or prohibit any other authority the Director may have under the State Water Pollution Control Act, Chapter 22, Article 11.

II. OPERATION AND MAINTENANCE:

1. Proper Operation and Maintenance

The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the conditions of this permit. Proper operation and maintenance also includes adequate laboratory controls, and appropriate quality assurance procedures. Unless otherwise required by Federal or State law, this provision requires the operation of back-up auxiliary facilities or similar systems which are installed by the permittee only when the operation is necessary to achieve compliance with the conditions of the permit. For domestic waste treatment facilities, waste treatment operators as classified by the WV Bureau of Public Health Laws, W. Va. Code Chapter 16-1, will be required except that in circumstances where the domestic waste treatment facility is receiving any type of industrial waste, the Director may require a more highly skilled operator.

2. Need to Halt or Reduce Activity Not a Defense

It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of the permit.

3. Bypass

- a) Definitions
- (1) "Bypass" means the intentional diversion of waste streams from any portion of a treatment facility; and
 - (2) "Severe property damage" means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.
- b) Bypass not exceeding limitations. The permittee may allow any bypass to occur which does not cause effluent limitations to be exceeded, but only if it also is for essential maintenance to assure efficient operation. These bypasses are not subject to the provision of II.3.c) and II.3.d) of this permit.
- c)
- (1) If the permittee knows in advance of the need for a bypass, it shall submit prior notice, if possible at least ten (10) days before the date of the bypass;
 - (2) If the permittee does not know in advance of the need for bypass, notice shall be submitted as required in IV.2.b) of this permit.
- d) Prohibition of bypass
- (1) Bypass is permitted only under the following conditions, and the Director may take enforcement action against a permittee for a bypass, unless;
 - (A) Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;
 - (B) There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate backup equipment should have been installed in the exercise of reasonable engineering judgement to prevent a bypass which occurred during normal periods of equipment downtime or preventative maintenance; and
 - (C) The permittee submitted notices as required under II.3.c) of this permit.
 - (2) The Director may approve an anticipated bypass, after considering its adverse effects, if the Director determines that it will meet the three conditions listed in II.3.d.(1) of this permit.

4. Upset

- a) Definition. "Upset" means an exceptional incident in which there is unintentional and temporary noncompliance with technology-based permit effluent limitations because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventative maintenance, or careless or improper operation.
- b) Effect of an upset. An upset constitutes an affirmative defense to an action brought for noncompliance with such technology-based permit effluent limitation if the requirements of II.4.c) are met. No determination made during administrative review of claims that noncompliance was caused by upset, and before an action for noncompliance, is final administrative action subject to judicial review.
- c) Conditions necessary for a demonstration of upset. A permittee who wishes to establish the affirmative defense of upset shall demonstrate, through properly signed, contemporaneous operating logs, or other relevant evidence that:
- (1) An upset occurred and that the permittee can identify the cause(s) of the upset;
 - (2) The permitted facility was at the time being properly operated;
 - (3) The permittee submitted notice of the upset as required in IV.2.b) of this permit.
 - (4) The permittee complied with any remedial measures required under I.3. of this permit.
- d) Burden of proof. In any enforcement proceeding the permittee seeking to establish the occurrence of an upset has the burden of proof.

5. Removed Substances

Where removed substances are not otherwise covered by the terms and conditions of this permit or other existing permit by the Director, any solids, sludges, filter backwash or other pollutants (removed in the course of treatment or control of wastewaters) and which are intended for disposal within the State, shall be disposed of only in a manner and at a site subject to the approval by the Director. If such substances are intended for disposal outside the State or for reuse, i.e., as a material used for making another product, which in turn has another use, the permittee shall notify the Director in writing of the proposed disposal or use of such substances, the identity of the prospective disposer or users, and the intended place of disposal or use, as appropriate.

III. MONITORING AND REPORTING

1. Representative Sampling

Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.

2. Reporting

- a) Permittee shall submit, according to the enclosed format, a Discharge Monitoring Report (DMR) indicating in terms of concentration, and/or quantities, the values of the constituents listed in Part A analytically determined to be in the plant effluent(s). DMR submissions shall be made in accordance with the terms contained in Section C of this permit.
- b) Enter reported average and maximum values under "Quantity" and "Concentration" in the units specified for each parameter, as appropriate.
- c) Specify the number of analyzed samples that exceed the allowable permit conditions in the columns labeled "N.E." (i.e., number exceeding).
- d) Specify frequency of analysis for each parameter as number of analyses/specified period (e.g., 3/month is equivalent to 3 analyses performed every calendar month). If continuous, enter "Cont.". The frequency listed on format is the minimum required.

3. Test Procedures

Samples shall be taken, preserved and analyzed in accordance with the latest edition of 40 CFR Part 136, unless other test procedures have been specified elsewhere in this permit.

4. Recording of Results

For each measurement or sample taken pursuant to the permit, the permittee shall record the following information.

- a) The date, exact place, and time of sampling or measurement;
- b) The date(s) analyses were performed;
- c) The individual(s) who performed the sampling or measurement;
- d) The individual(s) who performed the analyses; if a commercial laboratory is used, the name and address of the laboratory;
- e) The analytical techniques or methods used, and
- f) The results of such analyses. Information not required by the DMR form is not to be submitted to this agency, but is to be retained as required in III.6.

5. Additional Monitoring by Permittee

If the permittee monitors any pollutant at any monitoring point specified in this permit more frequently than required by this permit, using approved test procedures or others as specified in this permit, the results of this monitoring shall be included in the calculation and reporting of the data submitted in the Discharge Monitoring Report Form. Such increased frequency shall also be indicated. Calculations for all limitations which require averaging of measurements shall utilize an arithmetic mean unless otherwise specified in the permit.

6. Records Retention

The permittee shall retain records of all monitoring information, including all calibration and maintenance records and all original chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for the permit, for a period of at least three (3) years from the date of the sample, measurement, report or application. This period may be extended by request of the Director at any time.

7. Definitions

- a) "Daily discharge" means the discharge of a pollutant measured during a calendar day or within any specified period that reasonably represents the calendar day for purposes of sampling. For pollutants with limitations expressed in units of mass, the daily discharge is calculated as the total mass of the pollutant discharged over the day. For pollutants with limitations expressed in other units of measurement, the daily discharge is calculated as the average measurement of the pollutant over the day.
- b) "Average monthly discharge limitation" means the highest allowable average of daily discharges over a calendar month, calculated as the sum of all daily discharges measured during a calendar month divided by the number of daily discharges measured during that month.
- c) "Maximum daily discharge limitation" means the highest allowable daily discharge.
- d) "Composite Sample" is a combination of individual samples obtained at regular intervals over a time period. Either the volume of each individual sample is proportional to discharge flow rates or the sampling interval (for constant volume samples) is proportional to the flow rates over the time period used to produce the composite. The maximum time period between individual samples shall be two hours.
- e) "Grab Sample" is an individual sample collected in less than 15 minutes.
- f) "is" = immersion stabilization - a calibrated device is immersed in the effluent stream until the reading is stabilized.
- g) The "daily average temperature" means the arithmetic average of temperature measurements made on an hourly basis, or the mean value plot of the record of a continuous automated temperature recording instrument, either during a calendar month, or during the operating month if flows are of shorter duration.
- h) The "daily maximum temperature" means the highest arithmetic average of the temperatures observed for any two (2) consecutive hours during a 24 hour day, or during the operating day if flows are of shorter duration.
- i) The "monthly average fecal coliform" bacteria is the geometric average of all samples collected during the month.
- j) "Measured Flow" means any method of liquid volume measurement, the accuracy of which has been previously demonstrated in engineering practice, or which a relationship to absolute volume has been obtained.
- k) "Estimate" means to be based on a technical evaluation of the sources contributing to the discharge including, but not limited to pump capabilities, water meters and batch discharge volumes.
- l) "Non-contact cooling water" means the water that is contained in a leak-free system, i.e., no contact with any gas, liquid, or solid other than the container for transport; the water shall have no net poundage addition of any pollutant over intake water levels, exclusive of approved anti-fouling agents.

IV. OTHER REPORTING

1. Reporting Spills and Accidental Discharges

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibilities, liabilities or penalties established pursuant to Title 47, Series 11, Section 2 of the West Virginia Legislative Rules promulgated pursuant to Chapter 22, Article 11. Attached is a copy of the West Virginia Spill Alert System for use in complying with Title 47, Series 11, Section 2 of the Legislative rules as they pertain to the reporting of spills and accidental discharges.

2. Immediate Reporting

- a) The permittee shall report any noncompliance which may endanger health or the environment immediately after becoming aware of the circumstances by using the Agency's designated spill alert telephone number. A written submission shall be provided within five (5) days of the time the permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance, including exact dates and times, and if the noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance.
- b) The following shall also be reported immediately:
 - (1) Any unanticipated bypass which exceeds any effluent limitation in the permit;
 - (2) Any upset which exceeds any effluent limitation in the permit; and
 - (3) Violation of a maximum daily discharge limitation for any of the pollutants listed by the Director in the permit shall be reported immediately. This list shall include any toxic pollutant or hazardous substance, or any pollutant specifically identified as the method to control a toxic pollutant or hazardous substance.
- c) The Director may waive the written report on a case-by-case basis if the oral report has been received in accordance with the above.
- d) Compliance with the requirements of IV.2 of this section, shall not relieve a person of compliance with Title 47, Series 11, Section 2.

3. Reporting Requirements

- a) **Planned changes.** The permittee shall give notice to the Director of any planned physical alterations or additions to the permitted facility which may affect the nature or quantity of the discharge. Notice is required when:
 - (1) The alteration or addition to a permitted facility may meet one of the criteria for determining whether a facility is a new source in Section 13.7.b of Series 10, Title 47; or
 - (2) The alteration or addition could significantly change the nature or increase the quantity of pollutants discharged. This notification applies to pollutants which are subject neither to effluent limitations in the permit, nor to notification requirements under IV.2 of this section.
- b) **Anticipated noncompliance.** The permittee shall give advance notice to the Director of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.
- c) In addition to the above reporting requirements, all existing manufacturing, commercial, and silvicultural discharges must notify the Director in writing as soon as they know or have reason to believe:
 - (1) That any activity has occurred or will occur which would result in the discharge, on a routine or frequent basis, or any toxic pollutant which is not limited in the permit, if that discharge will exceed the highest of the following "notification levels":
 - (A) One hundred micrograms per liter (100 ug/l);
 - (B) Two hundred micrograms per liter (200 ug/l) for acrolein and acrylonitrile; five hundred micrograms per liter (500 ug/l) for 2,4-dinitro phenol; and for 2-methyl 4,6-dinitrophenol; and one milligram per liter (1 mg/l) for antimony;
 - (C) Five (5) times the maximum concentration value reported for that pollutant in the permit application in accordance with Section 4.4.b.9 of Series 10, Title 47.
 - (D) The level established by the Director in accordance with Section 6.3.g of Series 10, Title 47;
 - (2) That any activity has occurred or will occur which would result in any discharge (on a non-routine or infrequent basis) of a toxic pollutant which is not limited in the permit, if that discharge will exceed the highest of the following "notification levels":
 - (A) Five hundred micrograms per liter (500 ug/l);
 - (B) One milligram per liter (1 mg/l) for antimony;
 - (C) Ten (10) times the maximum concentration value reported for that pollutant in the permit application in accordance with Section 4.4.b.7 of Series 10, Title 47;
 - (D) The level established by the Director in accordance with Section 6.3.g of Series 10, Title 47.
 - (3) That they have begun or expect to begin to use or manufacture as an intermediate or final product or by-product of any toxic pollutant which was not reported in the permit application under Section 4.4.b.9 of Series 10, Title 47 and which will result in the discharge on a routine or frequent basis of that toxic pollutant at levels which exceed five times the detection limit for that pollutant under approved analytical procedure.
 - (4) That they have begun or expect to begin to use or manufacture as an intermediate or final product or by-product of any toxic pollutant which was not reported in the permit application under Section 4.4.b.9 of Series 10, Title 47 and which will result in the discharge on a non-routine or infrequent basis of that toxic pollutant at levels which exceed ten times the detection limit for that pollutant under approved analytical procedure.

4. Other Noncompliance

The permittee shall report all instances of noncompliance not reported under the above paragraphs at the time monitoring reports are submitted. The reports shall contain the information listed in IV.2.a). Should other applicable noncompliance reporting be required, these terms and conditions will be found in Section C of this permit.

STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 DISCHARGE MONITORING REPORT

FACILITY NAME: (NORTH BECKLEY PSD) NORTH BECKLEY PSD CERTIFIED LABORATORY NAME: _____
 LOCATION OF FACILITY: BECKLEY; Raleigh County CERTIFIED LABORATORY ADDRESS: _____
 PERMIT NO.: WV0027740 OUTLET NO.: 001
 WASTELOAD FOR THE MONTH OF: _____ INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter		Quantity				Other Units					Measurement Frequency	Sample Type		
				Units	N.E.				CEL*	Units			N.E.	
50050 (ML-1) RF-A Flow, in Conduit or thru plant Year Round	Reported													
	Permit Limits	N/A	N/A			Rpt Only Minimum	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mgd		Continuous	measured	
00310 (ML-B) RF-A BOD, 5-Day 20 Deg.C Year Round	Reported													
	Permit Limits	626 Avg. Monthly	1251 Max. Daily	Lbs/Day		N/A	30 Avg. Monthly	60 Max. Daily	N/A	mg/l		1/week	Batch	
00530 (ML-A) RF-A Total Suspended Solids Year Round	Reported													
	Permit Limits	626 Avg. Monthly	1251 Max. Daily	Lbs/Day		N/A	30 Avg. Monthly	60 Max. Daily	N/A	mg/l		1/week	Batch	
81010 (ML-K) RF-A BOD, % Removal Year Round	Reported													
	Permit Limits	N/A	N/A			85 Month. Avg. Min.	N/A	N/A	N/A	Percent		4/Month	Calculated	
81011 (ML-K) RF-A Suspended Solids, % Removal Year Round	Reported													
	Permit Limits	N/A	N/A			85 Month. Avg. Min.	N/A	N/A	N/A	Percent		4/Month	Calculated	
74055 (ML-A) RF-A Coliform, Fecal Year Round	Reported													
	Permit Limits	N/A	N/A			N/A	200 Mon. Geo. Mean	400 Max. Daily	N/A	Cnts/100m		1/week	Grab	
00400 (ML-A) RF-A pH Year Round	Reported													
	Permit Limits	N/A	N/A			6 Inst. Min.	N/A	9 Inst. Max.	N/A	S.U.		1/week	Grab	
00300 (ML-A) RF-A Dissolved Oxygen Year Round	Reported													
	Permit Limits	N/A	N/A			6 Inst. Min.	N/A	N/A	N/A	mg/l		1/week	Grab	

* CEL = Compliance Evaluation Level

Name of Principal Executive Officer	I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of a fine and imprisonment for knowing violations.	Date Completed	
Title of Officer		Signature of Principal Executive Officer or Authorized Agent	

STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 DISCHARGE MONITORING REPORT

FACILITY NAME: (NORTH BECKLEY PSD) NORTH BECKLEY PSD CERTIFIED LABORATORY NAME: _____
 LOCATION OF FACILITY: BECKLEY; Raleigh County CERTIFIED LABORATORY ADDRESS: _____
 PERMIT NO.: WV0027740 OUTLET NO.: 001
 WASTeload FOR THE MONTH OF: _____ INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter		Quantity			Other Units						Measurement Frequency	Sample Type	
				Units	N.E.				CEL*	Units			N.E.
00610 (ML-A) RF-A Ammonia Nitrogen Summer May 1-Oct 31	Reported												
	Permit Limits	87.6 Avg. Monthly	175 Max. Daily	Lbs/Day	N/A	4.2 Avg. Monthly	8.4 Max. Daily		N/A	mg/l		1/week	Batch
00610 (ML-A) RF-A Ammonia Nitrogen Winter Nov 1-Apr 30	Reported												
	Permit Limits	142 Avg. Monthly	284 Max. Daily	Lbs/Day	N/A	6.8 Avg. Monthly	13.6 Max. Daily		N/A	mg/l		1/week	Batch
01119 (ML-A) RF-A Copper, Total Recoverable Year Round	Reported												
	Permit Limits	N/A	N/A		N/A	0.0104 Avg. Monthly	0.0164 Max. Daily		N/A	mg/l		1/month	Batch
01114 (ML-A) RF-B Lead, Total Recoverable Year Round	Reported												
	Permit Limits	N/A	N/A		N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily		N/A	mg/l		1/quarter	Batch
01094 (ML-A) RF-B Zinc, Total Recoverable Year Round	Reported												
	Permit Limits	N/A	N/A		N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily		N/A	mg/l		1/quarter	Batch
01002 (ML-A) RF-B Arsenic, Total (as As) Year Round	Reported												
	Permit Limits	N/A	N/A		N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily		N/A	mg/l		1/quarter	Batch
01113 (ML-A) RF-B Cadmium, Total Recoverable Year Round	Reported												
	Permit Limits	N/A	N/A		N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily		N/A	mg/l		1/quarter	Batch
01032 (ML-A) RF-B Chromium, Hexavalent Year Round	Reported												
	Permit Limits	N/A	N/A		N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily		N/A	mg/l		1/quarter	Batch

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Title of Officer		Signature of Principal Executive Officer or Authorized Agent	

STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 DISCHARGE MONITORING REPORT

FACILITY NAME: (NORTH BECKLEY PSD) NORTH BECKLEY PSD
 LOCATION OF FACILITY: BECKLEY; Raleigh County
 PERMIT NO.: WV0027740 OUTLET NO.: 001
 WASTELOAD FOR THE MONTH OF: _____

CERTIFIED LABORATORY NAME: _____
 CERTIFIED LABORATORY ADDRESS: _____
 INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter		Quantity			Other Units						Measurement Frequency	Sample Type		
				Units	N.E.				CEL*	Units			N.E.	
00718 (ML-A) RF-B Cyanide, Weak Acid Dissociable Year Round	Reported													
	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	Grab	
71900 (ML-A) RF-B Mercury, Total (as Hg) Year Round	Reported													
	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	ug/l		1/quarter	Grab	
01074 (ML-A) RF-B Nickel, Total Recoverable Year Round	Reported													
	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	Batch	
01079 (ML-A) RF-B Silver, Total Recoverable Year Round	Reported													
	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	Batch	
00900 (ML-A) RF-C Hardness, Total (as CaCO3) Year Round	Reported													
	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/6 months	Batch	
00980 (ML-A) RF-B Iron, Total Recoverable Year Round	Reported													
	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	Batch	
61426 (ML-A) RF-D Chronic Tox-Ceriodaphnia Dubia Year Round	Reported													
	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	TUc		1/year	Batch	
61428 (ML-A) RF-D Chronic Toxicity - Pimephales Year Round	Reported													
	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	TUc		1/year	Batch	

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		Signature of Principal Executive Officer or Authorized Agent	<input type="text"/>
Title of Officer 			

STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 DISCHARGE MONITORING REPORT

FACILITY NAME: (Beckley West Maintenance Garage) NORTH BECKLEY PSD CERTIFIED LABORATORY NAME: _____
 LOCATION OF FACILITY: BECKLEY; Raleigh County CERTIFIED LABORATORY ADDRESS: _____
 PERMIT NO.: WV0027740 OUTLET NO.: IU01
 WASTELOAD FOR THE MONTH OF: _____ INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter		Quantity			Other Units						Measurement Frequency	Sample Type	
				Units	N.E.				CEL*	Units			N.E.
00056 (ML-1) RF-B Flow Rate Year Round	Reported												
	Permit Limits	Rpt Only Avg. Monthly	1000 Max. Daily	gpd	N/A	N/A	N/A	N/A				1/daily	Estimated
00530 (ML-1) RF-B Total Suspended Solids Year Round	Reported												
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	250 Max. Daily	N/A	mg/l			1/quarter	Grab
00400 (ML-1) RF-B pH Year Round	Reported												
	Permit Limits	N/A	N/A		5 Inst. Min.	N/A	10 Inst. Max.	N/A	S.U.			1/quarter	Grab
00552 (ML-1) RF-B Oil and Grease, Hexane EXTR. Year Round	Reported												
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	30 Max. Daily	N/A	mg/l			1/quarter	Grab
								N/A					
								N/A					
								N/A					
								N/A					

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Title of Officer		Signature of Principal Executive Officer or Authorized Agent	

STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 DISCHARGE MONITORING REPORT

FACILITY NAME: (Raleigh County Landfill) NORTH BECKLEY PSD
 LOCATION OF FACILITY: BECKLEY; Raleigh County
 PERMIT NO.: WV0027740 OUTLET NO.: IU02
 WASTELOAD FOR THE MONTH OF: _____

CERTIFIED LABORATORY NAME: _____
 CERTIFIED LABORATORY ADDRESS: _____
 INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter	Quantity	Units	N.E.	Other Units			CEL*	Units	N.E.	Measurement Frequency	Sample Type
00056 (ML-1) RF-A Flow Rate Year Round	Reported Permit Limits Rpt Only Avg. Monthly 100000 Max. Daily	gpd		N/A	N/A	N/A	N/A			1/daily	measured
00310 (ML-1) RF-A BOD, 5-Day 20 Deg.C Year Round	Reported Permit Limits Rpt Only Avg. Monthly 162 Max. Daily	Lbs/Day		N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		2/month	Comp
00530 (ML-1) RF-A Total Suspended Solids Year Round	Reported Permit Limits Rpt Only Avg. Monthly 162 Max. Daily	Lbs/Day		N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		2/month	Comp
00400 (ML-1) RF-A pH Year Round	Reported Permit Limits N/A N/A			5 Inst. Min.	N/A	10 Inst. Max.	N/A	S.U.		2/month	Grab
00625 (ML-1) RF-A Nitrogen, Kjeldahl Total Year Round	Reported Permit Limits Rpt Only Avg. Monthly 32 Max. Daily	Lbs/Day		N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		2/month	Comp
01119 (ML-1) RF-A Copper, Total Recoverable Year Round	Reported Permit Limits Rpt Only Avg. Monthly 0.011 Max. Daily	Lbs/Day		N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/month	Comp
01114 (ML-1) RF-A Lead, Total Recoverable Year Round	Reported Permit Limits Rpt Only Avg. Monthly 0.0025 Max. Daily	Lbs/Day		N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/month	Comp
01094 (ML-1) RF-A Zinc, Total Recoverable Year Round	Reported Permit Limits Rpt Only Avg. Monthly 0.014 Max. Daily	Lbs/Day		N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/month	Comp

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		Signature of Principal Executive Officer or Authorized Agent
Title of Officer 		

STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 DISCHARGE MONITORING REPORT

FACILITY NAME: (Raleigh County Landfill) NORTH BECKLEY PSD
 LOCATION OF FACILITY: BECKLEY; Raleigh County
 PERMIT NO.: WV0027740 OUTLET NO.: IU02
 WASTELOAD FOR THE MONTH OF: _____

CERTIFIED LABORATORY NAME: _____
 CERTIFIED LABORATORY ADDRESS: _____
 INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter		Quantity			Other Units						Measurement Frequency	Sample Type
				Units	N.E.				CEL*	Units		
01113 (ML-1) RF-A Cadmium, Total Recoverable Year Round	Reported			Lbs/Day	N/A				N/A	mg/l	1/month	Comp
	Permit Limits	Rpt Only Avg. Monthly	0.00075 Max. Daily			Rpt Only Avg. Monthly	Rpt Only Max. Daily					
71900 (ML-1) RF-A Mercury, Total (as Hg) Year Round	Reported			Lbs/Day	N/A				N/A	ug/l	1/month	Grab
	Permit Limits	Rpt Only Avg. Monthly	0.00015 Max. Daily			Rpt Only Avg. Monthly	Rpt Only Max. Daily					
01074 (ML-1) RF-A Nickel, Total Recoverable Year Round	Reported			Lbs/Day	N/A				N/A	mg/l	1/month	Comp
	Permit Limits	Rpt Only Avg. Monthly	0.007 Max. Daily			Rpt Only Avg. Monthly	Rpt Only Max. Daily					
01079 (ML-1) RF-A Silver, Total Recoverable Year Round	Reported			Lbs/Day	N/A		N/A		N/A	mg/l	1/month	Comp
	Permit Limits	Rpt Only Avg. Monthly	0.000751 Max. Daily			Rpt Only Max. Daily						
00978 (ML-1) RF-A Arsenic, Total Recoverable Year Round	Reported			Lbs/Day	N/A				N/A	mg/l	1/month	Comp
	Permit Limits	Rpt Only Avg. Monthly	0.003 Max. Daily			Rpt Only Avg. Monthly	Rpt Only Max. Daily					
00720 (ML-1) RF-A Cyanide, Total Year Round	Reported			Lbs/Day	N/A				N/A	mg/l	1/month	Comp
	Permit Limits	Rpt Only Avg. Monthly	0.012 Max. Daily			Rpt Only Avg. Monthly	Rpt Only Max. Daily					
01118 (ML-1) RF-A Chromium, Total Recoverable Year Round	Reported			Lbs/Day	N/A				N/A	mg/l	1/month	Comp
	Permit Limits	Rpt Only Avg. Monthly	0.014 Max. Daily			Rpt Only Avg. Monthly	Rpt Only Max. Daily					
									N/A			

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Name of Principal Executive Officer 	I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of a fine and imprisonment for knowing violations.	Date Completed	<input type="text"/>
		Signature of Principal Executive Officer or Authorized Agent 	
Title of Officer 			

STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 DISCHARGE MONITORING REPORT

FACILITY NAME: (Hercules Ashland Inc) NORTH BECKLEY PSD CERTIFIED LABORATORY NAME: _____
 LOCATION OF FACILITY: BECKLEY; Raleigh County CERTIFIED LABORATORY ADDRESS: _____
 PERMIT NO.: WV0027740 OUTLET NO.: IU03 _____
 WASTELOAD FOR THE MONTH OF: _____ INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter		Quantity			Other Units						Measurement Frequency	Sample Type	
				Units	N.E.				CEL*	Units			N.E.
00056 (ML-4) RF-A Flow Rate Year Round	Reported												
	Permit Limits	Rpt Only Avg. Monthly	2000 Max. Daily	gpd	N/A	N/A	N/A	N/A	N/A			1/daily	Estimated
00310 (ML-4) RF-A BOD, 5-Day 20 Deg.C Year Round	Reported												
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	200 Max. Daily	N/A	mg/l			1/month	Comp
00530 (ML-4) RF-A Total Suspended Solids Year Round	Reported												
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	200 Max. Daily	N/A	mg/l			1/month	Comp
00400 (ML-4) RF-A pH Year Round	Reported												
	Permit Limits	N/A	N/A		6 Inst. Min.	N/A	9 Inst. Max.	N/A	S.U.			1/month	Grab
71900 (ML-4) RF-A Mercury, Total (as Hg) Year Round	Reported												
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	3.1 Max. Daily	N/A	ug/l			1/month	Grab
01042 (ML-4) RF-A Copper, Total (as Cu) Year Round	Reported												
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	0.84 Max. Daily	N/A	mg/l			1/month	Comp
81017 (ML-4) RF-A Chem. Oxygen Demand Year Round	Reported												
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	2000 Max. Daily	N/A	mg/l			1/month	Comp
00552 (ML-4) RF-A Oil and Grease, Hexane EXTR. Year Round	Reported												
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	26 Max. Daily	N/A	mg/l			1/month	Comp

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Name of Principal Executive Officer	I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of a fine and imprisonment for knowing violations.	Date Completed	
Title of Officer		Signature of Principal Executive Officer or Authorized Agent	

STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 DISCHARGE MONITORING REPORT

FACILITY NAME: (Caterpillar) NORTH BECKLEY PSD
 LOCATION OF FACILITY: BECKLEY; Raleigh County
 PERMIT NO.: WV0027740 OUTLET NO.: IU04
 WASTeload FOR THE MONTH OF: _____

CERTIFIED LABORATORY NAME: _____
 CERTIFIED LABORATORY ADDRESS: _____
 INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter		Quantity			Other Units						Measurement Frequency	Sample Type	
				Units	N.E.				CEL*	Units			N.E.
00056 (ML-1) RF-N/A	Reported												
Flow Rate	Permit Limits	Rpt Only	1000	gpd	N/A	N/A	N/A	N/A				1/daily	measured
Year Round		Avg. Monthly	Max. Daily										
00530 (ML-1) RF-A	Reported												
Total Suspended Solids	Permit Limits	Rpt Only	Rpt Only	Lbs/Day	N/A	Rpt Only	300	N/A	mg/l			1/month	Grab
Year Round		Avg. Monthly	Max. Daily			Avg. Monthly	Max. Daily						
00400 (ML-1) RF-A	Reported												
pH	Permit Limits	N/A	N/A		5	N/A	10	N/A	mg/l			1/month	Grab
Year Round					Inst. Min.		Inst. Max.						
00552 (ML-1) RF-A	Reported												
Oil and Grease, Hexane EXTR.	Permit Limits	Rpt Only	Rpt Only	Lbs/Day	N/A	Rpt Only	30	N/A	mg/l			1/month	Grab
Year Round		Avg. Monthly	Max. Daily			Avg. Monthly	Max. Daily						
								N/A					
								N/A					
								N/A					
								N/A					

* CEL = Compliance Evaluation Level

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Title of Officer		Signature of Principal Executive Officer or Authorized Agent

STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 DISCHARGE MONITORING REPORT

FACILITY NAME: (Beckley Garbage Disposal) NORTH BECKLEY PSD CERTIFIED LABORATORY NAME: _____
 LOCATION OF FACILITY: BECKLEY; Raleigh County CERTIFIED LABORATORY ADDRESS: _____
 PERMIT NO.: WV0027740 OUTLET NO.: IU05 _____
 WASTELOAD FOR THE MONTH OF: _____ INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter	Reported	Quantity			Other Units						Measurement Frequency	Sample Type
		Rpt Only Avg. Monthly	Rpt Only Max. Daily	Units	N.E.	CEL*	Units	N.E.	Measurement Frequency	Sample Type		
00056 (ML-1) RF-B Flow Rate Year Round	Permit Limits	Rpt Only Avg. Monthly	1000 Max. Daily	gpd	N/A	N/A	N/A	N/A			1/daily	measured
00310 (ML-1) RF-B BOD, 5-Day 20 Deg.C Year Round	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	500 Max. Daily	N/A	mg/l		1/quarter	Grab
00530 (ML-1) RF-B Total Suspended Solids Year Round	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	500 Max. Daily	N/A	mg/l		1/quarter	Grab
00400 (ML-1) RF-B pH Year Round	Permit Limits	N/A	N/A		5 Inst. Min.	N/A	10 Inst. Max.	N/A	S.U.		1/quarter	Grab
00552 (ML-1) RF-B Oil and Grease, Hexane EXTR. Year Round	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	30 Max. Daily	N/A	mg/l		1/quarter	Grab
								N/A				
								N/A				
								N/A				

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Title of Officer		Signature of Principal Executive Officer or Authorized Agent

STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 DISCHARGE MONITORING REPORT

FACILITY NAME: (Wal-Mart No. 1351) NORTH BECKLEY PSD CERTIFIED LABORATORY NAME: _____
 LOCATION OF FACILITY: BECKLEY; Raleigh County CERTIFIED LABORATORY ADDRESS: _____
 PERMIT NO.: WV0027740 OUTLET NO.: IU09 _____
 WASTELOAD FOR THE MONTH OF: _____ INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter		Quantity			Other Units			CEL*	Units	N.E.	Measurement Frequency	Sample Type
				Units	N.E.							
00056 (ML-1) RF-B	Reported											
Flow Rate	Permit Limits	Rpt Only	100	gpd	N/A	N/A	N/A	N/A			1/daily	Estimated
Year Round		Avg. Monthly	Max. Daily									
00530 (ML-1) RF-B	Reported											
Total Suspended Solids	Permit Limits	Rpt Only	Rpt Only	Lbs/Day	N/A	Rpt Only	250	N/A	mg/l		1/quarter	Grab
Year Round		Avg. Monthly	Max. Daily			Avg. Monthly	Max. Daily					
00400 (ML-1) RF-B	Reported											
pH	Permit Limits	N/A	N/A		5	N/A	10	N/A	S.U.		1/quarter	Grab
Year Round					Inst. Min.		Inst. Max.					
00552 (ML-1) RF-B	Reported											
Oil and Grease, Hexane EXTR.	Permit Limits	Rpt Only	Rpt Only	Lbs/Day	N/A	Rpt Only	30	N/A	mg/l		1/quarter	Grab
Year Round		Avg. Monthly	Max. Daily			Avg. Monthly	Max. Daily					
								N/A				
								N/A				
								N/A				
								N/A				

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Title of Officer		Signature of Principal Executive Officer or Authorized Agent	

STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 DISCHARGE MONITORING REPORT

FACILITY NAME: (Raleigh County Maintenance Headquarters) NORTH BECKLEY PSI CERTIFIED LABORATORY NAME: _____
 LOCATION OF FACILITY: BECKLEY, Raleigh County CERTIFIED LABORATORY ADDRESS: _____
 PERMIT NO.: WV0027740 OUTLET NO.: IU10 _____
 WASTELOAD FOR THE MONTH OF: _____ INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter		Quantity			Other Units						Measurement Frequency	Sample Type	
				Units	N.E.				CEL*	Units			N.E.
00056 (ML-1) RF-B Flow Rate Year Round	Reported												
	Permit Limits	Rpt Only Avg. Monthly	1500 Max. Daily	gpd		N/A	N/A	N/A	N/A			1/daily	Estimated
00530 (ML-1) RF-B Total Suspended Solids Year Round	Reported												
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day		N/A	Rpt Only Avg. Monthly	250 Max. Daily	N/A	mg/l		1/quarter	Grab
00400 (ML-1) RF-B pH Year Round	Reported												
	Permit Limits	N/A	N/A			5 Inst. Min.	N/A	10 Inst. Max.	N/A	S.U.		1/quarter	Grab
00552 (ML-1) RF-B Oil and Grease, Hexane EXTR. Year Round	Reported												
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day		N/A	Rpt Only Avg. Monthly	30 Max. Daily	N/A	mg/l		1/quarter	Grab
									N/A				
									N/A				
									N/A				
									N/A				

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STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 DISCHARGE MONITORING REPORT

FACILITY NAME: (Little General Store BP#2075 (Simon and Associates)) NORTH BEC
 LOCATION OF FACILITY: BECKLEY; Raleigh County
 PERMIT NO.: WV0027740 OUTLET NO.: IU13
 WASTELOAD FOR THE MONTH OF: _____

CERTIFIED LABORATORY NAME: _____
 CERTIFIED LABORATORY ADDRESS: _____
 INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter		Quantity			Other Units			CEL*	Units	N.E.	Measurement Frequency	Sample Type
		Rpt Only	5000	Units	N.E.							
00056 (ML-4) RF-A Flow Rate Year Round	Reported			gpd				N/A			1/daily	measured
	Permit Limits	Rpt Only Avg. Monthly	5000 Max. Daily		N/A	N/A	N/A					
00400 (ML-4) RF-A pH Year Round	Reported							N/A	S.U.		1/month	Grab
	Permit Limits	N/A	N/A		5 Inst. Min.	N/A	10 Inst. Max.					
34030 (ML-4) RF-A Benzene Year Round	Reported			Lbs/Day				N/A	ug/l		1/month	Grab
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily		N/A	Rpt Only Avg. Monthly	50 Max. Daily					
34010 (ML-4) RF-A Toluene Year Round	Reported			Lbs/Day				N/A	ug/l		1/month	Grab
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily		N/A	Rpt Only Avg. Monthly	50 Max. Daily					
81551 (ML-4) RF-A Xylene Year Round	Reported			Lbs/Day				N/A	ug/l		1/month	Grab
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily		N/A	Rpt Only Avg. Monthly	50 Max. Daily					
01092 (ML-4) RF-A Zinc, Total (as Zn) Year Round	Reported			Lbs/Day				N/A	mg/l		1/month	Grab
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily		N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily					
45501 (ML-4) RF-A Petroleum Hydrocarbons, Total Year Round	Reported			Lbs/Day				N/A	ug/l		1/month	Grab
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily		N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily					
34371 (ML-4) RF-A Ethylbenzene Year Round	Reported			Lbs/Day				N/A	ug/l		1/month	Grab
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily		N/A	Rpt Only Avg. Monthly	50 Max. Daily					

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		Signature of Principal Executive Officer or Authorized Agent
Title of Officer 		

STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 DISCHARGE MONITORING REPORT

FACILITY NAME: (Heritage Equipment) NORTH BECKLEY PSD CERTIFIED LABORATORY NAME: _____
 LOCATION OF FACILITY: BECKLEY; Raleigh County CERTIFIED LABORATORY ADDRESS: _____
 PERMIT NO.: WV0027740 OUTLET NO.: IU14 _____
 WASTELOAD FOR THE MONTH OF: _____ INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter	Quantity	Quantity		Units	N.E.	Other Units			CEL*	Units	N.E.	Measurement Frequency	Sample Type
		Rpt Only	Max. Daily			Rpt Only	Max. Daily	Rpt Only					
00056 (ML-1) RF-B Flow Rate Year Round	Reported		4000	gpd		N/A	N/A	N/A	N/A			1/daily	measured
	Permit Limits	Avg. Monthly	Max. Daily										
00530 (ML-1) RF-B Total Suspended Solids Year Round	Reported			Lbs/Day		N/A	Rpt Only	250	N/A	mg/l		1/quarter	Grab
	Permit Limits	Avg. Monthly	Max. Daily				Avg. Monthly	Max. Daily					
00400 (ML-1) RF-B pH Year Round	Reported					5	N/A	10	N/A	S.U.		1/quarter	Grab
	Permit Limits					Inst. Min.		Inst. Max.					
00552 (ML-1) RF-B Oil and Grease, Hexane EXTR. Year Round	Reported			Lbs/Day		N/A	Rpt Only	30	N/A	mg/l		1/quarter	Grab
	Permit Limits	Avg. Monthly	Max. Daily				Avg. Monthly	Max. Daily					
									N/A				
									N/A				
									N/A				
									N/A				

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STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 DISCHARGE MONITORING REPORT

FACILITY NAME: (Beckley Maintenance) NORTH BECKLEY PSD
 LOCATION OF FACILITY: BECKLEY; Raleigh County
 PERMIT NO.: WV0027740 OUTLET NO.: IU15
 WASTELOAD FOR THE MONTH OF: _____

CERTIFIED LABORATORY NAME: _____
 CERTIFIED LABORATORY ADDRESS: _____
 INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter		Quantity			Other Units			CEL*	Units	N.E.	Measurement Frequency	Sample Type
				Units	N.E.							
00056 (ML-1) RF-B Flow Rate Year Round	Reported											
	Permit Limits	Rpt Only Avg. Monthly	5000 Max. Daily	gpd		N/A	N/A	N/A			1/daily	Estimated
00530 (ML-1) RF-B Total Suspended Solids Year Round	Reported											
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day		N/A	Rpt Only Avg. Monthly	250 Max. Daily	N/A	mg/l	1/quarter	Grab
00940 (ML-4) RF-B Chloride (as Cl) Year Round	Reported											
	Permit Limits	Rpt Only Avg. Monthly	250 Max. Daily	Lbs/Day		N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l	1/quarter	Grab
								N/A				
								N/A				
								N/A				
								N/A				
								N/A				

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STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 DISCHARGE MONITORING REPORT

FACILITY NAME: (Lewis Nissan;) NORTH BECKLEY PSD CERTIFIED LABORATORY NAME: _____
 LOCATION OF FACILITY: BECKLEY; Raleigh County CERTIFIED LABORATORY ADDRESS: _____
 PERMIT NO.: WV0027740 OUTLET NO.: IU16
 WASTELOAD FOR THE MONTH OF: _____ INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter		Quantity			Other Units						Measurement Frequency	Sample Type	
				Units	N.E.				CEL*	Units			N.E.
00056 (ML-1) RF-B Flow Rate Year Round	Reported												
	Permit Limits	Rpt Only Avg. Monthly	1500 Max. Daily	gpd		N/A	N/A	N/A	N/A			1/daily	Estimated
00530 (ML-1) RF-B Total Suspended Solids Year Round	Reported												
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day		N/A	Rpt Only Avg. Monthly	250 Max. Daily	N/A	mg/l		1/quarter	Grab
00400 (ML-1) RF-B pH Year Round	Reported												
	Permit Limits	N/A	N/A			5 Inst. Min.	N/A	10 Inst. Max.	N/A	S.U.		1/quarter	Grab
00552 (ML-1) RF-B Oil and Grease, Hexane EXTR. Year Round	Reported												
	Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day		N/A	Rpt Only Avg. Monthly	30 Max. Daily	N/A	mg/l		1/quarter	Grab
									N/A				
									N/A				
									N/A				
									N/A				

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STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 DISCHARGE MONITORING REPORT

FACILITY NAME: (Oak Hill Garbage Disposal Inc) NORTH BECKLEY PSD
 LOCATION OF FACILITY: BECKLEY; Raleigh County
 PERMIT NO.: WV0027740 OUTLET NO.: IU17
 WASTELOAD FOR THE MONTH OF: _____

CERTIFIED LABORATORY NAME: _____
 CERTIFIED LABORATORY ADDRESS: _____
 INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter		Quantity			Other Units			CEL*	Units	N.E.	Measurement Frequency	Sample Type
		Rpt Only	Max. Daily	Units	N.E.	Rpt Only	Max. Daily					
00056 (ML-1) RF-B Flow Rate Year Round	Reported			gpd		N/A	N/A	N/A			1/daily	Estimated
	Permit Limits	Avg. Monthly	1600									
00530 (ML-1) RF-B Total Suspended Solids Year Round	Reported			Lbs/Day		N/A	Rpt Only	250	mg/l		1/quarter	Grab
	Permit Limits	Avg. Monthly	Rpt Only									
00400 (ML-1) RF-B pH Year Round	Reported					5	N/A	10	S.U.		1/quarter	Grab
	Permit Limits	N/A	N/A									
00552 (ML-1) RF-B Oil and Grease, Hexane EXTR. Year Round	Reported			Lbs/Day		N/A	Rpt Only	30	mg/l		1/quarter	Grab
	Permit Limits	Avg. Monthly	Rpt Only									
									N/A			
									N/A			
									N/A			
									N/A			

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STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 DISCHARGE MONITORING REPORT

FACILITY NAME: (Southern Soil Conservation District) NORTH BECKLEY PSD CERTIFIED LABORATORY NAME: _____
 LOCATION OF FACILITY: BECKLEY; Raleigh County CERTIFIED LABORATORY ADDRESS: _____
 PERMIT NO.: WV0027740 OUTLET NO.: IU18
 WASTELOAD FOR THE MONTH OF: _____ INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter		Quantity			Other Units			CEL*	Units	N.E.	Measurement Frequency	Sample Type
		Rpt Only	1000	Units	N.E.							
00056 (ML-1) RF-B Flow Rate Year Round	Reported Permit Limits	Rpt Only Avg. Monthly	1000 Max. Daily	gpd		N/A	N/A	N/A			1/daily	Estimated
00530 (ML-1) RF-B Total Suspended Solids Year Round	Reported Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day		N/A	Rpt Only Avg. Monthly	250 Max. Daily	N/A	mg/l	1/quarter	Grab
00400 (ML-1) RF-B pH Year Round	Reported Permit Limits	N/A	N/A			5 Inst. Min.	N/A	10 Inst. Max.	N/A	S.U.	1/quarter	Grab
00552 (ML-1) RF-B Oil and Grease, Hexane EXTR. Year Round	Reported Permit Limits	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day		N/A	Rpt Only Avg. Monthly	30 Max. Daily	N/A	mg/l	1/quarter	Grab
									N/A			
									N/A			
									N/A			
									N/A			

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		Signature of Principal Executive Officer or Authorized Agent
Title of Officer 		

STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 SEWAGE SLUDGE MONITORING REPORT

FACILITY NAME: (Sludge) NORTH BECKLEY PSD CERTIFIED LABORATORY NAME: _____
 LOCATION OF FACILITY: BECKLEY; Raleigh County CERTIFIED LABORATORY ADDRESS: _____
 PERMIT NO.: WV0027740 OUTLET NO.: S01 _____
 RESULTS FOR THE MONTH OF: _____ INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter		Quantity			Other Units						Measurement Frequency	Sample Type	
				Units	N.E.				CEL*	Units			N.E.
74055 (ML+) RF-B Coliform, Fecal Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	Rpt Only Maximum	N/A	col/gr		1/quarter	Grab
00400 (ML+) RF-B pH Year Round	Reported												
	Permit Limits	N/A	N/A			Rpt Only Minimum	N/A	Rpt Only Maximum	N/A	S.U.		1/quarter	Grab
61521 (ML+) RF-B Arsenic, Sludge Tot. Dry Wt. Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	20 Maximum	N/A	mg/kg		1/quarter	1 Week Comp
78476 (ML+) RF-B Cadmium, Sludge, Tot Dry Wt. Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	39 Maximum	N/A	mg/kg		1/quarter	1 Week Comp
78473 (ML+) RF-B Chromium, Dry Wt. Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	1000 Maximum	N/A	mg/kg		1/quarter	1 Week Comp
78475 (ML+) RF-B Copper, Sludge, Tot, Dry Wt. Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	1500 Maximum	N/A	mg/kg		1/quarter	1 Week Comp
78468 (ML+) RF-B Lead, Dry. Wt. Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	250 Maximum	N/A	mg/kg		1/quarter	1 Week Comp
78471 (ML+) RF-B Mercury, Dry Wt. Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	10 Maximum	N/A	mg/kg		1/quarter	1 Week Comp

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Title of Officer		Signature of Principal Executive Officer or Authorized Agent	

STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 SEWAGE SLUDGE MONITORING REPORT

Final Limitations

FACILITY NAME: (Sludge) NORTH BECKLEY PSD CERTIFIED LABORATORY NAME: _____
 LOCATION OF FACILITY: BECKLEY; Raleigh County CERTIFIED LABORATORY ADDRESS: _____
 PERMIT NO.: WV0027740 OUTLET NO.: S01
 RESULTS FOR THE MONTH OF: _____ INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter		Quantity			Other Units			CEL*	Units	N.E.	Measurement Frequency	Sample Type
				Units	N.E.							
78465 (ML+) RF-B Molybdenum, Dry Wgt Year Round	Reported											
	Permit Limits	N/A	N/A		N/A	N/A	18 Maximum	N/A	mg/kg		1/quarter	1 Week Comp
78469 (ML+) RF-B Nickel, Dry Wt. Year Round	Reported											
	Permit Limits	N/A	N/A		N/A	N/A	200 Maximum	N/A	mg/kg		1/quarter	1 Week Comp
49031 (ML+) RF-B Selenium, Sludge, Tot. Dry Wt. Year Round	Reported											
	Permit Limits	N/A	N/A		N/A	N/A	36 Maximum	N/A	mg/kg		1/quarter	1 Week Comp
78467 (ML+) RF-B Zinc, Dry Wt. Year Round	Reported											
	Permit Limits	N/A	N/A		N/A	N/A	2800 Maximum	N/A	mg/kg		1/quarter	1 Week Comp
00916 (ML+) RF-B Calcium, Total (as Ca) Year Round	Reported											
	Permit Limits	N/A	N/A		N/A	N/A	Rpt Only Maximum	N/A	mg/kg		1/quarter	1 Week Comp
61553 (ML+) RF-B Solids, Total Sludge Percent Year Round	Reported											
	Permit Limits	N/A	N/A		Rpt Only Minimum	Rpt Only Avg.	Rpt Only Maximum	N/A	Percent		1/quarter	1 Week Comp
78472 (ML+) RF-B Potassium, Sludge Tot. Dry Wt. Year Round	Reported											
	Permit Limits	N/A	N/A		N/A	N/A	Rpt Only Maximum	N/A	mg/kg		1/quarter	1 Week Comp
78478 (ML+) RF-B Phosphorus, Sludge, Tot, Dry Wt. Year Round	Reported											
	Permit Limits	N/A	N/A		N/A	N/A	Rpt Only Maximum	N/A	mg/kg		1/quarter	1 Week Comp

* CEL = Compliance Evaluation Level

Name of Principal Executive Officer 	I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of a fine and imprisonment for knowing violations.	Date Completed
		Signature of Principal Executive Officer or Authorized Agent
Title of Officer 		

STATE OF WEST VIRGINIA
 NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
 SEWAGE SLUDGE MONITORING REPORT

FACILITY NAME: (Sludge) NORTH BECKLEY PSD

CERTIFIED LABORATORY NAME: _____

LOCATION OF FACILITY: BECKLEY; Raleigh County

CERTIFIED LABORATORY ADDRESS: _____

PERMIT NO.: WV0027740 OUTLET NO.: S01

RESULTS FOR THE MONTH OF: _____

INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter		Quantity			Other Units						Measurement Frequency	Sample Type	
				Units	N.E.				CEL*	Units			N.E.
82294 (ML+) RF-B	Reported												
Nitrogen, Ammonia Tot. DW	Permit Limits	N/A	N/A		N/A	N/A	Rpt Only Maximum	N/A	mg/kg		1/quarter	1 Week Comp	
Year Round													
78470 (ML+) RF-B	Reported												
Nitrogen, Sludge Tot. Dry Wt	Permit Limits	N/A	N/A		N/A	N/A	Rpt Only Maximum	N/A	mg/kg		1/quarter	1 Week Comp	
Year Round													
51020 (ML+) RF-B	Reported												
Organic Nitrogen	Permit Limits	N/A	N/A		N/A	N/A	Rpt Only Maximum	N/A	mg/kg		1/quarter	1 Week Comp	
Year Round													
00927 (ML+) RF-B	Reported												
Magnesium, Tot (as Mg)	Permit Limits	N/A	N/A		N/A	N/A	Rpt Only Maximum	N/A	mg/kg		1/quarter	1 Week Comp	
Year Round													
								N/A					
								N/A					
								N/A					
								N/A					

* CEL = Compliance Evaluation Level

Name of Principal Executive Officer	I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of a fine and imprisonment for knowing violations.	Date Completed	
Title of Officer		Signature of Principal Executive Officer or Authorized Agent	

SEWAGE SLUDGE MANAGEMENT REPORT

FACILITY NAME: (NORTH BECKLEY PSD)NORTH BECKLEY PSD DESIGN FLOW: 2,500,000 gpd PERMIT NUMBER: WV0027740
 ADDRESS: 122 Clear Water Ln, Beckley, WV 25801 YEAR: _____ MONITORING FREQUENCY: _____
 MONTH: _____ LAST SAMPLE DATE: _____

Total Sludge Generated this Report Period: (Dry Tons) _____ Disposal Method: _____
 Sludge Generated this Year to Date: (Dry Tons) _____ Amount Disposed: (Dry tons) _____
 Sewage Sludge/Domestic Septage Received: (Gallons) _____ Name of Landfill or Compost Facility : _____

Percent Solids: Average: _____ Measurement Frequency: _____ Number of Loads Landfilled With Less Than 20% Solids: _____

Pathogen Reduction Method:

- Not Applicable. No land application of sewage sludge.
- Fecal Coliform Monitoring: Geometric mean of last seven samples is _____ col/dry gram
 Sample results for this report period were: _____ col/dry gram _____ col/dry gram
- Limit Addition: pH of sample two hours after lime addition: Range _____
- Aerobic Digestion: Average detention time for this report period:(days) _____ NE: Number of loads land applied which did not fully meet pathogen reduction requirements: _____
 Digester Temperature: Average _____ Range _____
- Anaerobic Digestion: Average detention time for this report period:(days) _____
 Digester Temperature: Average _____ Range _____
- Other: (Provide Description) _____

Vector Attraction Reduction Method:

- Not Applicable. No land application of sewage sludge.
- 38% Volatile Solids Reduction: Average volatile solids reduction for the month of _____ was _____ percent
- SOUR: The average Specific Oxygen Uptake rate for the month of _____ was _____ mg Oxygen/hour/dry gram
- Lime Addition: pH of sample two hours after lime addition: Range _____
 pH of sample 24 hours after lime addition: Range _____ NE: Number of loads land applied which did not fully meet vector attraction reduction requirements: _____
- Other: (Provide Description) _____

I certify under penalty of law that the management practices, vector attraction reduction requirements, and the pathogen reduction requirements of Federal regulations 40 CFR Part 503 and State Regulation Title 33, Series 2 have been met for all sewage sludge land applied during this report period. This determination has been made under my supervision in accordance with a system designed to ensure that qualified personnel properly gather and evaluate information used to determine these requirements have been met. I also certify that this document and all the attachments were prepared under my direction or supervision, and that the information is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are penalties for false certification including the possibility of fine and imprisonment.

OFFICIAL _____ TITLE _____
 SIGNATURE _____ DATE _____

Additional Comments or Explanation:

Oil Water Separator Log

Submit to wastewater treatment plant once per quarter for each oil/water separator

POTW North Beckley PSD WV0027740 IU No. and location IU01 Beckley West Maint Garage

Separator Vendor: _____ Model: _____

Separator Size (gallons): _____ Flow Capacity (gpm): _____

Design Sludge Depth (in): _____ Design Oil Depth (in): _____

Maximum daily flow sent during quarter _____

Enter data below a minimum of once per month and submit to POTW once per quarter.

Inspection Date	Inspected by: (Initials)	Floating Oil Depth (Inches)	Sludge Depth (inches)	Date Separator Cleaned

Comments

Signature: _____

Title: _____

Date: _____

Oil Water Separator Log

Submit to wastewater treatment plant once per quarter for each oil/water separator

POTW North Beckley PSD WV0027740 IU No. and location IU04 Caterpillar

Separator Vendor: _____ Model: _____

Separator Size (gallons): _____ Flow Capacity (gpm): _____

Design Sludge Depth (in): _____ Design Oil Depth (in): _____

Maximum daily flow sent during quarter _____

Enter data below a minimum of once per month and submit to POTW once per quarter.

Inspection Date	Inspected by: (Initials)	Floating Oil Depth (inches)	Sludge Depth (inches)	Date Separator Cleaned

Comments

Signature: _____

Title: _____

Date: _____

Oil Water Separator Log

Submit to wastewater treatment plant once per quarter for each oil/water separator

POTW North Beckley PSD WV0027740 IU No. and location IU09 walmart

Separator Vendor: _____ Model: _____

Separator Size (gallons): _____ Flow Capacity (gpm): _____

Design Sludge Depth (in): _____ Design Oil Depth (in): _____

Maximum daily flow sent during quarter _____

Enter data below a minimum of once per month and submit to POTW once per quarter.

Inspection Date	Inspected by: (Initials)	Floating Oil Depth (inches)	Sludge Depth (inches)	Date Separator Cleaned

Comments

Signature: _____

Title: _____

Date: _____

Oil Water Separator Log

Submit to wastewater treatment plant once per quarter for each oil/water separator

POTW North Beckley PSD WV0027740 IU No. and location IU 10 Raleigh County Maint Hdqtrs

Separator Vendor: _____ Model: _____

Separator Size (gallons): _____ Flow Capacity (gpm): _____

Design Sludge Depth (in): _____ Design Oil Depth (in): _____

Maximum daily flow sent during quarter _____

Enter data below a minimum of once per month and submit to POTW once per quarter.

Inspection Date	Inspected by: (Initials)	Floating Oil Depth (Inches)	Sludge Depth (inches)	Date Separator Cleaned

Comments

Signature: _____

Title: _____

Date: _____

Oil Water Separator Log

Submit to wastewater treatment plant once per quarter for each oil/water separator

POTW North Beckley PSD WV0027740 IU No. and location IU 14 Heritage Equipment

Separator Vendor: _____ Model: _____

Separator Size (gallons): _____ Flow Capacity (gpm): _____

Design Sludge Depth (in): _____ Design Oil Depth (in): _____

Maximum daily flow sent during quarter _____

Enter data below a minimum of once per month and submit to POTW once per quarter.

Inspection Date	Inspected by: (Initials)	Floating Oil Depth (inches)	Sludge Depth (inches)	Date Separator Cleaned

Comments

Signature: _____

Title: _____

Date: _____

Oil Water Separator Log

Submit to wastewater treatment plant once per quarter for each oil/water separator

POTW North Beckley PSD WV0027740 IU No. and location IU 16 Lewis Nissan

Separator Vendor: _____ Model: _____

Separator Size (gallons): _____ Flow Capacity (gpm): _____

Design Sludge Depth (in): _____ Design Oil Depth (in): _____

Maximum daily flow sent during quarter _____

Enter data below a minimum of once per month and submit to POTW once per quarter.

Inspection Date	Inspected by: (Initials)	Floating Oil Depth (inches)	Sludge Depth (inches)	Date Separator Cleaned

Comments

Signature: _____

Title: _____

Date: _____

Oil Water Separator Log

Submit to wastewater treatment plant once per quarter for each oil/water separator

POTW North Beckley PSD WV0027740 IU No. and location IU 17 Oakhill garbage

Separator Vendor: _____ Model: _____

Separator Size (gallons): _____ Flow Capacity (gpm): _____

Design Sludge Depth (in): _____ Design Oil Depth (in): _____

Maximum daily flow sent during quarter _____

Enter data below a minimum of once per month and submit to POTW once per quarter.

Inspection Date	Inspected by: (Initials)	Floating Oil Depth (inches)	Sludge Depth (inches)	Date Separator Cleaned

Comments

Signature: _____

Title: _____

Date: _____

Oil Water Separator Log

Submit to wastewater treatment plant once per quarter for each oil/water separator

POTW North Beckley PSD WV0027740 IU No. and location IU 18 Southern soil

Separator Vendor: _____ Model: _____

Separator Size (gallons): _____ Flow Capacity (gpm): _____

Design Sludge Depth (in): _____ Design Oil Depth (in): _____

Maximum daily flow sent during quarter _____

Enter data below a minimum of once per month and submit to POTW once per quarter.

Inspection Date	Inspected by: (Initials)	Floating Oil Depth (inches)	Sludge Depth (inches)	Date Separator Cleaned

Comments

Signature: _____

Title: _____

Date: _____

**EMERGENCY RESPONSE SPILL ALERT SYSTEM
WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION**

REQUIREMENTS:

Title 47, Series 11, Section 2 of the West Virginia Legislative Rules, Environmental Protection, Water Resources - Waste Management, Effective July 1, 1994.

RESPONSIBILITY FOR REPORTING:

Each and every person who may cause or be responsible for any spill or accidental discharge of pollutants into the waters of the State shall give immediate notification to the Division of Water and Waste Management's Emergency Notification Number, 1-800-642-3074. Such notification shall set forth insofar as possible and as soon thereafter as practical the time and place of such spill or discharge, type or types and quantity or quantities of the material or materials therein, action or actions taken to stop such spill or discharge and to minimize the polluting effect thereof, the measure or measures taken or to be taken in order to prevent a recurrence of any such spill or discharge and such additional information as may be requested by the Division of Water and Waste Management. This also applies to spills to the waters of the State resulting from accidents to common carriers by highway, rail and water.

It shall be the responsibility of each industrial establishment or other entity discharging directly to a stream to have available the following information pertaining to those substances that are employed or handled in its operation in sufficiently large amounts as to constitute a hazard in case of an accidental spill or discharge into a public stream:

- (1) Potential toxicity in water to man, animals and aquatic life;
- (2) Details on analytical procedures for the quantitative estimation of such substances in water and
- (3) Suggestions on safeguards or other precautionary measures to nullify the toxic effects of a substance once it has gotten into a stream.

Failure to furnish such information as required by Section 14, Article 11, Chapter 22, Code of West Virginia may be punishable under Section 24, Article 11, Chapter 22, and/or Section 22, Article 11, Chapter 22, Code of West Virginia.

It shall be the responsibility of any person who causes or contributes in any way to the spill or accidental discharge of any pollutant or pollutants into State waters to immediately take any and all measures necessary to contain such spill or discharge. It shall further be the responsibility of such person to take any and all measures necessary to clean-up, remove and otherwise render such spill or discharge harmless to the waters of the State.

When the Director determines it necessary for the effective containment and abatement of spills and accidental discharges, the Director may require the person or persons responsible for such spill or discharge to monitor affected waters in a manner prescribed by the Director until the possibility of any adverse effect on the waters of the State no longer exists.

VOLUNTARY REPORTING BY LAW OFFICERS, U. S. COAST GUARD, LOCK MASTERS AND OTHERS:

In cases involving river and highway accidents where the responsible party may or may not be available to report the incident, law officers, U. S. Coast Guard, Lock Masters and other interested person(s) should make the report.

WHO TO CONTACT:

Notify the following number: **1-800-642-3074**

INFORMATION NEEDED:

- | | |
|--|---------------------------------------|
| - Source of spill or discharge | - Personnel at the scene |
| - Location of incident | - Actions initiated |
| - Time of incident | - Shipper/Manufacturer identification |
| - Material spilled or discharged | - Railcar/Truck identification number |
| - Amount spilled or discharged | - Container type |
| - Toxicity of material spilled or discharged | |

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, WV 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 **\$1750.00**. 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.

RIGHT OF APPEAL

Notice is hereby given of your right to appeal the terms and conditions of this permit which you are aggrieved by to the Environmental Quality Board by filing a NOTICE OF APPEAL on the form prescribed by such Board for this purpose, with the Board, in accordance with the provisions of Section 21, Article 11, Chapter 22 of the Code of West Virginia within thirty (30) days after the date of receipt of the above permit.

STATE OF WEST VIRGINIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
DIVISION OF WATER AND WASTE MANAGEMENT

FACT SHEET ADDENDUM

1. **NAME AND ADDRESS OF APPLICANT**
NORTH BECKLEY PSD
122 CLEAR WATER LN
BECKLEY, WV 25801
 2. **NAME AND ADDRESS OF FACILITY**
NORTH BECKLEY PSD
122 Clear Water Lane
Beckley, WV 25801
 3. **STATE NPDES APPLICATION NO.** WV0027740
 4. **COUNTY** Raleigh
RECEIVING STREAM Cranberry Creek
 5. **PUBLIC NOTICE NO.** L-145-13
COMMENT PERIOD: From 12/31/2013 To 01/30/2014
 6. **SIC CODE(s)** 4952
10. **RATIONALE FOR PROPOSED EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS**
Pursuant to EPA comments, the following clarifications are being made in the fact sheet.

WHOLE EFFLUENT TOXICITY (Outlet 001)

The permittee monitored Outlet 001 for Chronic Whole Effluent Toxicity (Ceriodaphnia Dubia and Pimephales Promelas) during the term of the last permit. The test endpoint for chronic toxicity testing is the No Observed Effect Concentration (NOEC). Monitoring indicated ≤ 1 TU_c (NOEC at 100% effluent) on four separate occasions for Ceriodaphnia Dubia. Monitoring also indicated values of ≤ 1 TU_c (NOEC at 100% effluent) on four separate occasions for Pimephales Promelas. Using the procedures in EPA's Technical Support Document for Water Quality Based Toxics Control (TSD), a reasonable potential (RP) assessment was performed on the Chronic Whole Effluent Toxicity (WET) results. The agency uses 0.3 TU_a as an acute water quality criterion and 1.0 TU_c as a chronic water quality criterion to be protective of WV's narrative water quality standards. No mixing zone could be granted. There was no RP to exceed water quality criteria at the end of pipe for Ceriodaphnia Dubia or Pimephales Promelas. Continued monitoring is imposed.

UPPER AND LOWER NEW RIVER FECAL COLIFORM TMDL

The Upper and Lower New River TMDL was approved in 2008 and falls into WV Hydrologic Group D. Outlet 001 discharges to Cranberry Creek, approximately 1.6 miles from its mouth, of Piney Creek of the New River of the Kanawha River. An annual load allocation was determined from the monthly average limit of 200 counts/100 mL in conjunction with the daily design flow of the facility. The operable allocation is imposed in the permit as monthly average and maximum daily limits of 200 counts/100 mL and 400 counts/100 mL respectively. These technology based requirements are protective of water quality and the TMDL requirements.

10. RATIONALE FOR PROPOSED EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS (continued)

UPPER AND LOWER NEW RIVER IRON TMDL

The Upper and Lower New River TMDL also was completed in 2008 for iron. No allocation was afforded to Outlet 001 in the TMDL because it was not expected to be a pollutant of concern with this discharge. Monitoring has been incorporated into the final permit to characterize pollutant loadings in the discharge.

NORTH BECKLEY PUBLIC SERVICE DISTRICT

BOND RESOLUTION

**Adopted
January 27, 1999**

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I - STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS	2
Section 1.01. <u>Authority for this Resolution</u>	2
Section 1.02. <u>Findings</u>	2
Section 1.03. <u>Bond Legislation Constitutes Contract</u>	4
Section 1.04. <u>Definitions</u>	4
 ARTICLE II - AUTHORIZATION OF THE ACQUISITION AND CONSTRUCTION OF THE PROJECT	 12
Section 2.01. <u>Authorization of Acquisition and Construction of the Project</u>	12
 ARTICLE III - [RESERVED]	 13
 ARTICLE IV - AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT ...	 14
Section 4.01. <u>Authorization of Bonds</u>	14
Section 4.02. <u>Terms of Bonds</u>	14
Section 4.03. <u>Execution of Bonds</u>	15
Section 4.04. <u>Authentication and Registration</u>	15
Section 4.05. <u>Negotiability, Transfer and Registration</u>	15
Section 4.06. <u>Bonds Mutilated, Destroyed, Stolen or Lost</u>	16
Section 4.07. <u>Bonds not to be Indebtedness of the Issuer</u>	16
Section 4.08. <u>Bonds Secured by Pledge of Net Revenues; Lien Positions With Respect to Prior Bonds and Series 1996 Notes</u>	 16
Section 4.09. <u>Delivery of Bonds</u>	17
Section 4.10. <u>Form of Series 1999 Bonds</u>	17
Section 4.11. <u>Sale of Series 1999 Bonds; Approval and Ratification of Execution of Loan Agreement with Authority and DEP</u>	 25
Section 4.12. <u>"Amended Schedule A" Filing</u>	25
 ARTICLE V - FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF	 26
Section 5.01. <u>Establishment of Funds and Accounts with Depository Bank</u>	26
Section 5.02. <u>Establishment of Funds and Accounts with Commission</u>	26
Section 5.03. <u>System Revenues; Flow of Funds</u>	26
 ARTICLE VI - BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS	 32
Section 6.01. <u>Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds</u> ..	32
Section 6.02. <u>Disbursements From the Bond Construction Trust Fund</u>	33

ARTICLE VII - ADDITIONAL COVENANTS OF THE ISSUER	35
Section 7.01. <u>General Covenants of the Issuer</u>	35
Section 7.02. <u>Series 1999 Bonds not to be Indebtedness of the Issuer</u>	35
Section 7.03. <u>Series 1999 Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds and Series 1996 Note</u>	35
Section 7.04. <u>Schedule of Rates and Charges</u>	35
Section 7.05. <u>Sale of the System</u>	36
Section 7.06. <u>Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances</u>	37
Section 7.07. <u>Parity Bonds</u>	37
Section 7.08. <u>Books and Records</u>	39
Section 7.09. <u>Rates</u>	40
Section 7.10. <u>Operating Budget, Audit and Monthly Financial Report</u>	41
Section 7.11. <u>Engineering Services and Operating Personnel</u>	42
Section 7.12. <u>No Competing Franchise</u>	42
Section 7.13. <u>Enforcement of Collections</u>	43
Section 7.14. <u>No Free Services</u>	43
Section 7.15. <u>Insurance and Construction Bonds</u>	43
Section 7.16. <u>Mandatory Connections</u>	44
Section 7.17. <u>Completion and Operation of Project; Permits and Orders</u>	44
Section 7.18. <u>Statutory Mortgage Lien</u>	45
Section 7.19. <u>Compliance With Loan Agreement and Law</u>	45
Section 7.20. <u>Securities Laws Compliance</u>	45
 ARTICLE VIII - INVESTMENT OF FUNDS; NON ARBITRAGE	 46
Section 8.01. <u>Investments</u>	46
Section 8.02. <u>Information With Respect to Gross Proceeds</u>	46
 ARTICLE IX - DEFAULT AND REMEDIES	 47
Section 9.01. <u>Events of Default</u>	47
Section 9.02. <u>Remedies</u>	47
Section 9.03. <u>Appointment of Receiver</u>	47
 ARTICLE X - DEFEASANCE	 49
Section 10.01. <u>Defeasance of Series 1999 Bonds</u>	49
 ARTICLE XI - MISCELLANEOUS	 50
Section 11.01. <u>Amendment or Modification of Bond Legislation</u>	50
Section 11.02. <u>Bond Legislation Constitutes Contract</u>	50
Section 11.03. <u>Severability of Invalid Provisions</u>	50
Section 11.04. <u>Headings, Etc</u>	50
Section 11.05. <u>Conflicting Provisions Repealed</u>	50
Section 11.06. <u>Covenant of Due Procedure, Etc</u>	50
Section 11.07. <u>Public Notice of Proposed Financing</u>	51
Section 11.08. <u>Effective Date</u>	51

NORTH BECKLEY PUBLIC SERVICE DISTRICT

BOND RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONAL EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE SYSTEM OF THE NORTH BECKLEY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, TOGETHER WITH THE PAYMENT OF THE NORTH BECKLEY PUBLIC SERVICE DISTRICT SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 1997, THROUGH THE ISSUANCE BY THE NORTH BECKLEY PUBLIC SERVICE DISTRICT OF NOT MORE THAN NINE MILLION DOLLARS (\$9,000,000) IN AGGREGATE PRINCIPAL AMOUNT OF SEWERAGE SYSTEM REVENUE BONDS, SERIES 1999; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDERS OF SUCH SEWERAGE SYSTEM REVENUE BONDS, SERIES 1999; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND THE WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH SEWERAGE SYSTEM REVENUE BONDS, SERIES 1999; AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF NORTH BECKLEY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain additional extensions, additions, betterments and improvements to the Issuer's existing sewerage system, including the extensions, additions, betterments and improvements described in Exhibit A hereto (collectively, the "Project") (the Issuer's existing sewerage system, the Project and any further additions thereto or extensions thereof are herein called the "System") in accordance with the plans and specifications prepared by Lawson Engineering & Technical Services, Inc., Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. 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 the costs of the operation and maintenance of said System, the principal of and interest on the Issuer's Sewer Revenue Bonds, Series 1964 (the "Prior Bonds"), the Issuer's Sewerage System Revenue Bonds, Series 1999 (the "Series 1999 Bonds") authorized herein, the Series 1996 Notes, as hereinafter defined, and all sinking funds, reserve accounts and other payments provided for herein and with respect to the Prior Bonds and such Series 1996 Notes, and the proceeds of the Series 1999 Bonds, will be sufficient, together with other funds available therefor, to pay in full the Issuer's Sewerage System Bond Anticipation Notes, Series 1997 (the "Series 1997 Notes"), issued on October 27, 1997 to temporarily finance a portion of the costs of the Project pending the issuance of the Series 1999 Bonds, plus the interest accrued on such Series 1997 Notes, and to pay all costs of the Project.

D. It is further deemed necessary for the Issuer to issue its sewerage system revenue bonds in the total aggregate principal amount of not more than \$9,000,000, in one series, being the Series 1999 Bonds in part to pay the Series 1997 Notes and to permanently finance the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 1999 Bonds prior to and during construction or acquisition and for a period not exceeding 6 months after completion of construction of the Project, if any; amounts which may be deposited in the Series 1999 Bonds Reserve Account; engineering and legal expenses including without limitation amounts payable to Dunn Engineers, Inc. pursuant to that certain arbitration award

in favor of Dunn Engineers, Inc. and against the Issuer relating to prior engineering services for the Project; 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 of the Authority and DEP (each as hereinafter defined), discount, fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 1999 Bonds, and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 1999 Bonds, or the repayment of indebtedness incurred by the Issuer for such purposes, including without limitation the Series 1997 Notes, 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 21 years.

F. It is in the best interest of the Issuer that its Series 1999 Bonds be issued and sold to the West Virginia Water Development Authority (the "Authority") pursuant to the terms and provisions of a loan agreement by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment (the "DEP"), the execution, delivery and form of which are ratified and approved herein. The Series 1999 Bonds shall be issued junior, subordinate and subject to the Issuer's Sewer Revenue Bonds, Series 1964, which were issued in the original principal amount of \$930,000 (the "Prior Bonds") pursuant to a Bond Resolution adopted by the Issuer on April 1, 1964 (the "Prior Bond Resolution"), \$245,000 in principal amount of which Prior Bonds remain outstanding on the date hereof. Upon the payment or defeasance of the Prior Bonds, the Series 1999 Bonds shall move to a first position with respect to liens, pledge and source of and security for payment.

G. The Issuer has complied with all requirements of West Virginia law relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 1999 Bonds, will have so complied prior to issuance thereof, including, among other things, 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 has expired or has been waived by all necessary parties prior to the issuance of the Series 1999 Bonds.

H. The Issuer has previously issued its Sewerage System Bond Anticipation Notes, Series 1996 (the "Series 1996 Notes") in the maximum amount of \$400,000. The sole holder of the Series 1996 Notes is WesBanco Bank (formerly Commercial Banking and Trust Company), Parkersburg, West Virginia (the "Series 1996 Noteholder") and the Issuer has received the written consent and waiver of such Series 1996 Noteholder waiving the right of such Series 1996 Noteholder to have the Series 1996 Notes paid with the proceeds of the Series 1999 Bonds and such Series 1996 Noteholder has agreed that the Series 1996 Notes shall be paid in monthly installments as provided in such Series 1996 Notes and not with proceeds of the Series 1999 Bonds. Further, the Series 1996

Noteholder has agreed that the Series 1996 Notes shall be junior, subordinate and subject to the Prior Bonds and the Series 1999 Bonds.

I. There are outstanding obligations of the Issuer which will rank senior and prior to the Series 1999 Bonds and Series 1996 Notes as to liens and sources of and security for payment, which obligations are designated and have the lien positions, together with the Series 1999 Bonds, as follows:

<u>Designation</u>	<u>Lien Position</u>
Sewer Revenue Bonds, Series 1964 (issued on April 1, 1964 in the original principal amount of \$930,000)	First Lien
Sewerage System Revenue Bonds, Series 1999	Second Lien
Sewerage System Bond Anticipation Notes, Series 1996	Third Lien

J. The estimated maximum cost of the construction and acquisition of the Project, including without limitation the payment of the Series 1997 Notes, and issuance of the Series 1999 Bonds is \$8,090,898 which will be permanently financed with the proceeds of the Series 1999 Bonds.

K. The Project has been reviewed and determined to be technically and financially feasible by the Council (as hereinafter defined) as required by Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 1999 Bonds by those who shall be the registered owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such 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 registered owners of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

"Authority" means the West Virginia Water Development Authority, or any other agency of the State of West Virginia that succeeds to the functions of the Authority, which is expected to be the original purchaser of the Series 1999 Bonds, provided that, if the Authority is the original purchaser of the Series 1999 Bonds, the Issuer must satisfy the legal and other requirements of the SRF Program.

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

"Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 5.01 hereof.

"Bondholder," "Holder of the Bonds," "Holder" 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 1999 Bonds, and, where appropriate, any bonds on a parity therewith subsequently issued hereunder or pursuant to another resolution of the Issuer.

"Capital Expenditures Fund" means the Capital Expenditures Fund created by the Prior Bond Resolution.

"Certificate of Authentication and Registration" means the certificate of authentication and registration on the Series 1999 Bonds in substantially the form set forth in the bond form contained herein.

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

"Closing Date" means the date on which there is an exchange of the Series 1999 Bonds for an advance of more than a de minimis amount of the principal of the Series 1999 Bonds.

"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.

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

"Consulting Engineers" means Lawson Engineering & Technical Services, Inc., Beckley, West Virginia or any professional engineer or firm of professional engineers, licensed by the State who shall not be a regular, full-time employee of the State or any of its agencies, commissions or political subdivisions, that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System.

"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 successor thereto.

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

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

"Event of Default" means any occurrence, or event specified in Section 9.01.

"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, including (i) such obligations which have been stripped from their unmatured interest coupons, interest coupons stripped from such obligations and receipts or certificates evidencing payments from such obligations or interest coupons stripped from such obligations, (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes..

"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 Section 8.01 hereof) or any Tap Fees, as hereinafter defined.

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

"I&I Fund" means the I&I Fund created by Section 5.01 hereof pursuant to the order of the PSC.

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

"Issuer" means North Beckley Public Service District, in Raleigh County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" shall mean the Loan Agreement to be entered into between the Authority, DEP and the Issuer if the Authority is the original purchaser of the Series 1999 Bonds, providing for the purchase of the Series 1999 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 by Section 4.11 hereof or ratified by the Supplemental Resolution.

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

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, fees and expenses of the Authority and DEP, fiscal agents, the Depository Bank, Registrar and Paying Agent (all as herein defined), other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds or Series 1996 Notes, 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 as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X and (iv) for purposes of consents or other action by a specified percentage of Bondholders, 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 West Virginia Municipal Bond Commission, or such entity or authority as may be designated by the Issuer by Supplemental Resolution.

"Prior Bond Resolution" means the Bond Resolution, and all supplements thereto, adopted by the Public Service Board of the Issuer on April 1, 1964 with respect to the Issuer's Sewer Revenue Bonds, Series 1964.

"Prior Bonds" means the Sewer Revenue Bonds, Series 1964, issued by the Issuer on April 1, 1964, in the aggregate principal amount of \$930,000, under the Prior Bond Resolution.

"Project" means the extensions, additions, betterments and improvements to the Issuer's existing sewerage system described in Exhibit A hereto.

"PSC" means the Public Service Commission of West Virginia.

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

- (a) Government Obligations;
- (b) 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;
- (c) 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;
- (d) 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, 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;

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

(f) 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;

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

(h) Obligations of States or political subdivisions or agencies thereof, the interest on which is exempt from federal income taxation, 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 the person in whose name such Bond is registered.

"Registrar" means the Bond Registrar.

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

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

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

"Series 1964 Bonds Debt Service Fund" means the Debt Service Fund created by the Prior Bond Resolution for the payment of debt service on the Series 1964 Bonds.

"Series 1964 Bonds Mandatory Sinking Fund" means the Mandatory Sinking Fund created by the Prior Bond Resolution with respect to the Series 1964 Bonds.

"Series 1964 Bonds Reserve Fund" means the reserve account established by the Prior Bond Resolution for the Prior Bonds.

"Series 1996 Notes" means the Issuer's Sewerage System Bond Anticipation Notes, Series 1996, issued in the maximum aggregate principal amount of \$400,000.

"Series 1997 Notes" means the not more than \$800,000 in aggregate principal amount of Sewerage System Bond Anticipation Notes, Series 1997.

"Series 1999 Bonds" or "Bonds originally authorized hereby" or similar phrases mean, collectively, the not more than \$9,000,000 in aggregate principal amount of Sewerage System Revenue Bonds, Series 1999 of the Issuer, issued for the purpose of refunding the Series 1997 Notes, paying a portion of the Costs of the Project and for such other purposes permitted and authorized by this Bond Legislation.

"Series 1999 Bonds Reserve Account" means the Series 1999 Bonds Reserve Account established in the Series 1999 Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1999 Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1999 Bonds in the then current or any succeeding year.

"Series 1999 Bonds Sinking Fund" means the Series 1999 Bonds Sinking Fund established by Section 5.02 hereof.

"SRF Administrative Fee" means any administrative fee required to be paid under the Loan Agreement.

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

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the Supplemental Resolution authorizing the sale of the Series 1999 Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 1999 Bonds and not so included may be included in another Supplemental Resolution.

"Surplus Fund" means the Surplus Fund created by the Prior Bond 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 Outstanding Bonds, the Prior Bonds or any other obligations of the Issuer.

"System" means the complete existing sewerage system now owned by the Issuer, consisting of a sewerage system in its entirety or any integral part thereof, for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, and shall include the Project and any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for said sewerage system from any sources whatsoever, both within and without the Issuer.

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

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.

Terms not otherwise defined herein shall have the meanings assigned to them in the Prior Bond Resolution unless the context expressly requires otherwise.

ARTICLE II

AUTHORIZATION OF THE ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized the acquisition and construction of the Project, at an estimated cost of \$8,090,898 in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 1999 Bonds hereby authorized shall be applied as provided in Article VI hereof.

The Issuer has received bids or entered into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the SRF Program. The Issuer will enter into a contract for the acquisition and construction of the Project simultaneously or within ten (10) days of the issuance of the Series 1999 Bonds.

The Cost of the Project, including without limitation the payment of the Series 1997 Notes, payment of the arbitration award to Dunn Engineers, Inc. and the costs of issuing the Series 1999 Bonds, is estimated not to exceed \$8,090,898, which is to be paid with the proceeds of the Series 1999 Bonds.

ARTICLE III

[RESERVED]

ARTICLE IV

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 4.01. Authorization of Bonds. For the purposes of refunding the Series 1997 Notes, capitalizing interest on the Series 1999 Bonds, if any, funding a reserve account for the Series 1999 Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 1999 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be issued negotiable Series 1999 Bonds of the Issuer, in an aggregate principal amount of not more than \$9,000,000. Said Series 1999 Bonds shall be issued in one series, to be designated "Sewerage System Revenue Bonds, Series 1999," and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1999 Bonds required to refund the Series 1997 Notes shall not be invested, but shall be used immediately to refund the Series 1997 Notes so that, upon issuance of such Series 1999 Bonds, the Issuer's obligations to the Holders of the Series 1997 Notes shall be defeased, and the Series 1997 Notes and the Series 1999 Bonds shall not be deemed as being simultaneously Outstanding at any time. The proceeds of the Series 1999 Bonds remaining after the refunding of the Series 1997 Notes, funding of the Series 1999 Bonds Reserve Account (if funded from the Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Bond Construction Trust Fund established by Section 5.01 hereof.

Section 4.02. Terms of Bonds. The Series 1999 Bonds shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, 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 Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 1999 Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 1999 Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and debt service schedule attached, representing the aggregate principal amount of the Series 1999 Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 1999 Bonds shall be exchangeable at the option and expense of the Holder for other fully registered 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. The Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest from such date.

Section 4.03. Execution of Bonds. The Series 1999 Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Series 1999 Bonds shall cease to be such officer of the Issuer before the Series 1999 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 1999 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Series 1999 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 4.04. Authentication and Registration. No Series 1999 Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 4.09 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 1999 Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 4.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 1999 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Series 1999 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bond shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 1999 Bonds remain Outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain the books for the registration and transfer of the Series 1999 Bonds.

The registered Series 1999 Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 1999 Bonds or transferring the registered Series 1999 Bonds are exercised, Series 1999 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 1999 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 1999 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 Series 1999 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 1999 Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Series 1999 Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 4.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 1999 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 4.07. Bonds not to be Indebtedness of the Issuer. The Series 1999 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided and amounts, if any, in the Series 1999 Bonds Reserve Account. No holder or holders of any of the Series 1999 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1999 Bonds or the interest thereon, if any. The Issuer has no taxing power.

Section 4.08. Bonds Secured by Pledge of Net Revenues; Lien Positions With Respect to Prior Bonds and Series 1996 Notes. The payment of the debt service of all the Series 1999 Bonds shall be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, junior, subordinate and subject to the lien on the Net Revenues in favor of the Holders of the Prior Bonds and senior and prior to the lien on the Net Revenues in favor of the holders of the Series 1996 Notes and such Series 1996 Notes shall be junior and subordinate to the Prior Bonds and Series 1999 Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 1999 Bonds, Prior Bonds and such Series 1996 Notes and to make the payments into the sinking funds, the reserve accounts therein, the Capital

Expenditures Fund and the Renewal and Replacement Fund, either existing or hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest on the Series 1999 Bonds; Prior Bonds and such Series 1996 Notes as the same become due. Upon the payment or defeasance of the Prior Bonds, the Series 1999 Bonds shall be secured by a first lien on the Net Revenues senior and prior to the lien thereon in favor of the holders of the Series 1996 Notes.

Section 4.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 1999 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1999 Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 1999 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 1999 Bonds to the original purchasers;

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

D. A certified copy of the Loan Agreement; and

E. An approving opinion of bond counsel on the Series 1999 Bonds.

Section 4.10. Form of Series 1999 Bonds. The text of the Series 1999 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof;

[Form of Series 1999 Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
NORTH BECKLEY PUBLIC SERVICE DISTRICT
SEWERAGE SYSTEM REVENUE BOND,
SERIES 1999

No. R- _____

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That NORTH BECKLEY PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Raleigh County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year commencing on _____, _____, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference, without interest.

The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____, 19____, as set forth on Exhibit B attached hereto. 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 only be redeemed prior to its stated date of maturity in whole or in part upon the terms and conditions prescribed by, and otherwise in compliance with, the Water Pollution Control Revolving Fund Loan Agreement among the Issuer, the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment (the "DEP") and the Authority, dated _____, 19____.

This Bond is issued (i) to permanently finance the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage facilities of the Issuer (the "Project"); (ii) to refund certain Notes of the Issuer; (iii) to fund a debt service reserve fund; and (iv) to pay certain costs of issuance hereof and related costs. The existing public sewerage facilities of the Issuer, the Project and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended

(collectively, the "Act"), and a Resolution duly adopted by the Issuer on _____, 19____ and a Supplemental Resolution duly adopted by the Issuer on _____, 19____ (collectively called 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 securities provided for the Bonds of this Series (the "Bonds") under the Bond Legislation.

THIS BOND IS ISSUED JUNIOR, SUBJECT AND SUBORDINATE AS TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO THE ISSUER'S SEWER REVENUE BONDS, SERIES 1964, ISSUED ON APRIL 1, 1964, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$930,000 AND DESCRIBED IN THE BOND LEGISLATION (THE "PRIOR BONDS").

THIS BOND IS ISSUED SENIOR AND PRIOR TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO THE ISSUER'S SEWERAGE SYSTEM BOND ANTICIPATION NOTES, SERIES 1996, ISSUED ON APRIL 24, 1996, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$400,000 AND DESCRIBED IN THE BOND LEGISLATION (THE "SERIES 1996 NOTES").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation), junior, subject and subordinate to the pledge of the Net Revenues in favor of the holders of the Prior Bonds and senior and prior to the lien thereon in favor of the Holders of the Series 1996 Notes, to be derived from the operation of the System, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1999 Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 1999 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% (130% so long as any of the Prior Bonds remain Outstanding) of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, provided however, that so long as there exists in the Series 1999 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations Outstanding prior to or on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110% (but shall remain at 130% so long as any of the Prior Bonds remain Outstanding). 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 _____, as registrar (the "Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, 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 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 and interest on 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, NORTH BECKLEY 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 _____, 19_____.

NORTH BECKLEY PUBLIC SERVICE DISTRICT

[SEAL]

Chairman

ATTEST:

Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1999 Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____,

as Registrar

By: _____

Its: Authorized Officer

EXHIBIT A
RECORD OF ADVANCES

	<u>Amount</u>	<u>Date</u>		<u>Amount</u>	<u>Date</u>
(1)	\$		(7)	\$	
(2)	\$		(8)	\$	
(3)	\$		(9)	\$	
(4)	\$		(10)	\$	
(5)	\$		(11)	\$	
(6)	\$		(12)	\$	

Total \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)
ASSIGNMENT

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

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

Dated: _____, 19_____.

In the presence of:

Section 4.11. Sale of Series 1999 Bonds; Approval and Ratification of Execution of Loan Agreement with Authority and DEP. The Series 1999 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 B" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 4.12. "Amended Schedule A" Filing. Within sixty (60) days following the Completion Date, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor.

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 created (or continued if established by the Prior Bond Resolution) with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

1. Revenue Fund;
2. Capital Expenditures Fund;
3. Renewal and Replacement Fund;
4. Surplus Fund;
5. I & I Fund; and
6. Bond Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with the Commission (or continued if established by the Prior Bond Resolution):

1. Series 1964 Bonds Debt Service Fund;
2. Series 1964 Bonds Mandatory Sinking Fund;
3. Series 1964 Bonds Reserve Fund;
4. Series 1999 Bonds Sinking Fund;
5. Within the Series 1999 Bonds Sinking Fund, the Series 1999 Bonds Reserve Account.

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

1. The Issuer shall first each month pay from the moneys in the Revenue Fund all current Operating Expenses.

2. The Issuer shall next on the first day of each month transfer from the Revenue Fund and pay to the Commission for deposit into the Series 1964 Bonds Debt Service Fund or the Series 1964 Bonds Mandatory Sinking Fund, as appropriate, the amounts required for the payment of principal of and interest on the Prior Bonds in accordance with the Prior Bond Resolution.

3. The Issuer shall next on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1964 Bonds Reserve Fund the amount required by the Prior Bond Resolution to be deposited therein.

4. The Issuer shall next on the first day of each month, commencing 3 months prior to the first date of payment of principal on the Series 1999 Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1999 Bonds Sinking Fund, a sum equal to 1/3rd of the amount of principal which will mature and become due on said Series 1999 Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1999 Bonds Sinking Fund and the next annual principal payment date is less than 3 months then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date. The Issuer shall complete the "Monthly Payment Form," the form of which is attached to the Loan Agreement as Exhibit F, and submit a copy of said form along with a copy of its remittance check to the Authority by the 5th day of such calendar month.

5. Commencing 3 months prior to the first date of payment of principal of the Series 1999 Bonds, the Issuer shall next (if the Series 1999 Bonds Reserve Account is not fully funded upon issuance of the Series 1999 Bonds) on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1999 Bonds Reserve Account, an amount equal to 1/120 of the Series 1999 Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1999 Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1999 Bonds Reserve Requirement.

6. The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Capital Expenditures Fund the amounts required by the Prior Bond Resolution, if any, and simultaneously transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any reserve account, provided that such deposit to the Renewal and Replacement Fund shall be reduced by the amount, if any, transferred to the Capital Expenditures Fund and provided further that the Capital Expenditures Fund shall be terminated upon the payment of the Prior Bonds and upon the payment of the Prior Bonds, all moneys in the Capital Expenditures Fund shall be transferred to the Renewal and Replacement Fund. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and

reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Capital Expenditures Fund in accordance with the Prior Bond Resolution and from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 1964 Bonds Reserve Fund or the Series 1999 Bonds Reserve Account [except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof] shall be promptly eliminated with moneys from the Renewal and Replacement Fund, with deficiencies in the Series 1964 Bonds Reserve Fund being eliminated prior to deficiencies in the Series 1999 Bonds Reserve Account.

7. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and deposit into the I&I Fund, all amounts remaining in the Revenue Fund after making the transfers set forth in paragraphs 1 through 6 above, until the sum of \$18,000 has been deposited therein during the then current month. All funds in the I&I Fund shall be kept separate and apart from all other funds of the Issuer and the Depository Bank.

Withdrawals and disbursements from the I&I Fund shall be made by the Issuer only for correcting problems with inflow and infiltration with respect to the System and only in accordance with the applicable orders of the PSC, provided that the I&I Fund shall only be required to be maintained and funded as long as required by the PSC.

8. The Issuer shall next, on the first day of each month, so long as any of the Prior Bonds remain outstanding, transfer any balance of moneys in the Revenue Fund to the Surplus Fund to be disbursed in accordance with the Prior Bond Resolution.

Moneys in the Series 1964 Bonds Sinking Fund and the Series 1999 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the respective series of Bonds as the same shall become due. Moneys in the Series 1964 Bonds Reserve Fund and the Series 1999 Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the respective series of Bonds, as the same shall come due, when other moneys in the attendant sinking fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the several sinking funds 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 Bond 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 payments, if any, due on the respective series of Bonds, and then to the next ensuing principal payments due thereon.

Any withdrawals from the Series 1964 Bonds Reserve Fund which result in the reduction of the balance of the Series 1964 Bonds Reserve Fund below the amounts required by the Prior Bond Resolution to be deposited therein, and any withdrawals from the Series 1999 Bonds Reserve Account which result in the reduction of the balance of the Series 1999 Bonds Reserve Account below the Series 1999 Bonds Reserve Account Requirement shall be subsequently restored,

first to the Series 1964 Bonds Reserve Fund and then to the Series 1999 Bonds Reserve Account, from the first Net Revenues available after all required payments have been made in full to the Series 1964 Bonds Sinking Fund for payment of debt service on the Prior Bonds and to the Series 1999 Bonds Sinking Fund for payment of debt service on the Series 1999 Bonds, provided that any deficiency in the Series 1964 Bonds Reserve Fund shall be restored prior to any payments into the Series 1999 Bonds Sinking Fund or the Series 1999 Bonds Reserve Account.

As and when additional Bonds ranking on a parity with the Series 1999 Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in a amount equal to the maximum provided and required to be paid into the concomitant sinking fund in any year for account of the Bonds of such series, including such additional Bonds which by their terms are payable from such sinking fund.

The Issuer shall not be required to make any further payments into the Series 1999 Bonds Sinking Fund, or into the Series 1999 Reserve Account therein when the aggregate amount of funds in said Series 1999 Sinking Fund and Series 1999 Reserve Account are at least equal to the aggregate principal amount of the Series 1999 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1999 Bonds Sinking Fund and the Series 1999 Bonds Reserve Account created hereunder, and all amounts required for said fund and account shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

The payments into the Series 1999 Bonds Sinking Fund and the Series 1999 Bonds Reserve Account and the payment of the SRF Administrative Fee as set forth in Schedule Y attached to the Loan Agreement shall be made on the first day of each month, except that when the first day of any month shall be a Saturday, Sunday or legal holiday then such payments shall be made on the next succeeding business day, 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. If required by the Authority in writing at any time, the Issuer shall make the necessary arrangements whereby such payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 1999 Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1999 Bonds Sinking Fund, including the Series 1999 Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1999 Bonds under the conditions and restrictions hereinafter set forth.

Notwithstanding any provision herein to the contrary, in the event that there are not sufficient funds to make all the transfers described above, all transfers with respect to the Prior Bonds required by the Prior Bond Resolution shall be made prior to transfers required to be made with respect to the Series 1999 Bonds.

Notwithstanding any provision herein to the contrary but subject to the immediately preceding paragraph, so long as the Series 1996 Notes remain unpaid, all payments required by the Series 1996 Notes shall be made, provided, however, if there are not sufficient funds to make all transfers required above, all transfers required by the Prior Bond Resolution with respect to principal of and interest on the Prior Bonds and deposits to the Series 1964 Bonds Reserve Fund shall first be made, and then, to the extent sufficient funds exist, all transfers with respect to the Series 1999 Bonds required hereby shall be made, and then, to the extent sufficient funds exist, all payments required by the Series 1996 Notes shall be made.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the sinking funds, including the reserve accounts therein, the Capital Expenditures Fund and the Renewal and Replacement Fund during the following month or such other period as required by law, such excess shall be considered Surplus Revenues, provided that, so long as any of the Prior Bonds remain outstanding, there shall be made the transfers to the Surplus Fund required by the Prior Bond Resolution. Surplus Revenues may be used for any lawful purpose of the System, including without limitation the payment of the principal of and/or interest on the Series 1996 Notes.

C. 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 the Depository Bank's charges and the Paying Agent fees then due. In case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at any time, make the necessary arrangements whereby such required payments shall be automatically deducted from the Revenue Fund and transferred to the Commission on the dates required.

D. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue Fund and the Renewal and Replacement Fund 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.

E. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as

payments are to be made pursuant to this Section 5.03, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Series 1999 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1999 Bonds, there shall first be deposited with the Commission in the Series 1999 Bonds Sinking Fund, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1999 Bonds for the period commencing on the date of issuance of the Series 1999 Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1999 Bonds, there shall be deposited with the Commission in the Series 1999 Bonds Reserve Account the sum, if any, set forth in the Supplemental Resolution for funding of the Series 1999 Bonds Reserve Account.

C. Next, from the proceeds of the Series 1999 Bonds, there shall be first credited to the Bond Construction Trust Fund and then paid the Series 1997 Notes, which payment shall be effectuated by depositing the appropriate amount into the Sewerage System Bond Anticipation Notes, Series 1997 Payment Fund for immediate application to the payment of the Series 1997 Notes.

D. Next, from the proceeds of the Series 1999 Bonds, there shall first be credited to the Bond Construction Trust Fund and then paid any and all the borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project, including interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer.

E. As the Issuer received advances of the remaining moneys derived from the sale of the Series 1999 Bonds, such moneys shall be deposited with the Depository Bank in the Bond Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02.

F. After completion of construction of the Project, as certified by the Consulting Engineers, and all Costs have been paid, any remaining proceeds of the Series 1999 Bonds shall be used to fund the Series 1999 Bonds Reserve Account, if not funded upon issuance of the Bonds, in an amount not to exceed the Series 1999 Bonds Reserve Requirement; provided that if any such proceeds remain after funding the Series 1999 Bonds Reserve Account, the same shall be expended as directed by the Authority and DEP.

G. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in the Bond Legislation. Moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Series 1999 Bonds.

Section 6.02. Disbursements From the Bond Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority a report listing the specific purposes for which the proceeds of the Series 1999 Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Bond Construction Trust Fund (except for costs of issuance of the Series 1999 Bonds which shall be paid upon the request of the Issuer) shall be made only after submission to, and approval from, the Authority and DEP of the following:

A. A "Payment Requisition Form," the form of which is attached to the Loan Agreement as Exhibit C; and

B. A certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

1. That none of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;
2. That each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;
3. That each of such costs has been otherwise properly incurred; and
4. That payment for each of the items proposed is then due and owing.

All payments made from the Bond Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Bond Construction Trust Fund. The Consulting Engineers shall from time to time file with the Depository Bank, the Authority and DEP written statements advising them of its then authorized representative.

Pending such application, moneys in the Bond Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of the Project, as certified by the Consulting Engineers, the Depository Bank shall transfer any moneys remaining in the Bond Construction Trust Fund to the Series 1999 Bonds Reserve Account, and when fully funded any such remaining moneys shall be expended as directed by the Authority and DEP.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 1999 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 1999 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Series 1999 Bonds or the interest thereon is Outstanding and unpaid.

Until the payment in full of the principal of and interest on the Series 1996 Notes when due, the covenants, agreements and provisions contained in this Resolution shall, where applicable, inure to the benefit of the Holders of the Series 1996 Notes and constitute valid and legally binding covenants of the Issuer, enforceable in any court of competent jurisdiction by any Holder or Holders of said Series 1996 Notes.

Section 7.02. Series 1999 Bonds not to be Indebtedness of the Issuer. The Series 1999 Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any of the Series 1999 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay said Bonds or Notes or the interest thereon, if any.

Section 7.03. Series 1999 Bonds Secured by Pledge of Net Revenues: Lien Positions with Respect to Prior Bonds and Series 1996 Note. The payment of the debt service of the Series 1999 Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on the Net Revenues derived from the operation of the System, junior, subject and subordinate to the lien on such Net Revenue, in favor of the Holders of the Prior Bonds, and the Series 1996 Notes shall in all respects be junior and subordinate to the Prior Bonds and the Series 1999 Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Series 1999 Bonds, the Prior Bonds and the Series 1996 Notes and to make the payments into the sinking funds, including the reserve accounts therein, and all other payments provided for in the Bond Legislation and the Prior Bond Resolution are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Series 1999 Bonds, the Prior Bonds and the Series 1996 Notes as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Schedule of Rates and Charges. The schedule of rates and charges for the services and facilities of the System, a copy of which is attached hereto as Exhibit C and incorporated herein and which rates have been approved and are described in the Commission Order

of the PSC entered January 22, 1999 in Case No. 97-0129-PSD-CN, are hereby adopted, ratified, approved and affirmed.

Section 7.05. Sale of the System. So long as any of the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, except as provided in the Prior Bond Resolution. Additionally, except as otherwise required by law or with the written consent of the Authority and the DEP, 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 Prior Bonds, the Bonds and Series 1996 Notes Outstanding, or to effectively defease this Bond Legislation in accordance with Section 10.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Bonds and Prior Bonds, immediately be remitted to the Commission for deposit in the appropriate sinking funds, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Bonds and Prior Bonds. Any balance remaining after the payment of all the Bonds, Prior Bonds and Series 1996 Notes and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, and subject to the Prior Bond Resolution so long as any of the Prior Bonds remain Outstanding, 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 \$50,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$50,000 but not in excess of \$200,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of \$50,000 and not in excess of \$200,000, shall be deposited in the Renewal and Replacement Fund. Such payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said fund by other provisions of this 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 \$200,000 and insufficient to pay all Prior Bonds, Bonds and Series 1996 Notes then Outstanding without the prior approval and consent in writing of

the Holders, or their duly authorized representatives, of over 50% in amount of the Prior Bonds, Bonds and Series 1996 Notes then outstanding and the Consulting Engineers. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Prior Bonds, Bonds and Series 1996 Notes for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and in Section 7.07, so long as any of the Series 1999 Bonds are Outstanding, 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 1999 Bonds. All obligations issued by the Issuer after the issuance of the Series 1999 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 1999 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the sinking funds, reserve accounts and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current. Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 1999 Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 1999 Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds.

So long as any of the Prior Bonds are outstanding, the limitations on the issuance of obligations on a parity with the Prior Bonds set forth in the Prior Bond Resolution shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 1999 Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1999 Bonds, and must have the prior written consent of the Authority and the DEP.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding one or more series of the Prior Bonds, the Series 1996 Notes and/or Bonds issued pursuant hereto, 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, based upon the necessary investigation and certification by the Consulting Engineers, 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, 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 on the following:

- (1) The Prior Bonds and the Series 1999 Bonds then Outstanding;
- (2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and
- (3) The Parity Bonds then proposed to be issued.

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

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

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

All Parity Bonds shall mature on the day of the years of maturities, and the semiannual interest thereon shall be payable on the days of each year, specified in a Supplemental Resolution.

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 1999 Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1999 Bonds.

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

Section 7.08. Books and Records. 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 DEP, or its agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the DEP such documents and information as it 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 DEP, or its agents and representatives, to inspect all records pertaining to the operation of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the PSC. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary

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

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of 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 with respect to said Bonds and the status of all said funds and accounts.

(C) The amount of any Prior Bonds and Bonds 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 and the Single Audit Act or successor thereto, in effect at the time, to the extent required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds, and shall submit said report to the Authority and the DEP, or any other original purchaser of the Bonds, within ninety (90) days of the end of the Fiscal Year. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement and this Bond Legislation, and that the Issuer's revenues are adequate to meet its operation and maintenance expenses and debt service requirements.

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

The Issuer shall permit the Authority and the DEP, or their agents and representatives, access to the System site and facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the DEP with respect to the System pursuant to the Act.

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been 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 said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created or continued 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 reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each year equal to at least 115% (130% so long as any of the Prior Bonds remain outstanding) of the maximum amount required in any year for payment of principal of and interest on the Series 1999 Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Series 1999 Bonds Reserve Account and reserve accounts for obligations prior to or on a parity with the Series 1999 Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Series 1999 Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1999 Bonds, including the Prior Bonds; but shall remain at 130% so long as any of the Prior Bonds remain Outstanding. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate schedule described in Section 7.04.

Section 7.10. Operating Budget, Audit 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 DEP within 30 days of adoption thereof. The Issuer, by the unanimous consent and approval of the Governing Body, may amend the budget during the subject Fiscal Year provided that the budget remains balanced after such amendment. If the budget is so amended, a copy of the amended budget shall be submitted to the Authority and the DEP within 15 days of the adoption of such amendment. After the adoption of any such amendment, the budget, as amended, shall be the budget of the Issuer for the balance of the subject Fiscal Year. 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 the Consulting Engineers, 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 the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget, any amendments thereto and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the DEP 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, any amendments thereto and resolutions be furnished him or her and shall make available such budgets, any amendments thereto and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times 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 as Exhibit B, and forward a copy of such report to the Authority and the DEP by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate from 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 DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the DEP is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

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

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed.

The Issuer agrees that qualified operating personnel properly certified by the State will be employed before the Project is 25% complete and agrees that it will retain such a certified operator(s) to operate the System so long as the Series 1999 Bonds are Outstanding. The Issuer shall notify the DEP in writing of the certified operator employed at the 25% completion stage.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

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

Section 7.15. Insurance and Construction Bonds. The Issuer will carry such insurance and in such amounts as is customarily carried with respect to works and properties similar to the System, with a reputable insurance carrier or carriers, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks. The Issuer will require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and the DEP, so long as the Authority is the Owner of the Series 1999 Bonds. The Issuer will itself, or will require each contractor and subcontractor to, obtain and 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, to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their interests may appear, in accordance with the Loan Agreement, during construction of the Project in the full insurable value thereof. In time of war, the Issuer shall also carry in said amount such insurance as may be available against loss or damage by 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 repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The Issuer will also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System. The Issuer shall carry such other insurance as is required by the Authority and DEP and as set forth in the Loan Agreement, including but not limited to flood insurance and business interruption insurance, to the extent available at reasonable cost to the Issuer.

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.

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

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

Section 7.17. Completion and Operation of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all Federal and state requirements and standards.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia necessary for the acquisition and construction of the Project and the operation of the System.

Section 7.18. Statutory Mortgage Lien. For the further protection of the Holders of the Series 1999 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 1999 Bonds and shall be for the equal benefit of all Holders of the Series 1999 Bonds, junior, subject and subordinate to the statutory mortgage lien in favor of the Holders of the Prior Bonds; provided however, that the statutory mortgage lien shall in no event secure the repayment of the Series 1996 Notes.

Section 7.19. Compliance With Loan Agreement and Law. The Issuer agrees to comply with all terms and conditions of the Loan Agreement. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with all copies submitted to the Authority.

The Issuer also agrees to comply with the Act and all applicable laws, rules and regulations issued by the Authority, the DEP 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 7.20. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account, except as otherwise provided with respect to the Rebate Fund. 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, the Depository Bank, or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

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

Section 8.02. Information With Respect to Gross Proceeds. The Issuer shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" (as that term is defined in the Code) of the Series 1999 Bonds from time to time as the Authority may request.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 1999 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 1999 Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 1999 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 1999 Bonds and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

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

(4) If default occurs with respect to the Series 1996 Notes, the Prior Bonds or the Prior Bond Resolution.

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

Section 9.03. Appointment of Receiver. Any Holder of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, 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 Holder 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 avenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Holders 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 possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Holder 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

DEFEASANCE

Section 10.01. Defeasance of Series 1999 Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1999 Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1999 Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1999 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1999 Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1999 Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1999 Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1999 Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1999 Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to the issuance of the Series 1999 Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following the issuance of the Series 1999 Bonds, no material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Holders of the Bonds shall be made without the consent in writing of the Holders of 66-2/3% or more in principal amount of the Series 1999 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the respective Holder 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.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Holders of the Series 1999 Bonds and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 1999 Bonds.

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

Section 11.05. Conflicting Provisions Repealed. All orders or resolutions and or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Resolution and the Prior Bond Resolution (so long as the Prior Bonds are Outstanding) or the resolution authorizing the Series 1996 Notes (so long as the Series 1996 Notes are Outstanding) the more restrictive provision shall control.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the

Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.07. Public Notice of Proposed Financing. Prior to making formal application to the PSC for a Certificate of Convenience and Necessity with respect to the Project, the Secretary of the Governing Body shall have caused to be published in a newspaper of general circulation within the boundaries of the Issuer, a Class II legal advertisement stating:

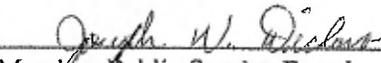
- (a) The respective maximum amounts of the Series 1999 Bonds to be issued;
- (b) The respective maximum interest rates and terms of the Series 1999 Bonds originally authorized hereby;
- (c) The public service properties to be acquired or constructed and the cost of the same;
- (d) The maximum anticipated rates which will be charged by the Issuer; and
- (e) The date that the formal application for a Certificate of Convenience and Necessity is to be filed with the PSC.

Section 11.08. Effective Date. This Resolution shall take effect immediately upon adoption.

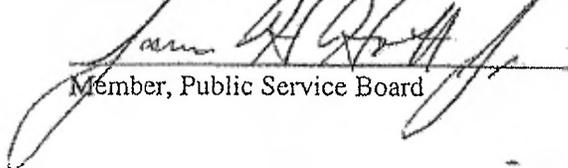
Adopted this 27th day of January, 1999.



Chairman, Public Service Board



Member, Public Service Board

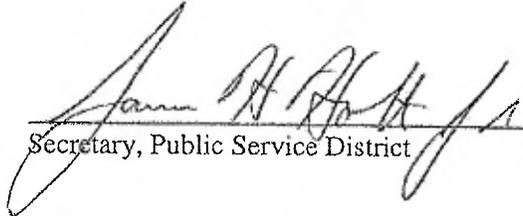


Member, Public Service Board

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of NORTH BECKLEY PUBLIC SERVICE DISTRICT on the 27th day of January, 1999.

Dated: January 28, 1999.


Secretary, Public Service District

[SEAL]

EXHIBIT A

DESCRIPTION OF PROJECT

Acquisition and construction of certain upgrades to the North Beckley Public Service District's existing sewerage system, including without limitation the rehabilitation and expansion of the District's sewer treatment plant from a .5 million gallons a day capacity (MGD) to 2.5 MGD, rehabilitation of three existing pump stations, installation of approximately 3,000 feet of gravity sewer main and approximately 2,000 feet of force sewer main and related improvements and appurtenances thereto.

EXHIBIT B
LOAN AGREEMENT

[See Transcript Document #3]

EXHIBIT C

SCHEDULE OF RATES AND CHARGES

CASE NO. 97-0129-PSD-CN(Reopened)
NORTH BECKLEY PUBLIC SERVICE DISTRICTAPPROVED RATES (Revised 01/22/99)

Applicable in entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service and for public authorities.

(C)(A) RATES (Based upon the metered amount of water supplied)

First 2,000 gallons used per month \$7.26 per 1,000 gallons
Next 23,000 gallons used per month \$6.24 per 1,000 gallons
Next 25,000 gallons used per month \$4.17 per 1,000 gallons

(A) MINIMUM CHARGE

No bill will be rendered for less than \$14.52

DELAYED PAYMENT PENALTY

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

WATER DISCONNECTION -RECONNECTION FEES

Whenever water service has been disconnected for non-payment of sewer bills, a disconnection fee of \$7.50 shall be charged.

Whenever water service which has been previously disconnected or otherwise withheld for non-payment of sewer bills is reconnected, a fee of \$7.50 shall be charged.

SEWER CONNECTION CHARGE

Sewer connection fee to tap to main is \$150.00.

(N) INCREMENTAL COST OF WASTEWATER TREATED

\$1.69 per M. Gal. To be used when bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate is used to calculate consumption above customer's historical usage.

- (A) Indicates advance
- (C) Indicates change
- (N) Indicates new

BECKLEY PUBLIC SERVICE DISTRICT

BOND RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE SYSTEM OF NORTH BECKLEY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY NORTH BECKLEY PUBLIC SERVICE DISTRICT OF NOT MORE THAN FIVE MILLION THREE HUNDRED SEVEN THOUSAND SEVEN HUNDRED FORTY-ONE DOLLARS (\$5,307,741) IN AGGREGATE PRINCIPAL AMOUNT OF SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND THE WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION 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 NORTH BECKLEY PUBLIC SERVICE DISTRICT:

RECEIVED
MAY 03 2007
MBC

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. North Beckley Public Service District (the "Issuer") is a public service district, public corporation and political subdivision of the State of West Virginia in Raleigh 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 constructed certain extensions, additions, betterments and improvements to the Issuer's existing sewerage system, including the extensions, additions, betterments and improvements described in Exhibit A hereto (collectively, the "Project") (the Issuer's existing sewerage system, the Project and any further additions thereto or extensions thereof are herein called the "System") in accordance with the plans and specifications prepared by Lawson Engineering & Technical Services, Inc., Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The acquisition and construction of the System were financed in part with the proceeds from \$8,090,898 in principal amount of the Issuer's Sewerage System Revenue Bonds, Series 1999 (the "Prior Bonds"), issued on January 28, 1999 authorized pursuant to a Bond Resolution adopted by the Issuer on January 27, 1999, as supplemented and amended by a Supplemental Resolution adopted on January 27, 1999 (collectively, the "Prior Resolution").

D. The Issuer derives revenues from the System, and, except for the pledge thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner.

E. The estimated maximum cost of the acquisition and construction of the Project and issuance of the Series 2003A Bonds, as hereinafter defined, is \$7,707,741, of which \$1,500,000 will be paid with a Small Cities Block Grant, \$900,000 will be paid with an Economic Development Grant by the United States Economic Development Administration, and the balance of which will be permanently financed with the proceeds of the Issuer's Sewerage System Revenue Bonds, Series 2003A (West Virginia SRF Program) in the original principal amount of \$5,307,741 (the "Series 2003A Bonds") herein authorized.

F. 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 the costs of the operation and maintenance of said System, the principal of and interest, if any, on the Series 2003A Bonds

and the Prior Bonds and all sinking funds, reserve accounts and other payments provided for herein and in the Prior Resolution.

G. It is further deemed necessary for the Issuer to issue the Series 2003A Bonds in the total aggregate principal amount of not more than \$5,307,741 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 upon the Series 2003A Bonds prior to and during construction or acquisition and for a period not exceeding 6 months after completion of construction of the Project, if any; amounts which may be deposited in the Series 2003A Bonds Reserve Account; 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 of the Authority and DEP (each as hereinafter defined), discount, fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2003A 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 2003A Bonds, or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

I. It is in the best interest of the Issuer that its Series 2003A Bonds be issued and sold to the West Virginia Water Development Authority (the "Authority") pursuant to the terms and provisions of a bond purchase agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), the execution, delivery and form of which are ratified and approved herein.

J. The Issuer has met the requirements of the Prior Resolution for the issuance of the Series 2003A Bonds on a parity with the Prior Bonds. Prior to the issuance of the Series 2003A Bonds, the Issuer will obtain (1) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds have been met and (2) the written consent from the Holder of the Prior Bonds to issue the Series 2003A Bonds on a parity with the lien on the Net Revenues of the Holders of the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or other obligations of the Issuer which are secured by revenues or assets of the System. The Series 2003 A Bonds shall be issued with a lien on the Net Revenues, as hereinafter defined, on parity with the lien thereon held by the Holders of the Prior Bonds.

K. The Issuer has complied with all requirements of West Virginia law and the Bond Purchase Agreement relating to authorization of the acquisition, construction and operation of the Project and the System, and issuance of the Series 2003A Bonds, or will have so complied prior to issuance thereof, including, among other things, the approval by the Council, as hereinafter defined, of the Project and the financing thereof, 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 has expired or has been waived by all necessary parties prior to the issuance of the Series 2003A Bonds.

L. The Project has been reviewed and determined to be technically and financially feasible by the Council (as hereinafter defined) as required by Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the 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 registered owners of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

“Authority” means the West Virginia Water Development Authority, or any other agency of the State of West Virginia that succeeds to the functions of the Authority, which is expected to be the original purchaser and Registered Owner of the Series 2003A Bonds.

“Authorized Officer” means the Chairman of the Governing Body of the Issuer or any temporary Chairman duly appointed by the Governing Body.

“Bondholder,” “Holder of the Bonds,” “Holder” 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 Purchase Agreement” shall mean the Bond Purchase Agreement heretofore entered into or to be entered into by and among the Authority, DEP and the Issuer providing for the purchase of the Series 2003A Bonds from the Issuer by the Authority, the form of which is attached hereto as Exhibit B and shall be approved, and the execution and delivery of which by the Issuer are authorized and directed by Section 4.11 hereof and by the Supplemental Resolution.

“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 Prior Bonds, the Series 2003A Bonds and, where appropriate, any bonds on a parity therewith subsequently issued hereunder or pursuant to another resolution of the Issuer.

“Certificate of Authentication and Registration” means the certificate of authentication and registration on the Series 2003A Bonds in substantially the form set forth in the bond form contained herein.

“Chairman” means the Chairman of the Governing Body of the Issuer.

“Closing Date” means the date on which there is an exchange of the Series 2003A Bonds for an advance of more than a de minimis amount of the principal of the Series 2003A Bonds.

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

“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.

“Completion Date” means the completion date of the Project, as defined in the SRF Regulations.

“Consulting Engineers” means Lawson Engineering & Technical Services, Inc., Beckley, West Virginia or any professional engineer or firm of professional engineers, licensed by the State who shall not be a regular, full-time employee of the State or any of its agencies, commissions or political subdivisions, that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended.

“Costs” or “Costs of the Project” means those costs described in Section 1.02G 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 successor thereto.

“DEP” means the West Virginia Department of Environmental Protection, or any agency, board or department of the State that succeeds to the functions of the DEP.

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

“Event of Default” means any occurrence or event specified in Section 9.01.

“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, including (i) such obligations which have been stripped from their unmatured interest coupons, interest coupons stripped from such obligations and receipts or certificates evidencing payments from such obligations or interest coupons stripped from such obligations, (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes..

“Grants” means, collectively, the \$1,500,000 Small Cities Block Grant and \$900,000 United States Economic Development Administration Economic Development 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 Section 8.01 hereof) or any Tap Fees, as hereinafter defined.

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

“I&I Fund” means the I&I Fund created by the Prior Resolution.

“Independent Certified Public Accountants” shall mean any public accountant or certified public accountant or firm of public accountants or 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.

“Interim Financing Bank” means United Bank, Inc., which is anticipated to be the bank providing the interim financing authorized and approved in Article III hereof, or such other bank as shall be designated as such in a resolution supplemental hereof.

“Investment Property” shall mean any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract or investment-type property, or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing

desegregation plan excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

“Issuer” means North Beckley Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia, in Raleigh County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

“Net Proceeds” means the face amount of the Series 2003A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series 2003A Bonds Reserve Account, if any. 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 2003A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

“Nonpurpose Investment” means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 2003A Bonds and is not acquired in order to carry out the governmental purpose of the Series 2003A Bonds.

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

“Outstanding,” when used with reference to Bonds as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X and (iv) for purposes of consents or other action by a specified percentage of Bondholders, 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 West Virginia Municipal Bond Commission, or such entity or authority as may be designated by the Issuer by Supplemental Resolution with the consent of the Authority and the DEP.

“Prior Bonds” means the Sewerage System Revenue Bonds, Series 1999, issued by the Issuer on January 28, 1999, in the aggregate principal amount of \$8,090,898, under the Prior Resolution.

“Prior Resolution” means the Bond Resolution, and all supplements thereto, adopted by the Public Service Board of the Issuer on January 27, 1999, authorizing the issuance of the Prior Bonds.

“Private Business Use” means use directly or indirectly in a trade or business carried on by a natural person, including all persons “related” to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons “related” to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to “incidental use,” if any, of the proceeds of the issue and/or proceeds used for “qualified improvements,” if any.

“Project” means the extensions, additions, betterments and improvements to the Issuer’s existing sewerage system described in Exhibit A hereto.

“PSC” means the Public Service Commission of West Virginia.

“Qualified Investments” means and includes any of the following:

- (a) Government Obligations;
- (b) 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;
- (c) 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;
- (d) 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, 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;

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

(f) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (d) 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;

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

(h) Obligations of States or political subdivisions or agencies thereof, the interest on which is exempt from federal income taxation, 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 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 the Prior Resolution.

"Reserve Accounts" means collectively, the Series 1999 Bonds Reserve Account and the Series 2003A Bonds Reserve Account.

"Reserve Requirements" means collectively, the respective amounts required to be on deposit in the Reserve Accounts.

"Revenue Fund" means the Revenue Fund established by the Prior Resolution.

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

“Series 2003A Bonds” means the Sewerage System Revenue Bonds, Series 2003A (West Virginia SRF Program) of the Issuer, authorized by this Resolution.

“Series 2003A Bonds Construction Trust Fund” means the Series 2003A Bonds Construction Trust Fund established by Section 5.01 hereof.

“Series 2003A Bonds Reserve Account” means the Series 2003A Bonds Reserve Account established by Section 5.02 hereof.

“Series 2003A Bonds Reserve Requirement” means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2003A Bonds in the then current or any succeeding year.

“Series 2003A Bonds Sinking Fund” means the Series 2003A Bonds Sinking Fund established by Section 5.02 hereof.

“Sinking Funds” means, collectively, the Series 1999 Bonds Sinking Fund and the Series 2003A Bonds Sinking Fund.

“SRF Administrative Fee” means any administrative fee required to be paid under the Bond Purchase Agreement.

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

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

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution, ordinance or order of the Issuer supplementing or amending this Resolution and, when preceded by the article “the,” refers specifically to the Supplemental Resolution authorizing the sale of the Series 2003A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2003A 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 2003A Bonds, the Prior Bonds or any other obligations of the Issuer, as further defined in Section 5.03(B) hereof.

“System” means the complete existing sewerage system now owned by the Issuer, consisting of a sewerage system in its entirety or any integral part thereof, for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, and shall

include the Project and any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for said sewerage system from any sources whatsoever, both within and without the Issuer.

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

Additional terms and phrases are defined in this Resolution as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

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.

The terms “herein,” hereunder,” “hereby,” “hereto,” “hereof,” and any similar terms refer to this Resolution; and the term “hereafter” means after the date of enactment of this Resolution.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Resolution so numbered.

ARTICLE II

AUTHORIZATION OF THE ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized the acquisition and construction of the Project, at an estimated cost of \$7,707,741 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 2003A Bonds hereby authorized shall be applied as provided in Article VI hereof.

The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the SRF Program.

The Cost of the Project, including without limitation the costs of issuing the Series 2003A Bonds, is estimated not to exceed \$7,707,741, which is to be paid with the proceeds of the Series 2003A Bonds in the amount of \$5,307,741, a Small Cities Block Grant in the amount of \$1,500,000 and a United States Economic Development Administration Economic Development Grant in the amount of \$900,000.

ARTICLE III

INTERIM CONSTRUCTION FINANCING

Section 3.01. Authorization and General Terms. In order to pay certain Costs of the Project pending receipt of the gross proceeds of the Series 2003A Bonds and the proceeds of the Grants, the Issuer is hereby authorized to issue and sell its line of credit notes (the "Notes"), in an aggregate principal amount not to exceed \$200,000. The Notes shall be issued as evidence of a line of credit from the Interim Financing Bank. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such date or dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the Credit Agreement, the form of which is attached hereto as Exhibit C.

Section 3.02. Terms of and Security Notes; Credit Agreement. The Notes shall be issued with such terms and secured in the manner set forth in the Credit Agreement, the form of which is hereby ratified and approved. The Chairman is hereby authorized and directed to execute and deliver the Credit Agreement on behalf of the Issuer.

Section 3.03. Notes are Special Obligations. The Notes shall be special obligations of the Issuer payable as to principal and interest solely from the surplus revenues, letter of credit proceeds, if any, proceeds of the Series 2003A Bonds and proceeds of the Grants. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable and neither the full faith and credit nor the taxing power, if any, of the Issuer is pledged for the payment of the Notes. The holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth in the Credit Agreement.

Section 3.04. Letters of Credit. As additional security for the Notes, the Issuer may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree to pay the trustee to be appointed by a supplemental resolution, upon presentation by the trustee of certain certificates, the sum or sums set forth therein but not to exceed \$200,000 in the aggregate. In the event of a draw under any such letter of credit, the Issuer shall issue its refunding notes to the bank issuing such letter of credit. Any such letter of credit shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto.

ARTICLE IV

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

Section 4.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2003A Bonds, if any, funding the Series 2003A Bonds Reserve Account, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2003A 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 2003A Bonds of the Issuer, in an aggregate principal amount of not more than \$5,307,741. The Series 2003A Bonds shall be issued in one series, to be designated "Sewerage System Revenue Bonds, Series 2003A (West Virginia SRF Program)," and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2003A Bonds remaining after funding of the Series 2003A Bonds Reserve Account (if funded from the Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2003A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 4.02. Terms of Bonds. The Series 2003A Bonds shall be issued in such principal amount; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Bond Purchase Agreement. The Series 2003A 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 2003A Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2003A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and debt service schedule attached, representing the aggregate principal amount of the Series 2003A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2003A Bonds shall be exchangeable at the option and expense of the Holder for other fully registered 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 or by another resolution of the Issuer. Such Bonds shall be dated as of the date specified in a Supplemental Resolution or by another resolution of the Issuer and shall bear interest, if any, from such date.

Section 4.03. Execution of Bonds. The Series 2003A 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 any of the Series 2003A Bonds shall cease to be such officer of the Issuer before the Series 2003A 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 2003A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Series 2003A 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 4.04. Authentication and Registration. No Series 2003A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 4.09 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2003A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 4.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2003A 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 any of said Series 2003A 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 Bond shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2003A Bonds remain Outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain the books for the registration and transfer of the Series 2003A Bonds.

The registered Series 2003A 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 2003A Bonds or transferring the registered Series 2003A Bonds are exercised, Series 2003A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2003A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2003A 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 Series 2003A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2003A Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Series 2003A Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 4.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2003A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 4.07. Bonds not to be Indebtedness of the Issuer. The Series 2003A 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 any of the Series 2003A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2003A Bonds or the interest thereon, if any.

Section 4.08. Bonds Secured by Pledge of Net Revenues; Lien Position With Respect to Prior Bonds. The payment of the debt service of all the Series 2003A Bonds shall be secured by a first lien on the Net Revenues derived from the System, on parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2003A Bonds and the Prior Bonds and to make the payments into the Sinking Funds and the Reserve Accounts therein are hereby irrevocably pledged to the payment of the principal of and interest on the Series 2003A Bonds and the Prior Bonds as the same become due.

Section 4.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2003A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2003A 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 2003A 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 2003A Bonds to the original purchasers;

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

D. A certified copy of the Bond Purchase Agreement; and

E. An approving opinion of bond counsel on the Series 2003A Bonds.

Section 4.10. Form of Series 2003A Bonds. The text of the Series 2003A 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 2003A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
NORTH BECKLEY PUBLIC SERVICE DISTRICT
SEWERAGE SYSTEM REVENUE BOND,
SERIES 2003A
(WEST VIRGINIA SRF PROGRAM)

No. AR-_____

\$_____

KNOW ALL MEN BY THESE PRESENTS: That NORTH BECKLEY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Raleigh County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS (\$_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year commencing on _____, _____, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference, without interest.

The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____, 200____, as set forth on Exhibit B attached hereto. 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"). The SRF Administrative Fee on this Bond are payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of the Registrar (as defined in the hereinafter described Bond Legislation) on the 15th day of the month next preceding a SRF Administrative Fee payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

This Bond may only be redeemed prior to its stated date of maturity in whole or in part upon the terms and conditions prescribed by, and otherwise in compliance with, the Water Pollution Control Revolving Fund Bond Purchase Agreement among the Issuer, the West Virginia Department of Environmental Protection (the "DEP") and the Authority, dated August 20, 2003.

This Bond is issued (i) to permanently finance a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage facilities of the Issuer (the "Project"); (ii) to fund the Series 2003A Bonds Reserve Account; and (iii) to pay certain costs of issuance hereof and related costs. The existing public sewerage facilities of the Issuer, the Project and any further additions, betterments or improvements thereto

are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Resolution duly adopted by the Issuer on September 24, 2003 and a Supplemental Resolution duly adopted by the Issuer on September 24, 2003 (collectively called 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 securities provided for the Bonds of this Series (the "Bonds") under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWERAGE SYSTEM REVENUE BONDS, SERIES 1999, ISSUED ON JANUARY 28, 1999, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$8,090,898 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on parity with the pledge of the Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2003A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all Bonds which may be issued pursuant to the Act and which 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 or the interest, if any, hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2003A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds, provided however, that so long as there exists in the Series 2003A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of _____, Charleston,

West Virginia as registrar (the "Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, 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 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, NORTH BECKLEY 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 _____, 2003.

NORTH BECKLEY PUBLIC
SERVICE DISTRICT

[SEAL]

Chairman

ATTEST:

Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2003A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2003.

as Registrar

By: _____
Its: Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	<u>Amount</u>	<u>Date</u>		<u>Amount</u>	<u>Date</u>
(1)	\$		(7)	\$	
(2)	\$		(8)	\$	
(3)	\$		(9)	\$	
(4)	\$		(10)	\$	
(5)	\$		(11)	\$	
(6)	\$		(12)	\$	

Total \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)
ASSIGNMENT

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

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

Dated: _____, 20____.

In the presence of:

Section 4.11. Sale of Bonds; Approval and Ratification of Execution of Bond Purchase Agreement. The Series 2003A Bonds shall be sold to the Authority pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Bond Purchase Agreement in the form attached hereto as "Exhibit B" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Bond Purchase Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Bond Purchase Agreement, including all schedules and exhibits attached thereto, is hereby approved.

Section 4.12. Series 2003A Bonds are Issued as Parity Bonds With Respect to Prior Bonds. The Series 2003A Bonds are issued as and shall constitute parity bonds with respect to the Prior Bonds. The Issuer has met the requirements of the Prior Resolution for the issuance of the Series 2003A Bonds on a parity with the Prior Bonds and has received the written consent of the Holder of the Prior Bonds to the issuance of the Series 2003A Bonds on a parity with the Prior Bonds.

Section 4.13. "Filing of Amended Schedule. Within sixty (60) days following the Completion Date, the Issuer will file with the Authority and the DEP a schedule, the form of which will be provided by the DEP, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE 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 created (or continued if established by the Prior Resolution) 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 (created or continued by the Prior Resolution);
2. Renewal and Replacement Fund (created or continued by the Prior Resolution);
3. I & I Fund (created or continued by the Prior Resolution); and
4. Series 2003A Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with the Commission (or continued if established by the Prior Resolution):

1. Series 1999 Bonds Sinking Fund (created by the Prior Resolution);
2. Within the Series 1999 Bonds Sinking Fund, the Series 1999 Bonds Reserve Account (created by the Prior Resolution);
3. Series 2003A Bonds Sinking Fund; and
4. Within the Series 2003A Bonds Sinking Fund, the Series 2003A Bonds Reserve Account.

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

1. The Issuer shall first each month pay from the moneys in the Revenue Fund all current Operating Expenses.

2. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit into the Series 1999 Bonds Sinking Fund the amounts required for the payment of principal of the Prior Bonds in accordance with the Prior Resolution, and (ii) commencing 3 months prior to the first date of payment of principal on the Series 2003A Bonds, for deposit in the Series 2003A Bonds Sinking

Fund, a sum equal to 1/3rd of the amount of principal which will mature and become due on said Series 2003A 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 2003A 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, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date. The Issuer shall complete the "Monthly Payment Form," the form of which is attached to the Bond Purchase Agreement as Exhibit F, and submit a copy of said form along with a copy of its remittance check to the Authority by the 5th day of such calendar month.

3. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit into the Series 1999 Bonds Reserve Account the amount required by the Prior Resolution to be deposited therein, and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2003A Bonds, if the Series 2003A Bonds Reserve Account is not fully funded upon issuance of the Series 2003A Bonds for deposit in the Series 2003A Bonds Reserve Account, an amount equal to 1/120 of the Series 2003A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2003A 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 2003A Bonds Reserve Requirement.

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

5. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and deposit into the I&I Fund, all amounts remaining in the Revenue Fund after making the transfers set forth in paragraphs 1 through 4 above, until the sum of \$18,000 has been deposited therein during the then current month. All funds in the I&I Fund shall be kept separate and apart from all other funds of the Issuer and the Depository Bank.

Withdrawals and disbursements from the I&I Fund shall be made by the Issuer only for correcting problems with inflow and infiltration with respect to the System and only in accordance with the applicable orders of the PSC, provided that the I&I Fund shall only be required to be maintained and funded as long as required by the PSC.

Moneys in the Series 2003A Bonds Sinking Fund shall be used only for the purpose of paying principal of and interest, if any, on the Series 2003A Bonds as the same shall

become due. Moneys in the Series 2003A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2003A Bonds, as the same shall come due, when other moneys in the Series 2003A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2003A Bonds Sinking Fund and Series 2003A Bonds Reserve Account (if equal to the Series 2003A Bonds Reserve Requirement) 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 2003A 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 payments, if any, due on the Series 2003A Bonds, and then to the next ensuing principal payments due thereon.

Any withdrawals from the Series 2003A Bonds Reserve Account which result in the reduction of the balance of the Series 2003A Bonds Reserve Account below the Series 2003A Bonds Reserve Account 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 2003A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2003A Bonds Sinking Fund, or into the Series 2003A Reserve Account therein when the aggregate amount of funds in said Series 2003A Sinking Fund and Series 2003A Reserve Account are at least equal to the aggregate principal amount of the Series 2003A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal, interest and reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2003A Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2003A Bonds Sinking Fund and the Series 2003A Bonds Reserve Account created hereunder, and all amounts required for said fund and account shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

The payments into the Series 2003A Bonds Sinking Fund and the Series 2003A Bonds Reserve Account and the payment of the SRF Administrative Fee as set forth in Schedule Y attached to the Bond Purchase Agreement shall be made on the first day of each month, except that when the first day of any month shall be a Saturday, Sunday or legal holiday then such payments shall be made on the next succeeding business day, 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. If required by the Authority in writing at any time, the Issuer shall make the necessary arrangements whereby such payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2003A Bonds Sinking Fund and the Series 2003A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2003A Bonds Sinking Fund, including the Series 2003A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2003A Bonds under the conditions and restrictions hereinafter set forth.

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

C. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as any of such parties shall require, such additional sums as shall be necessary to pay their respective fees and charges then due. In case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at any time, 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.

D. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in all funds and accounts held by the Depository Bank 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.

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

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

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

H. All Tap Fees shall be deposited by the Issuer, as received, in the Series 2003A 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 moneys received from the sale of any or all of the Series 2003A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2003A Bonds, there shall first be deposited with the Commission in the Series 2003A Bonds Sinking Fund, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2003A Bonds for the period commencing on the date of issuance of the Series 2003A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2003A Bonds, there shall be deposited with the Commission in the Series 2003A Bonds Reserve Account the sum, if any, set forth in the Supplemental Resolution for funding of the Series 2003A Bonds Reserve Account.

C. Next, from the proceeds of the Series 2003A Bonds, there shall first be credited to the Series 2003A Bonds Construction Trust Fund and then paid any and all the borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project, including interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer.

D. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2003A Bonds, such moneys shall be deposited with the Depository Bank in the Series 2003A Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2003A Bonds.

E. After completion of construction of the Project, as certified by the Consulting Engineers, and all Costs have been paid, any remaining proceeds of the Series 2003A Bonds shall be used to fund the Series 2003A Bonds Reserve Account, if not funded upon issuance of the Series 2003A Bonds, in an amount not to exceed the Series 2003A Bonds Reserve Requirement; provided that in no event shall more than 10% of the proceeds of the Series 2003A Bonds be deposited in the Series 2003A Bonds Reserve Account, and if any such proceeds remain after funding the Series 2003A Bonds Reserve Account, the same shall be expended as directed by the Authority and DEP.

Section 6.02. Disbursements From the Series 2003A Bonds Construction Trust Fund.
On or before the Closing Date, the Issuer shall have delivered to the DEP and the Authority a report listing the specific purposes for which the proceeds of the Series 2003A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2003A Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Authority and DEP of the following:

A. A completed and signed "Payment Requisition Form," the form of which is attached to the Bond Purchase Agreement as Exhibit C in compliance with the construction schedule; and

B. A certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

1. None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

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

3. Each of such costs has been otherwise properly incurred; and

4. Payment for each of the items proposed is then due and owing.

Pending such application, moneys in the Series 2003A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2003A 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 2003A 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 said Series 2003A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2003A Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any of the Series 2003A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay said Bonds or the interest thereon, if any.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with Respect to Prior Bonds. The payment of the debt service of the Series 2003A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System, on parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest, if any, on the Series 2003A Bonds and the Prior Bonds and to make the payments into the sinking funds, including the reserve accounts therein, and all other payments provided for in the Bond Legislation and the Prior Resolution are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Series 2003A Bonds and the Prior Bonds as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Bond Purchase Agreement. The schedule of rates and charges for the services and facilities of the System, a copy of which is attached hereto as Exhibit D and incorporated herein and which rates have been approved and are described in the Commission Order of the PSC entered January 22, 1999 in Case No. 97-0129-PSD-CN, are hereby adopted, ratified, approved and affirmed.

So long as any of the Series 2003A Bonds are Outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Bond Purchase Agreement. In the event the

schedule of rates and charges initially established for the System in connection with the Series 2003A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase Agreement, the Issuer hereby covenants and agrees that it will, to the extent and in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase Agreement.

Section 7.05. Sale of the System. So long as any of the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System or any part thereof, except as provided in the Prior Resolution. Additionally, except as otherwise required by law or with the written consent of the Authority and the DEP, 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 Prior Bonds and the Series 2003A Bonds, or to effectively defease this Bond Legislation in accordance with Section 10.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2003A Bonds and Prior Bonds, immediately be remitted to the Commission for deposit in Series 2003A Bonds Sinking Fund and the Prior Bonds Sinking Fund, respectively, pro rata with respect to the principal amounts of the Series 2003A Bonds and the Prior Bonds then outstanding, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Series 2003A Bonds and Prior Bonds. Any balance remaining after the payment of all the Series 2003A Bonds and Prior Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, and subject to the Prior Resolution so long as any of the Prior Bonds remain Outstanding, 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 \$50,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$50,000 but not in excess of \$200,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of \$50,000 and not in excess of \$200,000, shall be deposited in the Renewal and Replacement Fund. Such payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said fund by other provisions of this 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 \$200,000 and insufficient to pay all Prior Bonds and the Series 2003A Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% in amount of the Prior Bonds and Series 2003A Bonds then outstanding and the Consulting Engineers. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Prior Bonds and Series 2003A Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and in Section 7.07, so long as any of the Series 2003A Bonds are Outstanding, 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 2003A Bonds. All obligations issued by the Issuer after the issuance of the Series 2003A 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 2003A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the sinking funds, reserve accounts and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current. 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 2003A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2003A Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as any of the Prior Bonds are outstanding, the limitations on the issuance of obligations on a parity with the Prior Bonds set forth in the Prior Resolution shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2003A Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2003A Bonds, and must have the prior written consent of the Authority and the DEP.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the design, construction or acquisition of 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, 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 on the following:

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

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

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

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 2003A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the 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 2003A Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation and the Prior Resolution with respect to the Series 2003A Bonds and Prior Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

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

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a 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 PSC. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of 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 with respect to said Bonds and the status of all said funds and accounts.

(C) The amount of any Bonds 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 and the Single Audit Act or successor thereto, in effect at the time, to the extent required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds, and shall submit said report to the Authority and the DEP, or any other original purchaser of the Bonds, within ninety (90) days of the end of the Fiscal Year. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Bond Purchase Agreement and this Bond Legislation, and that the Issuer's revenues are adequate to meet its operation and maintenance expenses and debt service and reserve requirements.

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

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

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

Section 7.09. Rates. Prior to the issuance of the Series 2003A Bonds, equitable rates or charges for the use of and service rendered by the System have been 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 said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created or continued 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 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 on the Series 2003A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2003A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Series 2003A Bonds Reserve Account and reserve accounts for obligations on a parity with the Series 2003A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2003A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2003A Bonds, including the Prior Bonds.

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 DEP within 30 days of adoption thereof. The Issuer, by the unanimous consent and approval of the Governing Body, may amend the budget during the subject Fiscal Year provided that the budget remains balanced after such amendment. If the budget is so amended, a copy of the amended budget shall be submitted to the Authority and the DEP within 15 days of the adoption of such amendment. After the adoption of any such amendment, the budget, as amended, shall be the budget of the Issuer for the balance of the subject Fiscal Year. 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 the Consulting Engineers, 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 the Consulting Engineers 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, any amendments thereto and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the DEP 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, any amendments thereto and resolutions be furnished him or her and shall make available such budgets, any amendments thereto and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

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

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

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

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

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System so long as the Series 2003A Bonds are Outstanding. The Issuer shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 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 system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

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

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as any of the Series 2003A 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 said Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Bond Purchase Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

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

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

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

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

B. The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction. The Issuer shall also require all contractors engaged in the construction of the Project to carry such workers' compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the DEP. In the event the Bond Purchase Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interest 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 will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2003A Bonds required by state law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2003A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2003A Bonds and shall be for the equal benefit of all Holders of the Series 2003A Bonds, on parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.19. Compliance With Bond Purchase Agreement and Law. The Issuer shall perform, satisfy and comply with all terms and conditions of the Bond Purchase Agreement. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with all copies submitted to the Authority.

The Issuer also agrees to comply with the Act and all applicable laws, rules and regulations issued by the Authority, the DEP 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 7.20. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and

customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2003A Bonds or within ten days thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2003A Bonds held in "contingency" as set forth in the schedule attached to the Certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2003A Bonds made available due to bid or construction or project underruns.

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

Section 7.22. 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 2003A 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 2003A Bonds during the term thereof is, under the terms of the Series 2003A 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 to any property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2003A 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 2003A Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2003A 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 2003A 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% of the Net Proceeds of the Series 2003A Bonds or \$5,000,000 are

used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2003A Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure that tax-exempt status of the Series 2003A Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2003A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if 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 2003A 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 2003A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2003A Bonds as a condition of issuance of the Series 2003A 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 2003A Bonds as may be necessary in order to maintain the status of the Series 2003A 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 2003A 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 DEP, as the case may be, from which the proceeds of the Series 2003A 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 DEP, to ensure compliance with the covenants and agreements set forth in this Section 8.02, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation. The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2003A 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 2003A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2003A 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 2003A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2003A Bonds and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any registered Owner of the Series 2003A Bonds may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Holders of the Bonds including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Holders of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds or the rights of such Holders of the Bonds, provided however, that all rights and remedies of the Holders of the Series 2003A Bonds shall be on a parity with those of the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Holder of the Series 2003A Bonds 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 Holder 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 avenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Holders 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 possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Holder 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 cause to be paid, or there shall otherwise be paid, to the Holders of the Series 2003A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2003A 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 the issuance of the Series 2003A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following the issuance of the Series 2003A Bonds, no material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Holders of the Bonds shall be made without the consent in writing of the Holders of the Series 2003A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein respectively pledged therefor without the consent of the respective Holder 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.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Holders of the Series 2003A 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 2003A 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 and or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Resolution and the Prior Resolution (so long as the Prior Bonds are Outstanding) the more restrictive provision shall control.

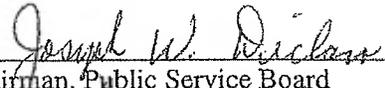
Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.07. Public Notice of Proposed Financing. Prior to making formal application to the PSC for a Certificate of Convenience and Necessity with respect to the Project, the Secretary of the Governing Body shall have caused to be published in a newspaper of general circulation within the boundaries of the Issuer, a Class II legal advertisement stating:

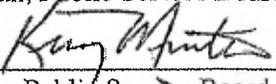
- (a) The maximum amount of the Series 2003A Bonds to be issued;
- (b) The maximum interest rates and terms of the Series 2003A Bonds originally authorized hereby;
- (c) The public service properties to be acquired or constructed and the cost of the same;
- (d) The maximum anticipated rates which will be charged by the Issuer; and
- (e) The date that the formal application for a Certificate of Convenience and Necessity is to be filed with the PSC.

Section 11.08. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 24th day of September, 2003.



Chairman, Public Service Board



Member, Public Service Board



Member, Public Service Board

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of NORTH BECKLEY PUBLIC SERVICE DISTRICT on the 24th day of September, 2003.

Dated: September 29, 2003.



Secretary

[SEAL]

EXHIBIT A

DESCRIPTION OF PROJECT

Acquisition and construction of certain upgrades to the North Beckley Public Service District's existing sewerage system, including without limitation, approximately 17.82 miles of gravity sewer lines, 4 pump stations and approximately 1.9 miles of force sewer main to serve customers in Beckley and Stanaford in Raleigh County, West Virginia, and related improvements and appurtenances thereto.

EXHIBIT B
BOND PURCHASE AGREEMENT

EXHIBIT C
CREDIT AGREEMENT

NORTH BECKLEY PUBLIC SERVICE DISTRICT
SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2003A
(WEST VIRGINIA SRF PROGRAM)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, REDEMPTION PROVISIONS, SALE PRICE AND OTHER TERMS OF THE SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003A (WEST VIRGINIA SRF PROGRAM) OF NORTH BECKLEY PUBLIC SERVICE DISTRICT; AUTHORIZING, RATIFYING AND APPROVING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A BOND REGISTRAR, DEPOSITORY BANK AND PAYING AGENT; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of North Beckley Public Service District (the "Issuer") has duly and officially adopted a Bond Resolution on September 24, 2003 (the "Resolution") entitled:

BOND RESOLUTION

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE SYSTEM OF NORTH BECKLEY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY NORTH BECKLEY PUBLIC SERVICE DISTRICT OF NOT MORE THAN FIVE MILLION THREE HUNDRED SEVEN THOUSAND SEVEN HUNDRED FORTY-ONE DOLLARS (\$5,307,741) IN AGGREGATE PRINCIPAL AMOUNT OF SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND THE WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION 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 Resolution when used herein.

WHEREAS, the Resolution provides for the issuance of Sewerage System Revenue Bonds, Series 2003A (West Virginia SRF Program) of the Issuer (the "Series 2003A Bonds"), in an aggregate principal amount not to exceed \$5,307,741, and has authorized the execution and delivery of a bond purchase agreement relating to the Series 2003A Bonds dated August 20, 2003 (the "Bond Purchase Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), all in accordance with Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Resolution it is provided that the form of the Bond Purchase Agreement and exact principal amount, date, maturity date, interest rate, interest and principal payment dates, redemption provisions, sale price and other terms of the Series 2003A Bonds should be established by a supplemental resolution pertaining to the Series 2003A Bonds; and that other matters relating to the Series 2003A Bonds be herein provided for;

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

WHEREAS, the Series 2003A Bonds are proposed to be purchased by the Authority pursuant to the Bond Purchase Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted and that the Bond Purchase Agreement be ratified, approved and entered into by the Issuer, that the exact principal amount, the date, the maturity date, the interest rate, the interest and principal payment dates, redemption provisions, sale price and other terms of the Series 2003A Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2003A Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF NORTH BECKLEY PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewerage System Revenue Bonds, Series 2003A (West Virginia SRF Program) of the Issuer, originally represented by a single bond, numbered AR-1, in the principal amount of \$5,307,741. The Series 2003A Bonds shall be dated the date of delivery thereof, shall finally mature on June 1, 2035, and shall bear no interest. The principal of the Series 2003A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2005 and maturing June 1, 2035, and in the amounts set forth in "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made part of the Series 2003A Bonds. The Series 2003A Bonds shall be subject to redemption upon the written consent of the Authority and DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the Bond Purchase Agreement, as long as the Authority shall be registered owner of the Series 2003A Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal

to .5% of the principal amount of the Series 2003A Bonds set forth in "Schedule Y" attached to the Bond Purchase Agreement.

Section 2. All other provisions relating to the Series 2003A Bonds and the text of the Series 2003A Bonds shall be in substantially the form provided in the Resolution.

Section 3. The Issuer does hereby authorize, ratify, approve and accept the Bond Purchase Agreement, a copy of which is incorporated herein by reference, and the execution and delivery by the Chairman of the Bond Purchase Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, ratified, approved and directed. The price of the Series 2003A Bonds shall be 100% of par value, there being no interest accrued thereon, provided that, the proceeds of the Series 2003A Bonds shall be advanced from time to time as requisitioned by the Issuer, and at closing there shall be requisitioned and advanced a portion of the proceeds in the amount of \$265,387, being more than a de minimis amount. The Issuer hereby affirms all covenants and representations made in the Bond Purchase Agreement and in the application to the DEP and the Authority.

Section 4. The Issuer does hereby appoint and designate United Bank, Inc., Charleston, West Virginia, as Registrar for the Series 2003A Bonds under the Resolution.

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 2003A Bonds under the Resolution.

Section 6. The Issuer does hereby appoint and designate United Bank, Inc., Beckley, West Virginia, as Depository Bank under the Resolution.

Section 7. The Series 2003A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2003A Bonds Sinking Fund as capitalized interest.

Section 8. The Series 2003A Bonds proceeds in the amount of \$176,928 shall be deposited in the Series 2003A Bonds Reserve Account.

Section 9. The remaining proceeds of the Series 2003A Bonds shall be deposited in the Series 2003A Bonds Construction Trust Fund as received from time to time for payment of costs of the Project, including costs of issuance of the Series 2003A Bonds.

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 Series 2003A Bonds hereby and by the Resolution approved and provided for, to the end that the Series 2003A Bonds may be delivered to the Authority pursuant to the Bond Purchase Agreement on or about September 29, 2003, or as soon thereafter as practicable.

Section 11. The acquisition and construction of the Project and the permanent financing of the Costs thereof with the proceeds of the Series 2003A Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of

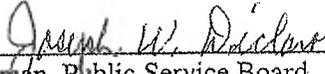
the residents of the Issuer. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

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 Resolution held by the Depository Bank in time deposits of the Depository Bank meeting the requirements set forth under the definition of "Qualified Investments" in the Bond Resolution 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 time deposits, until further directed by the Issuer. Monies in the Series 2003A Bonds Sinking Fund, including the Series 2003A Bonds Reserve Account therein, shall be invested by the Municipal Bond Commission in the West Virginia Consolidated Fund.

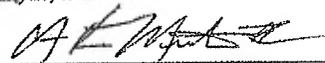
Section 13. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 24th day of September, 2003.

NORTH BECKLEY PUBLIC SERVICE DISTRICT



Chairman, Public Service Board



Member, Public Service Board



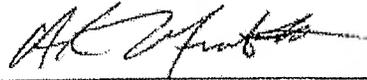
Member, Public Service Board

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of NORTH BECKLEY PUBLIC SERVICE DISTRICT on the 24th day of September, 2003.

Dated: September 29, 2003.

[SEAL]



Secretary

NORTH BECKLEY PUBLIC SERVICE DISTRICT

**SEWER REVENUE BONDS, SERIES 2009 A
(WEST VIRGINIA SRF PROGRAM); AND
SEWER REVENUE BONDS, SERIES 2009 B
(WEST VIRGINIA SRF PROGRAM/ARRA)**

BOND RESOLUTION

Table of Contents

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01	Authority for this Resolution
Section 1.02	Findings
Section 1.03	Bond Legislation Constitutes Contract
Section 1.04	Definitions

ARTICLE II

**AUTHORIZATION OF ACQUISITION AND CONSTRUCTION
OF THE PROJECT AND PAYMENT OF THE PRIOR NOTE**

Section 2.01	Authorization of Acquisition and Construction of the Project
Section 2.02	Authorization of Payment of Prior Note

ARTICLE III

**AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND
SALE OF BONDS; AUTHORIZATION AND EXECUTION OF ARRA
ASSISTANCE AGREEMENT**

Section 3.01	Authorization of Bonds
Section 3.02	Terms of Bonds
Section 3.03	Execution of Bonds
Section 3.04	Authentication and Registration
Section 3.05	Negotiability, Transfer and Registration
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost
Section 3.07	Bonds not to be Indebtedness of the Issuer

Section 3.08	Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds
Section 3.09	Delivery of Bonds
Section 3.10	Form of Bonds FORM OF SERIES 2009 A BOND FORM OF SERIES 2009 B BOND
Section 3.11	Sale of Bonds; Approval and Ratification of Execution of ARRA Assistance Agreement
Section 3.12	"Amended Schedule" Filing

**ARTICLE IV
[RESERVED]**

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

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

**ARTICLE VI
BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS**

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

**ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER**

Section 7.01	General Covenants of the Issuer
Section 7.02	Bonds not to be Indebtedness of the Issuer
Section 7.03	Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Bonds
Section 7.04	Initial Schedule of Rates and Charges
Section 7.05	Sale of the System
Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances
Section 7.07	Parity Bonds
Section 7.08	Books; Records and Audit
Section 7.09	Rates
Section 7.10	Operating Budget and Monthly Financial Report
Section 7.11	Engineering Services and Operating Personnel

Section 7.12	No Competing Franchise
Section 7.13	Enforcement of Collections
Section 7.14	No Free Services
Section 7.15	Insurance and Construction Bonds
Section 7.16	Mandatory Connections
Section 7.17	Completion and Operation of Project; Permits and Orders
Section 7.18	Reserved
Section 7.19	Statutory Mortgage Lien
Section 7.20	Compliance with ARRA Assistance Agreement and Law
Section 7.21	Securities Laws Compliance
Section 7.22	Contracts; Change Orders, Public Releases

**ARTICLE VIII
INVESTMENT OF FUNDS**

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

**ARTICLE IX
DEFAULT AND REMEDIES**

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

**ARTICLE X
PAYMENT OF BONDS**

Section 10.01	Payment of Bonds
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**ARTICLE XI
MISCELLANEOUS**

Section 11.01	Amendment or Modification of Bond Legislation
Section 11.02	Bond Legislation Constitutes Contract
Section 11.03	Severability of Invalid Provisions
Section 11.04	Headings, Etc.
Section 11.05	Conflicting Provisions Repealed
Section 11.06	Covenant of Due Procedure, Etc.
Section 11.07	Effective Date
	SIGNATURES
	CERTIFICATION
	EXHIBIT A

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NORTH BECKLEY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE PAYMENT IN FULL OF THE DISTRICT'S UNITED BANK NOTE AND ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF NORTH BECKLEY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF \$4,544,324 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), SEWER REVENUE BONDS AND \$2,415,521 IN AGGREGATE PRINCIPAL AMOUNT OF SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA); 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 ARRA ASSISTANCE 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 NORTH BECKLEY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

A. North Beckley Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Raleigh 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 improvements and extensions to the existing public sewerage system of the Issuer, consisting of extending its sewer system into the Lanark area of Raleigh County and adding 301 customers, and necessary appurtenances relating thereto, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the existing public sewer facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer has heretofore temporarily financed the design and other preliminary costs of the Project by the issuance of the United Bank Note, dated September 24, 2003 issued in the original aggregate principal amount of \$200,000 (the "Prior Note").

D. It is deemed necessary and desirable for the Issuer to pay the Prior Note.

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

F. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds in the total aggregate principal amount of \$6,959,845, in two series, being the (1) Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), in the aggregate principal amount of \$4,544,324 (the "Series 2009 A Bonds") and (2) Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), in the aggregate principal amount of \$2,415,521 (the "Series 2009 B Bonds") (collectively, the "Series 2009 Bonds"), to pay the Prior Note and permanently finance a portion of the costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2009 Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined); the costs of paying the Prior Note in full; engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority,

including the SRF Administrative Fee (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2009 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 2009 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

G. The period of usefulness of the System after completion of the Project is not less than 30 years.

H. It is in the best interests of the Issuer that its Series 2009 A Bonds and Series 2009 B Bonds be sold to the Authority pursuant to the terms and provisions of an ARRA assistance agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the respective parties (the "ARRA Assistance Agreement"), approved hereby if not previously approved by resolution of the Issuer.

I. Upon payment of the Prior Note, there are outstanding obligations of the Issuer which will rank on a parity with the Series 2009 Bonds as to liens, pledge and source of and security for payment, being the Issuer's (i) Sewerage System Revenue Bonds, Series 1999 (West Virginia SRF Program), dated January 28, 1999, issued in the original aggregate principal amount of \$8,090,898 (the "Series 1999 Bonds"); and (ii) Sewerage System Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated September 29, 2003, issued in the original aggregate principal amount of \$5,307,741 (the "Series 2003 A Bonds") (hereinafter collectively, the "Prior Bonds").

The Series 2009 Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2009 Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2009 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Resolutions.

J. The estimated revenues to be derived in each year following completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest, if any, on the Series 2009 Bonds and the Prior Bonds, and to make payments into all funds and accounts and other payments provided for herein.

K. The Issuer has complied with all requirements of West Virginia law and the ARRA Assistance Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2009 Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Project and the financing thereof by the West Virginia Infrastructure 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 2009 Bonds or such final order will not be subject to appeal or rehearing.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2009 Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2009 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

“ARRA Assistance Agreement” means the ARRA Assistance Agreement heretofore entered into, or to be entered into, by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2009 A Bonds and the Series 2009 B 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.

“Authority” means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2009 Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP under the Act.

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

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

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

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

“Bonds” means, collectively, the Series 2009 Bonds, the Prior Bonds and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

“Bond 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 2009 Bonds for all or a portion of the proceeds of the Series 2009 Bonds from the Authority.

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

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

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

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

"DEP" means the West Virginia Department of Environmental Protection or any other agency, board or department of the State that succeeds to the functions of the DEP.

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

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

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

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

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

"Grants" means all 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.

"I&I Fund" means the I&I Fund created by the Prior Resolution.

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

"Issuer" means North Beckley Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Raleigh

County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

“Net Proceeds” means the face amount of the Series 2009 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Reserve Accounts. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2009 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.

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

“Outstanding,” when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which 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 2009 Bonds in the Supplemental Resolution.

“Prior Bonds” means, collectively, the Series 1999 Bonds and the Series 2003 A Bonds.

"Prior Note" or "United Bank Note" means the United Bank Note, dated September 24, 2003 issued in the original aggregate principal amount of \$200,000.

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

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

"Qualified Investments" means and includes 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 Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended; and

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2009 Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts of the Series 2009 Bonds and the Prior Bonds.

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

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

"Series 1999 Bonds" means the Issuer's Sewerage System Revenue Bonds, Series 1999 (West Virginia SRF Program), dated January 28, 1999, issued in the original aggregate principal amount of \$8,090,898.

“Series 2003 A Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated September 29, 2003, issued in the original aggregate principal amount of \$5,307,741.

“Series 2009 Bonds” means, collectively, the Series 2009 A Bonds and the Series 2009 B Bonds.

“Series 2009 A Bonds” means the Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), of the Issuer, authorized by this Resolution.

“Series 2009 A Bonds Construction Trust Fund” means the Series 2009 A Bonds Construction Trust Fund established by Section 5.01 hereof.

“Series 2009 A Bonds Reserve Account” means the Series 2009 A Bonds Reserve Account established by Section 5.02 hereof.

“Series 2009 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 2009 A Bonds in the then current year or any succeeding year.

“Series 2009 A Bonds Sinking Fund” means the Series 2009 A Bonds Sinking Fund established by Section 5.02 hereof.

“Series 2009 B Bonds” means the Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, authorized by this Resolution.

“Series 2009 B Bonds Construction Trust Fund” means the Series 2009 B Bonds Construction Trust Fund established by Section 5.01 hereof.

“Series 2009 B Bonds Reserve Account” means the Series 2009 B Bonds Reserve Account established by Section 5.02 hereof.

“Series 2009 B 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 2009 B Bonds in the then current or any succeeding year.

“Series 2009 B Bonds Sinking Fund” means the Series 2009 B Bonds Sinking Fund established by Section 5.02 hereof.

“Sinking Funds” means, collectively, the respective Sinking Funds established for the Series 2009 Bonds and the Prior Bonds.

“SRF Administrative Fee” means any administrative fee required to be paid under the ARRA Assistance Agreement for the Series 2009 A Bonds and Series 2009 B Bonds.

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

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

“State” means the State of West Virginia.

“Supplemental Resolution” means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article “the,” refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 2009 Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2009 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 2009 Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

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

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

Additional terms and phrases are defined in this Resolution as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT AND PAYMENT OF THE PRIOR NOTE

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, including the payment of the Prior Note, at an estimated cost of \$7,029,845, 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 2009 Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the Authority and the DEP.

The cost of the Project is estimated to be \$7,029,845, of which approximately \$4,544,324 will be obtained from proceeds of the Series 2009 A Bonds, approximately \$2,415,521 will be obtained from proceeds of the Series 2009 B Bonds, \$40,000 will be obtained from a grant from the Raleigh County Solid Waste Authority and \$30,000 will be obtained from a grant from the Raleigh County Commission.

Section 2.02. Authorization of Payment of Prior Note. The Prior Note outstanding as of the date of issuance of the Series 2009 Bonds are hereby ordered to be paid in full, and the pledge of assets, if any, in favor of the Holders of the Prior Note, and the monies in the funds and accounts created by the Prior Note pledged to payment of the Prior Note, if any, and any other funds pledged to pay of the Prior Note, if any, are hereby ordered terminated, discharged and released upon the payment to the Holder of the Prior Note from the proceeds of the Series 2009 Bonds and from other monies available therefor, of the following: an amount equal to the fiscal and paying agent charges to become due and payable in connection with the Prior Note and an amount which will provide for the payment of the entire outstanding principal of and all accrued interest on the Prior Note, plus the premium, if any, on the Closing Date.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF ARRA ASSISTANCE AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of paying the Prior Note, capitalizing interest, if any, on the Series 2009 Bonds, funding the respective Reserve Accounts for the Series 2009 Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2009 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 2009 Bonds of the Issuer. The Series 2009 Bonds shall be issued in two series, each as a single bond, designated respectively as "Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program)," in the principal amount of \$4,544,324, and "Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA)," in the principal amount of \$2,415,521, and all shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2009 Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalizing interest, if any, on the Series 2009 Bonds, if any, shall be deposited in or credited to the respective Bond Construction Trust Funds established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2009 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 ARRA Assistance Agreement. The Series 2009 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 2009 Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2009 Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of each series of the Series 2009 Bonds. The Series 2009 Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2009 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 2009 Bonds shall cease to be such officer of the Issuer before the Series 2009 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 2009 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. The Bond Registrar for the Series 2009 Bonds shall be the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns. No Series 2009 Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2009 Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2009 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 2009 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that such Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2009 Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Series 2009 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 2009 Bonds or transferring the registered Series 2009 Bonds are exercised, all Series 2009 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2009 Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2009 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 Series 2009 Bonds or, in the case of any proposed redemption of Series 2009 Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2009 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2009 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 2009 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2009 Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of the Series 2009 A Bonds and the Series 2009 B Bonds shall be secured forthwith equally and ratably with each other

by a first lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2009 Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2009 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2009 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 2009 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 2009 Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. An executed copy of the ARRA Assistance Agreement; and
- E. The unqualified approving opinion of bond counsel on the Series 2009 Bonds.

Section 3.10. Form of Bonds. The text of each series of the Series 2009 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 2009 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
NORTH BECKLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2009 A
(WEST VIRGINIA SRF PROGRAM)

No. AR- _____

\$ _____

KNOW ALL MEN BY THESE PRESENTS: The ____ day of _____, 2009, that NORTH BECKLEY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Raleigh County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____ to and including _____ 1, 20____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The Series 2009 A Bonds shall not be subject to the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation).

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the ARRA Assistance Agreement by and among the Issuer, the Authority and the DEP, dated _____, 2009.

This Bond is issued (i) to pay in full the Issuer's Prior Note; (ii) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public sewerage system of the Issuer (the "Project"); (iii) to partially fund the Series 2009 A Bonds Reserve Account; and (iv) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project and any further improvements or extensions thereto are herein called the

“System.” This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the “Act”), and a Bond Resolution duly adopted by the Issuer on _____, 2009, and a Supplemental Resolution duly adopted by the Issuer on _____, 2009 (collectively, the “Bond Legislation”), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER’S: (1) SEWERAGE SYSTEM REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,090,898 (THE “SERIES 1999 BONDS”); (2) SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$5,307,741 (THE “SERIES 2003 A BONDS”) (COLLECTIVELY, THE “PRIOR BONDS”); AND (3) SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA), DATED _____, 2009, ISSUED CONCURRENTLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$ _____ (THE “SERIES 2009 B BONDS”).

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Series 2009 B Bonds and the Prior Bonds and from monies in the reserve account created under the Bond Legislation for the Bonds (the “Series 2009 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 2009 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 or junior to the Bonds, including the Series 2009 B Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2009 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 or junior to the Bonds, including the Series 2009 B Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of The 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 money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the Prior Note and 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.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, NORTH BECKLEY 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 the day and year first written above.

[SEAL]

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2009.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, _____

In the presence of:

(FORM OF SERIES 2009 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
NORTH BECKLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2009 B
(WEST VIRGINIA SRF PROGRAM/ARRA)

No. BR-_____

\$_____

KNOW ALL MEN BY THESE PRESENTS: The ____ day of _____, 2009, that NORTH BECKLEY PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Raleigh County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____ to and including _____ 1, 20____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The Series 2009 B Bonds shall not be subject to the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation).

This Bond shall bear no interest. Principal installments of this Bond are 100% forgivable as set forth in the ARRA Assistance Agreement.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the ARRA Assistance Agreement by and among the Issuer, the Authority and the DEP, dated _____, 2009.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public sewerage system 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 system of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Resolution duly adopted by the Issuer on _____, 2009, and

a Supplemental Resolution duly adopted by the Issuer on _____, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S: (1) SEWERAGE SYSTEM REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JANUARY 28, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,090,898 (THE "SERIES 1999 BONDS"); (2) SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM), DATED SEPTEMBER 29, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$5,307,741 (THE "SERIES 2003 A BONDS") (COLLECTIVELY, THE "PRIOR BONDS") AND (3) SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), DATED _____, 2009, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$_____ (THE "SERIES 2009 A BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Series 2009 A Bonds and the Prior Bonds and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2009 B Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute 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 2009 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Bonds, including the Series 2009 A Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2009 B 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 or junior to the Bonds, including the Series 2009 A Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation.

Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of The 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 money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such 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.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, NORTH BECKLEY 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 the day and year first written above.

[SEAL]

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2009.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A
RECORD OF ADVANCES

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

TOTAL \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

Dated: _____.

In the presence of:

Section 3.11. Sale of Bonds: Approval and Ratification of Execution of ARRA Assistance Agreement. The Series 2009 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the respective ARRA Assistance Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the ARRA Assistance 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 ARRA Assistance Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The ARRA Assistance Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Bond Legislation.

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

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- (1) Revenue Fund (established by the Prior Resolutions);
- (2) Renewal and Replacement Fund (established by the Prior Resolutions);
- (3) I&I Fund (established by Prior Resolution and continued hereby);
- (4) Series 2009 A Bonds Construction Trust Fund; and
- (5) Series 2009 B Bonds Construction Trust Fund.

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

- (1) Series 1999 Bonds Sinking Fund (established by Prior Resolution);
- (2) Series 1999 Bonds Reserve Account (established by Prior Resolution);
- (3) Series 2003 A Bonds Sinking Fund (established by Prior Resolution);
- (4) Series 2003 A Bonds Reserve Account (established by Prior Resolution);
- (5) Series 2009 A Bonds Sinking Fund;
- (6) Series 2009 A Bonds Reserve Account;
- (7) Series 2009 B Bonds Sinking Fund; and

(8) Series 2009 B Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order of priority:

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Commission, as appropriate, the amounts required to pay principal of the Prior Bonds, as required by the Prior Resolutions; (ii) remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2009 A Bonds, for deposit in the Series 2009 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2009 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 2009 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; and (iii) remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2009 B Bonds, for deposit in the Series 2009 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2009 B Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2009 B Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i)

remit to the Commission, as appropriate, the amounts required by the Prior Resolutions for deposit in the respective Reserve Accounts for the Prior Bonds; (ii) remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2009 A Bonds, if not fully funded upon issuance of the Series 2009 A Bonds, for deposit in the Series 2009 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2009 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2009 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 2009 A Bonds Reserve Requirement; and (iii) remit to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2009 B Bonds, if not fully funded upon issuance of the Series 2009 B Bonds, for deposit in the Series 2009 B Bonds Reserve Account, an amount equal to 1/120th of the Series 2009 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2009 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2009 B Bonds Reserve Requirement.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, a sum equal to 2 ½% of the Gross Revenues each month (as previously set forth in the Prior Resolutions and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of the month, transfer from the Revenue Fund and deposit into the I&I Fund,

all amounts remaining in the Revenue Fund after making the transfers set forth in paragraphs 1 through 5 above, until the sum of \$18,000 has been deposited therein during the then current month. All funds in the I&I Fund shall be kept separate and apart from all other funds of the Issuer and the Depository Bank.

Withdrawals and disbursements from the I&I Fund shall be made by the Issuer only for correcting problems with inflow and infiltration with respect to the System and only in accordance with the applicable orders of the PSC, provided that the I&I Fund shall only be required to be maintained and funded as long as required by the PSC.

Monies in the Series 2009 A Bonds Sinking Fund and Series 2009 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2009 A Bonds and Series 2009 B Bonds, respectively, as the same shall become due. Monies in the Series 2009 A Bonds Reserve Account and Series 2009 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2009 A Bonds and Series 2009 B Bonds, respectively, as the same shall come due, when other monies in the Series 2009 A Bonds Sinking Fund and Series 2009 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2009 A Bonds Sinking Fund, the Series 2009 A Bonds Reserve Account, the Series 2009 B Bonds Sinking Fund, and the Series 2009 B Bonds Reserve Account, shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the respective Bond Construction Trust Funds, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2009 A Bonds and Series 2009 B Bonds, respectively, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2009 A Bonds Reserve Account or Series 2009 B Bonds Reserve Account which result in a reduction in the balance therein to below the respective Reserve Requirements shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2009 Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2009 A Bonds Sinking Fund, the Series 2009 A Bonds Reserve Account, the

Series 2009 B Bonds Sinking Fund and the Series 2009 B Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the respective aggregate principal amount of the Series 2009 A Bonds and the Series 2009 B 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 2009 A Bonds Sinking Fund, the Series 2009 A Bonds Reserve Account, the Series 2009 B Bonds Sinking Fund and the Series 2009 B Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2009 A Bonds Sinking Fund, the Series 2009 A Bonds Reserve Account, the Series 2009 B Bonds Sinking Fund and the Series 2009 B Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2009 A Bonds Sinking Fund, the Series 2009 A Bonds Reserve Account, the Series 2009 B Bonds Sinking Fund and the Series 2009 B Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2009 A Bonds and Series 2009 B Bonds, respectively, 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, if any, and reserve account payments with respect to the Series 2009 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. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Schedule Y attached to the ARRA Assistance Agreement for the Series 2009 Bonds.

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

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to

be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the respective parties 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 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 all funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. A. From the monies received from the sale of the Series 2009 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

(a) From the proceeds of the Series 2009 A Bonds, there shall first be deposited with the Commission in the Series 2009 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 2009 A Bonds for the period commencing on the date of issuance of the Series 2009 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 2009 A Bonds, there shall be deposited with the Commission in the Series 2009 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2009 A Bonds Reserve Account.

(c) Next, from the proceeds of the Series 2009 A Bonds, there shall be deposited with United Bank an amount sufficient to pay in full the outstanding principal of, interest on, for the Prior Note on the Closing Date.

(d) As the Issuer receives advances of the remaining monies derived from the sale of the Series 2009 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2009 A Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2009 A Bonds.

(e) After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2009 A Bonds shall be used to fund the Series 2009 A Bonds Reserve Account, if not funded upon issuance of the Series 2009 A Bonds, in an amount not to exceed the Series 2009 A Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 2009 A Bonds be deposited in the Series 2009 A Bonds Reserve Account. Any remaining proceeds thereafter shall be used as directed by the DEP.

B. From the monies received from the sale of the Series 2009 B Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

(a) From the proceeds of the Series 2009 B Bonds, there shall first be deposited with the Commission in the Series 2009 B Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2009 B Bonds for

the period commencing on the date of issuance of the Series 2009 B Bonds and ending 6 months after the estimated date of completion of construction of the Project.

(b) Next, from the proceeds of the Series 2009 B Bonds, there shall be deposited with the Commission in the Series 2009 B Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2009 B Bonds Reserve Account.

(c) As the Issuer receives advances of the remaining monies derived from the sale of the Series 2009 B Bonds, such monies shall be deposited with the Depository Bank in the Series 2009 B Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2009 B 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 2009 B Bonds shall be used as directed by the DEP.

Section 6.02. Disbursements From the Bond Construction Trust Fund.

On or before the Closing Date, the Issuer shall have delivered to the DEP and the Authority a report listing the specific purposes for which the proceeds of the Series 2009 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2009 A Bonds Construction Trust Fund shall be made only after submission to and approval from the DEP, of a completed and signed "Payment Requisition Form," a form of which is attached to the ARRA Assistance Agreement for the Series 2009 A Bonds and Series 2009 B Bonds, in compliance with the construction schedule, and

Pending such application, monies in the respective Bond Construction Trust Funds shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2009 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 2009 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The payment of the debt service of the Series 2009 A Bonds and the Series 2009 B Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2009 Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Bonds. The payment of the debt service of the Series 2009 A Bonds and the Series 2009 B Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2009 Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 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 and shall provide an opinion of counsel to the Issuer of such effect. Such rates and charges shall be sufficient to comply with the requirements of the ARRA Assistance Agreement and the Issuer shall supply a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Recommended Decision of the Public Service Commission of West Virginia entered July 25, 2008, which became Final Order on August 14, 2008 in Case No. 08-0525-PSD-CN, and such rates are hereby adopted.

So long as the Series 2009 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 ARRA Assistance Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2009 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the ARRA Assistance 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 ARRA Assistance Agreement.

Section 7.05. Sale of the System. So long as the Series 2009 Bonds and the Prior Bonds are outstanding and except as otherwise required by law or with the written consent of the DEP and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2009 Bonds, immediately be remitted to the Commission for deposit in the Sinking Funds, and, with the written permission of the DEP and the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2009 Bonds. Any balance remaining after the payment of the Series 2009 Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2009 Bonds and the Prior Bonds. All obligations issued by the Issuer after the issuance of the Series 2009 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2009 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2009 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 2009 Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, ~~the limitations on the issuance of parity obligations set forth in the Prior Resolution shall be applicable.~~ In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2009 Bonds pursuant to this Bond Legislation, ~~without the prior written consent of the Authority and the DEP 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 2009 Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the 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, 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 expected 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 expected 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 2009 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 2009 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 DEP and the Authority, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the DEP and the Authority such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

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

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner

and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the DEP and the Authority, or any other original purchaser of the Series 2009 Bonds, and shall mail in each year to any Holder or Holders of the Series 2009 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 (and to the extent legally required, in compliance with the applicable OMB Circular and the Single Audit Act, or any successor thereto), 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 2009 Bonds, and shall submit said report to the DEP and the Authority, or any other original purchaser of the Series 2009 Bonds. Such audit report submitted to the DEP and the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the ARRA Assistance Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in EXHIBIT E of the ARRA Assistance Agreement for the Series 2009 Bonds or as promulgated from time to time.

Section 7.09. Rates. Prior to the issuance of the Series 2009 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 2009 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2009 Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2009 A Bonds Reserve Account, the Series 2009 B Bonds Reserve Account and the reserve accounts for obligations on a parity with or junior to the Series 2009 Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2009 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2009 Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the DEP and the Authority within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a

professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the DEP and the Authority and to any Holder of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the DEP and the Authority and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

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

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

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

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the ARRA Assistance Agreement for the Series 2009 Bonds as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

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

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

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 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 system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

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

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

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

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

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

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

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

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

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

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

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

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

Section 7.17. Completion and Operation of Project; Permits and Orders.

The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia necessary for the acquisition and construction of the Project, the operation of the System and all approvals for issuance of the Bonds required by State law, with all requisite appeal periods having expired without successful appeal and the Issuer shall provide an opinion of counsel to such effect.

Section 7.18. Reserved.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2009 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2009 Bonds and shall be on a parity with the Prior Bonds.

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

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

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

Section 7.22. Contracts; Change Orders; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2009 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2009 Bonds held in "contingency" as set forth in the respective schedules attached to the certificate of the Consulting Engineer. The Issuer shall also obtain

the written approval of the DEP before expending any proceeds of the Series 2009 Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENT OF FUNDS

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, or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2009 Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest, if any, on the Series 2009 Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2009 Bonds as a condition to issuance of the Series 2009 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 2009 Bonds as may be necessary in order to maintain the status of the Series 2009 Bonds as public purpose 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 2009 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 DEP, as the case may be, from which the proceeds of the Series 2009 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 DEP, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2009 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 2009 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2009 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 2009 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2009 Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond;

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

(4) If default occurs with the Prior Bonds.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2009 Bonds shall be on a parity with the Holders of the Prior Bonds.

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

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

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

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

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

Legislation, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2009 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 2009 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2009 Bonds from gross income for federal income tax purposes.

ARTICLE XI
MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2009 Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2009 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 2009 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2009 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2009 Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2009 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 2009 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.

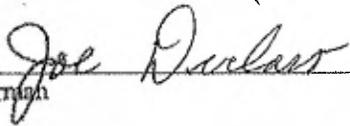
Section 11.05. Conflicting Provisions Repealed. All orders or resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.06. 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.

[Remainder of Page Intentionally Blank]

Adopted this 8th day of October, 2009.


Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board
of NORTH BECKLEY PUBLIC SERVICE DISTRICT on the 8th day of October, 2009.

Dated: October 29, 2009.

[SEAL]



Secretary

10.07.09
662490.00002

EXHIBIT A

ARRA Assistance Agreement included in bond transcript as Documents 3.

North Beckley Public Service District
Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program) and
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM) AND SEWER REVENUE BONDS, SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA), OF NORTH BECKLEY PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE ARRA AGREEMENT AGREEMENTS RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of North Beckley Public Service District (the "Issuer") has duly and officially adopted a bond resolution on October 8, 2009 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF NORTH BECKLEY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF \$4,544,324 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA SRF PROGRAM), SEWER REVENUE BONDS AND \$2,415,521 IN AGGREGATE PRINCIPAL AMOUNT OF SERIES 2009 B (WEST VIRGINIA SRF PROGRAM/ARRA); 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 ARRA ASSISTANCE AGREEMENTS RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Resolution provides for the issuance of Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program) and Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer (collectively, the "Bonds" and individually, the "Series 2009 A Bonds" and the "Series 2009 B Bonds"), in the respective aggregate principal amounts not to exceed \$4,544,324 and \$2,415,521, and has authorized the execution and delivery of the ARRA assistance agreement relating to the Series 2009 A Bonds and Series 2009 B Bonds, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") (collectively, the "ARRA Assistance Agreement"), all in accordance with Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Resolution it is provided that the form of the ARRA Assistance Agreement and the exact principal amounts, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the 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 ARRA Assistance Agreement has been presented to the Issuer at this meeting;

WHEREAS, the Bonds are proposed to be purchased by the Authority pursuant to the ARRA Assistance Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the ARRA Assistance Agreement be approved and ratified by the Issuer, that the exact principal amounts, the dates, the maturity dates, the redemption provisions, the interest rates, the interest and principal payment dates, the sale prices 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 NORTH BECKLEY PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the following bonds of the Issuer:

A. Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$4,544,324. The Series 2009 A Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2041, and shall bear no interest. The principal of the Series 2009 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2011, to and including March 1, 2041, and in the amounts as set forth in the "Schedule Y" attached to the ARRA Assistance Agreement and incorporated in and made a part of the Series 2009 A Bonds. The Series 2009 A Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the ARRA Assistance Agreement, so long as the Authority shall be the registered owner of the Series 2009 A Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 1% of the principal amount of the Series 2009 A Bonds set forth in the "Schedule Y" attached to the ARRA Assistance Agreement.

B. Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of \$2,415,521. The Series 2009 B Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2021, and shall bear no interest. The principal of the Series 2009 B Bonds shall be forgivable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2011, to and including March 1, 2021, and in the amounts as set forth in the "Schedule Y" attached to the ARRA Assistance Agreement and incorporated in and made a part of the Series 2009 B Bonds. The Series 2009 B Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the ARRA Assistance Agreement, so long as the Authority shall be the registered owner of the Series 2009 B Bonds. The Series 2009 B Bonds shall not be subject to the SRF Administrative Fee.

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 ARRA Assistance Agreement, and the execution and delivery of the ARRA Assistance 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 ARRA Assistance Agreement and in the applications to the DEP and the Authority. The price of the Bonds shall be 100%

of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

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

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

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

Section 7. Series 2009 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2009 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2009 A Bonds proceeds in the amount of \$17,870 shall be deposited in the Series 2009 A Bonds Reserve Account to fund the Series 2009 A Bonds Reserve Account.

Section 9. Series 2009 A Bonds proceeds in the amount of \$159,521 shall be wired to United Bank, Inc., Beckley, West Virginia to pay the outstanding principal balance of and all accrued interest on the Issuer's United Bank Note, dated September 24, 2003 issued in the original aggregate principal amount of \$200,000 (the "Prior Note").

Section 10. Series 2009 B Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2009 B Bonds Reserve Account.

Section 11. Series 2009 B Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2009 B Bonds Sinking Fund, as capitalized interest.

Section 12. The balance of the proceeds of the Series 2009 A Bonds and the Series 2009 B Bonds shall be deposited in or credited to the respective Bond Construction Trust Funds for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2009 Bonds and related costs.

Section 13. The Issuer does hereby direct the West Virginia Municipal Bond Commission to transfer excess funds of the Issuer in the amount of \$133,610 to the Series 2009 A Bonds Reserve Account. The \$133,610 transfer and \$17,870 deposit will fully fund the Series 2009 A Bonds Reserve Account.

Section 14. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Bonds may be delivered on or about October 29, 2009, to the Authority pursuant to the ARRA Assistance Agreement.

Section 15. The payment of the Prior Note and the acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 16. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Resolution held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Moneys in the Sinking Funds and the Reserve Accounts shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 17. The ARRA requirements in the ARRA Assistance Agreement are attached hereto as Exhibit A and hereby incorporated by reference.

Section 18. This Supplemental Resolution shall be effective immediately following adoption hereof.

[Remainder of Page Intentionally Blank]

Adopted this 8th day of October, 2009.

NORTH BECKLEY PUBLIC SERVICE DISTRICT

By: Joe Wiselars
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of North Beckley Public Service District on the 8th day of October, 2009.

Dated: October 29, 2009.

[SEAL]


Secretary

10.01.09
662490.00002

CH5219116.1

EXHIBIT A

SPECIAL CONDITIONS – ARRA FUNDED PROJECTS

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

B. AUDIT REQUIREMENT (Supplement to Article IV 4.1 (b) (xi)) -- Effective October 1, 2003, the Local Government that receives \$500,000 or more (in federal funds) in a fiscal year must obtain audits in accordance with the Single Audit Act and the applicable OMB Circular or any successor thereto. Financial statement audits are required once all funds have been received by the Local Government.

C. BUY AMERICAN CERTIFICATION – The Local Government shall cause the contractor(s) to comply with, and provide certification of, the Buy American provisions of the ARRA in accordance with final guidance from the EPA.

D. ASSET MANAGEMENT – The Local Government shall develop and implement an asset management plan in accordance with guidelines issued by DEP and is approved by DEP.

E. CONTRACTS – The Local Government shall enter into contracts or commence construction by February 17, 2010.

F. LOGO – The Local Government must display the ARRA logo in a manner that informs the public that the project is an ARRA investment.

G. LOBBYING - The Local Government shall comply with Title 40 CFR Part 34, New Restrictions on Lobbying and shall submit certification and disclosure forms as required by DEP.

H. PURCHASING REQUIREMENTS – The Local Government shall comply with Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price exceeds \$10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was \$10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

I. SUSPENSION AND DEBARMENT – The Local Government shall comply with Subpart C of 2 CFR Part 180 and 2 CFR Part 1532, entitled “Responsibilities of Participants Regarding Transactions (Doing Business with Other Persons). To the extent required by DEP, the Local Government shall provide certifications as to compliance.

J. REPORTING – The Local Government shall comply with all requests for data related to the use of the funds provided under this agreement, including the information required in section 1512 of ARRA when requested by DEP.

K. INSPECTOR GENERAL REVIEWS – The Local Government shall allow any appropriate representative of the Office of US Inspector General to (1) examine its records relating to the Project and this ARRA Assistance Agreement and (2) interview any officer or employee of the Local Government.

L. FALSE CLAIMS – The Local Government must promptly refer to EPA’s Inspector General any credible evidence that a principal, employee, agent, sub-grantee contractor, subcontractor, loan recipient, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving funds provided under this ARRA Assistance Agreement.

M. LIMIT ON FUNDS – The Local Government shall not use funds for particular activities for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

N. WAGE RATES – The Local Government shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 32 of title 40, United States Code. The Local Government must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements applicable to ARRA funds.

O. OFFICE OF MANAGEMENT AND BUDGET (OMB) GUIDANCE – The Local Government acknowledges and agrees that this ARRA Assistance is subject to all applicable provisions of implementing guidance for the American Recovery and Reinvestment Act of 2009 issued by the United States Office of Management and Budget, including the Initial Implementing Guidance for the American Recovery and Reinvestment Act (M-09-10) issued on February 18, 2009 and available on www.recovery.gov, and any subsequent guidance documents issued by OMB.

P. DISADVANTAGED BUSINESS ENTERPRISE – Pursuant to 40 CFR, Section 33.301, the Local Government agrees to make good faith efforts whenever procuring construction, equipment, services and supplies, and to require that prime

contractors also comply. The Local Government shall provide DEP with MBE/WBE participation reports semi-annually.

Q. CIVIL RIGHTS – The Local Government shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and a variety of program-specific statutes with nondiscrimination requirements. The Local Government shall also comply with Title VII of the Civil Rights Act of 1964 (prohibiting race, color, national origin, religion, and sex discrimination in employment), the Americans with Disabilities Act (prohibiting disability discrimination in employment and in services provided by State and local governments, businesses, and non-profit agencies), and the Fair Housing Act (prohibiting race, color, national origin, age, family status, and disability discrimination in housing), as well as any other applicable civil rights laws.

R. BOND DESIGNATION – Each Local Bond funded by ARRA funds shall be designated “Series [2009] B” and shall contain “(WVCWSRF Program/ARRA)” in the bond name.

S. USER RATES – The Local Government shall covenant that it will not reduce its approved or enacted customer rates for at least eighteen months after completion of the Project or until such time as a cost of service study has been completed establishing the actual operation and maintenance expenses.

T. RESERVE ACCOUNT –The Local Government shall contribute \$133,610 from excess funds at the West Virginia Municipal Bond Commission for deposit into the Series 2009 A Reserve Account. Not more than \$22,145 of the proceeds of the Series 2009 A Bonds may be deposited to the Series 2009 A Reserve Account.

SRF-ARRA/PSD
(04/02/09)

ARRA ASSISTANCE AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND ARRA ASSISTANCE AGREEMENT (the "ARRA Assistance Agreement"), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), the WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION (the "DEP"), and the local government designated below (the "Local Government").

NORTH BECKLEY PUBLIC SERVICE DISTRICT (C-544157-03/2007S-1003)
(Local Government)

W I T N E S S E T H:

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

WHEREAS, the United States Congress has provided additional capitalization grant funding under the Clean Water Act through the American Recovery and Reinvestment Act of 2009 (the "ARRA");

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

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



Griffith & Associates, PLLC

Accountants & Consultants

October 29, 2009

North Beckley Public Service District
Sewer Revenue Bonds, Series 2009 A
(West Virginia SRF Program); and
Sewer Revenue Bonds, Series 2009 B
(West Virginia SRF Program/ARRA)

North Beckley Public Service District
Beckley, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Based upon the sewer rates and charges set forth in the Recommended Decision of the Public Service Commission of West Virginia entered July 25, 2008 which became Final Order on August 14, 2008 in Case No. 08-525-PSD-CN, and projected operation and maintenance expenses and anticipated customer usage as furnished to me by North Beckley Public Service District (the "Issuer"), it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system (the "System") of the Issuer, will (i) provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any Fiscal Year for payment of principal of and interest on the (a) Sewer Revenue Bonds, Series 2009 A (West Virginia SRF Program), dated October 29, 2009, issued in the aggregate principal amount of \$4,544,324, and (b) Sewer Revenue Bonds, Series 2009 B (West Virginia SRF Program/ARRA), dated October 29, 2009, issued in the aggregate principal amount of \$2,415,521 (collectively, the "Series 2009 Bonds") and all other obligations secured by or payable from such revenues, including the Issuer's (a) Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated January 28, 1999, issued in the original aggregate principal amount of \$8,090,898 (the "Series 1999 Bonds"); and (b) Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated September 29, 2003, issued in the original aggregate principal amount of \$5,307,741 (the "Series 2003 Bonds") (collectively, the "Prior Bonds").

It is further our opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Series 2009 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 the Series 2009 Bonds are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest, if any, on the Prior Bonds, and the Series 2009 Bonds.

Very truly yours,

Michael D. Griffith, CPA, AFI
Griffith & Associates, PLLC

MDG/dk

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