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**PUTNAM PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)**

DATE OF CLOSING: JANUARY 28, 2008

BONDS TRANSCRIPT

STEPTOE & JOHNSON PLLC

John C. Stump, Esquire
707 Virginia Street, East
Chase Tower, Seventh Floor
Charleston, WV 25326
(304)353-8196
john.stump@steptoe-johnson.com

Vincent A. Collins, Esquire
1085 Van Voorhis Road
United Center, Suite 400
Morgantown, WV 26505
(304)598-8161
vincent.collins@steptoe-johnson.com

PUTNAM PUBLIC SERVICE DISTRICT

**Water Revenue Bonds, Series 2008 A
(West Virginia Water Development Authority)**

BOND TRANSCRIPT

Table of Contents

BASIC DOCUMENTS

1. Bond Resolution
2. Supplemental Resolution
3. Loan Agreement for Series 2008 A Bonds
4. Public Service Commission Order
5. Infrastructure and Jobs Development Council Approval
6. Cross-Receipt for Series 2008 A Bonds and Bond Proceeds
7. Direction to Authenticate and Deliver Series 2008 A Bonds
8. Specimen Series 2008 A Bond

OPINIONS OF COUNSEL

9. Approving Opinion of Steptoe & Johnson PLLC, Bond Counsel Regarding Series 2008 A Bonds
10. Opinion of Counsel to Issuer Regarding Series 2008 A Bonds
11. Opinion of Special PSC Counsel to Issuer Regarding Series 2008 A Bonds
12. Title Opinion

CERTIFICATES

13. General Certificate of Issuer and Attorney
14. Certificate of Engineers with Schedule B Attached
15. Certificate of Certified Public Accountant
16. Certificate as to Arbitrage

DOCUMENTS OF THE ISSUER

17. County Commission Orders Regarding Creation and Expansion of the District
18. County Commission Orders of Appointment and Oaths of Office of Current Boardmembers
19. Rules of Procedure
20. Affidavit of Publication of Notice of Filing
21. Minutes of Current Year Organizational Meeting
22. Reserved
23. Minutes on Adoption of Bond Resolution and Supplemental Resolution
24. Municipal Bond Commission New Issue Report

MISCELLANEOUS DOCUMENTS

25. Acceptance by Putnam County Bank of Appointment as Depository Bank
26. Acceptance of Duties as Registrar
27. Certificate of Registration
28. Registrar's Agreement
29. Bureau for Public Health Permit
30. IRS Information Return
31. USDA Consent to Issuance of Parity Bonds

32. WDA Consent to Issuance of Parity Bonds
33. Closing Memorandum
34. Compliance with WV Jobs Act
35. Evidence of Insurance
36. Prior Resolutions

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PUTNAM PUBLIC SERVICE DISTRICT
WATER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

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

Section 2.01	Authorization of Acquisition and Construction of the Project
--------------	--

ARTICLE III
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND
SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN
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 Bond
FORM OF SERIES 2008 A BOND
- Section 3.11 Sale of Bonds; Approval and Ratification of Execution of Loan Agreement
- Section 3.12 "Amended Schedule A" 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 Series 2008 A 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 Prior 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 Facilities
- Section 7.09 Rates
- Section 7.10 Operating Budget; Audit 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	[Reserved]
Section 7.17	Completion and Operation of Project; Permits and Orders
Section 7.18	Tax Covenants
Section 7.19	Statutory Mortgage Lien
Section 7.20	Compliance with Loan Agreement and Law
Section 7.21	Securities Laws Compliance

ARTICLE VIII
INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01	Investments
Section 8.02	Arbitrage and Tax Exemption
Section 8.03	Tax Certificate and Rebate

ARTICLE IX
DEFAULT AND REMEDIES

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

ARTICLE X
DEFEASANCE AND PAYMENT OF BONDS

Section 10.01	Defeasance of Series 2008 A Bonds
---------------	-----------------------------------

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

PUTNAM PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF PUTNAM PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$1,436,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2008 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), 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 AND RATIFYING LOAN AGREEMENT RELATING TO THE SERIES 2008 A 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 PUTNAM 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 1 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

Section 1.02. Findings. It is hereby found, determined and declared that:
A. Putnam Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Putnam County of said State.

B. The Issuer presently owns a public waterworks system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that

there be acquired and constructed certain improvements and extensions to the existing public waterworks system of the Issuer, including the upgrade of water mains, gate valves, fire hydrants, water meters in the Vintroux Road area of Putnam County and the construction of a new maintenance/service garage and office facility, together with all appurtenant facilities (collectively, the aforementioned acquisition and construction are referred to herein as the "Project") (the existing public waterworks system of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System"), in accordance with the plans, specifications and designs prepared by the Consulting Engineers, which plans, specifications and designs 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 costs of operation and maintenance of the System and the principal of and interest on the Bonds, and to make payments into all funds and accounts and other payments provided for herein, all as such terms are hereinafter defined.

D. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2008 A Bonds as to liens, pledge and source of and security for payment being the (i) Water Revenue Bonds, Series 2006 A (United States Department of Agriculture), dated March 12, 2006, issued in the original aggregate principal amount of \$8,190,000 (the "Series 2006 A Bonds"); (ii) Water Revenue Bonds, Series 1999 A (West Virginia Water Development Authority), dated June 16, 1999, issued in the original aggregate principal amount of \$6,440,000 (the "Series 1999 A Bonds"); (iii) Water Revenue Bonds, Series 1999 B (West Virginia Water Development Authority), dated June 16, 1999, issued in the original aggregate principal amount of \$5,425,000 (the "Series 1999 B Bonds"); and (iv) Waterworks System Revenue Notes, Series 2004 A (West Virginia Water Development Authority), dated June 18, 2004, issued in the original aggregate principal amount of \$250,000 (the "Series 2004 A Notes") (collectively, the "Prior Bonds").

The Series 2008 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 Series 2008 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) written consent of the Registered Owner of the Prior Bonds to the issuance of the Series 2008 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Resolution.

E. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), in the aggregate principal amount of not more than \$1,436,000 (the "Series 2008 A Bonds"), to permanently finance the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient

therefor; interest upon the Series 2008 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the Project, administrative expense, commitment fees, fees and expenses of the Authority (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 2008 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2008 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

G. It is in the best interests of the Issuer that its Series 2008 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement to be entered into between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority, as shall be approved by the Supplemental Resolution of the Issuer.

H. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System, and issuance of the Series 2008 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council, 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 2008 A Bonds or such final order will not be subject to appeal or rehearing.

I. The Project has been reviewed and determined to be technically and financially feasible by the Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2008 A Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such 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 Series 2008 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means collectively, Chapter 16, Article 13A and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2008 A Bonds, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

"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.

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

"Bonds" means, collectively, the Series 2008 A Bonds, the Prior Bonds, and any bonds on a parity with the Series 2008 A Bonds subsequently issued hereunder or pursuant to another resolution of the Issuer.

"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 2008 A Bonds for the proceeds or at least a de minimis portion thereof representing the purchase price of the Series 2008 A Bonds from the Authority.

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

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

"Consulting Engineers" means Qk4, Inc., St. Albans, West Virginia, or any 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.

"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 any Grant received by the Issuer for the Project.

"Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with generally accepted accounting principles.

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

"Independent Certified Public Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained

by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

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

"Loan Agreement" means, the Loan Agreement to be entered into between the Authority and the Issuer, providing for the purchase of the Series 2008 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Net Proceeds" means the face amount of each series of Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Reserve Account for such series. 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 such series, 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 only 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 2008 A Bonds and is not acquired in order to carry out the governmental purpose of the Series 2008 A Bonds.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed 1/6th of the budgeted Operating Expenses stated above for the current year as

working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital; provided that all monthly amortization payments upon the Bonds and into the Reserve Accounts and Renewal and Replacement Fund have been made to the last monthly payment date prior to the date of such retention.

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

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2008 A Bonds in the Supplemental Resolution.

"Prior Bonds" means the Series 2006 A Bonds, Series 1999 A Bonds, Series 1999 B Bonds, and Series 2004 A Notes, as described in Section 1.02D hereof.

"Prior Resolution" means collectively, the resolutions 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 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.

"Program" means the Authority's loan program, under which the Authority purchases the water development revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of water development revenue bonds of the Authority.

"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.

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means collectively, the respective Reserve Accounts for the Series 2008 A Bonds and the Prior Bonds.

"Reserve Requirement" means, the respective amounts required to be on deposit in the Reserve Accounts for the Series 2008 A Bonds and the Prior Bonds.

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

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

"Series 1999 A Bonds" means the Water Revenue Bonds, Series 1999 A (West Virginia Water Development Authority), dated June 16, 1999, issued ins the original aggregate principal amount of \$6,440,000.

"Series 1999 B Bonds" means the Water Revenue Bonds, Series 1999 B (West Virginia Water Development Authority), dated June 16, 1999, issued ins the original aggregate principal amount of \$5,425,000.

"Series 2004 A Notes" means the Waterworks System Revenue Notes, Series 2004 A (West Virginia Water Development Authority), dated June 18, 2004, issued ins the original aggregate principal amount of \$250,000.

"Series 2006 A Bonds" means the Water Revenue Bonds, Series 2006 A (United States Department of Agriculture), dated March 12, 2006, issued ins the original aggregate principal amount of \$8,190,000.

"Series 2008 A Bonds" means the Water Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), of the Issuer, authorized by this Resolution.

"Series 2008 A Bonds Construction Trust Fund" means the Series 2008 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2008 A Bonds Reserve Account" means the Series 2008 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2008 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2008 A Bonds in the then current or any succeeding year.

"Series 2008 A Bonds Sinking Fund" means the Series 2008 A Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 2008 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2008 A Bonds, and not so included, may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds or any other

obligations of the Issuer, including, without limitation, the Reserve Accounts and the Renewal and Replacement Fund.

"System" means the complete public waterworks system of the Issuer, as presently existing in its entirety or any integral part thereof, and all waterworks 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 waterworks system, 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; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Chairman or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of \$1,436,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2008 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Authority.

The cost of the Project is estimated to be \$1,436,000 which will be obtained from proceeds of the Series 2008 A Bonds.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2008 A Bonds, funding reserve accounts for the Series 2008 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2008 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2008 A Bonds of the Issuer. The Series 2008 A Bonds shall be issued as a single bond, designated as "Water Revenue Bonds, Series 2008 A (West Virginia Water Development Authority)," in the principal amount of not more than \$1,436,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2008 A Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest on the Series 2008 A Bonds, if any, shall be deposited in or credited to the Series 2008 A Bond Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. A. The Series 2008 A Bonds shall be issued in such principal amounts, shall bear interest at such rate or rates, not exceeding the then legal maximum rate, payable semiannually 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 the Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2008 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2008 A Bonds shall be paid by check or draft of the Paying Agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2008 A Bonds shall be issued in the form of a single bond, fully registered to the Authority. The Series 2008 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2008 A Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2008 A Bonds shall cease to be such officer of the Issuer before the Series 2008 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2008 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. The Bond Registrar for the Series 2008 A Bonds shall be the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns. No Series 2008 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any Series 2008 A Bond shall be conclusive evidence that such Series 2008 A Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2008 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2008 A Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2008 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2008 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive 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 Bonds remain outstanding, the Bond Registrar shall keep and maintain books for the registration and transfer of the Bonds.

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

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

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

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2008 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 2008 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2008 A Bonds or the interest 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 2008 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, on a 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 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. A. The Issuer shall execute and deliver the Series 2008 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2008 A Bonds to the original purchasers upon receipt of the documents set forth below:

- (1) If other than the Authority, a list of the names in which the Series 2008 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- (2) A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2008 A Bonds to the original purchasers;
- (3) An executed and certified copy of the Bond Legislation;
- (4) An executed copy of the Loan Agreement; and
- (5) The unqualified approving opinion of bond counsel on the Series 2008 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2008 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2008 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
PUTNAM PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2008 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR-1

\$1,436,000

KNOW ALL MEN BY THESE PRESENTS: That on this ____ day of _____, 2008 PUTNAM PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Putnam 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 ONE MILLION FOUR HUNDRED THIRTY SIX THOUSAND DOLLARS (\$1,436,000), in annual principal payments on October 1 of each year, beginning October 1, 20__ to an including _____ 1, 20__, as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, such interest shall be payable semiannually on April 1 and October 1 in each year, beginning _____ 1, 20__. 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 interest on this Bond is 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 Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest 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 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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated _____, 2008.

This Bond is issued to provide funds, along with other available monies of the Issuer (i) to pay the costs of acquisition and construction of certain improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); (ii) to pay interest on the Bonds of this Series (the "Bonds") during the construction of the Project and for not more than 6 months thereafter; (iii) to fund a reserve account for the Bonds; and (iv) to pay certain costs of issuance hereof and related costs. The existing public waterworks 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 1 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Resolution duly adopted by the Issuer on _____, 2008, and a Supplemental Resolution duly adopted by the Issuer on _____, 2008 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for 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 RESPECTS, WITH THE ISSUER'S (I) WATER REVENUE BONDS, SERIES 2006 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 12, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,190,000 (THE "SERIES 2006 A BONDS"); (II) WATER REVENUE BONDS, SERIES 1999 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JUNE 16, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$6,440,000 (THE "SERIES 1999 A BONDS"); (III) WATER REVENUE BONDS, SERIES 1999 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JUNE 16, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$5,425,000 (THE "SERIES 1999 B BONDS"); AND (IV) WATERWORKS SYSTEM REVENUE NOTES, SERIES 2004 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JUNE 18, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$250,000 (THE "SERIES 2004 A NOTES") (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2008 A 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 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 2008 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 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 Prior Bonds; provided however, that so long as there exists in the Series 2008 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest 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%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2008 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 20____.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A
SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2008 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the respective Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the forms attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule A" Filing. Upon completion of acquisition and construction of the Project, 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 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 if established by 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 (established by Prior Resolution);
- (2) Renewal and Replacement Fund (established by Prior Resolution);
- (3) Series 2008 A Bonds Construction Trust Fund; and
- (4) Rebate Fund (established by Prior Resolution).

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

- (1) Series 1999 A Bonds Sinking Fund (established by Prior Resolution);
- (2) Series 1999 A Bonds Reserve Account (established by Prior Resolution);
- (3) Series 1999 B Bonds Sinking Fund (established by Prior Resolution);
- (4) Series 1999 B Bonds Reserve Account (established by Prior Resolution);
- (5) Series 2004 A Notes Sinking Fund (established by Prior Resolution);
- (6) Series 2004 A Notes Reserve Account (established by Prior Resolution);

(7) Series 2006 A Bonds Reserve Account (established by Prior Resolution);

(8) Series 2008 A Bonds Sinking Fund;

(9) Series 2008 A Bonds Reserve Account;

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this 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 and priority:

(1) The Issuer shall first each month pay from the moneys in the Revenue Fund all current Operating Expenses.

(2) The Issuer shall next, simultaneously, each month transfer from the Revenue Fund and (i) remit to the National Finance Office, the amounts required by the Prior Resolution to pay interest on the Series 2006 A Bonds; (ii) remit to the Commission, the amounts required by Prior Resolution to pay interest on the Series 1999 A Bonds, the Series 1999 B Bonds and the Series 2004 A Notes; and (iii) commencing 7 months prior to the first date of payment of interest on the Series 2008 A Bonds for which interest has not been capitalized, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 2008 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2008 A Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2008 A Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next semiannual interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, simultaneously transfer from the Revenue Fund and remit, (i) to the National Finance Office the amounts required by Prior Resolution to pay principal of the Series 2006 A Bonds; (ii) remit to the Commission the amounts required by Prior Resolution to pay principal of the Series 1999

A Bonds, the Series 1999 B bonds and the Series 2004 A Notes and (iii) commencing 13 months prior to the first date of payment of principal of the Series 2008 A Bonds, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 2008 A Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on the Series 2008 A Bonds on the next ensuing annual principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2008 A Bonds Sinking Fund and the next annual principal payment date is less than 13 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next annual principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, simultaneously, on the first day of each month, transfer from the Revenue Fund and (i) remit to the Commission the amounts required by Prior Resolution to be deposited in the respective Reserve Accounts for the Prior Bonds (ii) commencing 13 months prior to the first date of payment of principal of the Series 2008 A Bonds, if not fully funded upon issuance of the Series 2008 A Bonds, remit to the Commission for deposit in the Series 2008 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2008 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2008 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2008 A Bonds Reserve Requirement.

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

the maximum extent required hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 2008 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2008 A Bonds as the same shall become due. Moneys in the Series 2008 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2008 A Bonds as the same shall come due, when other moneys in the Series 2008 A Bonds Sinking Fund are insufficient therefor, and for no other purpose, except for transfers to the Rebate Fund permitted hereunder.

Except to the extent transferred to the Rebate Fund at the request of the Issuer, all investment earnings on moneys in the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account (if fully funded) 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 2008 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2008 A Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2008 A Bonds Reserve Account which result in a reduction in the balance of such accounts to below the Series 2008 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made as set forth above.

As and when additional Bonds ranking on a parity with the Series 2008 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the 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 2008 A Bonds Sinking Fund or the Series 2008 A Bonds Reserve Account when the aggregate amount of funds therein is at least equal to the aggregate principal amount of the Series 2008 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity date thereof.

Interest, principal or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2008 A Bonds and the Prior Bonds in accordance with the respective principal amounts then outstanding.

The Depository Bank is hereby designated as the Fiscal Agent for the administration of the Renewal and Replacement Fund as herein provided, and all amounts required for the Renewal and Replacement Fund will be deposited therein by the Issuer upon

transfers of funds from the Revenue Fund at the times provided herein, together with written directions stating the amount remitted for deposit into each such fund.

The Issuer may designate another bank or trust company insured by FDIC as Depository Bank if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Authority.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account 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 any time, the Issuer shall make the necessary arrangements whereby required payments into the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account shall be automatically deducted from the Revenue Fund and transferred to the Commission on the dates required hereunder.

Moneys in the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

Except with respect to transfers to the Rebate Fund permitted hereunder, the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2008 A Bonds.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2008 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

C. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement for the Series 2008 A Bonds, and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of such calendar month.

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

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

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

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

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

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the Series 2008 A Bonds Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 2008 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2008 A Bonds, there shall first be deposited with the Commission in the Series 2008 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided that, such amount may not exceed the amount necessary to pay interest on the Series 2008 A Bonds for the period commencing on the date of issuance of the Series 2008 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 2008 A Bonds, there shall be deposited with the Commission in the Series 2008 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2008 A Bonds Reserve Account.

C. The proceeds derived from the sale of the Series 2008 A Bonds shall be deposited with the Depository Bank in the Series 2008 A Bonds Construction Trust Fund and applied solely to pay the Costs of the Project in the manner set forth in Section 6.02.

D. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Series 2008 A Bonds Construction Trust Fund and shall comply with all requirements with respect to the disposition of the moneys in such funds set forth herein. Except with respect to any transfers to the Rebate Fund permitted hereunder, moneys in the Series 2008 A Bonds Construction Trust Fund shall be used solely to pay the Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Series 2008 A Bonds.

Section 6.02. Disbursements From the Series 2008 A Bonds Construction Trust Fund. Except as provided in Section 6.01 hereof, disbursements from the Series 2008 A Bonds Construction Trust Fund (except for the costs of issuance of the Series 2008 A Bonds which shall be made upon request of the Issuer) shall be made each month only after submission to the Depository Bank of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating:

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

(ii) 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;

(iii) That each of such costs has been otherwise properly incurred; and

(iv) That payment for each of the items proposed is then due and owing.

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Series 2008 A Bonds Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Series 2008 A Bonds 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 Series 2008 A Bonds Construction Trust Fund. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

After completion of the Project, as certified by the Consulting Engineers, and all costs of the Project have been paid, the Depository Bank shall transfer any moneys remaining in the Series 2008 A Bonds Construction Trust Fund to the Commission for deposit in the Series 2008 A Bonds Reserve Account, provided that, in no event shall more than 10% of the proceeds from the sale of the Series 2008 A Bonds be deposited in the Series 2008 A Bonds Reserve Account, and when the Series 2008 A Bonds Reserve Account is fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payment due on the Series 2008 A Bonds and thereafter to the next ensuing principal payment due thereon.

Pending such application, moneys in the Series 2008 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

All moneys in the Series 2008 A Bonds Construction Trust Fund shall be kept separate and apart from each other.

If applicable, the Issuer shall expend all proceeds of the Series 2008 A Bonds within 3 years of the date of issuance of the Authority's bonds, the proceeds of which were used to make the loan to the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2008 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2008 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2008 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2008 A Bonds, shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2008 A Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of the Series 2008 A Bonds shall be secured forthwith by a first lien on the Net Revenues derived from the System, on a parity with the lien on Net Revenues in favor of the holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation and the Prior Resolutions.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained or will have obtained any and all approvals of rates and charges required by state law and has taken any and all action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. The Authority shall receive an opinion of counsel 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 on August 15, 2007, in Case No. 07-0756-PWD-CN, and such rates are hereby adopted. The rates and charges are sufficient to comply with the provisions of the Loan Agreement and the Authority shall receive a certificate of accountant of the Issuer to such effect.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, or any part thereof, except as provided in Prior Resolution. Additionally, so long as the Series 2008 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding, or to effectively defease this Bond Legislation in accordance with Article X hereof; provided that, any sale or disposition of properties of the System in excess of \$100,000 shall receive the written consent of the Authority. The proceeds from any such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the Series 2008 A Bonds Sinking Fund and, with the written permission of the Authority, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Bonds. Any balance remaining after the payment of the 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, 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, in writing, 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 derived from any such sale shall be deposited in the Revenue 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, in writing, 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 the Governing Body may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds derived from any such sale shall be deposited in the Renewal and Replacement Fund. The payment of such funds into the Renewal and Replacement Fund shall not reduce the amount required to be paid in 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 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 2008 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2008 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, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2008 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2008 A Bonds, and the interest thereon, upon any or all of the income and revenues of the System pledged for payment of the Series 2008 A Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolutions shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2008 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority 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 2008 A 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.

So long as the Series 2006 A Bonds are Outstanding, 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 for the Fiscal Year following the year in which such Parity Bonds are

to be issued shall be at least 120% of the average annual debt service requirements on the following:

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

The foregoing limitation may be waived or modified by the written consent of the Holders of the Prior Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Series 2006 A Bonds are no longer outstanding, the following parity requirement shall be met:

No Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues 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, 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 2008 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2008 A Bonds.

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

Section 7.08. Books; Records and Facilities. 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 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 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 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 Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Authority or any other original purchaser of the Series 2008 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2008 A Bonds, requesting the same, an annual report containing the following:

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required, in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto), 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 the Series 2008 A Bonds, and shall submit said report to the Authority or any other original purchaser of the Series 2008 A Bonds. Such audit report submitted to the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service requirements.

The Issuer shall permit the Authority 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 of the Project, the Issuer shall also provide the Authority 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 Authority 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 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 on the Series 2008 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 2008 A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2008 A Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with or junior to the Series 2008 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 Series 2008 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with or junior to the Series 2008 A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04 hereof.

Section 7.10. Operating Budget; Audit and Monthly Financial Report. The Issuer shall annually, at least 30 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the 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 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 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 acquisition or construction 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 C, and forward a copy of such report to 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 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, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to 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 acquisition and construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to 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 resident engineer shall certify to 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 at all times provide operation and maintenance of the System in compliance with any and all state and federal standards. The Issuer agrees that qualified operating personnel properly certified by the State will be employed to operate the System during the entire term of the Loan Agreement.

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

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the

System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 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 sewerage 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 sewerage facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the sewerage system 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 provided 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 Series 2008 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

- (1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on

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

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT 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 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. In the event the Loan Agreement so require, 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. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

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. 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 2008 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2008 A Bonds during the term thereof is, under the terms of the Series 2008 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) and that, in the event that both (A) in

excess of 5% of the Net Proceeds of the Series 2008 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2008 A Bonds during the term thereof is, under the terms of the Series 2008 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 Series 2008 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2008 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of the portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 2008 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 Series 2008 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2008 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 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 2008 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions or fail to take any actions (including, without

limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2008 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2008 A Bonds, and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.20. Compliance with Loan Agreement and Law. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement, the Act and all applicable laws, rules and regulations issued by 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. If not already accomplished, the Issuer shall, simultaneously with the delivery of the Series 2008 A Bonds or immediately thereafter, enter into a contracts for the immediate undertaking of the Project.

B. The Issuer shall submit all proposed change orders to the Authority for written approval. The Issuer shall obtain written approval of the Authority before expending any proceeds of the Series 2008 A Bonds held in "contingency" as set forth on the schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Authority before expending any proceeds of the Series 2008 A Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding provided by 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 for the immediate undertaking of the Project.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account except as otherwise provided herein 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 as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest on the Series 2008 A Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2008 A Bonds which would cause the Series 2008 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take any and all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to each series of the Series 2008 A Bonds) so that the interest on the Series 2008 A Bonds will be and remain excluded from gross

income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2008 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2008 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 Bond Legislation.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and shall be used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the Issuer shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer. To the extent not so performed by the Authority, the Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate in order to assure compliance with this Section 8.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 8.03 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 any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2008 A Bonds from gross income for federal income tax purposes.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation and certificate with respect thereto or, if the Issuer qualifies for the small governmental issue exception to rebate, or any other exception thereto, then the Issuer shall submit to the Authority a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 2008 A Bonds subject to rebate. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Series 2008 A Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2008 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on any of the Series 2008 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2008 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2008 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

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

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

Notwithstanding anything herein to the contrary, if default occurs in the due and punctual payment of the principal of or interest on either series of the Series 2008 A Bonds, it shall constitute an "Event of Default" with respect to the other series of Series 2008 A 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 2008 A Bonds shall be on a parity with 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, 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 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. Advance Refunding of Series 2008 A Bonds. So long as the Authority shall be the registered owner of the Series 2008 A Bonds, the Issuer may advance refund the Series 2008 A Bonds during the first 15 years following the issuance thereof at a premium of 1% over the premium, if any, to be paid by the Authority by depositing sufficient funds (principal, interest and premium, if any) at the Commission to redeem the Series 2008 A Bonds on the first available call date; provided that, after the first 15 years, the Issuer may prepay the Series 2008 A Bonds at par, plus interest payable to the next available call date, at any time, all as set forth in the Loan Agreement.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2008 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2008 A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2008 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2008 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2008 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 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 the Series 2008 A 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 on the Series 2008 A Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2008 A 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 2008 A Bonds.

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

Section 11.05. Conflicting Provisions Repealed; Prior Resolution. 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 Resolution, the Prior Resolution shall control, unless less restrictive, so long as the Prior Bonds are outstanding.

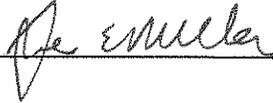
Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the 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.

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

Adopted this 24th day of January, 2008.

Chairman

A handwritten signature in cursive script, appearing to read "J. Miller", is written over a horizontal line.

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board
of PUTNAM PUBLIC SERVICE DISTRICT on the 24th day of January, 2008.

Dated: January 28, 2008.

[SEAL]

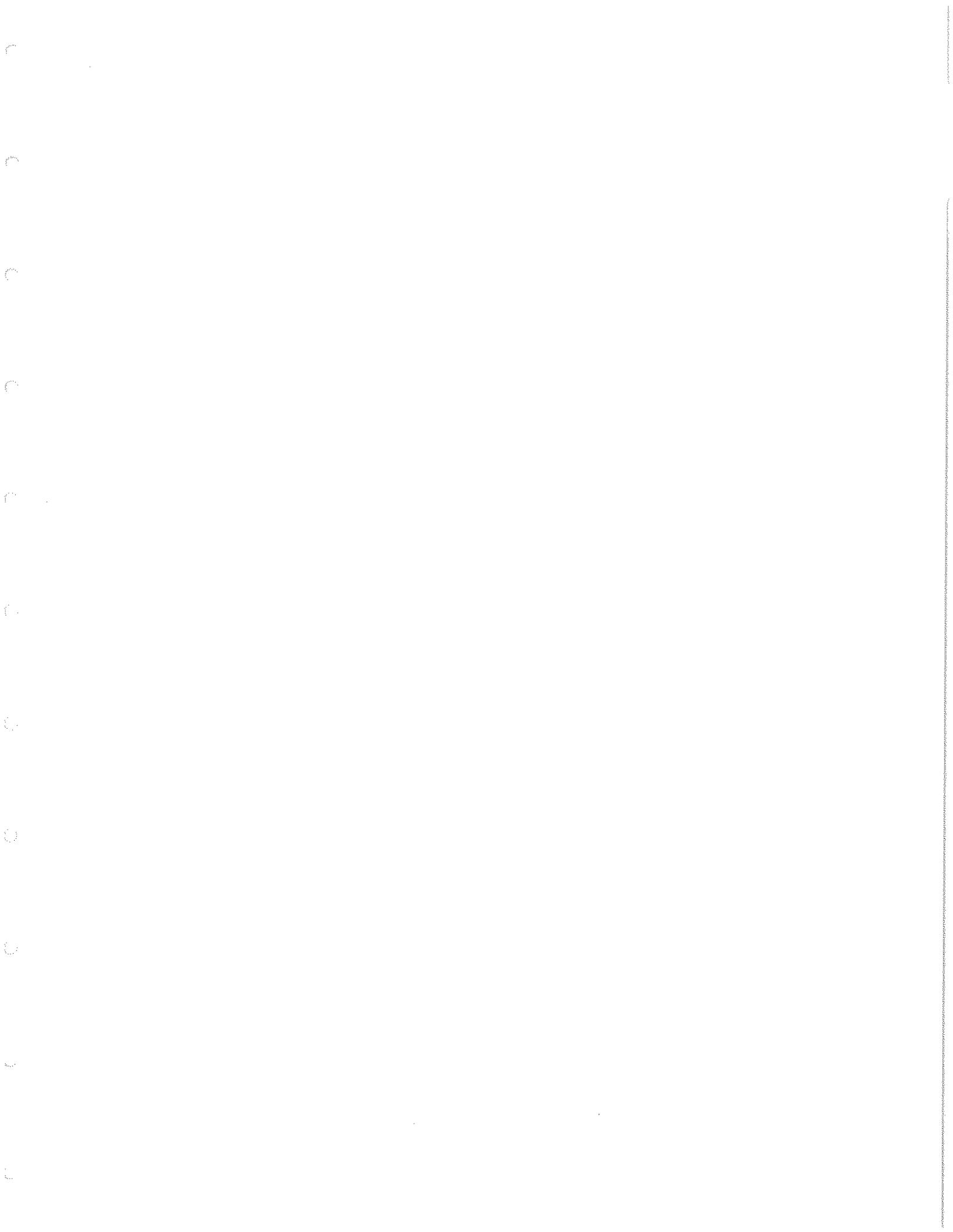


Secretary

01.11.08
847280/00011

EXHIBIT A

Series 2008 A Bonds Loan Agreement included in transcript as Document 3.



PUTNAM PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2008 A
(West Virginia Water Development Authority)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISIONS, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF WATER REVENUE BONDS, SERIES 2008 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF PUTNAM PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO THE SERIES 2008 A BONDS; AUTHORIZING AND APPROVING THE SALE OF THE SERIES 2008 A 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 Putnam Public Service District (the "Issuer") has duly and officially adopted a bond resolution on January 24, 2008 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF PUTNAM PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY PUTNAM PUBLIC SERVICE DISTRICT OF NOT MORE THAN \$1,436,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2008 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF

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

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

WHEREAS, the Bond Resolution provides for the issuance of the Series 2008 A (West Virginia Water Development Authority), of the Issuer (the "Bonds" or the "Series 2008 A Bonds"), in the aggregate principal amount of not to exceed \$1,436,000, and has authorized the execution and delivery of the Loan Agreement relating to the Series 2008 A Bonds, including all schedules and exhibits attached thereto, by and between the Issuer and the West Virginia Water Development Authority (the "Authority")(the "Loan Agreement"), all in accordance with Chapter 16, Article 13A, and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Resolution it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provisions, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

WHEREAS, the Series 2008 A Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF PUTNAM 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 Issuer's Water Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$1,436,000. The Series 2008 A Bonds shall be dated the date of delivery thereof, shall

finally mature October 1, 2047, and shall bear interest at the rate of five percent (5.0 %) per annum. The principal on Series 2008 A Bonds shall be payable annually on October 1 of each year, commencing October 1, 2009, to and including October 1, 2047, and the interest on each installment shall be payable semi-annually on April 1 and October 1 in each year, beginning April 1, 2008, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2008 A Bonds. The Series 2008 A Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2008 A Bonds.

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

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the Authority. The price of the Series 2008 A Bonds shall be 100% of par value, there being no interest accrued on the Series 2008 A Bonds, provided that the proceeds of the Series 2008 A Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2008 A Bonds under the Bond Resolution and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2008 A Bonds under the Bond Resolution.

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

Section 7. Series 2008 A Bonds proceeds in the amount of \$120,265 shall be deposited in the Series 2008 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2008 A Bonds proceeds in the amount of \$84,387 shall be deposited in the Series 2008 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2008 A Bonds shall be deposited in or credited to the Series 2008 A Bonds Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 10. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Series 2008 A Bonds may be delivered on or about January 28, 2008, to the Authority pursuant to the Loan Agreement.

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

Section 12. The Issuer hereby determines that it is in the best interest of the Issuer to invest all monies in the funds and accounts established by the Bond Resolution held by the Depository Bank until expended, subject to any limitation of the Purchaser with respect of the proceeds of the Bonds, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Monies in the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. The Issuer shall not permit at any time or times any of the proceeds of the Series 2008 A 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 Series 2008 A Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Series 2008 A Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations promulgated or to be promulgated thereunder.

Section 14. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 24th day of January, 2008.

PUTNAM PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by Putnam Public Service District on this 24th day of January, 2008.

Dated: January 28, 2008.

[SEAL]



Secretary

01.07.08
847280.00011



WDA-LP IV
(8/11/05)

LOAN AGREEMENT

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

PUTNAM PUBLIC SERVICE DISTRICT
(Governmental Agency)

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 22C, Article 1 of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered to make loans to governmental agencies for the acquisition or construction of water development projects by such governmental agencies and to issue water development revenue bonds of the State of West Virginia (the "State") to be financed, in whole or in part, by loans to governmental agencies, one or more water development projects, all subject to such provisions and limitations as are contained in the Act;

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

to one hundred percent (100%) of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract and shall verify or shall have verified such bonds prior to commencement of construction.

2.8 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and shall verify or shall have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Governmental Agency on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds is outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Local Bonds is outstanding, business interruption insurance if available at a reasonable cost.

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

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

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

or arbitrage certificate with respect to the exclusion of the interest on the Authority's water development revenue bonds from gross income of the holders thereof for federal income tax purposes;

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

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

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

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

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

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been

Agency specifically recognizes that the Authority will not purchase the Local Bonds unless and until it has available funds sufficient to purchase all the Local Bonds and that, prior to execution of this Loan Agreement, the Authority may commit to and purchase the revenue bonds of other governmental agencies for which it has sufficient funds available. The Governmental Agency further specifically recognizes that during the last 90 days of a period to originate Loans from its water development revenue bond proceeds, the Authority may execute Loan Agreements, commit moneys and close Local Bond sales in such order and manner as it deems in the best interest of the Program. Additionally, the Governmental Agency recognizes that the Authority will purchase the Local Bonds only with funds from the Program and not with funds from any other loan programs of the Authority.

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document, as reflected on the Schedule X attached hereto, and beginning seven (7) months prior to the first date of payment of interest on the Local Bonds and thirteen (13) months prior to the first date of payment of principal of the Local Bonds, respectively, to provide debt service on the Local Bonds by depositing in a sinking fund one-sixth (1/6) of the interest payment next coming due on the Local Bonds and one-twelfth (1/12) of the principal payment next coming due on the Local Bonds and, beginning thirteen (13) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded

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

(iv) That, except as otherwise required by State law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Local Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants; provided that, any sale or disposition of the properties of the System in excess of \$100,000 shall require the written consent of the Authority;

(v) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority; provided that, the Authority shall have received a bond counsel parity opinion and an accountant certificate stating that the coverage and parity requirements have been met and the parity bonds must have a reserve account requirement of at least 1 year's debt service, to be funded at closing or over 10 years;

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

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

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

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Governmental Agency may advance refund its Local Bonds during the first 15 years at a premium of 1% over the premium, if any, to be paid by the Authority by depositing sufficient funds (principal, interest and premium, if any,) at the Commission (as hereinafter defined) to redeem such Local Bonds on the first available call date; provided that, after the first 15 years, the Governmental Agency may prepay its Local Bonds at par, plus interest payable to the next available call date, at any time.

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

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

(xviii) That the Governmental Agency shall annually provide the Authority with bank statements and all investment information for the funds and accounts related to the proceeds of the Local Bonds;

(xix) That the Governmental Agency shall annually provide the Authority with financial information and such other information as is necessary for the Authority to meet its ongoing disclosure requirements;

(xx) That the Governmental Agency shall have obtained the certificate of the Consulting Engineers in the form attached hereto as Exhibit A, to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to 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;

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

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

4.3 The principal payments of the Loan shall be made by the Commission annually on the days and in the years provided in Schedule X hereto. The interest payments on the Loan shall be made by the Commission semiannually as provided in said Schedule X.

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

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

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be as determined by the Authority and shall include, without limitation, Program expenses, legal fees paid by the Authority and fees paid to the trustee and paying agents for the water development revenue bonds. The Authority shall provide both the Governmental Agency and the trustee for the water development revenue bonds with a schedule of such fees and charges, and the Governmental Agency shall pay such fees and charges on the dates indicated directly to the trustee. The Governmental Agency hereby specifically authorizes the Authority to exercise the powers granted it by Section 9.06 of the General Resolution.

4.7 Unless otherwise agreed by the Authority, the Governmental Agency agrees to expend the net proceeds of the Local Bonds for the Project within 3 years of the issuance of the Authority's bonds.

4.8 As long as the Authority is the owner of any of the Local Bonds outstanding, the Governmental Agency may redeem its Local Bonds in accordance with the conditions set forth in Section 4.1 (b)(xv). The Authority hereby agrees that it will not refund the water development revenue bonds which provided the funds for the Local Bonds without the prior written consent of each of the affected Governmental Agencies.

ARTICLE VI

Other Agreements of the Governmental Agency

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

6.2 At the option of the Authority, the Governmental Agency shall issue and sell to the Authority additional, subordinate bonds to evidence the Governmental Agency's obligation to repay to the Authority any grant received by the Governmental Agency from the Authority in excess of the amount to which the Governmental Agency is entitled pursuant to applicable policies or rules and regulations of the Authority. Also at the option of the Authority, the Governmental Agency may issue and sell to the Authority additional, subordinate bonds for such purposes as may be acceptable to the Authority.

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

6.4 The Governmental Agency hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority for the planning or design of the Project, and such repayment shall be a condition precedent to the Authority's making the Loan.

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

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

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

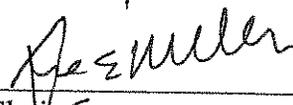
7.8 This Loan Agreement shall terminate upon the earlier of:

- (i) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by the Authority if the Governmental Agency has failed to deliver the Local Bonds to the Authority;
- (ii) termination by the Authority pursuant to Section 6.3 hereof; or
- (iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority.

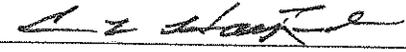
IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Authority.

PUTNAM PUBLIC SERVICE DISTRICT

(SEAL)

By: 
Its: Chairman
Date: January 28, 2008

Attest:

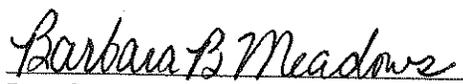

Its: Secretary

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By: 
Its: Executive Director
Date: January 28, 2008

Attest:


Its: Secretary-Treasurer

0832/00302
04/28/05

M0440273.1

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

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

[SEAL]

By: _____
West Virginia License No. _____

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

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

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

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

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

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

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

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

6. Under the Local Statute, the Local Bonds and the interest thereon are exempt _____.

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

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

Very truly yours,

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds	<u>\$1,436,000</u>
Purchase Price of Local Bonds	<u>\$1,436,000</u>

Interest on the Local Bonds is payable on April 1 and October 1 in each year, beginning with the first semiannual interest payment date after delivery of the Local Bonds to the Authority, until the Local Bonds are paid in full, at the rate of 5% per annum. Principal of the Local Bonds is payable on October 1 in each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

(i) Water Revenue Bonds, Series 2006 A (United States Department of Agriculture), dated March 12, 2006, issued in the original principal amount of \$8,190,000;

(ii) Water Revenue Bonds, Series 1999 A (West Virginia Water Development Authority), dated June 16, 1999, issued in the original principal amount of \$6,440,000;

(iii) Water Revenue Bonds, Series 1999 B (West Virginia Water Development Authority), dated June 16, 1999, issued in the original principal amount of \$5,425,000; and

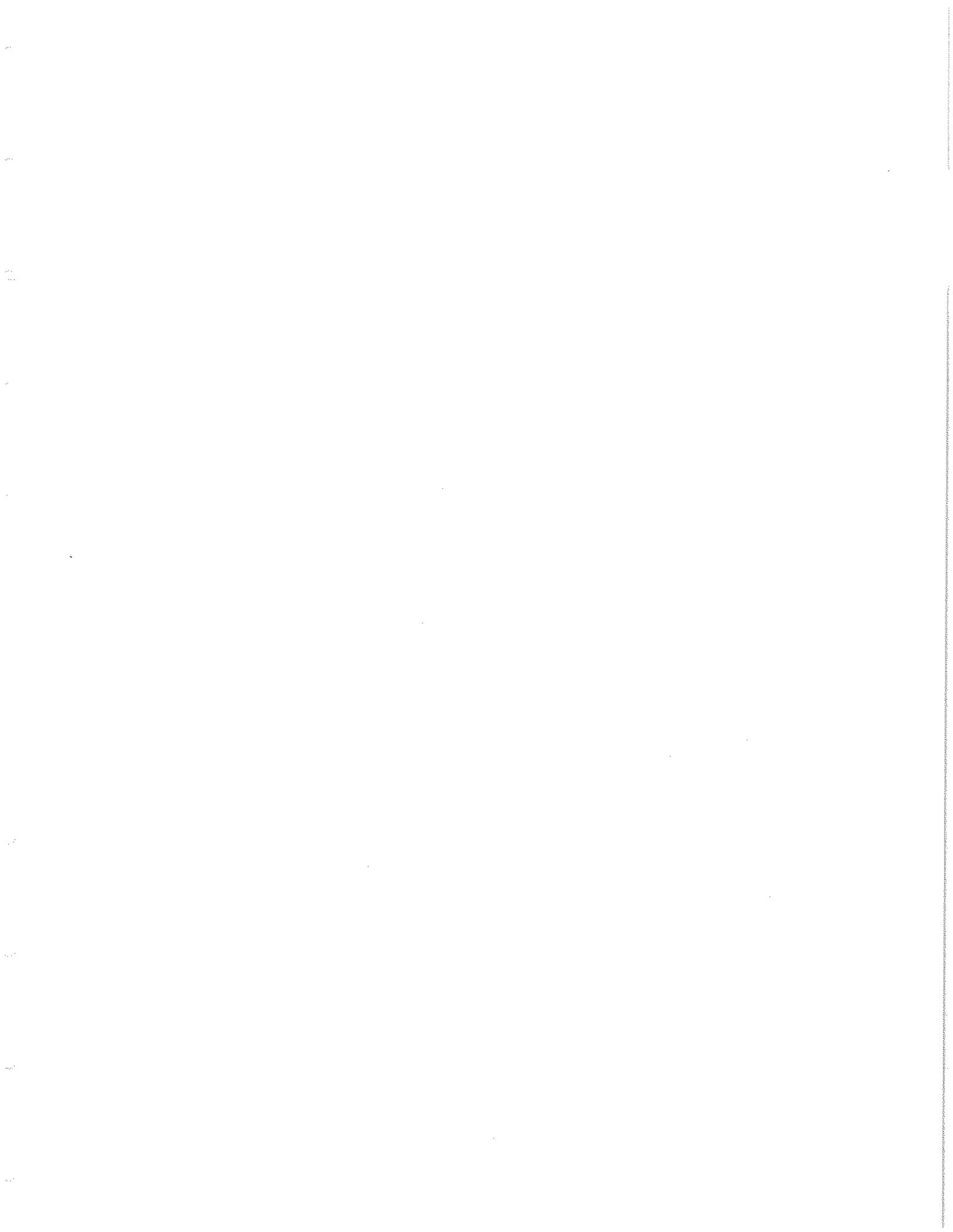
(iv) Waterworks System Revenue Notes, Series 2004 A (West Virginia Water Development Authority), dated June 18, 2004, issued in the original principal amount of \$250,000.

\$1,436,000
Putnam Public Service District
40 Years; 5% Interest Rate
Closing Date: January 28, 2008

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I	Bond Year Total
04/01/2029	-	-	25,495.85	25,495.85	-
10/01/2029	33,394.00	5.000%	25,495.85	58,889.85	84,385.70
04/01/2030	-	-	24,661.00	24,661.00	-
10/01/2030	35,064.00	5.000%	24,661.00	59,725.00	84,386.00
04/01/2031	-	-	23,784.40	23,784.40	-
10/01/2031	36,817.00	5.000%	23,784.40	60,601.40	84,385.80
04/01/2032	-	-	22,863.98	22,863.98	-
10/01/2032	38,658.00	5.000%	22,863.98	61,521.98	84,385.96
04/01/2033	-	-	21,897.53	21,897.53	-
10/01/2033	40,591.00	5.000%	21,897.53	62,488.53	84,386.06
04/01/2034	-	-	20,882.75	20,882.75	-
10/01/2034	42,621.00	5.000%	20,882.75	63,503.75	84,386.50
04/01/2035	-	-	19,817.23	19,817.23	-
10/01/2035	44,752.00	5.000%	19,817.23	64,569.23	84,386.46
04/01/2036	-	-	18,698.43	18,698.43	-
10/01/2036	46,989.00	5.000%	18,698.43	65,687.43	84,385.86
04/01/2037	-	-	17,523.70	17,523.70	-
10/01/2037	49,339.00	5.000%	17,523.70	66,862.70	84,386.40
04/01/2038	-	-	16,290.23	16,290.23	-
10/01/2038	51,806.00	5.000%	16,290.23	68,096.23	84,386.46
04/01/2039	-	-	14,995.08	14,995.08	-
10/01/2039	54,396.00	5.000%	14,995.08	69,391.08	84,386.16
04/01/2040	-	-	13,635.18	13,635.18	-
10/01/2040	57,116.00	5.000%	13,635.18	70,751.18	84,386.36
04/01/2041	-	-	12,207.28	12,207.28	-
10/01/2041	59,972.00	5.000%	12,207.28	72,179.28	84,386.56
04/01/2042	-	-	10,707.98	10,707.98	-
10/01/2042	62,970.00	5.000%	10,707.98	73,677.98	84,385.96
04/01/2043	-	-	9,133.73	9,133.73	-
10/01/2043	66,119.00	5.000%	9,133.73	75,252.73	84,386.46
04/01/2044	-	-	7,480.75	7,480.75	-
10/01/2044	69,425.00	5.000%	7,480.75	76,905.75	84,386.50
04/01/2045	-	-	5,745.13	5,745.13	-
10/01/2045	72,896.00	5.000%	5,745.13	78,641.13	84,386.26
04/01/2046	-	-	3,922.73	3,922.73	-
10/01/2046	76,541.00	5.000%	3,922.73	80,463.73	84,386.46
04/01/2047	-	-	2,009.20	2,009.20	-
10/01/2047	80,368.00	5.000%	2,009.20	82,377.20	84,386.40
Total	\$1,436,000.00	-	\$1,903,522.52	\$3,339,522.52	-



PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

9/4/2007

Issued: August 15, 2007

CASE NO. 07-0756-PWD-CN

PUTNAM PUBLIC SERVICE DISTRICT,
a public corporation.

Application for a certificate of convenience and necessity for the upgrade, operation and maintenance of water mains, including gate valves, fire hydrants, water meters and all necessary appurtenances, in the Ventroux Road area, Putnam County, for the participation in the construction of a new maintenance/service garage and office facility, for approval of increased water rates and charges, and for approval of financing related thereto.

RECOMMENDED DECISION

On May 3, 2007, Putnam Public Service District ("District"), by counsel Robert R. Rodecker, filed with the Public Service Commission ("Commission"), pursuant to W.Va. Code §§16-13A-25 and 24-2-11, an application for a certificate of convenience and necessity for the upgrade, operation and maintenance of water mains, gate valves, fire hydrants, water meters and all necessary appurtenances, in the Ventroux Road area, Putnam County, and for the participation in the construction of a new maintenance/service garage and office facility; for approval of increased water rates and charges; and for approval of financing related thereto. Supporting documentation was filed.

On May 10, 2007, the Commission directed the District to publish a Notice of Filing, which provided that, if no protest was filed within thirty days after the date of publication, the Commission might waive formal hearing and grant the application based upon its review of the evidence submitted with the application. In that the same rates apply to the District's residential, commercial, industrial, and resale customers, the notice stated that, based upon an average of 4,500 gallons per month, for each class of customers the "\$)INCREASE" would be \$.64; the notice also stated that the "(%)INCREASE" for each class would be ".02452." It also stated that the "proposed increased rates and charges will produce approximately \$78,500.00 annually in additional revenue, an increase of 2.44%."

On June 4, 2007, Staff Attorney Ronald E. Robertson, Jr., filed an Initial Joint Staff Memorandum, with an attached memorandum from Karen L. Buckley, of the Water and Wastewater Division, and Jonathan Fowler, of the Engineering Division, synopsisizing the application.

On June 12, 2007, the District, by counsel, filed an affidavit of publication establishing that the Notice of Filing had been published on May 29, 2007, in The Putnam Standard.

On June 13, 2007, by Order, the Commission referred this matter to the Division of Administrative Law Judges for decision no later than November 29, 2007, if a timely protest was received, and no later than September 17, 2007, if no such protest was filed.

On June 29, 2007, the undersigned issued a Procedural Order requiring Staff to file its final memorandum no later than August 1, 2007, because no protest had been filed and the decision due date was, accordingly, September 17, 2007.

Also on June 29, 2007, the District, by counsel, filed an affidavit from the District's general manager stating that a copy of the Notice of Filing had been sent to each of the District's water customers. Also filed was certification that the District's resale customer, the City of Hurricane, had been sent a copy of the notice by certified mail.

On August 1, 2007, Mr. Robertson filed a Further Joint Staff Memorandum explaining that Staff was unable to file its final memorandum by that date, but would be filing it on August 3, 2007.

On August 3, 2007, the District, by counsel, filed documents showing that it had notified American Electric Power ("AEP") that the Notice of Filing had erroneously stated what would be the impact of the proposed rates on AEP for service to AEP's John Amos Plant; the correct rate of increase was 2.452%.

Also on August 3, 2007, Mr. Robertson filed the Final Joint Staff Memorandum, with an attached memorandum from Ms. Buckley and John Mottesheard, of the Engineering Division, which included the following: The project has been approved by West Virginia Infrastructure and Jobs Development Council. The system improvements will update water service to approximately sixty-three residential and commercial customers in the Scary Creek area of Putnam County and will involve the installation of 9,300 linear feet of two-inch to six-inch line, four fire hydrants, a pressure reducing valve and appurtenances. The existing water lines are undersized and in poor condition; the largest line, a four-inch line, cannot provide adequate fire flow. The construction of a new maintenance/service garage and office facility is for the District's water and sewer operations, and, therefore, half of the facility's financing is part of this case; the other half is part of Case No. 07-0755-PSD-CN. The existing building was constructed twenty-five years ago, is located in a flood plain, and is inadequate for the needs of the District's growing infrastructure. The estimated total project cost is \$1,436,000; the estimated total construction cost is \$1,090,000, comprised of \$590,000

for the improvements and \$500,000 for the building (half of the \$1,000,000 total cost of the building). The engineering fee, 9.4% of the total project cost, is reasonable, as is the \$9,400 cost per customer. The project will be financed by a \$1,436,000 Water Development Authority loan, payable over forty years at 5% per annum interest. The District had not yet received all necessary permits, but had assured Staff that it would not begin construction prior to receipt of all necessary permits. The proposed rates are a 2.4[5]% increase over those approved in Case No. 05-0660-PWD-CN, which are not yet in effect. Staff had recalculated the District's leak adjustment rate from \$0.36 per thousand gallons (approved in Case No. 05-0660-PWD-CN) to \$0.39. Staff opined that the District had complied with the notice requirements of Rule 10.3.d of the Commission's Rules of Practice and Procedure, and recommended that the project be approved, contingent upon receipt of all needed permits, and that the project's financing and the proposed rate increase be approved.

On August 10, 2007, the District, by counsel, filed Permit No. 17,554, issued for the project on June 27, 2007, by the State of West Virginia Office of Environmental Health Services.

DISCUSSION

The percentage increase of ".02452" stated on the Notice of Filing was incorrect for all classes of customers; the correct figure was "02.452." The undersigned will deem the District to have substantially complied with the notice requirements, nevertheless, because the notice did state the correct dollar increase and that the revenue increase would be 2.44%. The incorrect figure therefore could not have caused undue confusion. That the increase was minimal and that the difference between the figures was therefore also minimal additionally support that providing to the customers a revised notice would not have any effect in this matter.

FINDINGS OF FACT

1. On May 3, 2007, Putnam Public Service District filed with the Public Service Commission an application for a certificate of convenience and necessity for the upgrade, operation and maintenance of water mains, gate valves, fire hydrants, water meters and all necessary appurtenances, in the Ventroux Road area, Putnam County, and for the participation in the construction of a new maintenance/service garage and office facility; for approval of increased water rates and charges; and for approval of financing related thereto. (See application).

2. The District published the Notice of Filing on May 29, 2007, in The Putnam Standard and also sent a copy of the notice to each of its water customers, including its resale customer, the City of Hurricane, which was sent the notice by certified mail. No protest was filed. (See filings of June 12 and 29, 2007; case file generally).

3. The proposed rate was an increase of 2.45% over those approved in Case No. 05-0660-PWD-CN. The Notice of Filing stated that, based upon an average of 4,500 gallons per month, for each class of customers the “(\$)INCREASE” would be \$.64; the notice also stated that the “(%)INCREASE” for each class would be “.02452.” It also stated that the “proposed increased rates and charges will produce approximately \$78,500.00 annually in additional revenue, an increase of 2.44%.” (See filing of June 12, 2007).

3. The project has been approved by West Virginia Infrastructure and Jobs Development Council. (See application; Final Joint Staff Memorandum filed August 3, 2007).

4. The system improvements will update water service to approximately sixty-three residential and commercial customers in the Scary Creek area of Putnam County and will involve the installation of 9,300 linear feet of two-inch to six-inch line, four fire hydrants, a pressure reducing valve and appurtenances. (See application; Final Joint Staff Memorandum).

5. The existing water lines are undersized and in poor condition; the largest line, a four-inch line, cannot provide adequate fire flow. (See Final Joint Staff Memorandum).

6. The construction of a new maintenance/service garage and office facility is for the District’s water and sewer operations, and, therefore, half of the facility’s financing is part of this case; the other half is part of Case No. 07-0755-PSD-CN. (See application; Final Joint Staff Memorandum).

7. The existing building was constructed twenty-five years ago, is located in a flood plain, and is inadequate for the needs of the District’s growing infrastructure. (See Final Joint Staff Memorandum).

8. Staff reported that the District had not received all necessary permits, but had stated that it would not begin construction until all needed permits are received. Thereafter, the District filed Permit No. 17,554, issued for the project on June 27, 2007, by the State of West Virginia Office of Environmental Health Services. (See Final Joint Staff Memorandum; filing of August 10, 2007).

9. The estimated total project cost is \$1,436,000. The estimated total construction cost is \$1,090,000, comprised of \$590,000 for the improvements and \$500,000 for the building (half of the \$1,000,000 total cost of the building). (See application; Final Joint Staff Memorandum).

10. The project will be financed by a \$1,436,000 Water Development Authority loan, payable over forty years at 5% per annum interest. (See application; Final Joint Staff Memorandum).

11. Staff found the engineering fee, 9.4% of the total project cost, and the \$9,400 cost per customer to be reasonable. (See application; Final Joint Staff Memorandum).

12. Staff recalculated the District's leak adjustment rate from \$0.36 per thousand gallons (approved in Case No. 05-0660-PWD-CN) to \$0.39 per thousand gallons. (See Final Joint Staff Memorandum).

13. Staff opined that the District had complied with the notice requirements of Rule 10.3.d of the Commission's Rules of Practice and Procedure, and recommended that the project be approved, contingent upon receipt of all needed permits, and the project's financing and the proposed rate increase be approved. (See Final Joint Staff Memorandum).

CONCLUSIONS OF LAW

1. The District substantially complied with the notice requirements of Rule 10.3.d of the Commission's Rules of Practice and Procedure.

2. It is appropriate to grant the application, pursuant to W.Va. Code §§16-13A-25 and 24-2-11, and to approve the project, contingent upon the District's filing copies of any necessary outstanding permits, because the public convenience and necessity require the project and no protest was filed.

3. It is appropriate to approve the project's financing because it is reasonable.

4. It is appropriate to approve the proposed rate increases, including the modification to the leak adjustment, as provided in Appendix A hereto, because they are reasonable and necessary, and no protest was filed.

ORDER

IT IS, THEREFORE, ORDERED that the application filed on May 3, 2007, by Putnam Public Service District for a certificate of convenience and necessity for the upgrade, operation and maintenance of water mains, gate valves, fire hydrants, water meters and all necessary appurtenances, in the Ventroux Road area, Putnam County, and for the participation in the construction of a new maintenance/service garage and office facility, is granted and the project is approved, contingent upon receipt of any outstanding permits.

IT IS FURTHER ORDERED that the funding for the project, consisting of a \$1,436,000 Water Development Authority loan, payable over forty years at 5% per annum interest, is approved.

IT IS FURTHER ORDERED that Putnam Public Service District files copies of all

outstanding permits as soon as possible and not begin construction on the project until all such permits are received.

IT IS FURTHER ORDERED that the rate increases and revisions contained in the Approved Tariff, attached hereto as Appendix A, are approved, to become effective upon completion of the project.

IT IS FURTHER ORDERED that, if there is any change in the cost of the project, estimated at \$1,436,000, which affects rates, or in the scope, design or funding of the project, Putnam Public Service District file a petition with the Commission for approval of such revisions.

IT IS FURTHER ORDERED that Putnam Public Service District comply with all rules and regulations of the Division of Highways regarding the use of those rights-of-way.

IT IS FURTHER ORDERED that, if there are any changes in the project costs that do not affect rates, Putnam Public Service District file herein an affidavit duly executed by its accountant verifying that the District's rates and charges are not affected.

IT IS FURTHER ORDERED that Putnam Public Service District submit a copy of the bids to the Commission, making the bids a part of the Commission's file in this case, as soon as the bids are tabulated.

IT IS FURTHER ORDERED that Putnam Public Service District notify the Commission when its engineer has performed the substantial completion inspection.

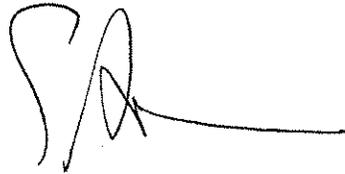
IT IS FURTHER ORDERED that this matter be removed from the Commission's docket of open cases.

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

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

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

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

A handwritten signature in black ink, appearing to be 'SA' followed by a long horizontal line extending to the right.

Sunya Anderson
Administrative Law Judge

SA:s
070756aa.wpd

PUTNAM PUBLIC SERVICE DISTRICT (Water)
CASE NO. 07-0756-PWD-CN
APPROVED RATES

SCHEDULE I

APPLICABILITY

Applicable within the entire territory served except the Kanawha Orchard Industrial customers.

AVAILABILITY

Available for general domestic, commercial, Putnam County industrial and resale service.

RATES (customers with metered water supply)

First	2,000 gallons used per month	Minimum Rate According to Meter Size
Next	23,000 gallons used per month	\$4.25 per 1,000 gallons
Next	975,000 gallons used per month	\$3.91 per 1,000 gallons
Next	1,000,000 gallons used per month	\$2.69 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than \$16.11 per month which is the equivalent of 2,000 gallons of water.

5/8-or 3/4-inch meter	\$ 16.11 per month
1 inch meter	\$ 40.28 per month
1-1/4 inch meter	\$ 58.80 per month
1-1/2 inch meter	\$ 80.55 per month
2 inch meter	\$ 128.88 per month
3 inch meter	\$ 241.65 per month
4 inch meter	\$ 402.75 per month
6 inch meter	\$ 805.50 per month
8 inch meter	\$1,288.80 per month

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.

RECONNECTION \$25.00

To be charged whenever the supply of water is turned off for violation of rules, non-payment of bills or fraudulent use of water.

TAP FEE

The following charge is 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.

LEAK ADJUSTMENT

\$0.39 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

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 their bank due to insufficient funds.

SCHEDULE I-A

APPLICABILITY

Applicable within the entire territory formerly served by the Kanawha Orchard Public Service District for industrial customers only.

AVAILABILITY

Available for industrial water service.

RATES (customers with metered water supply)

First	3,000 gallons used per month	\$6.23 per 1,000 gallons
Next	7,000 gallons used per month	\$5.93 per 1,000 gallons
All Over	10,000 gallons used per month	\$5.63 per 1,000 gallons

MINIMUM CHARGE

No minimum bill will be rendered for less than \$18.69 per month which is the equivalent of 3,000 gallons of water.

5/8-or 3/4-inch meter	\$ 18.69 per month
1 inch meter	\$ 46.72 per month
1-1/2 inch meter	\$ 93.45 per month
2 inch meter	\$ 149.52 per month
4 inch meter	\$ 467.25 per month
6 inch meter	\$ 934.50 per month
8 inch meter	\$1,495.20 per month

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.

RECONNECTION \$15.00

To be charged whenever the supply of water is turned off for violation of rules, non-payment of bills or fraudulent use of water.

TAP FEE

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

A tap fee of \$200.00 will be charged to customers applying for service 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 \$200.00 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.

LEAK ADJUSTMENT

\$0.39 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

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 their bank due to insufficient funds.

SCHEDULE 2

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for private fire protection.

RATE

The monthly rate for private fire protection will be \$36.53 per hydrant to sprinkler connection.

FIRE SERVICE TAP FEE

The tap for connection of private fire hydrants or sprinkler connections shall be the actual cost of making said connection.

RECONNECTION \$15.00

To be charged whenever the supply of water is turned off for violation of rules, non-payment of bills or fraudulent use of water.

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.

SCHEDULE 3

APPLICABILITY

Applicable in the entire territory served.

SURCHARGE

Bond Reserve Repayment Surcharge - \$0.064 per 1,000 gallons sold from the effective date of this tariff will be charged in order to eliminate the deficiency in the water bond reserve. This surcharge will be eliminated once the deficiency reaches a zero balance.



West Virginia Infrastructure & Jobs Development Council

Public Members:

Mark Prince
Hurricane
Wright Calhoun
Petersburg
Tim Stranko
Morgantown
Dave McComas
Prichard

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

Jefferson E. Brady, PE
Executive Director

Jefferson.Brady@verizon.net

December 6, 2006

Michael McNulty, General Manager
Putnam Public Service District
P.O. Box 860
Scott Depot, West Virginia 25560

Re: Putnam Public Service District
Water Project 2006W-892

Dear Mr. McNulty:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the Putnam Public Service District's (the "District") revised preliminary application regarding its proposed project to replace various type pipe with main including gate valves, fire hydrants, water meters and all necessary appurtenances. Also, construct a new maintenance building (the "Project").

Based on the findings of the Water Technical Review Committee, the Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The District should carefully review the enclosed comments of the Water Technical Review Committee as the District may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of the revised preliminary application, the Council recommends that the District pursue a \$1,436,000 Water Development Authority loan to fund this project. Please contact the Water Development Authority office at 558-3612 for specific information on the steps the District needs to follow to apply for these funds. **Please note that this letter does not constitute funding approval from this agency.**

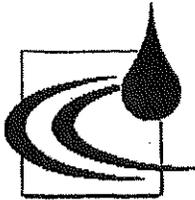
If you have any questions regarding this matter, please contact Jeff Brady at 558-4607.

Sincerely,

Mark Prince

Enclosure

cc: Pat Taylor, P.E., BPH (w/o enclosure)
Region III Planning & Development Council
QK-4
E. L. Robinson



WEST VIRGINIA
Water Development Authority

Celebrating 32 Years of Service 1974 - 2006

March 16, 2007

Michael McNulty, General Manager
Putnam Public Service District
P.O. Box 860
Scott Depot, WV 25560

PUTNAM PUBLIC SERVICE DISTRICT
WATER PROJECT 2006W-892

The West Virginia Water Development Authority ("WDA") is in receipt of a West Virginia Infrastructure and Jobs Development Council ("IJD") recommendation that the Putnam Public Service District ("District") pursue a \$1,436,000 WDA loan to fund a proposed water project.

Please be advised that the WDA is willing to provide the recommended amount subject to the District's satisfaction of all conditions precedent set forth in the Loan Agreement between the WDA and the District. For planning purposes, the District may use an interest of 5%, which may be amortized over 40 years. This offer is valid for six months from the date of this letter.

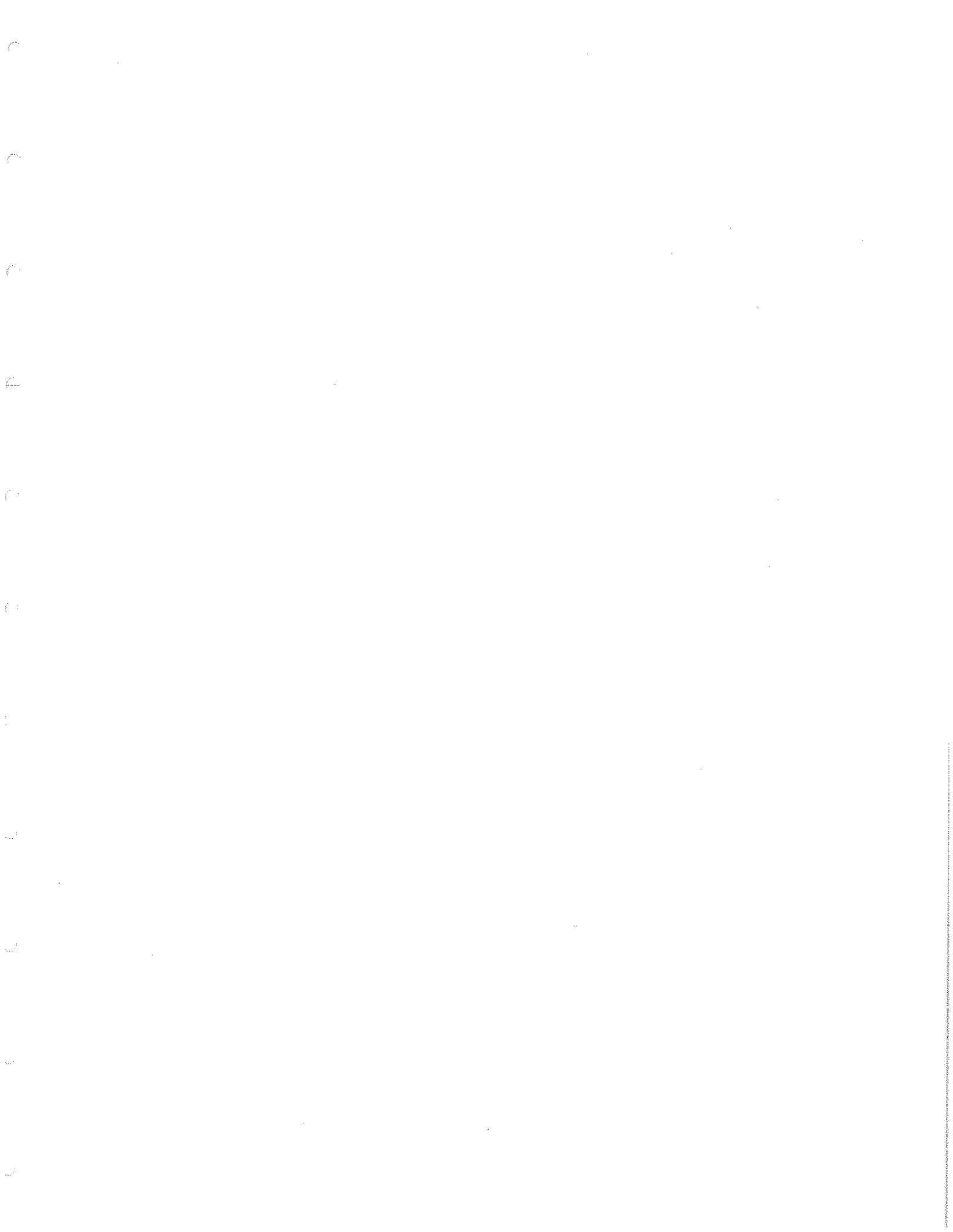
Should you have any questions, please call.

DANIEL B. YONKOSKY - DIRECTOR,

c Robert Decrease, P.E.
Region III Planning & Development Council
QK-4
E.L. Robinson - ? QK4
Jeff Brady, P.E.
Samme Gee, Esq.

180 Association Drive, Charleston, WV 25311-1217
phone (304) 558-3612 / fax (304) 558-0299
www.wda.org

*Vintraux
WATER LOAN
WDA*



PUTNAM PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2008 A
(West Virginia Water Development Authority)

CROSS-RECEIPT FOR SERIES 2008 A BONDS AND BOND PROCEEDS

On this 28th day of January, 2008, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Chairman of Putnam Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Putnam Public Service District Water Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), issued in the principal amount of \$1,436,000, as a single, fully registered Bond, numbered AR-1 and dated January 28, 2008 (the "Series 2008 A Bonds").

2. At the time of such receipt of the Series 2008 A Bonds upon original issuance, the Series 2008 A 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 Series 2008 A Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2008 A Bonds, of the proceeds of the Series 2008 A Bonds in the aggregate principal amount of \$1,436,000 (100% of par value), there being no interest accrued thereon.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

Barbara B. Meadows
Authorized Representative

PUTNAM PUBLIC SERVICE DISTRICT

Joe C. Miller
Chairman

01.11.08
847280.00011

PUTNAM PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2008 A
(West Virginia Water Development Authority)

DIRECTION TO AUTHENTICATE AND DELIVER SERIES 2008 A BONDS

The Huntington National Bank, as
Bond Registrar for the Series 2008 A Bonds
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 28th day of January, 2008.

(1) Bond No. AR-1, constituting the entire original issue of the Putnam Public Service District Water Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), in the principal amount of \$1,436,000, dated January 28, 2008 (the "Series 2008 A Bonds"), executed by the Chairman and Secretary of Putnam Public Service District (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Resolution duly adopted by the Issuer on January 24, 2008, and a Supplemental Resolution duly adopted by the Issuer on January 24, 2008 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of the loan agreement dated January 24, 2008 (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"); and

(4) An executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Series 2008 A Bonds.

You are hereby requested and authorized to deliver the Series 2008 A Bonds to the Authority upon payment to the Issuer of the sum of \$1,436,000, representing the agreed purchase price of the Series 2008 A Bonds there being no accrued interest thereon. Prior to such delivery of the Series 2008 A Bonds, you will please cause the Series 2008 A Bonds to be authenticated and registered by an authorized officer, as Bond Registrar for the Series 2008 A Bonds, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

PUTNAM PUBLIC SERVICE DISTRICT

Chairman *Je E Miller*

01.07.08
847280.00011

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
PUTNAM PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2008 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR-1

\$1,436,000

KNOW ALL MEN BY THESE PRESENTS: That on this 28th day of January, 2008 PUTNAM PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Putnam 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 ONE MILLION FOUR HUNDRED THIRTY SIX THOUSAND DOLLARS (\$1,436,000), in annual principal payments on October 1 of each year, beginning October 1, 2009 to and including October 1, 2047, as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, such interest shall be payable semiannually on April 1 and October 1 in each year, beginning April 1, 2008 to and including October 1, 2047. 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 interest on this Bond is 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 Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest 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 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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated January 28, 2008.

This Bond is issued to provide funds, along with other available monies of the Issuer (i) to pay the costs of acquisition and construction of certain improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); (ii) to pay interest on the Bonds of this Series (the "Bonds") during the construction of the Project and for not more than 6 months thereafter; (iii) to fund a reserve account for the Bonds; and (iv) to pay certain costs of issuance hereof and related costs. The existing public waterworks 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 1 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Resolution duly adopted by the Issuer on January 24, 2008, and a Supplemental Resolution duly adopted by the Issuer on January 24, 2008 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for 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 RESPECTS, WITH THE ISSUER'S (I) WATER REVENUE BONDS, SERIES 2006 A (UNITED STATES DEPARTMENT OF AGRICULTURE), DATED MARCH 12, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$8,190,000 (THE "SERIES 2006 A BONDS"); (II) WATER REVENUE BONDS, SERIES 1999 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JUNE 16, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$6,440,000 (THE "SERIES 1999 A BONDS"); (III) WATER REVENUE BONDS, SERIES 1999 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JUNE 16, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$5,425,000 (THE "SERIES 1999 B BONDS"); AND (IV) WATERWORKS SYSTEM REVENUE NOTES, SERIES 2004 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JUNE 18, 2004, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$250,000 (THE "SERIES 2004 A NOTES") (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2008 A 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 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 2008 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 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 Prior Bonds; provided however, that so long as there exists in the Series 2008 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest 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%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, PUTNAM 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]

He Mullin
Chairman

ATTEST:

[Signature]
Secretary

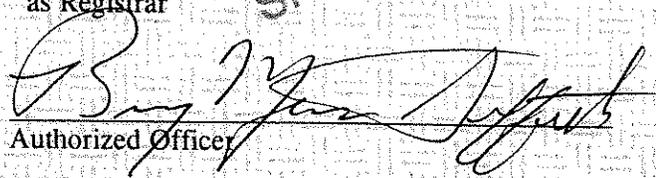
SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2008 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: January 28, 2008.

THE HUNTINGTON NATIONAL BANK,
as Registrar


Authorized Officer

SPECIMEN

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

\$1,436,000

Putnam Public Service District (West Virginia)

40 Years; 5% Interest Rate

Closing Date: January 28, 2008

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I	Bond Year Total
01/28/2008	-	-	-	-	-
04/01/2008	-	-	12,565.00	12,565.00	-
10/01/2008	-	-	35,900.00	35,900.00	48,465.00
04/01/2009	-	-	35,900.00	35,900.00	-
10/01/2009	12,586.00	5.000%	35,900.00	48,486.00	84,386.00
04/01/2010	-	-	35,585.35	35,585.35	-
10/01/2010	13,215.00	5.000%	35,585.35	48,800.35	84,385.70
04/01/2011	-	-	35,254.98	35,254.98	-
10/01/2011	13,876.00	5.000%	35,254.98	49,130.98	84,385.96
04/01/2012	-	-	34,908.08	34,908.08	-
10/01/2012	14,570.00	5.000%	34,908.08	49,478.08	84,386.16
04/01/2013	-	-	34,543.83	34,543.83	-
10/01/2013	15,298.00	5.000%	34,543.83	49,841.83	84,385.66
04/01/2014	-	-	34,161.38	34,161.38	-
10/01/2014	16,063.00	5.000%	34,161.38	50,224.38	84,385.76
04/01/2015	-	-	33,759.80	33,759.80	-
10/01/2015	16,866.00	5.000%	33,759.80	50,625.80	84,385.60
04/01/2016	-	-	33,338.15	33,338.15	-
10/01/2016	17,710.00	5.000%	33,338.15	51,048.15	84,386.30
04/01/2017	-	-	32,895.40	32,895.40	-
10/01/2017	18,595.00	5.000%	32,895.40	51,490.40	84,385.80
04/01/2018	-	-	32,430.53	32,430.53	-
10/01/2018	19,525.00	5.000%	32,430.53	51,955.53	84,386.06
04/01/2019	-	-	31,942.40	31,942.40	-
10/01/2019	20,501.00	5.000%	31,942.40	52,443.40	84,385.80
04/01/2020	-	-	31,429.88	31,429.88	-
10/01/2020	21,526.00	5.000%	31,429.88	52,955.88	84,385.76
04/01/2021	-	-	30,891.73	30,891.73	-
10/01/2021	22,603.00	5.000%	30,891.73	53,494.73	84,386.46
04/01/2022	-	-	30,326.65	30,326.65	-
10/01/2022	23,733.00	5.000%	30,326.65	54,059.65	84,386.30
04/01/2023	-	-	29,733.33	29,733.33	-
10/01/2023	24,919.00	5.000%	29,733.33	54,652.33	84,385.66
04/01/2024	-	-	29,110.35	29,110.35	-
10/01/2024	26,165.00	5.000%	29,110.35	55,275.35	84,385.70
04/01/2025	-	-	28,456.23	28,456.23	-
10/01/2025	27,474.00	5.000%	28,456.23	55,930.23	84,386.46
04/01/2026	-	-	27,769.38	27,769.38	-
10/01/2026	28,847.00	5.000%	27,769.38	56,616.38	84,385.76
04/01/2027	-	-	27,048.20	27,048.20	-
10/01/2027	30,290.00	5.000%	27,048.20	57,338.20	84,386.40
04/01/2028	-	-	26,290.95	26,290.95	-
10/01/2028	31,804.00	5.000%	26,290.95	58,094.95	84,385.90

\$1,436,000
Putnam Public Service District (West Virginia)
40 Years; 5% Interest Rate
Closing Date: January 28, 2008

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I	Bond Year Total
04/01/2029	-	-	25,495.85	25,495.85	-
10/01/2029	33,394.00	5.000%	25,495.85	58,889.85	84,385.70
04/01/2030	-	-	24,661.00	24,661.00	-
10/01/2030	35,064.00	5.000%	24,661.00	59,725.00	84,386.00
04/01/2031	-	-	23,784.40	23,784.40	-
10/01/2031	36,817.00	5.000%	23,784.40	60,601.40	84,385.80
04/01/2032	-	-	22,863.98	22,863.98	-
10/01/2032	38,658.00	5.000%	22,863.98	61,521.98	84,385.96
04/01/2033	-	-	21,897.53	21,897.53	-
10/01/2033	40,591.00	5.000%	21,897.53	62,488.53	84,386.06
04/01/2034	-	-	20,882.75	20,882.75	-
10/01/2034	42,621.00	5.000%	20,882.75	63,503.75	84,386.50
04/01/2035	-	-	19,817.23	19,817.23	-
10/01/2035	44,752.00	5.000%	19,817.23	64,569.23	84,386.46
04/01/2036	-	-	18,698.43	18,698.43	-
10/01/2036	46,989.00	5.000%	18,698.43	65,687.43	84,385.86
04/01/2037	-	-	17,523.70	17,523.70	-
10/01/2037	49,339.00	5.000%	17,523.70	66,862.70	84,386.40
04/01/2038	-	-	16,290.23	16,290.23	-
10/01/2038	51,806.00	5.000%	16,290.23	68,096.23	84,386.46
04/01/2039	-	-	14,995.08	14,995.08	-
10/01/2039	54,396.00	5.000%	14,995.08	69,391.08	84,386.16
04/01/2040	-	-	13,635.18	13,635.18	-
10/01/2040	57,116.00	5.000%	13,635.18	70,751.18	84,386.36
04/01/2041	-	-	12,207.28	12,207.28	-
10/01/2041	59,972.00	5.000%	12,207.28	72,179.28	84,386.56
04/01/2042	-	-	10,707.98	10,707.98	-
10/01/2042	62,970.00	5.000%	10,707.98	73,677.98	84,385.96
04/01/2043	-	-	9,133.73	9,133.73	-
10/01/2043	66,119.00	5.000%	9,133.73	75,252.73	84,386.46
04/01/2044	-	-	7,480.75	7,480.75	-
10/01/2044	69,425.00	5.000%	7,480.75	76,905.75	84,386.50
04/01/2045	-	-	5,745.13	5,745.13	-
10/01/2045	72,896.00	5.000%	5,745.13	78,641.13	84,386.26
04/01/2046	-	-	3,922.73	3,922.73	-
10/01/2046	76,541.00	5.000%	3,922.73	80,463.73	84,386.46
04/01/2047	-	-	2,009.20	2,009.20	-
10/01/2047	80,368.00	5.000%	2,009.20	82,377.20	84,386.40
Total	\$1,436,000.00	-	\$1,903,522.52	\$3,339,522.52	-

\$1,436,000

Putnam Public Service District (West Virginia)

40 Years; 5% Interest Rate

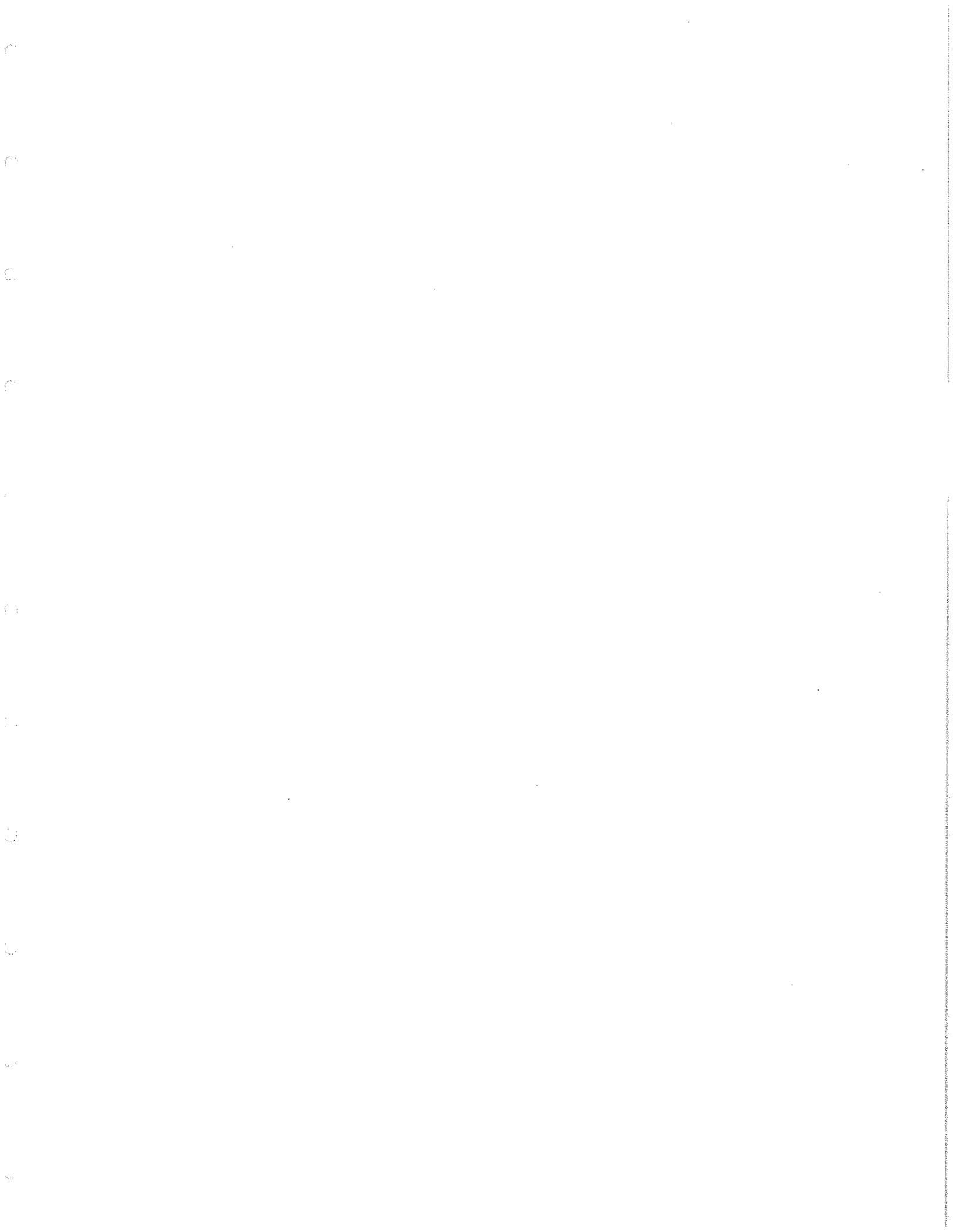
Closing Date: January 28, 2008

Debt Service Schedule

Part 3 of 3

Yield Statistics

Bond Year Dollars	\$38,070.45
Average Life	26.511 Years
Average Coupon	5.0000006%
Net Interest Cost (NIC)	5.0000006%
True Interest Cost (TIC)	5.0005052%
Bond Yield for Arbitrage Purposes	5.0005052%
All Inclusive Cost (AIC)	5.0005052%
IRS Form 8038	
Net Interest Cost	5.0000006%
Weighted Average Maturity	26.511 Years



January 28, 2008

Putnam Public Service District
Water Revenue Bonds, Series 2008 A
(West Virginia Water Development Authority)

Putnam Public Service District
Scott Depot, 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 Putnam Public Service District (the "Issuer"), a public service district and political subdivision organized and existing under the laws of the State of West Virginia, of its \$1,436,000 Water Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated January 28, 2008, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal and interest to the Authority, bearing interest at the rate of five percent (5.0%) per annum. The principal of the Bonds are payable annually on October 1 of each year, commencing October 1, 2009, to and including October 1, 2047, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The interest on the Bonds are payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2008, to and including October 1, 2047, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying the costs of acquisition and construction of improvements and extensions to the existing public

waterworks system of the Issuer (the "Project"); (ii) capitalizing interest on the Series 2008 A Bonds; (iii) fully funding the Series 2008 A Bonds Reserve Account; and (iv) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on January 24, 2008, as supplemented by a Supplemental Resolution duly adopted by the Issuer on January 24, 2008 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

In connection with the issuance of the Bonds, the Issuer has executed a Certificate as to Arbitrage, dated as of the date hereof (the "Certificate as to Arbitrage"), which, among other things, sets forth restrictions on the investment and expenditure of the Bond proceeds and earnings thereon, to ensure that the arbitrage requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (collectively, the "Code"), necessary to establish and maintain the excludability of interest on the Bonds from gross income for federal income tax purposes, are and will continue to be met.

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

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

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

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

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's (i) Water Revenue Bonds, Series 2006 A (United States Department

of Agriculture), dated March 12, 2006, issued in the original aggregate principal amount of \$8,190,000 (the "Series 2006 A Bonds"), (ii) Water Revenue Bonds, Series 1999 A (West Virginia Water Development Authority), dated June 16, 1999, issued in the original aggregate principal amount of \$6,440,000 (the "Series 1999 A Bonds"), (iii) Water Revenue Bonds, Series 1999 B, dated June 16, 1999, issued in the original aggregate principal amount of \$5,425,000 (the "Series 1999 B Bonds"), and (iv) Water Revenue Notes, Series 2004 (West Virginia Water Development Authority), dated June 18, 2004 in the original aggregate principal amount of \$250,000 (the "Series 2004 Notes"), all in accordance with the Bonds and the Bond Legislation.

5. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to the Code and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Bond Legislation and the Certificate as to Arbitrage, and other certificates delivered in connection with the issuance of the Bonds. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

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

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

Very truly yours,


STEPHENS & JOHNSON PLLC



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

Writer's Contact Information

January 28, 2008

Putnam Public Service District
Water Revenue Bonds, Series 2008 A
(West Virginia Water Development Authority)

Putnam Public Service District
Scott Depot, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We are counsel to Putnam Public Service District, a public service district, in Putnam County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a loan agreement for the Series 2008 A Bonds dated January 28, 2008, including all schedules and exhibits attached thereto, by and between the Issuer and the West Virginia Water Development Authority (the "Authority")(the "Loan Agreement"), the Bond Resolution duly adopted by the Issuer on January 24, 2008, as supplemented by the Supplemental Resolution duly adopted by the Issuer on January 24, 2008 (collectively, the "Bond Legislation"), and other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer (collectively, the "Bonds") and orders of The County Commission of Putnam County relating to the Issuer and the appointment of the 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 Legislation and the Loan Agreement when used herein.

We are of the opinion that:

1. The Issuer has been duly created and is validly existing as a public service district and public corporation and political subdivision of the State of West Virginia.
2. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding agreement of the Issuer, enforceable in accordance with its terms.

CH3816705.3

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

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

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

6. The Issuer has received all permits, licenses, approvals, consents, certificates, orders, exemptions and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges have been entered and/or received, including, without limitation, all requisite orders, certificates, consents and approvals from the DEP and The County Commission of Putnam County. We express no opinion as to any orders or certificates which the Issuer is required to obtain from the Public Service Commission of West Virginia.

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

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

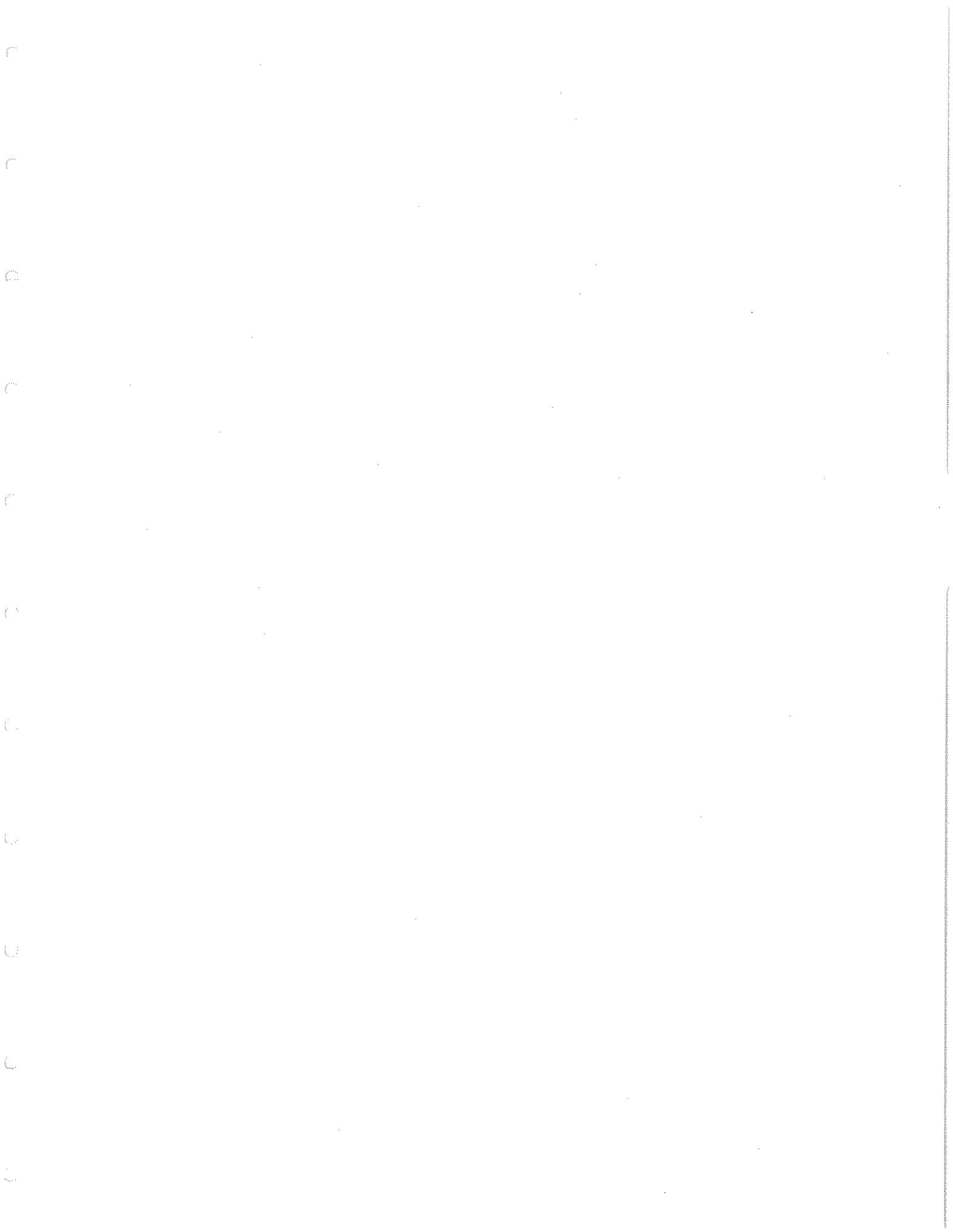
All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Putnam Public Service District, et al.
Page 3

Very truly yours,

Stephane Johnson PLLC (TPS)

STEPTOE & JOHNSON PLLC



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

ROBERT R. RODECKER
rodecker@wvdsi.net

JAMES V. KELSH
OF COUNSEL
keshlaw@yahoo.com

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343-1654
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January 28, 2008

Putnam Public Service District
Water Revenue Bonds Series 2008 A
(West Virginia Water Development Authority)

Putnam Public Service District
Scott Depot, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am special counsel to Putnam Public Service District, a public service district in Putnam County, West Virginia (the "Issuer"). As such counsel, I have represented the Issuer before the Public Service Commission of West Virginia in connection with the issuance of the above-referenced bonds, and the acquisition and construction of the Project. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

I am of the opinion that:

1. The Issuer has received all orders, certificates and authorizations from the Public Service Commission of West Virginia necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the implementation of rates and charges, and the Issuer has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The Issuer has received a Recommended Decision of the Public Service Commission of West Virginia entered on August 15, 2007, which became Final Order on September 4, 2007, in Case No. 07-0756-PWD-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the

Page Two
January 28, 2008

Project and approving the financing for the Project. The time for appeal of such Order has expired prior to the date hereof.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert R. Rodecker".

Robert R. Rodecker

RRR/bg

RALPH W. BASSETT, JR.
Attorney At Law
1156 South Main Street
Milton, West Virginia 25541
Phone: (304) 743-5573
FAX: (304) 743-1150
e-mail: rbassett@bassettlowe.com

December 28, 2007

Putnam Public Service District

West Virginia Department of Environmental Protection
601 – 57th Street
Charleston, WV 25304

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

Mr. John Stump
Steptoe & Johnson
707 Virginia St. E.
Charleston, WV 25301

Re: Final Title Opinion for Putnam Public Service District

Ladies and Gentlemen:

We are counsel to Putnam Public Service District (the "Issuer") in connection with a proposed project to construct Vintroux Water/Sewer (the "Project"). We provide this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Department of Environmental Protection (the "DEP") for the Project. Please be advised of the following:

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

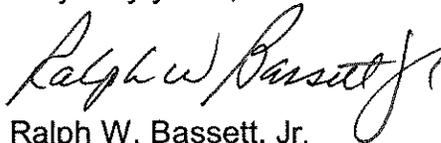
3. We have investigated and ascertained the location of, and are familiar with the legal description of, the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by QK4, the consulting engineers for the Project.

4. We have examined the records on file in the Office of the Clerk of the County Commission of Putnam County, West Virginia, the county in which the Project is to be located, and, in our opinion, the Issuer has acquired legal title or such other estate or interest in all of the necessary site components for the Project, including all easements and/or rights of way, with the exception of those listed in Paragraph 5, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

5. The following listed properties are to be acquired by eminent domain and the necessary filings have been made in the Office of the Clerk of the Circuit Court of Putnam County, West Virginia, to permit the Issuer a right-of-entry for the purpose of construction, operation and maintenance of the Project on the subject properties. The Issuer's title thereto is defeasible in the event the Issuer does not satisfy any resulting judgment and/or award in the proceedings for acquisition of said properties, and our certification is subject to the following pending litigation: NONE

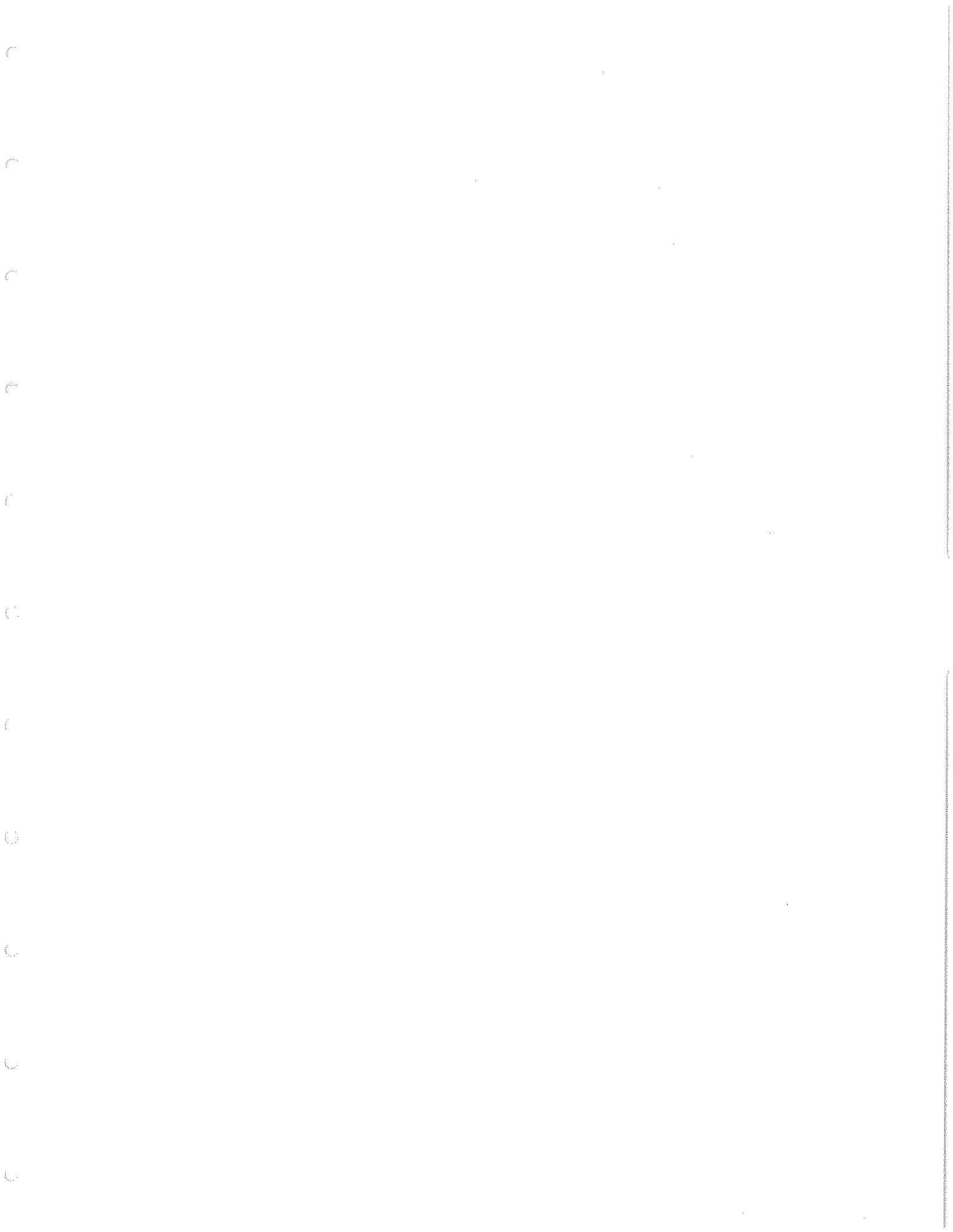
6. All deeds, easements and rights of way which have been acquired to date by the Issuer have been duly recorded in the Office of the Clerk of the County Commission of Putnam County to protect the legal title to and interest of the Issuer.

Very truly yours,



Ralph W. Bassett, Jr.

RWB:jrr



PUTNAM PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2008 A
(West Virginia Water Development Authority)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Putnam Public Service District, in Putnam County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the Issuer, hereby certify this 28th day of January, 2008 in connection with the \$1,436,000 Putnam Public Service District Water Revenue Bonds, Series 2008 A (West Virginia Water Development Authority) (the "Series 2008 A Bonds") as follows:

1. **TERMS:** All capitalized words and terms used in this General Certificate and not otherwise defined shall have the same meaning set forth in the Bond Resolution duly adopted by the Issuer on January 24, 2008, and a Supplemental Resolution duly adopted by the Issuer on January 24, 2008 (collectively, the "Bond Legislation").

2. **NO LITIGATION:** No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Series 2008 A Bonds, the acquisition or construction of the Project, the operation of the System, the receipt of the Net Revenues, or in any way contesting or affecting the validity of the Series 2008 A Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Series 2008 A Bonds, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Series 2008 A Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Series 2008 A Bonds, the acquisition and construction of the Project, the operation of the System, if any, or the pledge or application of moneys and security or the collection of the Net Revenues or pledge thereof.

3. **GOVERNMENTAL APPROVALS AND BIDDING:** All applicable and necessary approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2008 A Bonds, have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the Official West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. **NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS:** There has been no adverse change in the financial condition of the Issuer since the approval and execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the Loan Agreement entered into between the Issuer and the Authority.

There are obligation of the Issuer which will rank on a parity to the Series 2008 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's (i) Water Revenue Bonds, Series 2006 A (United States Department of Agriculture), dated March 12, 2006, issued in the original aggregate principal amount of \$8,190,000 (the "Series 2006 A Bonds"); (ii) Water Revenue Bonds, Series 1999 A (West Virginia Water Development Authority), dated June 16, 1999, issued in the original aggregate principal amount of \$6,440,000 (the Series 1999 A Bonds"); (iii) Water Revenue Bonds, Series 1999 B (West Virginia Water Development Authority), dated June 16, 1999, issued in the original aggregate principal amount of \$5,425,000 (the Series 1999 B Bonds"); and (iv) Water

Revenue Notes, Series 2004 A (West Virginia Water Development Authority), dated June 18, 2004, issued in the original aggregate principal amount of \$250,000 (the Series 2004 A Notes”).

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, altered, supplemented or changed in any way unless modification appears from later documents also listed below:

Bond Resolution

Supplemental Resolution

Loan Agreement

Public Service Commission Order

Infrastructure and Jobs Development Council Approval

County Commission and Public Service Commission
Orders regarding Creation and Expansion of District

County Commission Orders Appointing Current
Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure of Public Service Board

Minutes of Current Year Organizational Meeting

Minutes on Adoption of Bond Resolution and Supplemental
Resolution

Consent of USDA

Consent of WDA

Prior Bond Resolutions

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is " Putnam Public Service District." The Issuer is a public service district and public corporation duly created by The County Commission of Putnam County and presently existing under the laws of, and a 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>
Calvin L. Hatfield	August 21, 2003	August 31, 2009
Joe E. Miller	August 31, 2005	August 31, 2011
Vacant		

The names of the duly elected and/or appointed, qualified and acting officers of the Public Service Board of the Issuer for the calendar year 2008 are as follows:

Chairman	-	Joe Miller
Secretary/ Treasurer	-	Calvin Hatfield

The duly appointed and acting counsel to the Issuer is Steptoe & Johnson PLLC, Charleston, West Virginia. The duly appointed special counsel to the Issuer is Robert R. Rodecker, Charleston, West Virginia

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition and construction of the Project and 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 Series 2008 A 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 Series 2008 A Bonds, the acquisition, construction and financing of the Project and the operation of 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, without limitation, Chapter 6, Article 9A, of the Official West Virginia Code of 1931, as amended, and a quorum of duly appointed or elected, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

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

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

11. **RATES:** The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on August 15, 2007, in Case No. 07-0756-PWD-CN, approving the rates and charges for the services of the System. Counsel to the Issuer expresses no opinion as to this paragraph 11.

12. **PUBLIC SERVICE COMMISSION ORDER:** The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on August 15, 2007, in Case No. 07-0756-PWD-CN, granting to the Issuer a certificate of public convenience and necessity for the Project, approving the water rates for the System and approving the financing for the Project. Counsel to the Issuer expresses no opinion as to this paragraph 12.

13. **SIGNATURES AND DELIVERY:** On the date hereof, the undersigned Chairman did officially sign all of the Series 2008 A Bonds of the aforesaid issue, consisting upon original issuance of a single bond, numbered AR-1, 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 said Series 2008 A Bonds and to be attested by his manual

signature, and the Registrar did officially authenticate and deliver the Series 2008 A Bonds to a representative of the Authority as the original purchaser of the Series 2008 A Bonds under the Loan Agreement. Said official seal is also impressed above the signatures appearing on this certificate.

14. **BOND PROCEEDS:** On the date hereof, the Issuer received from the Authority the agreed purchase price of the Series 2008 A Bonds, being \$1,436,000, there being no interest accrued thereon.

15. **PUBLICATION OF NOTICE PSC FILING:** The Issuer has published any required notice with respect to, among other things, the acquisition and construction of the Project, anticipated user rates and charges, and filing of a formal application for a certificate of public convenience and necessity with the Public Service Commission of West Virginia, in accordance with Chapter 16, Article 13A, Section 25 of the Official West Virginia Code of 1931, as amended.

16. **PRIVATE USE OF FACILITIES:** The Issuer shall at all times take, and refrain from taking, and shall not fail to take, any and all actions to assure the initial and continued tax-exempt status of the Series 2008 A Bonds and the interest thereon. Less than 10% of the proceeds of the Series 2008 A Bonds will be used, directly or indirectly, for any private business use, and less than 10% of the payment of principal of, or the interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or 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. None of the proceeds of the Series 2008 A Bonds will be used, directly or indirectly, for any private business use which is not related to the governmental use of the proceeds of the Series 2008 A Bonds, including the disproportionate related business use of the proceeds of the Series 2008 A Bonds, and none of the payment of principal of, or interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or 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 with respect to such private business use, which is not related to any government use of such proceeds, including the disproportionate related business use of the issue of the Series 2008 A Bonds. None of the proceeds of the issue of the Series 2008 A Bonds will be used, directly or indirectly, to make or finance loans to persons other than governmental units. For purposes of this paragraph, private business use means use, directly or indirectly, in a trade or business carried on by any person, including related persons, other than a governmental unit, other than use as a member of the general public. All of the foregoing have been and are to be determined in accordance with and within the meaning of the Internal Revenue

Code of 1986, as amended (including any amendments and successor provisions and the rules and regulations thereunder, the "Code").

17. NO FEDERAL GUARANTY: The Series 2008 A Bonds are not and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

18. IRS INFORMATION RETURN: On the date hereof, the undersigned Chairman did officially execute a properly completed IRS Form 8038-G in connection with both the Series 2008 A and will cause each such executed Form 8038-G to be filed in a timely manner pursuant to Section 149(e) of the Code with the Internal Revenue Service Center, Philadelphia, Pennsylvania. The information contained in each such executed Form 8038-G is true, correct and complete.

19. SPECIMEN BOND: Delivered concurrently herewith are true and accurate specimens of both the Series 2008 A.

20. 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 Series 2008 A Bonds, the Bond Legislation and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

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

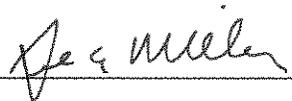
22. EXECUTION IN COUNTERPARTS: This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

WITNESS our signatures and the official seal of PUTNAM PUBLIC SERVICE DISTRICT on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE



Chairman



Secretary

Counsel to Issuer

Special PSC Counsel
(as to Paragraphs 11, 12 and 15)

01.11.08
847280.00011

WITNESS our signatures and the official seal of PUTNAM PUBLIC SERVICE DISTRICT on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Chairman

Secretary



Counsel to Issuer



Special PSC Counsel
(as to Paragraphs 11, 12 and 15)

01.11.08
847280.00011

PUTNAM PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2008 A
(West Virginia Water Development Authority)

CERTIFICATE OF ENGINEER

I, Steven M. Newton, Registered Professional Engineer, West Virginia License No. 14389, of Qk4, Inc., St. Albans, West Virginia, hereby certify this 28th day of January, 2008 as follows:

1. My firm is engineer for the acquisition and construction of improvements and extensions to the existing public waterworks system (the "Project") of Putnam Public Service District (the "Issuer") to be constructed primarily in Putnam County, West Virginia, which acquisition and construction are being permanently financed by the proceeds of the above-captioned bonds (collectively, the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on January 24, 2008, as supplemented by the Supplemental Resolution adopted by the Issuer on January 24, 2008, and the Loan Agreement for the Series 2008 A Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority") dated January 28, 2008 (the "Loan Agreement").

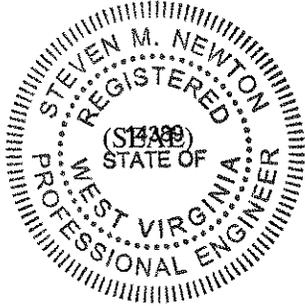
2. The Bonds are being issued for the purposes of (i) paying the costs of acquisition and construction of the Project; and (ii) paying costs of issuance and related costs.

3. To the best of our knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Authority and the West Virginia Bureau for Public Health, and any change orders approved by the Issuer, the Authority, and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least forty (40) years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B's attached hereto as Exhibit A and the Issuer's counsel, Steptoe & Johnson PLLC, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the West Virginia Bureau for Public Health and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were

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

[Remainder of Page Intentionally Blank]

WITNESS my signature and seal on the day and year first written above.



Qk4, Inc.

A handwritten signature in black ink, appearing to read "Steven M. Newton", written over a horizontal line.

Steven M. Newton, P.E.
West Virginia License No. 14389

01.11.08
847280.00011

1/4/2008

SCHEDULE B
 PUTNAM PSD
 VINTROUX WATER

A. COST OF PROJECT	TOTAL	WDA
1 a. Construction	421,980.00	421,980.00
b. building	467,086.00	467,086.00
c. Contingency (5%)	58,824.00	58,824.00
2 Technical Services (Qk4)		
1 Study & Report	6,500.00	6,500.00
2a. Design	21,300.00	21,300.00
2b Final Design	8,650.00	8,650.00
2c Contracts Award	3,400.00	3,400.00
2d Engineering During Construction	7,200.00	7,200.00
2e Construction Complete	2,050.00	2,050.00
3 RPR	3,850.00	3,850.00
3 Technical Services (EL Rob)		
a. Planning	10,500.00	10,500.00
b. Design	7,000.00	7,000.00
c. Final design	7,000.00	7,000.00
d. Bidding/Contract Award	3,500.00	3,500.00
e. Construction Phase	7,000.00	7,000.00
f. Additional Services (stakeout)	500.00	500.00
4 Legal & Fiscal		
a. Legal (Bassett)	7,500.00	7,500.00
b. Legal - PSC (Rodecker)	7,500.00	7,500.00
c. Accounting (Bassett)	5,000.00	5,000.00
5 Administrative	1,000.00	1,000.00
6 Sites & Other Lands	5,000.00	5,000.00
7 Owner Purchased Materials	0.00	0.00
8 Project Contingency	143,508.00	143,508.00
9 TOTAL of Lines 1 through 8	1,205,848.00	1,205,848.00
B. COST OF FINANCING		
10 Funded Reserve	84,387.00	84,387.00
11 Capitalized Interest	120,265.00	120,265.00
12 Registrar	500.00	500.00
13 Bond Counsel	25,000.00	25,000.00
14 Cost of Issuance (lines 9 through 13)	230,152.00	230,152.00
15 TOTAL PROJECT COST line 9 plus line 14	1,436,000.00	1,436,000.00
C. SOURCES OF OTHER FUNDS		
16 Federal Grants	0.00	0.00
17 State Grants	0.00	0.00
18 Other Grants	0.00	0.00
19 TOTAL GRANTS Lines 16 through 18	0.00	0.00
20 Size of Bond Issue	1,436,000.00	1,436,000.00


 Putnam PSD

1-24-2008
 Date


 Qk4

1-24-08
 Date

BASSETT & LOWE

CERTIFIED PUBLIC ACCOUNTANTS

1156 SOUTH MAIN STREET

MILTON, WEST VIRGINIA 25541

Phone: (304) 743-5573 FAX: (304) 743-1150

Toll Free: 1-800-720-9629

e-mail: rbassett@bassettlowe.com

e-mail: rlowe@bassettlowe.com

January 28, 2008

Putnam Public Service District
Water Revenue Bonds, Series 2008 A
(West Virginia Water Development Authority)

Putnam Public Service District
Scott Depot, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the Application for a Certificate of Convenience and Necessity with the Public Service Commission of West Virginia in Case No.07-0756-PWD-CN, and projected operation and maintenance expenses and anticipated customer usage of Putnam Public Service District, it is our opinion that such rates and charges will be sufficient to provide revenues to pay all operating expenses of the System and to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2008 A Bonds (West Virginia Water Development Authority) (the "Bonds"), to be issued in the aggregate principal amount of \$1,436,000 and all other obligations secured by or payable from the revenues of the System on a parity with the Bonds, including the Issuer's (i) Water Revenue Bonds, Series 2006 A (United States Department of Agriculture), (ii) Water Revenue Bonds, Series 1999 A (West Virginia Water Development Authority), (iii) Water Revenue Bonds, Series 1999 B (West Virginia Water Development Authority) and (iv) Water Revenue Notes, Series 2004 A (West Virginia Water Development Authority) (collectively, the "Prior Bonds").

It is our further opinion that (i) the Net Revenues for the Fiscal Year following the year in which the Bonds are issued will be at least 120% of the average annual debt service requirements on the Bonds and the Prior Bonds, and (ii) the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Bonds, if any, 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 on the Bonds and the Prior Bonds.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Bassett & Lowe".

Bassett & Lowe

PUTNAM PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2008 A
(West Virginia Water Development Authority)

CERTIFICATE AS TO ARBITRAGE FOR SERIES 2008 A BONDS

The undersigned Chairman of the Public Service Board of Putnam Public Service District in Putnam County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of \$1,436,000 aggregate principal amount of Water Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), of the Issuer, dated January 28, 2008 (the "Bonds" or the "Series 2008 A Bonds"), hereby certifies this 28th day of January, 2008 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 under any predecessor thereto (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 am duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meaning as set forth in the Bond Resolution duly adopted by the Issuer on January 24, 2008, as supplemented by Supplemental Resolution duly adopted by the Issuer on January 24, 2008 (collectively, the "Bond Resolution"), authorizing the Bonds.

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 bonds 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 January 28, 2008, the date on which the Bonds are to be physically delivered in exchange for more than a de minimus amount of the principal of the Bonds, and 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 (i) 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, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Bonds) 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. 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 Sections 103 and 148 of the Code.

6. The Series 2008 A Bonds were sold on January 28, 2008, to the West Virginia Water Development Authority (the "Authority") pursuant to a loan agreement dated January 28, 2008, by and between the Issuer and the Authority, for an aggregate purchase price of \$1,436,000 (100% of par value) there being no accrued interest paid thereon.

7. The Series 2008 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying the costs of acquisition and construction of certain improvements and extensions to the existing public waterworks facilities of the Issuer (the "Project"); (ii) capitalizing interest on the Series 2008 A Bonds; (iii) fully funding the Series 2008 A Bonds Reserve Account; and (iv) paying costs of issuance of the Bonds and related costs.

8. The Issuer shall, on the date hereof or immediately hereafter, enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds for the acquisition and construction of the Project, constituting a substantial binding commitment, or has already done so. Acquisition, construction and equipping of the Project and allocation of the net sale proceeds of the Bonds to expenditures of the Project will commence immediately and will proceed with due diligence to completion, and, with the exception of proceeds constituting capitalized interest and proceeds deposited in the reserve account for the Bonds, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before April 1, 2009, except as otherwise required for rebate to the United States under Section 148(f) of the Code. Acquisition and construction of the Project is expected to be completed by November 1, 2008.

9. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at \$1,436,000. Sources and uses of funds for the Project are as follows:

SOURCES

Gross Proceeds of the Series 2008 A Bonds	\$1,436,000
Total Sources	<u>\$1,436,000</u>

USES

Acquisition and Construction of Project	\$1,205,848
Transferred to Sinking Fund for Capitalized Interest	120,265
Funding Series 2008 A Bonds Reserve Account	84,387
Costs of Issuance	<u>25,500</u>
Total Uses	<u>\$1,436,000</u>

Except for the proceeds of the Bonds, no other funds of the Issuer will be available to meet costs of the Project, which would constitute "replacement proceeds" within the meaning of Treas. Reg. § 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 Project, 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.

10. Pursuant to Article V of the Bond Resolution, the following special funds or accounts have been created or continued:

- (1) Revenue Fund (established by the Prior Resolutions);
- (2) Renewal and Replacement Fund (established by the Prior Resolutions);
- (3) Series 2008 A Bonds Construction Trust Fund;
- (4) Rebate Fund (established by Prior Resolutions);
- (5) Series 2008 A Bonds Sinking Fund; and
- (6) Series 2008 A Bonds Reserve Account.

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

As the Issuer receives advances of the monies derived from the sale of the Series 2008 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2008 A Bonds Construction Trust Fund and applied solely to payment of costs of the Project as set forth in the Bond Resolution.

Amounts in the Series 2008 A Bonds Construction Trust Fund, if invested, will be invested without yield limitation for a period necessary to complete the Project, not to exceed 3 years. All of such monies are necessary for such purpose.

None of the proceeds of the Bonds will be used to reimburse the Issuer for costs of the Project previously incurred and paid by the Issuer with its own funds.

12. Monies held in the Series 2008 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2008 A Bonds, and will not be available to meet costs of acquisition and construction of the Project. Except to the extent transferred to the Rebate Fund at the request of the Issuer, all investment earnings on monies in the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account will be withdrawn therefrom, not less than once each year, and, during construction of the Project, deposited into the Series 2008 A Bonds Construction Trust Fund, and following completion of construction of the Project, will be deposited in the Revenue Fund, and such amounts will be applied as set forth in the Bond Resolution.

13. Except for the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the Series 2008 A Bonds, or which are pledged as collateral for the Series 2008 A Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Series 2008 A Bonds, if the Issuer encounters financial difficulties. The Issuer does not expect that monies in the Renewal and Replacement Fund will be used or needed for payments upon the Series 2008 A Bonds, and because such amounts may be expended for other purposes, there is no reasonable assurance that such amounts would be available to meet debt service if the Issuer encounters financial difficulties; thus, such amounts may be invested without yield limitation. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved desegregation plan or other investment property producing a yield in excess of the yield on the Series 2008 A Bonds, have been or will be pledged to payment of the Series 2008 A Bonds. Less than 10% of the proceeds of the Series 2008 A Bonds, if any, will be deposited in the Series 2008 A Bonds Reserve Account and or any other reserve or replacement fund. The amounts deposited in the Series 2008 A Bonds Reserve Account from

time to time by the Issuer will not exceed the maximum annual principal and interest on the Series 2008 A Bonds, and will not exceed 125% of average annual principal and interest on the Series 2008 A Bonds. Amounts in the Series 2008 A Bonds Reserve Account, not to exceed 10% of the proceeds of the Series 2008 A Bonds, if invested, will be invested without yield limitation. The establishment of the Series 2008 A Bonds Reserve Account is required by the Authority, is vital to its purchase of the Series 2008 A Bonds, and is reasonably required to assure payments of debt service on the Series 2008 A Bonds.

14. The Issuer shall, on the date hereof or immediately hereafter, enter into a contract for the construction of the Project, and the amount to be expended pursuant to such contract exceeds 5% of the net sale proceeds of the Bonds.

15. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. Acquisition and construction of the Project is expected to be completed within 8 months.

16. The Issuer will comply with the provisions of the Code, for which the effective date precedes the date of delivery of its Bonds to the Authority.

17. With the exception of the amount deposited in the Series 2008 A Bonds Sinking Fund for payment of interest on the Bonds, if any, and amounts deposited in the Series 2008 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 14 months from the date of issuance thereof.

18. The Series 2008 A Bonds Sinking Fund (other than the Series 2008 A Bonds Reserve Account therein) is intended primarily to achieve a proper matching of payments of debt service on the Series 2008 A Bonds each year. The Series 2008 A Bonds Sinking Fund (other than the Series 2008 A Bonds Reserve Account therein) will be depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1/12th of annual debt service on the Series 2008 A Bonds, or 1 year's interest earnings on the Series 2008 A Bonds Sinking Fund (other than the Series 2008 A Bonds Reserve Account therein). Except as otherwise allowed, any money deposited in the Series 2008 A Bonds Sinking Fund for payment of the principal of or interest on the Series 2008 A Bonds (other than the Series 2008 A Bonds Reserve Account therein), will be spent within a 13-month period beginning on the date of receipt and will be invested without yield limitation, and any monies received from the investment of amounts held in the Series 2008 A Bonds Sinking Fund (other than in the Series 2008 A Bonds Reserve Account therein) will be spent within a 1-year period beginning on the date of receipt.

19. All proceeds of the Bonds which will be used for the payment of costs of the Project will be expended for such purposes within three years of January 28, 2008.

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

21. All property financed with the proceeds of the Bonds will be held for federal income tax purposes by (or on behalf of) a qualified governmental unit.

22. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center, Ogden, Utah 84201.

23. No more than 10% of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by, and less than 5% of the proceeds of Bonds or \$5,000,000 have been or will be used to make or finance loans to, any person who is not a governmental unit.

24. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issue, except to the extent any such proceeds are required for rebate to the United States.

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

26. 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 necessary to comply with the Code and the Treasury Regulations promulgated or to be promulgated thereunder in order to assure that the interest on the Bonds is excluded from gross income for federal income tax purposes.

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

28. The Issuer will rebate to the United States the amount, if any, required by the Code and take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amount and any and all penalties and other amounts from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

29. The Issuer has retained the right to amend the Bond Resolution authorizing the issuance of the Bonds if such amendment is necessary to assure compliance with Section 148(f) of the Code or as may otherwise be necessary to assure the exclusion of interest on the Bonds from the gross income for federal income tax purposes of interest on the Bonds.

30. The Issuer shall comply with the yield restriction on Bond proceeds as set forth in the Code.

31. The Issuer has either (a) funded the Series 2008 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Series 2008 A Bonds in the then current or any succeeding year with the proceeds of the Series 2008 A Bonds, or (b) created the Series 2008 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10 year period until such Series 2008 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Series 2008 A Bonds in the then current or any succeeding year. Monies in the Series 2008 A Bonds Reserve Account and the Series 2008 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2008 A Bonds and will not be available to pay costs of the Project.

32. The Issuer shall submit to the Authority within 15 days following the end of each bond year a certified copy of its rebate calculation and a certificate with respect thereto or, if the Issuer qualifies for the small governmental issuer exception to rebate, or any other exception thereto, then the Issuer shall submit to the Authority a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the bond year which would make the Bonds subject to rebate.

33. The Issuer expects that no part of the Project financed by the Bonds will be sold or otherwise disposed of prior to the last maturity date of the Bonds.

34. 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 and the interest thereon. In addition, the Issuer has covenanted to comply with all Regulations from time to time in effect and applicable to the Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and has covenanted 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 the Resolutions authorizing issuance of the Bonds.

The Issuer has further covenanted to calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. The Issuer has further covenanted to pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. The Issuer shall remit payments to the

United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor.

35. The Bonds are each a fixed yield issue. No interest or other amount payable on the Bonds (other than in the event of an unanticipated contingency) is determined by reference to (or by reference to an index that reflects) market interest rates or stock or commodity prices after the date of issue.

36. None of the Bonds has a yield-to-maturity more than one-fourth of one percent higher than the yield on the Bond determined by assuming the Bond is retired on the date that when used in computing the yield on the Bond produces the lowest yield.

37. No portion of the proceeds of the Bonds will be used, directly or indirectly, to replace funds which were used, directly or indirectly, to acquire higher yielding investments, all within the meaning of Section 148 of the Code.

38. 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.

39. Except for a reasonable temporary period until such proceeds are needed for the purpose for which such issue was 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.

40. The transaction contemplated herein does 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.

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

42. 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.

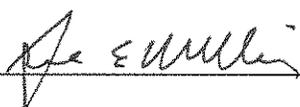
43. Steptoe & Johnson PLLC is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the Bonds.

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

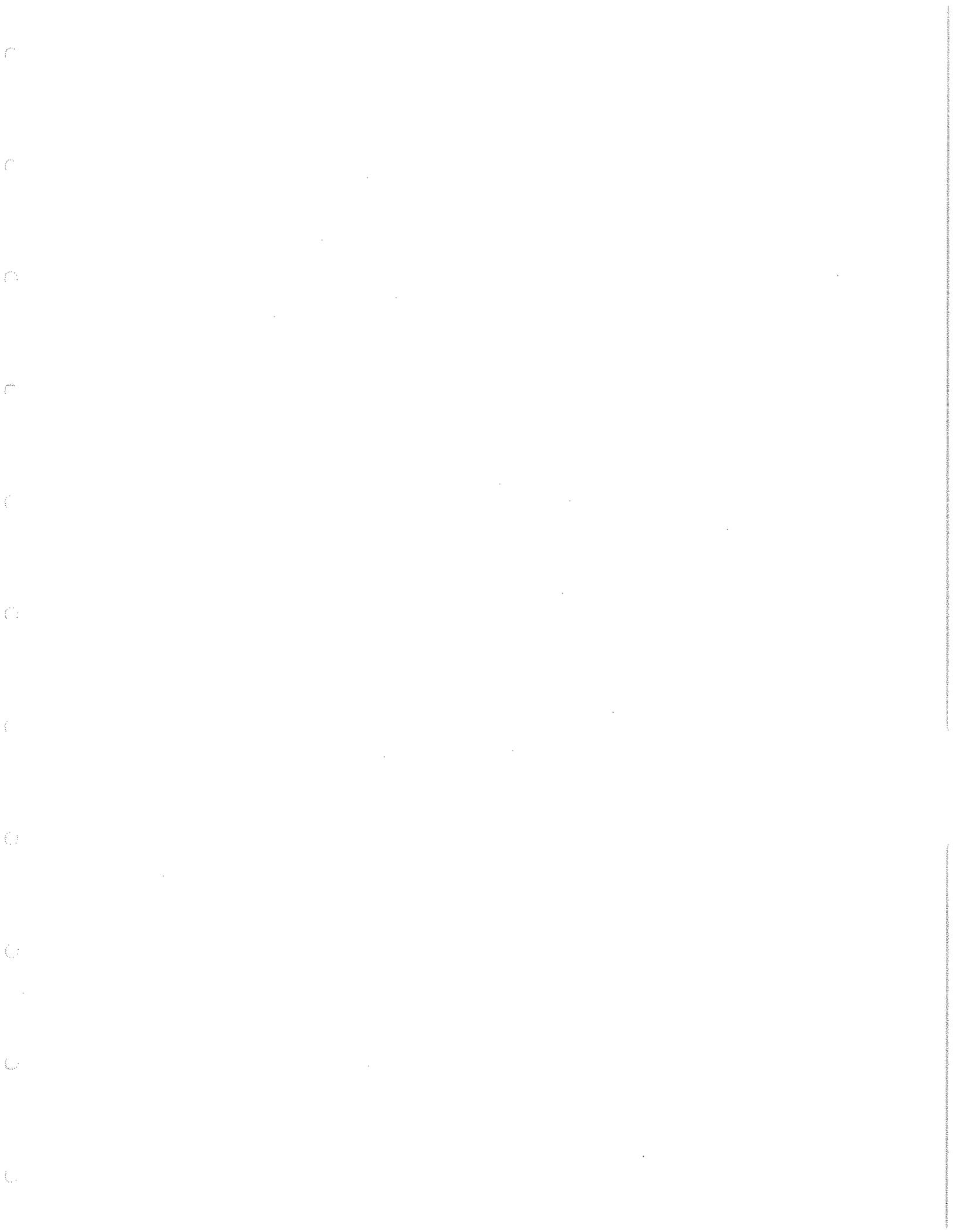
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WITNESS my signature on the day and year first written above..

PUTNAM PUBLIC SERVICE DISTRICT

Chairman  _____

01.11.08
847280.00011



BEFORE THE COUNTY COMMISSION OF PUTNAM COUNTY

ORDER APPROVING AND RATIFYING THE ACQUISITION OF THE ASSETS OF NORTH PUTNAM PUBLIC SERVICE DISTRICT BY SOUTH PUTNAM PUBLIC SERVICE DISTRICT, THE DISSOLUTION OF NORTH PUTNAM PUBLIC SERVICE DISTRICT, THE EXPANSION OF THE BOUNDARIES OF SOUTH PUTNAM PUBLIC SERVICE DISTRICT AND THE CHANGE OF THE NAME OF SOUTH PUTNAM PUBLIC SERVICE DISTRICT TO PUTNAM PUBLIC SERVICE DISTRICT

WHEREAS, South Putnam Public Service District (hereinafter "South Putnam") is a public service district and public corporation created by Resolution of The County Commission of Putnam County (hereinafter, the "County Commission") and formed pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, North Putnam Public Service District (hereinafter "North Putnam") is a public service district and public corporation created by Resolution of the County Commission and formed pursuant to the provisions of the Act, originally named "East Kanawha Public Service District", which name has previously been changed by the County Commission to "North Putnam Public Service District";

WHEREAS, the County Commission adopted a resolution on July 8, 2003, approving the transfer of the assets of North Putnam to South Putnam, subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-1042-PSWD-PC, by Final Order entered on September 5, 2003, approved the transfer of the assets of North Putnam to South Putnam, subject to the approval of the bondholders of the Districts;

WHEREAS, the County Commission adopted a resolution on April 22, 2003, approving the dissolution of North Putnam and expanding the boundaries of South Putnam, subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-0536-PSWD-PC, by Final Order entered on November 5, 2003, approved the dissolution of North Putnam and the expansion of the boundaries of South Putnam, subject to the transfer of the assets of North Putnam to South Putnam as approved in Case No. 03-1042-PSWD-PC and the approval of the bondholders of the Districts;

WHEREAS, the County Commission adopted a resolution on April 25, 2005, changing the name of South Putnam Public Service District to "Putnam Public Service District," subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-1042-PSWD-PC, by Commission Order entered on June 7, 2006, approved the change of the name of South Putnam Public Service District to "Putnam Public Service District," subject to the approval of the bondholders of the Districts;

WHEREAS, the West Virginia Water Development Authority, as the holder of the Sewer Revenue Bonds, Series 1993 (the "Series 1993 Bonds") heretofore issued by North Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1993 Bonds by South Putnam, the dissolution of North Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District";

WHEREAS, the United States Department of Agriculture - Rural Development, as the holder of the Sewer Revenue Bonds, Series 1975 (the "Series 1975 Bonds") heretofore issued by North Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds by South Putnam, the dissolution of North Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District";

WHEREAS, the West Virginia Water Development Authority, as the holder of the Series 2002 B Bonds heretofore issued by South Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds and the Series 1993 Bonds by South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District";

WHEREAS, the United States Department of Agriculture - Rural Development, as the holder of the Series 1979 Bonds, Series 1995 Bonds, Series 2002 A Bonds, Series 2006 A Bonds and Series 2006 B Bonds heretofore issued by South Putnam

has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds and Series 1993 Bonds by South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District;" and

WHEREAS, it is now deemed desirable by the County Commission to adopt a Resolution approving and ratifying the transfer of the Assets of North Putnam to South Putnam and the assumption by South Putnam of the Series 1975 Bonds and Series 1993 Bonds, ratifying and confirming all lawful actions taken by all parties and their counsel to effectuate and complete such transfer and assumption, ordering the Public Service Boards of North Putnam and South Putnam to expeditiously take all actions necessary to consummate and complete the transaction, ordering North Putnam be dissolved immediately following the consummation of the transfer and assumption, and further ordering that the boundaries of South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District" be effective immediately upon the consummation of the transfer and assumption.

NOW, THEREFORE, BE IT, AND IT IS, HEREBY, RESOLVED AND ORDERED BY THE COUNTY COMMISSION OF PUTNAM COUNTY AS FOLLOWS:

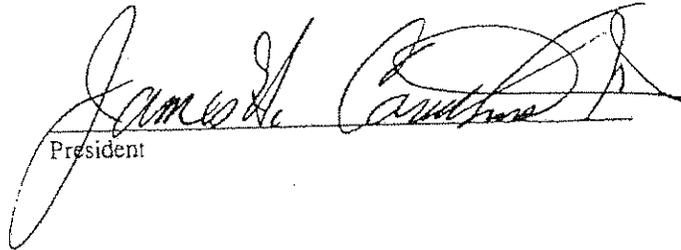
1. That the transfer of the assets of North Putnam to South Putnam and assumption by South Putnam of the Series 1975 Bonds and Series 1993 Bonds (collectively, the "Transfer and Assumption") is hereby ratified, confirmed and, upon execution and filing of necessary documents by the Public Service Boards of the respective Districts, in all respects deemed completed and to be effective as of the close of business on June 30, 2006.
2. That all lawful actions taken, or to be taken, by the parties to this transaction and their counsel to effectuate and complete the Transfer and Assumption are hereby ratified and confirmed.
3. That the Public Service Boards of North Putnam and South Putnam are hereby ordered to expeditiously take all actions necessary to consummate and complete the Transfer and Assumption.
4. That, immediately following the consummation of the Transfer and Assumption, North Putnam shall be dissolved.
5. That, immediately following the consummation of the Transfer and Assumption, the boundaries of South Putnam shall be expanded and the name of South Putnam Public Service District shall be changed to "Putnam Public Service District."

6. The Transfer and Assumption of North Putnam, the expansion of South Putnam's boundaries, the name change to Putnam Public Service District and the dissolution of North Putnam shall all become effective as of the close of business on June 30, 2006.

7. This Resolution and Order shall be effective immediately following adoption hereof.

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ENTERED into the permanent record of Putnam County, West Virginia, this
27th day of June, 2006.



President

ATTEST:



Clerk

06.25.06
847280.00004

CH746424.4

NORTH PUTNAM PUBLIC SERVICE DISTRICT

A RESOLUTION AUTHORIZING AND RATIFYING
THE TRANSFER OF THE ASSETS OF NORTH
PUTNAM PUBLIC SERVICE DISTRICT, THE
ASSIGNMENT OF THE BONDS OF NORTH PUTNAM
PUBLIC SERVICE DISTRICT TO SOUTH PUTNAM
PUBLIC SERVICE DISTRICT AND THE DISSOLUTION
OF NORTH PUTNAM PUBLIC SERVICE DISTRICT

WHEREAS, North Putnam Public Service District (hereinafter "North Putnam") is a public service district and public corporation created by Resolution of The County Commission of Putnam County (hereinafter, the "County Commission") and formed pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, South Putnam Public Service District (hereinafter "South Putnam") is a public service district and public corporation created by Resolution of the County Commission and formed pursuant to the provisions of the Act;

WHEREAS, the Public Service Board of North Putnam adopted a resolution on July 11, 2000, following a duly noticed public hearing, authorizing the transfer of the assets of North Putnam to South Putnam and the assignment of the North Putnam Public Service District Sewer Revenue Bonds, Series 1975 (United States Department of Agriculture), dated October 23, 1975, issued in the original aggregate principal amount of \$605,000, originally issued under the name "East Kanawha Public Service District" (the "Series 1975 Bonds") and the North Putnam Public Service District Sewer Revenue Bonds, Series 1993 (West Virginia SRF Program), dated March 30, 1993, issued in the original aggregate principal amount of \$267,000 (the "Series 1993 Bonds") to South Putnam;

WHEREAS, the County Commission adopted a resolution on July 8, 2003, approving the transfer of the assets of North Putnam to South Putnam, subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-1042-PSWD-PC, by Final Order entered on September 5, 2003, approved the transfer of the assets of North Putnam to South Putnam and the assignment of the Series 1975 Bonds and the Series 1993 Bonds to South Putnam (collectively, the "Transfer and Assignment"), subject to the approval of the bondholders of the Districts;

WHEREAS, the County Commission adopted a resolution on April 22, 2003, approving the dissolution of North Putnam and expanding the boundaries of South Putnam, subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-0536-PSWD-PC, by Final Order entered on November 5, 2003, approved the dissolution of North Putnam and the expansion of the boundaries of South Putnam, subject to the transfer of the assets of North Putnam to South Putnam as approved in Case No. 03-1042-PSWD-PC and the approval of the bondholders of the Districts;

WHEREAS, the County Commission adopted a resolution on April 25, 2005, changing the name of South Putnam Public Service District to "Putnam Public Service District," subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-1042-PSWD-PC, by Commission Order entered on June 7, 2006, approved the change of the name of South Putnam Public Service District to "Putnam Public Service District," subject to the approval of the bondholders of the Districts;

WHEREAS, the West Virginia Water Development Authority, as the holder of the Series 1993 Bonds heretofore issued by North Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1993 Bonds by South Putnam, the dissolution of North Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District";

WHEREAS, the United States Department of Agriculture - Rural Development, as the holder of the Series 1975 Bonds heretofore issued by North Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds by South Putnam, the dissolution of North Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District";

WHEREAS, the West Virginia Water Development Authority, as the holder of the Series 2002 B Bonds heretofore issued by South Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds and the Series 1993 Bonds by South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District";

WHEREAS, the United States Department of Agriculture - Rural Development, as the holder of the Series 1979 Bonds, Series 1995 Bonds, Series 2002 A Bonds, Series 2006 A Bonds and Series 2006 B Bonds heretofore issued by South Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds and the Series 1993 Bonds by South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District;"

WHEREAS, The County Commission of Putnam County plans to adopt a resolution on June 27, 2006, approving and ratifying the proposed Transfer and Assumption, the dissolution of North Putnam, the expansion of the boundaries of South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District;"

WHEREAS, the Board of South Putnam plans to adopt a resolution on June 27, 2006, approving and ratifying the proposed Transfer and Assumption;

WHEREAS, contemporaneously with the transfer of the assets of North Putnam to South Putnam, North Putnam desires to assign, and South Putnam desires to assume all liabilities for and obligations under the Series 1975 Bonds and the Series 1993 Bonds; and

WHEREAS, it is in the best interest of the customers of South Putnam and North Putnam to complete the proposed Transfer and Assumption, to convey all assets, rights, privileges, immunities and powers of North Putnam to South Putnam, for South Putnam to assume and re-designate the Series 1975 Bonds and the Series 1993 Bonds, for North Putnam to be dissolved, for the boundaries of South Putnam to be expanded and for the name of South Putnam Public Service District to be changed to Putnam Public Service District.

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF NORTH PUTNAM PUBLIC SERVICE DISTRICT, PUTNAM COUNTY, WEST VIRGINIA AS FOLLOWS:

1. North Putnam does hereby authorize and ratify the transfer of the assets of North Putnam to South Putnam, the assignment of the Series 1975 Bonds and the Series 1993 Bonds to South Putnam and the dissolution of North Putnam.
2. That, immediately following the consummation of the Transfer and Assumption on or about June 30, 2006, North Putnam shall be dissolved.
3. The Chairman and Secretary of North Putnam are hereby authorized and directed to execute all documents concerning the Transfer and Assumption, specifically including, but not limited to, the assignment of the Series 1975 Bonds and the Series 1993 Bonds.
4. The Chairman and Secretary of North Putnam are hereby authorized and directed to execute all documents concerning the dissolution of North Putnam.
5. The Chairman and Secretary of North Putnam are vested with the appropriate authority to take any and all actions necessary to complete Transfer and Assumption and the dissolution of North Putnam.
6. This Resolution shall become effective immediately upon adoption hereof.

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Adopted by the Public Service Board of North Putnam Public Service District
at a meeting held on the 27th day of June, 2006.

NORTH PUTNAM PUBLIC SERVICE DISTRICT

[SEAL]

Kary Sigman
Chairman

Patricia A. Beboch
Secretary

06.21.06
847280.00004

SOUTH PUTNAM PUBLIC SERVICE DISTRICT

A RESOLUTION AUTHORIZING AND RATIFYING THE ACQUISITION OF THE ASSETS OF NORTH PUTNAM PUBLIC SERVICE DISTRICT, THE ASSUMPTION AND RE-DESIGNATION OF THE BONDS OF NORTH PUTNAM PUBLIC SERVICE DISTRICT, THE EXPANSION OF THE BOUNDARIES OF SOUTH PUTNAM PUBLIC SERVICE DISTRICT AND THE CHANGE OF THE NAME OF SOUTH PUTNAM PUBLIC SERVICE DISTRICT TO PUTNAM PUBLIC SERVICE DISTRICT

WHEREAS, South Putnam Public Service District (hereinafter "South Putnam") is a public service district and public corporation created by Resolution of The County Commission of Putnam County (hereinafter, the "County Commission") and formed pursuant to the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, North Putnam Public Service District (hereinafter "North Putnam") is a public service district and public corporation created by Resolution of the County Commission and formed pursuant to the provisions of the Act;

WHEREAS, the Public Service Board of North Putnam adopted a resolution on July 11, 2000, following a duly noticed public hearing, authorizing the transfer of the assets of North Putnam to South Putnam and the assignment of the North Putnam Public Service District Sewer Revenue Bonds, Series 1975 (United States Department of Agriculture), dated October 23, 1975, issued in the original aggregate principal amount of \$605,000, originally issued as "East Kanawha Public Service District" (the "Series 1975 Bonds") and the North Putnam Public Service District Sewer Revenue Bonds, Series 1993 (West Virginia SRF Program), dated March 30, 1993, issued in the original aggregate principal amount of \$267,000 (the "Series 1993 Bonds") to South Putnam;

WHEREAS, the County Commission adopted a resolution on July 8, 2003, approving the transfer of the assets of North Putnam to South Putnam, subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-1042-PSWD-PC, by Final Order entered on September 5, 2003, approved the transfer of the assets of North Putnam to South Putnam and the assignment of the Series 1975 Bonds and the Series 1993 Bonds to South Putnam (collectively, the "Transfer and Assignment"), subject to the approval of the bondholders of the Districts;

WHEREAS, the County Commission adopted a resolution on April 22, 2003, approving the dissolution of North Putnam and expanding the boundaries of South Putnam, subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-0536-PSWD-PC, by Final Order entered on November 5, 2003, approved the dissolution of North Putnam and the expansion of the boundaries of South Putnam, subject to the transfer of the assets of North Putnam to South Putnam as approved in Case No. 03-1042-PSWD-PC and the approval of the bondholders of the Districts;

WHEREAS, the County Commission adopted a resolution on April 25, 2005, changing the name of South Putnam Public Service District to "Putnam Public Service District," subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 03-1042-PSWD-PC, by Commission Order entered on June 7, 2006, approved the change of the name of South Putnam Public Service District to "Putnam Public Service District," subject to the approval of the bondholders of the Districts;

WHEREAS, the West Virginia Water Development Authority, as the holder of the Series 1993 Bonds heretofore issued by North Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1993 Bonds by South Putnam, the dissolution of North Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District";

WHEREAS, the United States Department of Agriculture - Rural Development, as the holder of the Series 1975 Bonds heretofore issued by North Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds by South Putnam, the dissolution of North Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District";

WHEREAS, the West Virginia Water Development Authority, as the holder of the Series 2002 B Bonds heretofore issued by South Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds and the Series 1993 Bonds by South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District";

WHEREAS, the United States Department of Agriculture - Rural Development, as the holder of the Series 1979 Bonds, Series 1995 Bonds, Series 2002 A Bonds, Series 2006 A Bonds and Series 2006 B Bonds heretofore issued by South Putnam has consented to the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds and the Series 1993 Bonds by South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District;"

WHEREAS, The County Commission of Putnam County adopted a resolution on June 27, 2006, approving and ratifying the proposed Transfer and Assumption, the dissolution of North Putnam, the expansion of the boundaries of South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District;"

WHEREAS, the Board of North Putnam adopted a resolution on June 22, 2006, approving and ratifying the proposed Transfer and Assumption and the dissolution of North Putnam;

WHEREAS, contemporaneously with the acquisition of the assets of North Putnam by South Putnam, North Putnam desires to assign, and South Putnam desires to assume all liabilities for and obligations under the Series 1975 Bonds and the Series 1993 Bonds;

WHEREAS, contemporaneously with the assumption of the Series 1975 Bonds and the Series 1993 Bonds, South Putnam desires to re-designate the Series 1975 Bonds and the Series 1993 Bonds as sewer revenue bonds of South Putnam; and

WHEREAS, it is in the best interest of the customers of South Putnam and North Putnam to complete the proposed Transfer and Assumption, to convey all assets, rights, privileges, immunities and powers of North Putnam to South Putnam, for South Putnam to assume and re-designate the Series 1975 Bonds and the Series 1993 Bonds, for North Putnam to be dissolved, for the boundaries of South Putnam to be expanded and for

the name of South Putnam Public Service District to be changed to Putnam Public Service District.

NOW, THEREFORE, BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF SOUTH PUTNAM PUBLIC SERVICE DISTRICT, PUTNAM COUNTY, WEST VIRGINIA AS FOLLOWS:

1. South Putnam does hereby authorize and ratify the acquisition of the assets of North Putnam by South Putnam, the assumption of the Series 1975 Bonds and the Series 1993 Bonds and the re-designation of the Series 1975 Bonds and the Series 1993 Bonds as bonds of South Putnam.

2. South Putnam does hereby authorize and ratify the assumption of all liabilities, rights, responsibilities and obligations in connection with the Series 1975 Bonds and the Series 1993 Bonds, specifically including, but not limited to, those liabilities, rights, responsibilities and obligations set forth in the resolutions and loan agreements for the Series 1975 Bonds and the Series 1993 Bonds.

3. Upon the assumption of the Series 1975 Bonds by South Putnam, such bonds shall be re-designated as follows:

South Putnam Public Service District Sewer Revenue Bonds, Series 1975 (United States Department of Agriculture) (Formerly North Putnam Public Service District Sewer Revenue Bonds, Series 1975)

4. Upon the assumption of the Series 1993 Bonds by South Putnam, such bonds shall be re-designated as follows:

South Putnam Public Service District Sewer Revenue Bonds, Series 1993 (West Virginia SRF Program) (Formerly North Putnam Public Service District Sewer Revenue Bonds, Series 1993)

5. That, immediately following the consummation of the Transfer and Assumption as of the close of business on June 30, 2006, the boundaries of South Putnam shall be expanded and the name of South Putnam Public Service District shall be changed to "Putnam Public Service District."

6. Upon the change of the name of South Putnam to "Putnam Public Service District," all outstanding bonds of the District shall noted with the new name of Putnam Public Service District.

7. The Chairman and Secretary of South Putnam are hereby authorized and directed to execute all documents concerning the Transfer and Assumption, specifically including, but not limited to, the assumption of the Series 1975 Bonds and the Series 1993 Bonds, and the re-designation of the Series 1975 Bonds and the Series 1993 Bonds as sewer revenue bonds of South Putnam.

8. The Chairman and Secretary of South Putnam are hereby authorized and directed to execute all documents concerning the expansion of the boundaries of South Putnam and the change of the name of South Putnam Public Service District to "Putnam Public Service District."

9. The Chairman and Secretary of South Putnam are vested with the appropriate authority to take any and all actions necessary to complete Transfer and Assumption, the expansion of boundaries and the name change of South Putnam.

10. The statutory mortgage liens of the Series 1975 Bonds and the Series 1993 Bonds is hereby assumed by South Putnam and are a valid lien against the System as of the date of assumption, on a parity with one another and with South Putnam's other first lien bonds.

11. The Transfer and Assumption of North Putnam, the expansion of South Putnam's boundaries, the name change to Putnam Public Service District and the dissolution of North Putnam shall all become effective as of the close of business on June 30, 2006.

12. This Resolution shall become effective immediately upon adoption hereof.

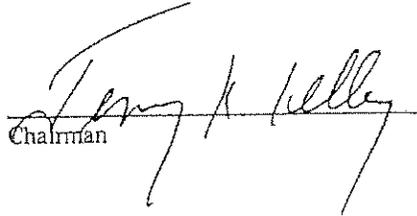
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Adopted by the Public Service Board of South Putnam Public Service District
at a meeting held on the 27th day of June, 2006.

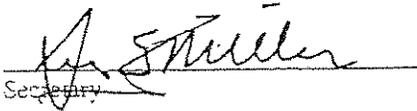
SOUTH PUTNAM PUBLIC SERVICE DISTRICT

[SEAL]

Chairman

Handwritten signature of Tony K. Kelley in cursive, written over a horizontal line.

Secretary

Handwritten signature of A. Stiller in cursive, written over a horizontal line.

06.25.06
847280.00004

ESTABLISHED 1900

COOKIE ALLEN
PUBLISHER

PHONE 304-562-9881

THE HURRICANE BREEZE

THE WEEKLY NEWSPAPER FOR ALL OF PUTNAM COUNTY

488 HURRICANE CREEK ROAD
P.O. BOX 310
HURRICANE, WEST VIRGINIA 25526

LEGAL ADVERTISEMENT

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON
CASE NO. 03-1042-PSWD-PC
SOUTH PUTNAM PUBLIC SERVICE
DISTRICT

NOTICE OF NAME CHANGE

By a Recommended Decision issued September 5, 2003 (Final Commission Order, September 25, 2003) the Commission approved the transfer of the North Putnam Public Service District's public utility system to the South Putnam Public Service District.

On April 28, 2006 the South Putnam Public Service District filed a "Petition to Reopen" requesting approval to change the name of the district to "Putnam Public Service District."

According to West Virginia Code §16-13A-4(f) a name change as requested by South Putnam requires the approval of the West Virginia Public Service Commission and the written consent of any existing holders of bonds or notes issued by South Putnam.

By a Commission Order entered June 7, 2006 the Commission granted its approval of the name change and further ordered South Putnam to provide notice to its customers upon receiving the written consent of its bond and note holders. Such approval was received.

Accordingly, please note that the new name of the South Putnam Public Service District shall be: "Putnam Public Service District."

PUTNAM PUBLIC SERVICE
DISTRICT

7-6-11

CERTIFICATE OF PUBLICATION

STATE OF WEST VIRGINIA,
COUNTY OF PUTNAM, To wit:

This day personally appeared before me, a Notary Public of said County of Putnam,.....Ron.Allen.....of The Hurricane Breeze, and after being duly sworn deposes and says that the attached legal publication was duly published in The Hurricane Breeze for..One..(1) consecutive issues, in its issues dated July 6, 2006..

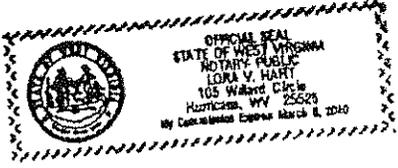
Ron Allen

The Hurricane Breeze

Subscribed and sworn to before me this..10th.....day
of..... July, 2006...

Lora V Hart

Notary Public



031042coma060706.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 7th day of June, 2006.

CASE NO. 03-1042-PSWD-PC

SOUTH PUTNAM PUBLIC SERVICE DISTRICT
and NORTH PUTNAM PUBLIC SERVICE DISTRICT

Joint petition for consent and approval for
the sale of North Putnam Public Service
District's utility system to South Putnam
Public Service District.

COMMISSION ORDER

On July 9, 2003 the South Putnam Public Service District (South Putnam) and the North Putnam Public Service District (North Putnam) filed a joint petition seeking Commission consent and approval for the transfer of North Putnam's public utility system (utility system) to South Putnam. In support of the joint petition, South Putnam and North Putnam stated:

- (1) The proposed transfer of the North Putnam utility system to South Putnam will be conducive to the preservation of the public health, comfort and convenience of Putnam County;
- (2) Pursuant to an Operation and Maintenance Agreement (O&M Agreement) previously entered into between the Petitioners and approved by the Commission in Case No. 00-1134-PSWD-PC (November 14, 2000), South Putnam has been operating and maintaining the utility system of North Putnam;
- (3) In the O&M Agreement, North Putnam granted unto South Putnam the exclusive right and option to purchase North Putnam's existing public utility system for the consideration of One Dollar (\$1.00), and the complete assumption of any outstanding indebtedness owed by North Putnam to the Rural Utilities Service (RUS), West Virginia Water Development Authority (WDA) and City National Bank;

(4) South Putnam has been working with the U.S. Army Corps of Engineers in developing a sewer upgrade project for the area currently served by the sewer facilities of North Putnam Public Service District. The Corps of Engineers, which is providing grant monies for the sewer upgrade project, has notified South Putnam that, before the proposed project can move forward, South Putnam will need to acquire the facilities of North Putnam. Therefore, South Putnam wishes to exercise its option to purchase North Putnam's public utility assets pursuant to the O&M Agreement;

(5) The Putnam County Commission has adopted a Resolution proposing (1) the expansion of South Putnam's territory to include the entire territory in Putnam County located north of the Kanawha River and not contained within the boundaries of any municipal or private utility, which area contains the operating territory of North Putnam Public Service District; (2) the dissolution of North Putnam Public Service District; and (3) the rescission of a portion of a March 4, 1993 County Commission Order insofar as it purported to merge Putnam Union Public Service District and North Putnam Public Service District and create a new North Putnam Public Service District. Pursuant to the requirements of *West Virginia Code* § 16-13A-2, the County Commission has filed the appropriate documents with the Public Service Commission seeking its approval of the County Commission's actions. See, Case No. 03-0536-PSWD-PC;

(6) On August 3, 2000, the Board of North Putnam held a hearing pursuant to the requirements of *West Virginia Code* § 16-13A-18a. Following the hearing, at which no member of the public appeared, North Putnam unanimously approved the transfer of that district's assets to South Putnam. A copy of the minutes of the August 3, 2000 meeting was attached to the joint petition as Exhibit 1. A copy of the affidavit of publication notifying the public of the hearing to be held on August 3, 2000 was attached as Exhibit 2. A copy of the resolution of the Board of North Putnam authorizing the Board to undertake all actions necessary to effectuate the transfer of its system to South Putnam was attached to the petition as Exhibit 3;

(7) On July 8, 2003, the County Commission of Putnam County, West Virginia, unanimously passed a resolution approving the action of North Putnam in seeking to transfer its system to South Putnam, subject to the approval of the Public Service Commission and subject to the further approval of North Putnam's bondholders. A copy of the resolution of the County Commission was attached to the petition as Exhibit 4; and

(8) In order for South Putnam to obtain the necessary funds for the construction of needed sewer facilities in the territory of North Putnam, it is necessary that South Putnam have ownership of North Putnam's current utility assets.

On July 10, 2003 counsel for the Petitioners filed original verifications for the joint petition filed herein on July 9, 2003.

On August 12, 2003 Staff Attorney Ronald E. Robertson, Jr., filed an "Initial and Final Joint Staff Memorandum." An "Initial and Final Internal Memorandum" dated August 5, 2003 from William A. Nelson, Utilities Analyst Supervisor, Water and Wastewater Division, and Jonathan Fowler, P.E., Engineer I, Engineering Division, was attached thereto. Commission Staff (Staff) stated that, based upon its review of the petition and exhibits attached thereto, South Putnam and North Putnam had met the requirements of *West Virginia Code* § 16-13A-18a regarding the sale of North Putnam's utility system to South Putnam. Staff, after noting the Putnam County Commission's pending Case No. 03-0536-PSWD-PC, seeking Commission approval, in part, to dissolve North Putnam and expand South Putnam's boundaries to encompass the current service area of North Putnam, stated that the sale of North Putnam's utility system had to be approved and finalized prior to the dissolution actually occurring.¹ Staff went on to note that approval of the sale of North Putnam's utility system to South Putnam had to be made subject to obtaining bondholder approval. Thus, RUS, WDA and City National Bank had to give their consent to the proposed sale. Accordingly, Staff requested that copies of the consents to the proposed sale executed by RUS, WDA and City National Bank be filed in this proceeding when received. In addition, it was noted that the proposed acquisition of North Putnam's utility system by South Putnam will require South Putnam to adopt and maintain the current North Putnam rates and charges in accordance with Rule 14.1² of the Commission's *Rules for the Construction and Filing of*

¹ Staff noted that it intended to file its final recommendation in the dissolution case concurrently with the filing of its final recommendation in this proceeding, which would allow final orders to be issued on or about the same date in both cases. However, since a hearing scheduled for September 19, 2003 must be held in Case No. 03-0536-PSWD-PC regarding the dissolution of North Putnam, Staff was of the opinion that it was likely that the acquisition of North Putnam's utility system by South Putnam would be approved first, with approval of North Putnam's dissolution to follow some time thereafter.

²*Tariff Rule 14.1* states:

In case of change of ownership or control of a utility, or, when a utility or a part of its business is transferred from the operating control of one company to that of another, or, when its name is changed, the company,

Tariffs (Tariff Rules). Staff noted that it would typically recommend that the purchasing utility file for a rate review approximately eighteen (18) months following acquisition. However, South Putnam had a sewer rate case, Case No. 03-1041-PSD-42T, pending before the Commission which addressed both its rates and those to be charged to the North Putnam customers. Staff stated that it had no problem with the North Putnam rates being reviewed as part of that proceeding, but the proposed sale *sub judice* had to be approved and South Putnam had to adopt the current North Putnam rates pending the outcome of the rate review in Case No. 03-1041-PSD-42T. Accordingly, Staff recommended approval of the joint petition filed herein, contingent upon North Putnam obtaining bondholder approval and South Putnam adopting and maintaining the current North Putnam rates and charges. Staff also recommended that this matter be retained by the Commission in order to expedite its processing.

By Order dated August 28, 2003 the Commission referred this matter to the Division of Administrative Law Judges (ALJ) for further disposition, with a decision due date of September 25, 2003.

On September 5, 2003 the assigned ALJ issued a Recommended Decision ordering the following:

IT IS, THEREFORE, ORDERED that the joint petition filed herein on July 9, 2003, by South Putnam Public Service District and North Putnam Public Service District seeking Commission consent and approval for the transfer of North Putnam Public Service District's public utility system to South Putnam Public Service District be, and hereby is, approved.

IT IS FURTHER ORDERED that the approval hereby granted is contingent upon North Putnam Public Service District and South Putnam Public Service District obtaining the approval of North Putnam Public Service District's three (3) bondholders, namely the Rural Utilities Service, the West Virginia Water Development Authority and City National Bank, and filing copies of said approval(s) herein immediately upon receipt.

IT IS FURTHER ORDERED that the approval hereby granted is further contingent upon South Putnam Public Service District filing with the

which will thereafter operate the utility business, must use the rates, classifications and rules and regulations of the former operating company (unless authorized to change by the Commission).

Commission's Tariff Office within thirty (30) days of the date that this Order becomes final, an appropriate tariff adopting the rates and charges now in effect for North Putnam Public Service District's customers.

The ALJ's Recommended Decision became a Final Order of the Commission on September 25, 2003.

On April 28, 2006 South Putnam filed a "Petition to Reopen" noting that South Putnam is in the process of finalizing the acquisition, and that the bond issuance associated therewith is anticipated to occur in June of 2006. The filing noted that by Order entered April 25, 2006 the County Commission of Putnam County changed the official name of South Putnam to "Putnam Public Service District" contingent upon approval of the Public Service Commission and the written consent of any existing holders of bonds or notes issued by South Putnam. So that a new bond issuance scheduled to occur in June of 2006 will include the new name of the "Putnam Public Service District," the petition requested expedited treatment.

On June 1, 2006 Staff filed its "Initial and Final Joint Staff Memorandum." Therein, Staff recommended approval of the name change of the South Putnam Public Service District to the "Putnam Public Service District" subject to the filing of the written consent of any existing holders of bonds or notes issued by South Putnam, pursuant to *West Virginia Code* § 16-13A-4(f). Staff further recommended that South Putnam provide notice to its customers of the new name. Staff also recommended that South Putnam be authorized to change all of its outstanding loans and bank accounts to the name of "Putnam Public Service District" after bond holder approval is received.

On June 5, 2006 South Putnam filed a letter in response to the Initial and Final Joint Staff Memorandum filed on June 1, 2006. The letter from South Putnam stated, in part, the following:

Please be advised that the bondholders will not grant their consent until the Commission has granted approval to the name change. Therefore, in order to clarify what Staff is recommending without delaying this matter any further so that the bonds anticipated to be issued shortly may be issued in the new name of the District, it is respectfully requested that the Commission's Order approving the name change contain language to the effect that the name change is approved "conditioned upon the District providing the Commission with written proof of the approval of the bondholders." [Emphasis in original.]

Regarding public notice to the District's customers, the District will adhere to any post-approval publication of notice to its customers of the name change that the Commission may require in its Order.

DISCUSSION

West Virginia Code § 16-13A-4(f) reads as follows:

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

Rule 14 of the Commission's *Tariff Rules* reads in part as follows:

§150-2-14. Change of Ownership.

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

14.4. RULE 34. Within thirty (30) days after the Commission approves an application filed pursuant to Rule 14.1., said utility shall issue and file in its own name the tariff of the predecessor utility then in effect and adopted by it, or such other tariff as it proposes to put into effect in lieu thereof, as prescribed in Rules 1 through 13 hereof with proper identifying

designation. (Example: P.S.C. W. Va. No. 1 cancels P.S.C. W. Va. No. 1 of [insert predecessor utility]).

14.6. RULE 36. When a tariff or revision is issued by a utility in compliance with Rule 34 which states the rates, rules and regulations of the predecessor utility without change in any of the provisions thereof, the same may be filed without notice, but when such tariff or revision states any change in the effect of the rates, rules and regulations of the predecessor utility, such tariff or revision shall be subject in all respects as to filing and notice as required by these Rules. [Emphasis added.]

West Virginia Code § 16-13A-4(f) describes two actions that must occur prior to a name change becoming effective. The Commission must approve it. Additionally, the owners of the bonds and notes issued by the district must consent in writing. The two approvals are not contingent upon one another; each occurs independently of the other.

The Commission shall grant its approval for the name change. The Commission shall also require that South Putnam provide documentation evidencing the bond holders' written approval.

Tariff Rule 14.6 permits the Commission to require the utility to provide notice to its customers of the name change. The Commission shall do so by this order but shall modify the notice requirement by requiring South Putnam to provide notice to its customers by publishing a copy of the attached "Notice of Name Change."

Finally, the Commission shall require South Putnam to file a revised tariff containing its new name as approved herein.

FINDINGS OF FACT

1. South Putnam requested approval to change its name to "Putnam Public Service District." See, Petition to Reopen filed April 28, 2006.
2. The County Commission of Putnam County adopted an Order on April 25, 2006 approving the proposed name change pursuant to *West Virginia Code* § 16-13A-4(f).

CONCLUSIONS OF LAW

1. The Commission shall approve the requested name change.

2. The Commission shall require South Putnam to provide documentation evidencing the bond holders' written approval.

3. The Commission shall require South Putnam to provide notice to its customers of the name change by way of publication.

4. It is also reasonable to require South Putnam to file a revised tariff containing its new name as approved herein.

ORDER

IT IS THEREFORE ORDERED that the request by the South Putnam Public Service District to change its name to "Putnam Public Service District" is hereby approved.

IT IS FURTHER ORDERED that South Putnam shall provide the Commission with documentation evidencing that the owners of any bonds and/or notes issued by South Putnam have consented, in writing, to the name change, as soon as such documentation is available.

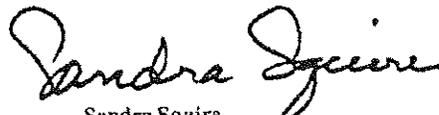
IT IS FURTHER ORDERED that upon written approval by the bond and/or note holders, South Putnam shall publish the attached Notice of Name Change one time in a newspaper published in the county or counties where its customers are located. South Putnam shall file an affidavit of publication upon receipt of such document.

IT IS FURTHER ORDERED that South Putnam shall file with the Commission's Tariff Office an original and five (5) copies of a proper tariff reflecting its name change to Putnam Public Service District within thirty (30) days of the date of written approval by the bond and/or note holders of the name change.

IT IS FURTHER ORDERED that upon entry of this order this case shall be removed from the Commission's docket of open cases.

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

A True Copy, Teste:


Sandra Squire
Executive Secretary

JJW/klm
031042ca.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 03-1042-PSWD-PC
SOUTH PUTNAM PUBLIC SERVICE DISTRICT

NOTICE OF NAME CHANGE

By a Recommended Decision issued September 5, 2003 (Final Commission Order, September 25, 2003) the Commission approved the transfer of the North Putnam Public Service District's public utility system to the South Putnam Public Service District.

On April 28, 2006 the South Putnam Public Service District filed a "Petition to Reopen" requesting approval to change the name of the district to "Putnam Public Service District."

According to *West Virginia Code* § 16-13A-4(f) a name change as requested by South Putnam requires the approval of the West Virginia Public Service Commission and the written consent of any existing holders of bonds or notes issued by South Putnam.

By a Commission Order entered June 7, 2006 the Commission granted its approval of the name change and further ordered South Putnam to provide notice to its customers upon receiving the written consent of its bond and note holders. Such approval was received.

Accordingly, please note that the new name of the South Putnam Public Service District shall be: "Putnam Public Service District."

PUTNAM PUBLIC SERVICE DISTRICT

EXHIBIT NO. 1
Page 1 of 2

BEFORE THE COUNTY COMMISSION OF PUTNAM COUNTY

RE: SOUTH PUTNAM PUBLIC SERVICE DISTRICT
West Virginia Code §16-13A-4(f)
Request for Official Name Change

ORDER

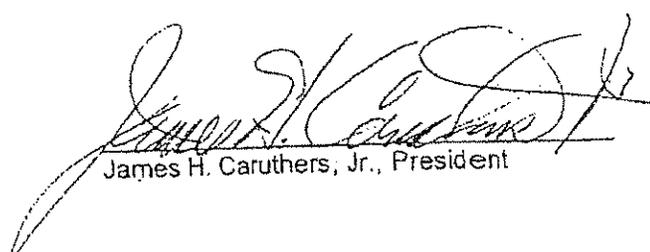
On the 25th day of April, 2006, came South Putnam Public Service District and filed a request, pursuant to *West Virginia Code §16-13A-4(f)*, for an official name change of South Putnam Public Service District to Putnam Public Service District.

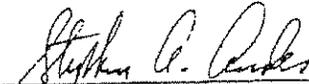
West Virginia Code §16-13A-4(f) provides that any such name change shall not take effect until approved by the Public Service Commission of West Virginia and the written consent of the owners of any bonds or notes issued by the District.

IT IS THEREFORE ORDERED that, pursuant to *West Virginia Code §16-13A-4(f)*, the official name of South Putnam Public Service District shall be changed to Putnam Public Service District effective upon approval of the Public Service Commission of West Virginia and the written consent of the owners of any bonds or notes issued by the District.

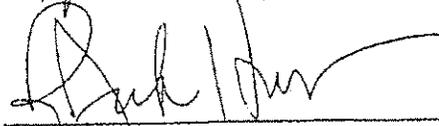
ENTERED into the permanent record of Putnam County, West Virginia, this

25th day of April, 2006.


James H. Caruthers, Jr., President

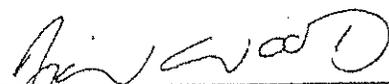


Stephen Andes, Commissioner



R. Joseph Haynes, Commissioner

ATTEST:



CLERK

030536ALJ101603.wpd

03-YY

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

ORIGINAL

Entered: October 16, 2003.

CASE NO. 03-0536-PSWD-PC

PUTNAM COUNTY COMMISSION.

Petition for consent and approval to expand the boundaries of South Putnam Public Service District and to dissolve North Putnam Public Service District, and for rescission of the March 4, 1993 County Commission Order.

ORIGINAL
11-5-03

RECOMMENDED DECISION

PROCEDURE

On April 29, 2003, the Putnam County Commission (PCC), filed a petition with the Public Service Commission pursuant to *West Virginia Code* §16-13A-2 seeking approval of an Order of the PCC, entered on or about April 22, 2003, to expand the boundaries of South Putnam Public Service District (SPPSD), to dissolve North Putnam Public Service District (NPPSD) and to rescind, in part, a March 4, 1993 County Commission Order.

On May 20, 2003, Staff Attorney Ronald E. Robertson, Jr., Esquire, filed an Initial Joint Staff Memorandum, attaching the May 7, 2003 Initial Internal Memorandum from Utilities Analyst Supervisor William A. Nelson, Water and Wastewater Division, indicating that, once it had completed its investigation of the petition, Commission Staff would render a recommendation.

On June 2, 2003, the Commission entered the Commission Referral Order, referring this case to the ALJ Division for decision on or before November 6, 2003.

Responding to all of the above, on July 29, 2003, the Administrative Law Judge (ALJ) issued a Procedural Order establishing a procedural schedule to process and resolve this matter, including a Monday, August 18, 2003 hearing date. The Order required the PCC to publish a Notice of Hearing once a week for two consecutive weeks in a newspaper duly qualified by the Secretary of State, published and generally circulated in Putnam County and to notify the two affected public service districts by United States Certified Mail.

The ALJ convened the August 18, 2003 hearing as scheduled. The transcript of the August 18, 2003 hearing will be designated "Tr., Vol. I". No one appeared at the hearing to protest the

MBM

proposed action. However, the ALJ learned at the hearing that, although the PCC properly notified the two affected public service districts, as evidenced by two United States Certified Mail Domestic Return Receipt cards presented by the PCC, the PCC published the Notice of Hearing only in *The Charleston Gazette*, which is not a newspaper "duly qualified by the Secretary of State, published and generally circulated in Putnam County". The newspapers qualified by the Secretary of State for publishing legal advertisements to give notice in Putnam County are *The Hurricane Breeze* and *The Putnam Democrat*.

Responding to all of the above, on August 20, 2003, the ALJ issued an Order Adopting New Procedural Schedule, including a September 19, 2003 hearing date and requiring PCC to publish the Notice of Hearing in at least one of the newspapers qualified by the Secretary of State for publishing legal advertisements in Putnam County, i.e., *The Hurricane Breeze* and *The Putnam Democrat*.

On September 19, 2003, the ALJ convened the second hearing as scheduled. The transcript of the September 19, 2003 hearing will be designated "Tr., Vol. II". Commission Staff appeared by counsel, Staff Attorney Robertson, and the PCC, which did not make a formal appearance by counsel, appeared by its County Administrator. Again, no one appeared to protest the petition.

The only evidence presented was documentary, with Staff presenting two exhibits and the PCC submitting two exhibits.

EVIDENCE

The parties stipulated to the documentary evidence.

The ALJ received the August 11, 2003 Final Joint Staff Memorandum, attaching the August 5, 2003 Final Internal Memorandum from Utilities Analyst Supervisor William A. Nelson, Water and Wastewater Division, in evidence as Staff Exhibit No. 1. Commission Staff recommended that the Commission approve the petition. (See, Tr., Vol. I, generally).

The ALJ received a publication affidavit indicating that the County Commission had published the Notice of Hearing for the August 18, 2003 hearing, on August 5 and 12, 2003, in *The Charleston Gazette*, in evidence as Staff Exhibit No. 2. (See, Tr., Vol. I, generally).

The ALJ received two United States Certified Mail Domestic Return Receipt green cards into evidence as County Commission Exhibit No. 1. (See, Tr., Vol. I, generally).

The ALJ received two publication affidavits indicating that the County Commission had published the Notice of Hearing, for the September 19, 2003 hearing, on August 28 and September 4, 2003, in *The Hurricane Breeze*, a newspaper published and generally circulated in Putnam County. (See, Tr., Vol. II, generally).

Staff Attorney Robertson noted on the record that, on September 5, 2003, a Recommended Decision had been entered in Case No. 03-1042-PSWD-PC, *South Putnam Public Service District and North Putnam Public Service District*, wherein the South Putnam Public Service District was authorized to acquire the North Putnam Public Service District. (See, Tr., Vol. II, generally).

The September 5, 2003 Recommended Decision, final on September 25, 2003, included the following ordering paragraphs:

IT IS, THEREFORE, ORDERED that the joint petition filed herein on July 9, 2003, by South Putnam Public Service District and North Putnam Public Service District seeking Commission consent and approval for the transfer of North Putnam Public Service District's public utility system to South Putnam Public Service District be, and hereby is, approved.

IT IS FURTHER ORDERED that the approval hereby granted is contingent upon North Putnam Public Service District and South Putnam Public Service District obtaining the approval of North Putnam Public Service District's three (3) bondholders, namely the Rural Utilities Service, the West Virginia Water Development Authority and City National Bank, and filing copies of said approval(s) herein immediately upon receipt.

IT IS FURTHER ORDERED that the approval hereby granted is further contingent upon South Putnam Public Service District filing with the Commission's Tariff Office within thirty (30) days of the date that this Order becomes final, an appropriate tariff adopting the rates and charges now in effect for North Putnam Public Service District's customers.

DISCUSSION

Having considered all of the above, the ALJ holds that he will grant the April 29, 2003 petition, filed with the Commission pursuant to *West Virginia Code* §16-13A-2, seeking approval of an Order of the PCC, entered on or about April 22, 2003, to expand the boundaries of South Putnam Public Service District, to dissolve North Putnam Public Service District and to rescind, in part, a March 4, 1993 County Commission Order. This approval is contingent upon each of the affected public service districts obtaining the approval of their respective bondholders and filing copies of said approvals immediately upon receipt.

FINDINGS OF FACT

1. The Putnam County Commission filed a petition with the Public Service Commission under *West Virginia Code* §16-13A-2 seeking approval of an Order of the PCC, entered on or about April 22, 2003, to expand the boundaries of South Putnam Public Service District, to dissolve North

Putnam Public Service District and to rescind, in part, a March 4, 1993 County Commission Order. (See, April 29, 2003 petition).

2. Commission Staff has recommended approving the petition. (See, Staff Exhibit No. 1).

3. The County Commission properly published the Notice of Hearing for the September 19, 2003 hearing, and no one appeared at the hearing to protest to petition. (See, Tr., Vols., I and II, generally; County Commission Exhibit No. 1).

4. A recommended decision has been entered in Case No. 03-1042-PSWD-PC, *South Putnam Public Service District and North Putnam Public Service District*, wherein the South Putnam Public Service District was authorized to acquire the North Putnam Public Service District. (See, Tr., Vol. II, generally; Recommended Decision, entered September 5, 2003, final September 25, 2003).

CONCLUSIONS OF LAW

1. For all of the reasons set forth in Finding of Fact Nos. 2 and 3, it is reasonable to grant the petition.

2. It is reasonable to condition the approval contingent upon each of the affected public service districts obtaining the approval of their respective bondholders and filing copies of said approvals immediately upon receipt.

ORDER

IT IS, THEREFORE, ORDERED that the Order of the Putnam County Commission, entered on or about April 22, 2003, expanding the boundaries of South Putnam Public Service District, dissolving North Putnam Public Service District and rescinding, in part, a March 4, 1993 County Commission Order, be, and hereby is, approved.

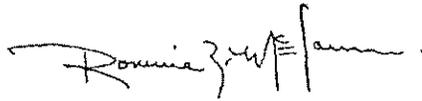
IT IS FURTHER ORDERED that the approval hereby granted is contingent upon each of the affected public service districts obtaining the approval of their respective bondholders and filing copies of said approvals immediately upon receipt.

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

Leave hereby is granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this Recommended Decision 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 Recommended Decision 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 recommended decision by filing an appropriate petition in writing with the Executive Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver operate to make any Administrative Law Judge's recommended decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.



Ronnie Z. McCann
Deputy Chief Administrative Law Judge

RZM:s
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PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

EM
0303:BB

ORIGINAL

Entered: September 5, 2003

CASE NO. 03-1042-PSWD-PC

SOUTH PUTNAM PUBLIC SERVICE DISTRICT
and NORTH PUTNAM PUBLIC SERVICE DISTRICT
Joint petition for consent and approval
for the sale of North Putnam Public
Service District's utility system to
South Putnam Public Service District.

FINAL
9.25.03

RECOMMENDED DECISION

On July 9, 2003, the South Putnam Public Service District (South Putnam) and the North Putnam Public Service District (North Putnam) filed a joint petition seeking Commission consent and approval for the transfer of North Putnam's public utility system (utility system) to South Putnam. In support of the joint petition, South Putnam and North Putnam stated:

- (1) The proposed transfer of the North Putnam utility system to South Putnam will be conducive to the preservation of the public health, comfort and convenience of Putnam County;
- (2) Pursuant to an Operation and Maintenance Agreement (O&M Agreement) previously entered into between the Petitioners and approved by the Commission in Case No. 00-1134-PSWD-PC (November 14, 2000), South Putnam has been operating and maintaining the utility system of North Putnam;
- (3) In the O&M Agreement, North Putnam granted unto South Putnam the exclusive right and option to purchase North Putnam's existing public utility system for the consideration of One Dollar (\$1.00), and the complete assumption of any outstanding indebtedness owed by North Putnam to the Rural Utilities Service (RUS), West Virginia Water Development Authority (WDA) and City National Bank;

(4) South Putnam has been working with the U.S. Army Corps of Engineers in developing a sewer upgrade project for the area currently served by the sewer facilities of North Putnam Public Service District. The Corps of Engineers, which is providing grant monies for the sewer upgrade project, has notified South Putnam that, before the proposed project can move forward, South Putnam will need to acquire the facilities of North Putnam. Therefore, South Putnam wishes to exercise its option to purchase North Putnam's public utility assets pursuant to the O&M Agreement;

(5) The Putnam County Commission has adopted a Resolution proposing (1) the expansion of South Putnam's territory to include the entire territory in Putnam County located north of the Kanawha River and not contained within the boundaries of any municipal or private utility, which area contains the operating territory of North Putnam Public Service District; (2) the dissolution of North Putnam Public Service District; and (3) the rescission of a portion of a March 4, 1993 County Commission Order insofar as it purported to merge Putnam Union Public Service District and North Putnam Public Service District and create a new North Putnam Public Service District. Pursuant to the requirements of West Virginia Code §16-13A-2, the County Commission has filed the appropriate documents with the Public Service Commission seeking its approval of the County Commission's actions. See, Case No. 03-0536-PSWD-PC;

(6) On August 3, 2000, the Board of North Putnam held a hearing pursuant to the requirements of West Virginia Code §16-13A-18a. Following the hearing, at which no member of the public appeared, North Putnam Public Service District unanimously approved the transfer of that district's assets to South Putnam Public Service District. A copy of the minutes of the August 3, 2000 meeting is attached to the joint petition as Exhibit 1. A copy of the affidavit of publication notifying the public of the hearing to be held on August 3, 2000, is attached as Exhibit 2. A copy of the resolution of the Board of North Putnam authorizing the Board to undertake all actions necessary to effectuate the transfer of its

system to South Putnam is attached to the petition as Exhibit 3;

(7) On July 8, 2003, the County Commission of Putnam County, West Virginia, unanimously passed a resolution approving the action of North Putnam in seeking to transfer its system to South Putnam, subject to the approval of the Public Service Commission and subject to the further approval of North Putnam's bondholders. A copy of the resolution of the County Commission is attached to the petition as Exhibit 4; and

(8) In order for South Putnam to obtain the necessary funds for the construction of needed sewer facilities in the territory of North Putnam, it is necessary that South Putnam have ownership of North Putnam's current utility assets.

On July 10, 2003, counsel for the Petitioners filed original Verifications for the joint petition filed herein on July 9, 2003.

On August 12, 2003, Staff Attorney Ronald E. Robertson, Jr., filed an Initial and Final Joint Staff Memorandum. An Initial and Final Internal Memorandum dated August 5, 2003, from William A. Nelson, Utilities Analyst Supervisor, Water and Wastewater Division, and Jonathan Fowler, P.E., Engineer I, Engineering Division, was attached thereto. Commission Staff stated that, based upon its review of the petition and exhibits attached thereto, South Putnam and North Putnam had met the requirements of West Virginia Code §16-13A-18a, regarding the sale of North Putnam's utility system to South Putnam. Commission Staff, after noting the Putnam County Commission's pending Case No. 03-0536-PSWD-PC, seeking Commission approval, in part, to dissolve North Putnam and expand South Putnam's boundaries to encompass the current service area of North Putnam, stated that the sale of North Putnam's utility system had to be approved and finalized prior to the dissolution actually occurring.¹ Commission Staff went on to note that approval of the sale of North

¹Commission Staff noted that it intended to file its final recommendation in the dissolution case concurrently with the filing of its final recommendation in this proceeding, which would allow final orders to be issued on or about the same date in both cases. However, since a hearing scheduled for September 19, 2003, must be held in Case No. 03-0536-PSWD-PC regarding the dissolution of North Putnam, Commission Staff was of the opinion that it was likely that the acquisition of North Putnam's utility system by South Putnam would be approved first, with approval of North Putnam's dissolution to follow some time thereafter.

Putnam's utility system to South Putnam had to be made subject to obtaining bondholder approval. Thus, RUS, WDA and City National Bank had to give their consent to the proposed sale. Accordingly, Commission Staff requested that copies of the consents to the proposed sale executed by RUS, WDA and City National Bank be filed in this proceeding when received. In addition, it was noted that the proposed acquisition of North Putnam's utility system by South Putnam will require South Putnam to adopt and maintain the current North Putnam rates and charges in accordance with Rule 14.1² of the Commission's Rules for the Construction and Filing of Tariffs (Tariff Rules). Commission Staff noted that it would typically recommend that the purchasing utility file for a rate review approximately eighteen (18) months following acquisition. However, South Putnam has a sewer rate case, Case No. 03-1041-PSD-42T, currently pending before the Commission which addresses both its rates and those to be charged to the North Putnam customers. Commission Staff stated that it had no problem with the North Putnam rates being reviewed as part of that proceeding, but the proposed sale sub judice had to be approved and South Putnam had to adopt the current North Putnam rates pending the outcome of the rate review in Case No. 03-1041-PSD-42T. Accordingly, Commission Staff recommended approval of the joint petition filed herein, contingent upon North Putnam obtaining bondholder approval and South Putnam adopting and maintaining the current North Putnam rates and charges. Commission Staff also recommended that this matter be retained by the Commission itself in order to expedite its processing.

By Order dated August 28, 2003, the Commission referred this matter to the Division of Administrative Law Judges for further disposition, with a decision due date of September 25, 2003.

FINDINGS OF FACT

1. On July 9, 2003, the South Putnam Public Service District and the North Putnam Public Service District filed a joint petition seeking Commission consent and approval for the transfer of North Putnam's public utility system to South Putnam. (See, July 9, 2003 filing).

²Tariff Rule 14.1 states:

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

2. South Putnam has been operating and maintaining the North Putnam system since the Commission approved the O&M Agreement between the two districts in Case No. 00-1134-PSWD-PC (November 14, 2000). South Putnam also holds the exclusive right and option to purchase the North Putnam system. (See, petition filed July 9, 2003).

3. South Putnam has been working with the U.S. Army Corps of Engineers to develop a sewer upgrade project for the North Putnam area, but, before the project can move forward, South Putnam must acquire the North Putnam facilities. (See, petition filed July 9, 2003).

4. Commission Staff recommended that the joint petition be approved, contingent upon obtaining the approval of North Putnam's three (3) bondholders and South Putnam adopting and maintaining North Putnam's current rates and charges until further order of the Commission. (See, Initial and Final Joint Staff Memorandum and attachment filed August 12, 2003).

CONCLUSION OF LAW

Upon consideration of all of the above, the undersigned Administrative Law Judge is of the opinion that the joint petition filed herein on July 9, 2003, by South Putnam Public Service District and North Putnam Public Service District, seeking Commission consent and approval for the transfer of North Putnam's public utility system to South Putnam, should be approved, contingent upon North Putnam and South Putnam obtaining the approval of North Putnam's three (3) bondholders, namely the Rural Utilities Service, the West Virginia Water Development Authority and City National Bank, and further contingent upon South Putnam filing an appropriate revised tariff with the Commission's Tariff Office adopting and maintaining the current North Putnam rates and charges for the former North Putnam customers, pending the outcome of the rate review in Case No. 03-1041-PSD-42T.

ORDER

IT IS, THEREFORE, ORDERED that the joint petition filed herein on July 9, 2003, by South Putnam Public Service District and North Putnam Public Service District seeking Commission consent and approval for the transfer of North Putnam Public Service District's public utility system to South Putnam Public Service District be, and hereby is, approved.

IT IS FURTHER ORDERED that the approval hereby granted is contingent upon North Putnam Public Service District and South Putnam Public Service District obtaining the approval of North Putnam Public Service District's three (3) bondholders, namely the Rural Utilities Service, the West

Virginia Water Development Authority and City National Bank, and filing copies of said approval(s) herein immediately upon receipt.

IT IS FURTHER ORDERED that the approval hereby granted is further contingent upon South Putnam Public Service District filing with the Commission's Tariff Office within thirty (30) days of the date that this Order becomes final, an appropriate tariff adopting the rates and charges now in effect for North Putnam Public Service District's customers.

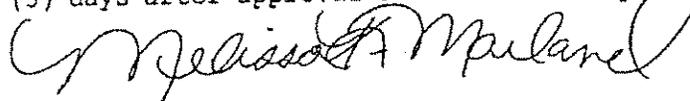
IT IS FURTHER ORDERED that this matter be, and hereby is, removed from the Commission's docket of open cases.

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

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

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

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



Melissa K. Marland
Chief Administrative Law Judge

MKM/JPC:pst
031042a.wpd

PUTNAM COUNTY COMMISSION

RESOLUTION

WHEREAS, the North Putnam Public Service District is authorized to provide water and sewer service as a public utility in parts of Putnam County, West Virginia, on the North side of the Kanawha River;

WHEREAS, the South Putnam Public Service District is authorized to provide water and sewer service as a public utility in parts of Putnam County, West Virginia, on the South side of the Kanawha River;

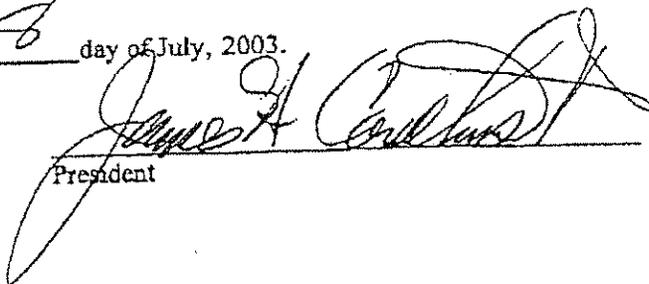
WHEREAS, the South Putnam Public Service District has the manpower and expertise to operate and manage the affairs of the North Putnam Public Service District;

WHEREAS, the Board of the North Putnam Public Service District has, after hearing held August 3, 2000, unanimously approved the transfer of the North Putnam Public Service District to the South Putnam Public Service District; and

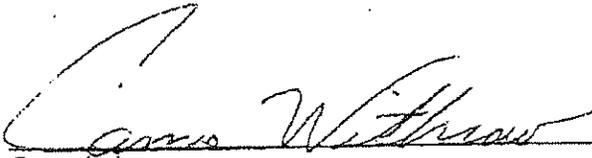
WHEREAS, the County Commission of Putnam County deems it to be in the best interests of the citizens of Putnam County for North Putnam Public Service District to transfer its assets to South Putnam Public Service District subject to the approval of the Public Service Commission of West Virginia and subject further to the approval of bondholders.

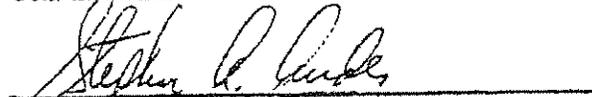
NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COMMISSION OF PUTNAM COUNTY, WEST VIRGINIA:

The Board of North Putnam Public Service District, is authorized to undertake all actions necessary to transfer the assets of the North Putnam Public Service District, subject to the approval of the Public Service Commission of West Virginia as provided in West Virginia Code §16-13A-18a, and subject to the further approval of bondholders.

Adopted this 8 day of July, 2003.


President


Commissioner


Commissioner



CHARLESTON NEWSPAPERS

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Charleston, West Virginia 25330
Billing 348-4898
Classified 348-4848
1-800-WVA-NEWS

LEGAL ADVERTISING INVOICE

BOOK 076 PAGE 897

Table with 2 columns: Field Name, Value. Fields include INVOICE DATE (04/14/03), ACCOUNT NBR (087242002), SALES REP ID (0060), INVOICE NBR (021398001).

BILLED TO

PUTNAM CO. COMMISSON
ATTN: LINDA MCCLANAHAN
3389 WINFIELD RD
WINFIELD WV 25213 USA

Please return this portion with your payment.
Make checks payable to: Charleston Newspapers

AMOUNT PAID: _____



CHARLESTON NEWSPAPERS

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Charleston, West Virginia 25330
Billing 348-4898
Classified 348-4848
1-800-WVA-NEWS
FEIN 55-0676079

Table with 2 columns: Field Name, Value. Fields include INVOICE DATE (04/14/03), ACCOUNT NBR (087242002), SALES REP ID (0060), INVOICE NBR (021398001).

Legal pricing is based upon 63 words per column inch.

Each successive insertion is discounted by 25% of the first insertion rate.

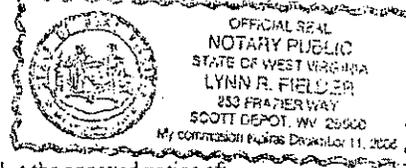
The Daily Mail is at a rate of \$.11 per word, and the Charleston Gazette is at a rate of \$.11 per word.

Main advertising invoice table with columns: ISSUE DATE, AD TYPE, PUB, DESCRIPTION, REFERENCE NBR, PURCHASE ORDER, AD NUMBER, TOTAL RUN, RATE, GROSS AMOUNT, NET AMOUNT. Includes rows for EXPANSION ads on 04/12 and a TOTAL INVOICE AMOUNT of 242.50.

INV. APPD. BY [Signature]
CHARGE TO I.I. # 401-20
PO# 15326

State of West Virginia, AFFIDAVIT OF PUBLICATION

I, Amanda Lopez of



THE DAILY MAIL, A DAILY REPUBLICAN NEWSPAPER, published in the city of Charleston, Kanawha County, West Virginia, do solemnly swear that the annexed notice of:

EXPANSION was duly published in said paper(s) during the dates listed below, and was posted at the front door of the court house of said Kanawha County, West Virginia, on the 14TH day of APRIL 2003. Published during the following dates: 04/12/03-04/12/03. Subscribed and sworn to before me this 15 day of APRIL. Printers fee \$ 242.56

[Signature of Notary Public Lynn R. Fielder]

LEGAL ADVERTISEMENT	STATEMENT	LEGAL ADVERTISEMENT
<p>BEFORE THE COUNTY COMMISSION OF PUTNAM COUNTY</p> <p>A RESOLUTION AND ORDER PROPOSING THE EXPANSION OF THE TERRITORY OF SOUTH PUTNAM PUBLIC SERVICE DISTRICT, THE DISSOLUTION OF NORTH PUTNAM PUBLIC SERVICE DISTRICT AND THE RECISSION OF AN ORDER OF THE COUNTY COMMISSION DATED MARCH 4, 1993</p> <p>IN PART</p> <p>WHEREAS, West Virginia Code §16-13A-2 provides that a County Commission may expand or reduce the territory of public service districts in order to achieve efficiency of operations; and</p> <p>WHEREAS, West Virginia Code §16-13A-2 provides that a County Commission may dissolve a public service district if it is found to be inactive and</p> <p>WHEREAS, South Putnam Public Service District currently has authority to provide water and sewer service in parts of Putnam County and has been operating North Putnam Public Service District pursuant to an Operation and Maintenance Agreement; and</p> <p>WHEREAS, South Putnam Public Service District proposes to acquire the public utility assets of North Putnam Public Service District and operate such facilities as a part of the South Putnam Public Service District; and</p> <p>WHEREAS, with the acquisition of North Putnam Public Service District assets and the takeover of its sewer operations, North Putnam will become inactive; and</p> <p>WHEREAS, the records of the County Commission reveal that on March 4, 1993, the County Commission adopted a prior plan to merge Putnam Union Public Service District</p>	<p>and create a new North Putnam Public Service District but that plan was not carried out due to numerous reasons, and</p> <p>WHEREAS, it is now deemed desirable by said County Commission to expand the boundaries of South Putnam Public Service District to include the entire territory of North Putnam Public Service District for the provision of sewer service and it is deemed desirable to dissolve North Putnam Public Service District and to eliminate any confusion that may exist as to the prior plan to merge Putnam Union Public Service District with North Putnam Public Service District and create a new North Putnam Public Service District by rescinding such prior order;</p> <p>NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED AND ORDERED by the County Commission of Putnam County as follows:</p> <p>1. That the County Commission of Putnam County, West Virginia, upon its own motion, proposes the expansion of the boundaries of South Putnam Public Service District to include the entire territory of Putnam County, West Virginia located north of the Kanawha River which is not currently contained within the boundaries of any municipal or private utility, (operated by such municipal or private utility, for the provision of sewer service);</p> <p>2. That upon the expansion of the boundaries of South Putnam Public Service District as provided for herein, the North Putnam Public Service District be dissolved;</p> <p>3. That in order to eliminate any possible confusion with prior orders of the County Commission, the Order of the County Commission entered on March 4, 1993 be rescinded insofar as it purported to merge Putnam Union Public Service District and North Putnam Public Service Districts and create</p>	<p>new North Putnam Public Service District</p> <p>4. That the County Commission of Putnam County, West Virginia, shall hold a hearing on the proposed expansion of the boundaries of South Putnam Public Service District and the dissolution of North Putnam Public Service District on</p> <p>April 22, 2003 in the Putnam County Courthouse in Winfield at 10:00 a.m.</p> <p>5. That the Clerk of the County Commission shall cause notice of hearing and a description of all of the territory proposed to be included in the territory of South Putnam Public Service District to be published in a Class II local newspaper of least ten (10) days prior to the hearing;</p> <p>6. That the County Commission of Putnam County shall post the notice of the hearing and the proposed expansion of the boundaries of South Putnam Public Service District and the proposed dissolution of North Putnam Public Service District in at least five conspicuous places within the territory of both South Putnam Public Service District and North Putnam Public Service District;</p> <p>7. That the Clerk of the County Commission shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission not less than ten (10) days prior to the hearing set forth herein;</p> <p>ENTERED into the permanent record of Putnam County, West Virginia, this 25th day of March, 2003.</p> <p>Attest: Michael W. Elliott Clerk (942917)</p>

STATE OF WEST VIRGINIA, PUTNAM COUNTY CLERK'S OFFICE
 I, Michael W. Elliott, Clerk of Putnam County Commission do hereby certify that this foregoing is a true and correct copy and transcript from the record of my office.
 Given under my hand and seal of said commission.

at Winfield, West Virginia, this the 28th day of April 2003
 MICHAEL W. ELLIOTT, CLERK, PUTNAM COUNTY COMMISSION
 By Regina Guller Deputy

BOOK 076 PAGE 898

LEGAL ADVERTISEMENT	ADVERTISEM	LEGAL ADVERTISEMENT
<p>BEFORE THE COUNTY COMMISSION OF PUTNAM COUNTY, WEST VIRGINIA, A RESOLUTION AND ORDER PROPOSING THE EXPANSION OF THE TERRITORY OF SOUTH PUTNAM PUBLIC SERVICE DISTRICT, THE DISSOLUTION OF NORTH PUTNAM PUBLIC SERVICE DISTRICT, AND THE RESCISSION OF AN ORDER OF THE COUNTY COMMISSION DATED MARCH 4, 1993, IN PART:</p> <p>WHEREAS, West Virginia Code §16-13A-2 provides that a County Commission may expand or reduce the territory of public service districts in order to achieve efficiency of operations; and</p> <p>WHEREAS, West Virginia Code §16-13A-2 provides that a County Commission may dissolve a public service district if it is found to be inactive; and</p> <p>WHEREAS, South Putnam Public Service District currently has authority to provide water and sewer service in parts of Putnam County, and has been operating North Putnam Public Service District pursuant to an Operation and Maintenance Agreement; and</p> <p>WHEREAS, South Putnam Public Service District proposes to acquire the public utility assets of North Putnam Public Service District and operate such facilities as a part of the South Putnam Public Service District; and</p> <p>WHEREAS, with the acquisition of North Putnam Public Service District's assets and the takeover of its sewer operations, North Putnam will become inactive; and</p> <p>WHEREAS, the records of the County Commission reveal that on March 4, 1993, the County Commission adopted a prior plan for merge Putnam Union Public Service District</p>	<p>and create a new North Putnam Public Service District but that plan was not carried out due to numerous reasons; and</p> <p>WHEREAS, it is now deemed desirable by said County Commission to expand the boundaries of South Putnam Public Service District to include the entire territory of North Putnam Public Service District for the provision of sewer service and it is deemed desirable to dissolve North Putnam Public Service District and to eliminate any confusion that may exist as to the prior plan to merge Putnam Union Public Service District with North Putnam Public Service District and to merge North Putnam Public Service District by rescinding such prior order;</p> <p>NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the County Commission of Putnam County, West Virginia, that:</p> <p>1. That the County Commission of Putnam County, West Virginia, upon its own motion, proposes the expansion of the boundaries of South Putnam Public Service District to include the entire territory of Putnam County, West Virginia, located north of the Kanawha River which is not currently contained within the boundaries of any municipal or private utility, to be used by such municipal or private utility for the provision of sewer service;</p> <p>2. That upon the expansion of the boundaries of South Putnam Public Service District, as provided for herein, the North Putnam Public Service District be dissolved;</p> <p>3. That, in order to eliminate any possible confusion with prior orders of the County Commission, the Order of the County Commission entered on March 4, 1993, be rescinded insofar as it purported to merge Putnam Union Public Service District and North Putnam Public Service Districts and create a</p>	<p>new North Putnam Public Service District;</p> <p>4. That the County Commission of Putnam County, West Virginia, shall hold a hearing on the proposed expansion of the boundaries of South Putnam Public Service District and the dissolution of North Putnam Public Service District on <u>April 22, 2003</u> in the Putnam County Courthouse in Winfield at 10:00 a.m.;</p> <p>5. That the Clerk of the County Commission shall cause notice of hearing and a description of all of the territory proposed to be included in the territory of South Putnam Public Service District to be published as a class 1 newspaper of general circulation (10 days prior to the hearing); and</p> <p>6. That the County Commission of Putnam County shall post the notice of the hearing and the proposed expansion of the boundaries of South Putnam Public Service District and the proposed dissolution of North Putnam Public Service District in at least five conspicuous places within the territory of both South Putnam Public Service District and North Putnam Public Service District;</p> <p>7. That the Clerk of the County Commission shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission not less than ten (10) days prior to the hearing set forth herein;</p> <p>ENTERED into the permanent record of Putnam County, West Virginia, this 28th day of March, 2003.</p> <p>Attest: Michael W. Elliott Clerk (942917)</p>

STATE OF WEST VIRGINIA, PUTNAM COUNTY CLERK'S OFFICE
 I, Michael W. Elliott, Clerk of Putnam County Commission do hereby certify that this foregoing is a true and correct copy and transcript from the record of my office.
 Given under my hand and seal of said commission.

at Winfield, West Virginia, this the 28th day of April 2003
 MICHAEL W. ELLIOTT, CLERK, PUTNAM COUNTY COMMISSION
 By Regina Hull Deputy

BOOK 076 PAGE 898

NORTH PUTNAM PUBLIC SERVICE DISTRICT



POST OFFICE BOX 59
BANCROFT, WV 25011

Patti Babcock, Secretary/Treasurer
Gary Sigman, Chairperson

North Putnam Public Service District
Special Meeting
August 3, 2000
MINUTES

MEMBERS PRESENT: Gary Sigman, Brent Null, Patti Babcock
STAFF PRESENT: Fred Stottlemeyer
GUESTS PRESENT: Robert Rodecker

This special meeting constituted a public hearing to take comments on the proposed acquisition/sale of North Putnam PSD to South Putnam PSD. There was no public person who attended this meeting.

Brent Null motioned the best interest of the public would be served by transferring the assets of this District(NPPSD) to the South Putnam PSD and to file the appropriate documents with the Putnam County Commission and the Public Service Commission to carry out the sale of this system. Patti second and the decision was unanimous.

Fred Stottlemeyer took this opportunity to report the following:

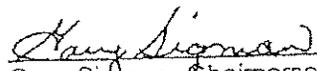
- 1] Number 3 station has only one pump operational. A safety ladder has been installed inside this station.
- 2] The Treatment Plant was broken into on July 30th. Mostly tools were taken and entry was gained via a broken window.
- 3] The 8 inches of rain during the month of July produced flows in excess of 500,000 gallons. Route 62 is the area suspected of infiltration and next week this area will be addressed.
- 4] One manhole on Drew Street has no mastic. This will be corrected.
- 5] Clarifying tanks will be taken down beginning with Number 1 on August 21 to inspect, clean and make piping changes. Number 2 will be following for the same inspection and repair. Diffusers for these tanks were one of the items stolen. Replacements will be ordered immediately.
- 6] Putnam County Commission has indicated they will supply \$31,500.00 to match monies offered by the Governor's office for the collapsed line repair.

7] At our request, contractor Clyde Raynes has submitted an invoice for \$55,596.65 for work done to date. North Putnam has expended \$55,644.97 to date on repair cost. Patti reported digesting cost on this date with only \$10,000.00 of invoices remaining from this project, all aged less than 30 days.

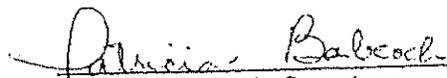
8] Plans for Cherokee Estates were discussed. Meetings with the developers have caused changes and these changes were discussed and approved on motion by Brent Null.

There being no further business, the meeting adjourned at 7:58 p.m.

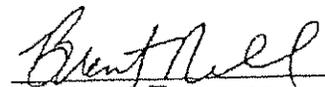
Respectfully Submitted,



Gary Sigman, Chairperson



Patricia Babcock, Secretary



Brent Null, Treasurer

LEGAL NOTICE

**NORTH PUTNAM
PUBLIC SERVICE DISTRICT
NOTICE OF HEARING**

The Public Service Board of North Putnam Public Service District will hold a hearing on Thursday, August 3, 2000, at 7:00 p.m., at Town Hall, Bancroft, West Virginia, for the purpose of taking public comments and objections, if any, relating to the proposed transfer of North Putnam Public Service District's utility rights and assets to South Putnam Public Service District.

The Board will, following the receipt of comments and objections, vote on whether or not to proceed with the transfer of its utility rights and assets to South Putnam Public Service District.

This hearing is open to the press and the public and any person interested may appear at such hearing to protect their interest.

**NORTH PUTNAM PUBLIC
SERVICE DISTRICT**

It 7-27

AFFIDAVIT OF PUBLICATION

Cost of Publication \$14.56

State of West Virginia, County of Putnam, to wit:

I, Phyllis Robinson, being first sworn upon my oath, do depose and say that I am Publisher of the newspaper entitled THE PUTNAM DEMOCRAT, a Democratic newspaper; that I have been duly authorized to execute all affidavits of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published weekly on Thursday, for at least fifty weeks during the calendar year, in Winfield, Putnam 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 or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, that the annexed

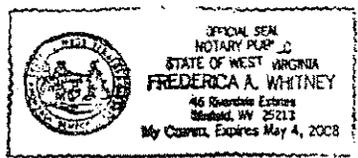
notice of Notice of Hearing
North Putnam Public Service District
Transfer of Utility Rights and Assets
to South Putnam Public Service District

was duly published in said newspaper once a week for 1 (successive) week(s), commencing with the issue of the 27th day of July 2000, and ending with issue of the _____ day of _____ 20_____, (and was posted, if required, at the _____ on the _____ day of _____ 20_____).

Phyllis Robinson
/s/ Phyllis Robinson, Publisher
The Putnam Democrat

Taken, subscribed and sworn to before me in my said county this 28th day of July 2000

My commission expires May 4, 2008



Frederica A. Whitney
/s/ Frederica A. Whitney
Notary Public of Putnam County, West Virginia

NORTH PUTNAM PUBLIC SERVICE DISTRICT

RESOLUTION

WHEREAS, the North Putnam Public Service District is authorized to provide water and sewer service as a public utility in parts of Putnam County, West Virginia, on the North side of the Kanawha River;

WHEREAS, the South Putnam Public Service District is authorized to provide water and sewer service as a public utility in parts of Putnam County, West Virginia, on the South side of the Kanawha River;

WHEREAS, the South Putnam Public Service District has the manpower and expertise to operate and manage the affairs of the North Putnam Public Service District;

WHEREAS, the Boards of the South Putnam Public Service District and the North Putnam Public Service District have had discussions concerning the transfer of the North Putnam Public Service District to the South Putnam Public Service District; and

WHEREAS, the Board of the North Putnam Public Service District deems it to be in the best interests of the citizens of Putnam County for South Putnam Public Service District to acquire the assets of North Putnam Public Service District, and to operate such assets as part of its own system until such time as the acquisition of such assets is approved by the Public Service Commission of West Virginia.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF NORTH PUTNAM PUBLIC SERVICE DISTRICT:

1. The Board of North Putnam Public Service District is authorized to undertake all actions necessary to transfer the assets of the North Putnam Public Service District, subject to the approval of the Public Service Commission of West Virginia, and bondholder approvals; and subject further to a determination of the reasonableness of such action upon the rates of the rate payers of South Putnam Public Service District.

2. During the pendency of the approval process, and until such time as the Board of the South Putnam Public Service District has determined that it is in the best interests of the rate payers of South Putnam Public Service District to acquire the assets of North Putnam Public Service District, North Putnam Public Service District is hereby authorized to enter into an agreement whereby South Putnam Public Service District shall operate and maintain the North Putnam Public Service District system.

3. The Chairman of the Board of the North Putnam Public Service District, is hereby authorized to execute any documents necessary to carry out the provisions of his Resolution.

Adopted this 11th day of July, 2000.

Kary Sigman
Chairman

Leticia A. Babcock
Member

Burt D. Mel
Member

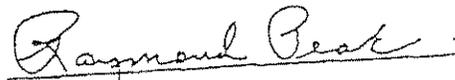
RESOLUTION OF
CITY OF HURRICANE

BE IT RESOLVED by the City Council of the City of Hurricane as follows:

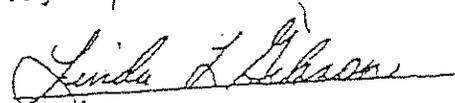
The City of Hurricane hereby consents to the provision of sewerage services by South Putnam Public Service District in the following area within the boundaries of the City of Hurricane:

An area along Route 34 South beginning near the Hurricane Creek bridge and extending along Route 34 to Route 60 and including an area 1,000 feet west along Harbour Lane.

Adopted and effective this 1st day of May, 1995.



Mayor



Recorder

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Council of the CITY OF HURRICANE on the 1st day of May, 1995, which Resolution has not been repealed, rescinded, modified, amended or revoked, as witness my hand and the seal of the City of Hurricane this 1st day of May, 1995.

[SEAL]

Janice L. Nelson
Recorder

04/18/95
SPSJ.02
847280/94001

RESOLUTION OF

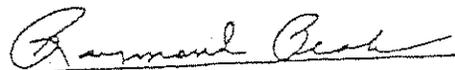
SANITARY BOARD OF CITY OF HURRICANE

BE IT RESOLVED by the Sanitary Board of the City of Hurricane as follows:

The Sanitary Board of the City of Hurricane hereby consents to the provision of sewerage services by South Putnam Public Service District in the following area within the boundaries of the City of Hurricane:

An area along Route 34 South beginning near the Hurricane Creek bridge and extending along Route 34 to Route 60 and including an area 1,000 feet west along Harbour Lane.

Adopted and effective this 1st day of May, 1995.


Chairman /

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Sanitary Board of the CITY OF HURRICANE on the 1st day of May, 1995, which Resolution has not been repealed, rescinded, modified, amended or revoked, as witness my hand this 1st day of May, 1995.



Chairman

04/25/95
SPSJ.P3
847280/94001

RECEIVED

BOOK 076 PAGE 893

2003 APR 29 AM 8:44 BEFORE THE COUNTY COMMISSION OF PUTNAM COUNTY

W VA PUBLIC SERVICE
SEC 20-2-1
A RESOLUTION AND ORDER EXPANDING THE TERRITORY OF SOUTH PUTNAM
PUBLIC SERVICE DISTRICT, DISSOLVING NORTH PUTNAM PUBLIC SERVICE
DISTRICT AND RESCINDING AN ORDER OF THE COUNTY COMMISSION DATED
MARCH 4, 1993 IN PART.

WHEREAS, the County Commission of Putnam County, West Virginia, did heretofore, by Resolution and Order adopted on MARCH 25, 2003, propose the expansion of the territory of South Putnam Public Service District, the dissolution of North Putnam Public Service District, and the partial rescission of a prior order of the County Commission which called for the creation of a new North Putnam Public Service District; and,

WHEREAS, by said MARCH 25, 2003 Resolution and Order, the County Commission did set a hearing on the proposed expansion of South Putnam Public Service District's territory for the provision of sewer service, the dissolution of North Putnam Public Service District, and the partial rescission of the March 4, 1993 Order of the County Commission for the 22ND day of APRIL, 2003, required notice of said hearing be given by Class I legal publication and by posting of notice in at least five (5) conspicuous places within the territories of each of the public service districts, and required the Clerk of the County Commission to cause a copy of the Resolution and Order to be filed with the Executive Secretary of the Public Service Commission; and,

WHEREAS, notice of the APRIL 22, 2003 hearing has been given in the manner provided and required by said Resolution and Order and by West Virginia Code §16-13A-2 and all interested parties have been offered an opportunity of being heard for and against the expansion of the territory of South Putnam Public Service District, the dissolution of North Putnam Public Service District, and the partial rescission of the March 4, 1993 Order of the County Commission, and said County Commission has given due consideration to all matters for which such hearing was offered; and,

WHEREAS, it is now deemed desirous by said County Commission to adopt a Resolution and Order expanding the territory of South Putnam Public Service District for the provision of sewer service, dissolving North Putnam Public Service District, and rescinding in part the March 4, 1993 Order of the County Commission.

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

1. That the County Commission of Putnam County, West Virginia, upon its own motion, subject to the approval of the Public Service Commission of West Virginia, and subject further to the agreement of bondholders of the two Districts, finds that it would be conducive to the public health, comfort and

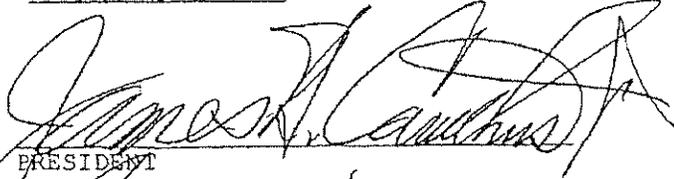
convenience of Putnam County to expand the territory of South Putnam Public Service District and to dissolve North Putnam Public Service District.

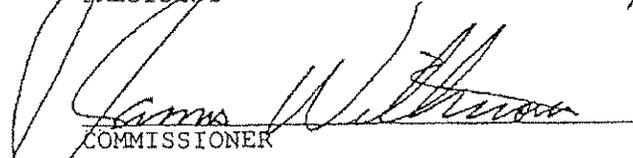
2. That the boundaries of South Putnam Public Service District shall be expanded to include the entire territory of Putnam County, West Virginia, located north of the Kanawha River which is not currently contained within the boundaries of any municipal or private utility, or served by such municipal or private utility, for the provision of sewer service.

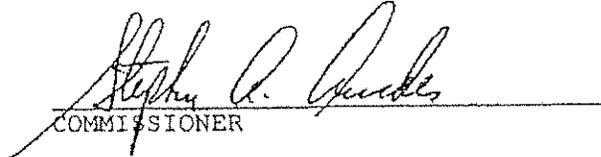
3. That, in order to eliminate any confusion that may have existed by virtue of the prior actions of this County Commission, the March 4, 1993 Order of the County Commission is hereby rescinded insofar as it attempted to bring about the merger and consolidation of Putnam Union Public Service Districts and the creation of a new North Putnam Public Service District.

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

ENTERED into the permanent record of Putnam County, West Virginia, this 22ND day of APRIL, 2003.


PRESIDENT


COMMISSIONER


COMMISSIONER

ATTEST:


CLERK

BOOK 076 PAGE 896

BEFORE THE COUNTY COMMISSION OF PUTNAM COUNTY

A RESOLUTION AND ORDER PROPOSING THE EXPANSION OF THE TERRITORY OF SOUTH PUTNAM PUBLIC SERVICE DISTRICT, THE DISSOLUTION OF NORTH PUTNAM PUBLIC SERVICE DISTRICT, AND THE RESCISSION OF AN ORDER OF THE COUNTY COMMISSION DATED MARCH 4, 1993 IN PART

AFFIDAVIT OF POSTING

STATE OF WEST VIRGINIA,
COUNTY OF PUTNAM, to-wit:

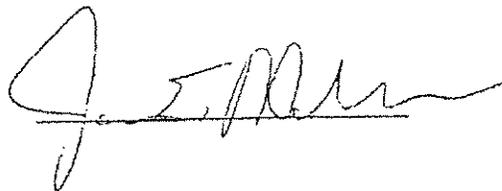
I, Jason E. Henderson, Assistant Manager of Sanitary Sewer Development for South Putnam Public Service District, duly sworn, state as follows:

1. Pursuant to West Virginia Code §16-13A-2, the County Commission of Putnam County adopted a Resolution and Order on March 25, 2003, proposing (1) the expansion of the boundaries of South Putnam Public Service District to include the entire territory of Putnam County, West Virginia, located north of the Kanawha River which is not currently contained within the boundaries of any municipal or private utility, or served by such municipal or private utility, for the provision of sewer service; (2) the dissolution of North Putnam Public Service District upon the expansion of the boundaries of South Putnam Public Service District as proposed; and (3) the rescinding of the March 14, 1993 Order of the County Commission insofar as it purported to merge

Putnam Union Public Service District and North Putnam Public Service Districts and create a new North Putnam Public Service District.

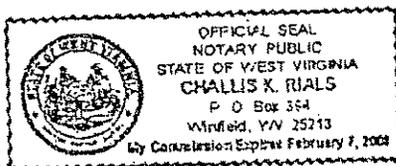
2. The Putnam County Commission scheduled a hearing to be held on April 22, 2003, at 10:00 a.m. at the Putnam County Courthouse, Winfield, West Virginia, to consider said Resolution and Order; and,
3. Pursuant to West Virginia Code §16-13A-2, the attached Public Notice of Hearing was posted in five (5) conspicuous places throughout each of the territories of South Putnam Public Service District and North Putnam Public Service District; and,
4. Said posting occurred beginning April 11, 2003 (more than ten (10) days prior to the April 22, 2003 hearing) and continuing through at least April 22, 2003, the day of the hearing.

Further affiant sayeth naught.

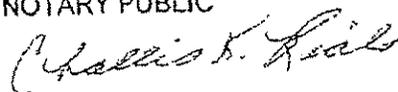


Taken, subscribed and sworn to before the undersigned by Jason E. Henderson on in his capacity as Assistant Manager of Sanitary Sewer Development for South Putnam Public Service District, on this 5th day of May, 2003.

My commission expires Feb 7, 2006.



NOTARY PUBLIC



12.3.81

A RESOLUTION AND ORDER EXPANDING THE
BOUNDARIES OF THE SOUTH PUTNAM PUBLIC
SERVICE DISTRICT WITHIN PUTNAM COUNTY,
WEST VIRGINIA.

WHEREAS, the County Commission of Putnam County, West Virginia, did heretofore by a resolution and order adopted on the 3rd day of December, 1991, fix a date for a public hearing on the expansion of the South Putnam Public Service District, and in and by said resolution and 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 Commission at this meeting, and have an opportunity to be heard, for and against the expansion of the said Public Service District; and,

WHEREAS, notice of this hearing was duly given in a manner provided and required by the said resolution and order and by Article 13A, Chapter 16, of the West Virginia Code, and all interested persons have been afforded an opportunity of being heard for and against the expansion of the said District, but no written protest has been filed by the requisite number of qualified voters registered and residing within the proposed expanded Public Service District area or the existing boundaries of the South Putnam Public Service District, and said County

Commission has given due consideration to all matters for which such hearing was offered; and,

WHEREAS, it is now deemed desirable by said County Commission to adopt a resolution and order expanding the said District;

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

Section 1.

That the physical, geographical, territorial limits of the South Putnam Public Service District, a public corporation, are hereby enlarged, expanded, and extended to include all of the properties described hereinafter, as follows:

AN AREA comprising the magisterial districts of Teays Valley, Scott, Curry, and that portion of Buffalo, south of the Kanawha River, including the area known as the Teays Valley Public Service District, but excluding the areas currently known as the Water and/or Sewer Utilities of Record.

Those areas to be excepted from the territorial jurisdiction of the South Putnam Public Service District are described hereinafter as follows:

(1) Lake Washington Public Service District, for water service only, more particularly defined as follows:

Beginning at a point in which the easterly line of Block C intersects the northerly right-of-way of U. S. Route 60, thence, N. 32° 13' W. 305.0 feet, N. 00° 50' W. 176.07 feet, thence N. 4° 22' W. 315.1 feet, thence, N. 27° 40' W. 1,728.7 feet, thence, S. 44° 18' W. 585.0 feet, thence, S. 41° 56' W. 1,693 feet, thence S. 6° 20' E. 255.9 feet, thence S. 40° 41' E. 70.0 feet, thence, S. 74° 07' E. 1,162.62 feet, thence, crossing U. S. Route 60, S. 15° 36' W. 270.7 feet, thence, S. 39° 18' W. 489.0 feet, thence, N. 85° 17' W. 198.0 feet, thence S. 71° 38' W. 549.2 feet, thence, S. 70° 35' W. 705.22 feet, thence, S. 58° 06' W. 478.9 feet, thence S. 58° 42' W. 437.75 feet, thence, S. 68° 14' W. 108.0 feet, thence, with West Virginia Route 14, S. 55° 45' E. 763.0 feet, thence, S. 83° 09' E. 609.8 feet, thence, S. 87° 44' E. 1,109.8 feet, thence, S. 24° 57' E. 546.9 feet, thence, S. 53° 14' E. 947.88 feet, thence, N. 71° 57' E. 880.48 feet, thence, N. 40° 07' E. 880.48 feet, thence, S. 60° 03' E. 1,461.4 feet, thence N. 6° 15' E. 848.7 feet, thence N. 16° 17' W. 99.0 feet, thence, S. 87° 25' E. 113.5 feet, thence, S. 67° 45' E. 118.4 feet, thence, S. 58° 40' E. 105.4 feet, thence S. 45° 25' E. 171.8 feet, thence, S. 42° 05' E. 128.0 feet, thence, S. 33° 40' E. 279.9 feet, thence, S. 46° 25' E. 261 feet, thence, S. 21° 45' E. 140.5 feet, thence, S. 60° 25' E. 239.0 feet, thence N. 35° 40' E. 113.5 feet, thence, N. 20° 01' W. 799.0 feet, thence, N. 56° 00' E. 77.01 feet, thence, No. 50° 05' E. 794.47 feet, thence, N. 66° 00' E. 411.95 feet, thence, N. 78° 00' E. 423.7 feet, thence, N. 64° 44' W. 112.42 feet, thence, N. 58° 11' W. 577.0 feet, thence, N. 89° 17' W. 739.68 feet, thence, crossing U. S. Route 60, N. 13° 16' E. 990.0 feet, thence along Route 60, S. 70° 05' W. 600.0 feet, thence, S. 88° 55' W. 400.0 feet, thence, S. 72° 00' W. 350.0 feet, to place of beginning, containing an area of 0.67 square miles.

(2) Kanawha Orchard Public Service District, more particularly defined as follows:

Beginning at a point in the northerly right-of-way of Interstate Route 64 and 0.15 miles west of the center of McCloud Road, thence, N. 26° 40' E. 1.19 miles, thence, N. 63° 40' E. 1.34 miles, thence, W. 20° 15' W. 2.03 miles, thence N. 69° 25' 0.81 miles to center of Kanawha River, thence, up Kanawha River S. 20° 25' E. 0.32 miles, thence, S. 69° 25' W. 0.29 miles to the center of West Virginia Route 17, thence, with Route 17, S. 20° 15' E. 0.25 miles, thence, S. 4° 45' E.

0.19 miles to a point in said State Route 17 having a latitude of N. 38° 30' and longitude W. 81° 50' 10", thence, leaving West Virginia Route 17 N. 69° 25' E. 0.30 miles to center of Kanawha River, thence, with center of the River and up stream 1.68 miles, thence, leaving the River S. 39° 40' 0.65 miles to a point having a latitude of N. 38° 25' 29" and longitude of W. 81° 50', thence, S. 63° 40' W. 1.55 miles, thence, to the northeasterly right-of-way of Interstate Route 64 S. 6° 15' E. 0.75 miles, thence, with northeasterly right-of-way line of Interstate 64 1.10 miles, more or less to place of beginning, containing 1.70 square miles.

(3) Putnam Utilities Corporation, more particularly defined as follows:

TRACT A: Beginning at a stone on a ridge on a line of the Cargill land, the said stone being a common corner to the land owned by A. C. Radford and Hazel B. Radford, his wife; thence, with the said line of the Cargill land, S. 85° 10' W. 141.5 feet to a white oak stump in a low gap; thence, N. 87° 30' W. 940.5 feet to a stake; thence, S. 61° 30' W. 495 feet to a stone by some Hickories; thence, N. 87° 30' W. 792 feet to a stone, corner to a tract of land owned by Charles C. Payne; thence, with the northeasterly line of the said Payne land, N. 47° 45' W. 1,812.5 feet to an iron pipe; thence, N. 41° 7' E. 696 feet to an iron pipe in the southwesterly line of the said Radford land; thence, with the line of the Radford land, S. 64° 30' E. 1,686.5 feet to the place of beginning, containing 62.44 acres, more or less.

TRACT B: Beginning at an iron pipe in the southerly right-of-way of U. S. Route 15, the said iron pipe being a common corner to a tract of land owned by A. C. Radford and Hazel B. Radford, his wife; thence, with the southwesterly line of the said Radford land, S. 36° 00' E. 1,800 feet to an iron pipe; thence, S. 64° 30' E. 455 feet to an iron pipe; thence, leaving the Radford land, S. 41° 7' W. 696 feet to an iron pipe in the northeasterly line of a tract of land owned by Charles C. Payne; thence, with the said line of the Payne land, N. 47° 45' W. 580 feet to an iron pipe; thence, N. 36° 00' W. 1,482 feet to an iron pipe in the southerly line of Rockystep Branch Road; thence, with the right-of-way line of the said road, N. 51° 48' E. 29.5 feet to an iron pipe; thence, N. 35° 40' W. 136.6 feet to an iron pipe at the intersection of the easterly right-of-way line of Rockystep Branch Road and the southerly right-of-way line of U. S. Route 15; thence, running with U. S. Route 15, N. 55° 32' E. 542.4 feet to the place of beginning, containing 30.9 acres, more or less.

TRACT C: Beginning at an iron pipe in the common division line between the land owned by Charles C. Payne and the property herein conveyed, said iron pipe being located N. 36° 00' W. 444.4 feet from a stake in the northerly right-of-way line of U. S. Route 35; thence, with the common division line between the property herein conveyed and the Payne property, N. 36° 00' W. 201 feet to a stake at the edge of Kanawha River; thence, running up the river and binding thereon, N. 49° 37' E. 209.1 feet, to an iron pipe; thence, running S. 36° 00' E. 217 feet; thence, running S. 54° 00' W. 208.5 feet to the place of beginning, containing 1 acre.

(4) Riverdale Utility Company, more particularly defined as follows:

TRACT 2: Beginning at an iron pipe in the northerly right-of-way line of State Route 17, at the point where the division line between the lands of Walter M. Raynes and F. F. Morris intersect said northerly right-of-way line; thence, leaving the said right-of-way line running with the division line between Morris and Raynes and Morris and Rose, N. 3° 00' W. 1,724 feet to an iron pipe where originally stood a stake 9 feet above a marked beech; thence, leaving Rose and running up the Kanawha River with pool stage, S. 81° 00' E. 543 feet to an iron pipe at the corner of Parcel 1 and 2; thence, leaving the river and running across the bottom with the division line between Parcels Nos. 1 and 2, S. 2° 00' E. 1,555 feet to an iron pipe in the northerly right-of-way of State Highway No. 17; thence, running in a westerly direction with the said northerly right-of-way line, a distance of 505 feet to the point of beginning, containing 19.6 acres, more or less.

(5) Sunnybrook Public Service District, more particularly defined as follows:

Beginning at a point in the Teays Valley Public Service District line 200 feet south of the center line of West Virginia Primary Route 14, having a latitude N. 38° 26' 30" and a longitude W. 81° 59' 04"; thence, S. 63° 15' W. for 0.30 miles parallel with West Virginia Route 14 to a point having a latitude N. 38° 26' 24" and longitude W. 81° 59' 23"; thence, N. 37° 09' W. for 0.15 miles, crossing West Virginia Route 14 at about 200 feet to a point having a latitude N. 38° 26' 31" and longitude W. 81° 59' 29"; thence, N. 45° 59' W. for 0.11 miles to a point on the south right-of-way of Old County Route 14/22

having a latitude N. 38° 26' 34" and longitude W. 81° 59' 14"; thence, with the road right-of-way S. 37° 00' W. for 0.09 miles to a point in the right-of-way having latitude N. 38° 26' 32" and longitude W. 81° 59' 36"; thence, N. 14° 00' W. with a fence line for 0.625 miles to a point on the Interstate Route 64 right-of-way having a latitude N. 38° 27' 05" and longitude W. 81° 59' 51"; thence, N. 63° 00' E. with the Interstate right-of-way line for 0.46 miles to a point on the right-of-way line having latitude N. 38° 27' 11" and longitude W. 81° 59' 22"; thence, in a southerly direction for 0.32 miles with the Sunnybrook Estate-Springdale Estates Subdivision boundary line to a point having a latitude N. 38° 26' 54" and longitude W. 81° 59' 15"; thence, N. 82° 45' E. for 0.19 miles to a point on the Teays Valley Public Service District boundary line, having latitude N. 38° 26' 55" and longitude W. 81° 59' 04"; thence, S. for 0.48 miles with the Teays Valley Public Service District boundary line to the point of beginning, and containing an area of 0.402 square miles in Teays Valley Magisterial District of Putnam County, West Virginia.

(6) Culloden Sanitary Sewer and Water Service are to be excluded from the South Putnam Public Service District area, more particularly defined as follows:

Culloden Area No. 1

Beginning at a point reference to the West Virginia Plane Coordinate System, South Zone, said Coordinate System referenced to the North American Datum, 1927 adjustment, said point having the coordinates N518475, E1698600 and being approximately situated on the Cabell-Putnam County Line; thence, with the following bearings and distances, based on the before named Plane Coordinate System, N. 01° 05' 28" W. 2,625.48 feet; thence, N. 63° 52' 08" E. 1,475.85 feet; thence, S. 33° 23' 19" E. 1,317.43 feet; thence, S. 42° 35' 59" W. 2,954.76 feet, to the true point of beginning.

Culloden Area No. 2

Beginning at a point referenced to the West Virginia Plane Coordinate System, South Zone, said Coordinate System referenced to the North American Datum, 1927 adjustment, said point having the coordinates N516900, E1698725 and being approximately situated on the Cabell-Putnam County Line; thence, with the southerly right-of-way line of the Service Wholesale Access Road, 1,250 feet, more or less, to the westerly right-of-way line of Putnam County Route 60/1 (Thompson Road); thence, with said

westerly right-of-way line 2,200 feet, more or less, to a point; thence, leaving said westerly right-of-way line with the following bearings and distances based on the before named Plane Coordinate System: S. 53° 07' 48" W. 125.00 feet; thence, S. 38° 19' 15" E. 1,120.55 feet; thence, N. 66° 48' 05" E. 761.58 feet; thence, S. 70° 33' 16" E. 1,640.00 feet; thence, S. 61° 54' 24" W. 1,707.71 feet; thence S. 78° 18' 01" E. 1,501.00 feet; thence, N. 03° 55' 33" W. 4,100 feet, to the true point of beginning.

(7) City of Hurricane Water Service Area, more particularly defined as follows:

Beginning at a point referenced to the West Virginia Plane Coordinate System, South Zone, said Coordinate System referenced to the North American Datum, 1927 adjustments, and having the coordinates NS211750, E1700000; thence, with the following bearings and distances based on the before named Plane Coordinate System: N. 63° 47' 00" E. 7,356.80 feet; thence N. 47° 01' 17" W. 1,503.54 feet; thence, N. 31° 05' 50" E. 1,839.33 feet; thence, S. 70° 01' 01" E. 1,463.09 feet; thence, S. 07° 19' 21" E. 992.98 feet; thence, S. 25° 38' 28" E. 691.27 feet; thence, N. 53° 44' 46" E. 1,860.11 feet; thence, N. 58° 12' 09" E. 3,927.47 feet; thence, S. 29° 41' 27" E. 3,290.72 feet; thence, N. 54° 46' 57" E. 1,560.65 feet; thence, S. 16° 41' 57" E. 1,044.03 feet; thence, S. 70° 07' 59" W. 6,326.53 feet; thence, S. 04° 23' 55" W. 1,303.84 feet; thence S. 58° 23' 33" W. 3,052.87 feet; thence, S. 07° 41' 46" E. 1,866.82 feet; thence, S. 33° 06' 41" W. 1,372.95 feet; thence, N. 52° 13' 21" W. 1,190.14 feet; thence, S. 86° 11' 09" W. 2,254.99 feet; thence, S. 09° 01' 28" E. 3,493.57 feet; thence S. 46° 32' 53" W. 654.31 feet; thence, N. 75° 22' 45" W. 1,782.73 feet; thence S. 73° 19' 03" W. 522.02 feet; thence, N. 50° 54' 22" W. 1,030.78 feet; thence, N. 45° 00' 00" E. 353.55 feet; thence N. 17° 31' 32" W. 498.12 feet; thence, N. 40° 56' 26" W. 2,746.93 feet; thence N. 02° 20' 14" E. 1,226.02 feet; thence, N. 42° 22' 25" E. 1,928.35 feet; thence, N. 29° 03' 17" W. 1,029.56 feet to the true point of beginning.

(8) City of Hurricane Sanitary Sewer Service Area, more particularly defined as follows:

Beginning at a point referenced to the West Virginia Plane Coordinate System, South Zone, said Coordinate System referenced to the North American Datum, 1927 adjustment, said point having the coordinate NS24160.24, E1704721.07 and being approximately situated on the southerly right-of-way line of Interstate Route 64;

thence, with the following bearings and distances based on the before named Plane Coordinate System; N. 63° 56' 44" E. 2,481.07 feet; thence, N. 74° 53' 51" E. 1,346.29 feet; thence, S. 29° 44' 42" E. 604.67 feet; thence, N. 70° 42' 36" E. 529.74 feet; thence, S. 33° 41' 24" E. 180.28 feet; thence, N. 64° 29' 10" E. 2,437.72 feet; thence, S. 28° 18' 03" E. 169.12 feet; thence, S. 65° 11' 09" W. 2,561.49 feet; thence, S 24° 56' 19" E. 2,371.18 feet, more or less, to a point in the center of Hurricane Creek; thence, with the center of Hurricane Creek in a southwesterly, upstream direction, 1,800 feet, more or less, to the center of the West Virginia Route 34 Hurricane Creek Bridge; thence, leaving the center line of Hurricane Creek, with the following bearings and distances based on the before named Plane Coordinate system; S. 61° 36' 08" W. 2,796.52 feet; thence, N. 55° 03' 16" W. 2,025.14 feet; thence, S. 31° 09' 48" W. 603.26 feet; thence N. 55° 00' 29" W. 303.16 feet; thence, N. 26° 33' 54" E. 279.51 feet; thence, N. 56° 13' 36" W. 901.39 feet; thence, S. 33° 41' 24" W. 721.11 feet; thence, N. 55° 00' 29" W. 303.16 feet; thence, S. 30° 20' 36" W. 1,187.70 feet; thence, S. 53° 07' 48" E. 625.00 feet; thence, S. 35° 32' 16" W. 430.12 feet; thence N. 54° 41' 20" W. 735.27 feet; thence, N. 32° 39' 39" E. 1,158.12 feet, thence, N. 51° 20' 25" W. 160.08 feet; thence, N. 29° 25' 39" E. 1,119.43 feet; thence, N. 31° 56' 41" E. 1,320 feet, more or less; thence, northeast along southern right-of-way of Virginia Avenue, Putnam County Route 60/10, 1,050 feet, more or less; thence, northwest along the eastern right-of-way of Sovina Road, Putnam County Route 60/1, 915 feet, more or less to the true point of beginning.

(9) Ventroux Water Association for water service only, more particularly defined as follows:

Beginning at a point which is the intersection of the western right-of-way line of U. S. Route 35 and the southern edge of Scary Creek; thence, 700 feet in a southerly direction with the Route 35 line to a point; thence, W. 84° 15' W. 2,360 feet, leaving the Route 35 line to a point; thence S. 03° 24' W. 1,950 feet to a point; thence N. 87° 18' W. 500 feet to a point; thence N. 01° 56' E. 2,130 feet to a point; thence, N. 61° 32' E. 2,180 feet to a point in the southern edge of Scary Creek; thence, 1,500 feet with the southern edge of Scary Creek to the point of beginning, containing an area of 0.13 square miles.

(10) Town of Winfield, more particularly defined as

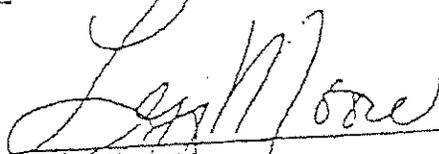
follows:

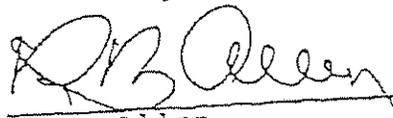
Beginning at the southernmost point in the original town limits; thence, S. 16° E. 1,270.50 feet, leaving the town limits to a point; thence, S. 57° E. 4,075.50 feet to a point; thence, S. 45-1/2° W. 412.50 feet to a point; thence, S. 85-1/2° W. 511.50 feet to a point; thence, W. 87° 30' W. 478.50 feet to a point; thence, S. 31-1/2° E. 2,739.00 feet to a point; thence, S. 80-1/2° W. 1,435.50 feet to a point; thence, N. 29° W. 19.60 feet to a point; thence S. 81-1/2° W. 1,386.0 feet, crossing Route 29/1 to a point; thence, N. 31-1/2° E. 114.60 feet, again crossing Route 29/1 to a point; thence, S. 75° W. 264 feet to a point; thence, N. 68° W. 453.80 feet to a point; thence, W. 1,386.0 feet, crossing Route 29/1 to a point; thence, N. 71° 00' W. 1,250 feet, crossing Route 29/1 to a point; thence S. 51° 58' W. 450 feet to a point; thence, S. 48° 45' W. 1,455.20 feet, crossing Routes 29/1 and 29; thence, N. 67° 15' W. 780.80 feet to a point; thence, N. 31° 30' E. 128.70 feet to a point; thence, N. 29° 15' E. 296.50 feet to a point; thence, N. 19° 30' E. 415.70 feet to a point; thence, N. 60° 50' W. 411.60 feet to a point; thence, N. 55° 40' W. 378.60 feet to a point; thence, N. 46° W. 436.60 feet to a point in the eastern right-of-way line of Route 34; thence, N. 4° E. 2,715 feet crossing Route 34 and 35 to a point in the southern edge of Kanawha River; thence, N. 71° 15' E. 285 feet with the river to a point; thence, N. 36° 15' E. 250 feet with the river to a point; thence, N. 46° 37' E. 600 feet with the river to a point; thence N. 59° 40' E. 440 feet with the river to a point; thence, N. 56-1/2° E. 471 feet with the river to a point; thence, N. 58-1/2° E. 146 feet with the river to a point; thence N. 55° E. 231 feet with the river to a point; thence, N. 57° 30' E. 280 feet with the river to a point; thence N. 57° E. 294 feet with the river to a point; thence, N. 52° E. 587.30 feet with the river to a point; thence, N. 52° E. 369.30 feet with the river to a point; thence, N. 50° E. 1,155 feet with the river to a point in the original town limits

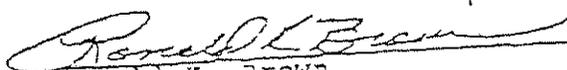
Section 2.

That the said area of the South Putnam Public Service District is hereby enlarged, extended, and expanded to include all of the aforementioned area as described herein, and is hereby made a part of the said area included and embraced within the South Putnam Public Service District, and that the same shall be henceforth and hereafter included, annexed, and made a part of the South Putnam Public Service District, and shall henceforth and hereafter become and constitute and integral part of the said South Putnam Public Service District.

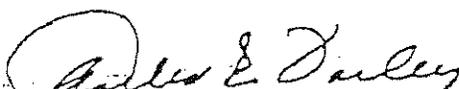
Entered into the permanent records of Putnam County, West Virginia, this 3rd day of December, 1981.


_____, President
Leff Moore


_____, Commissioner
R. B. Allen


_____, Commissioner
Ronald K. Brown

ATTEST:



Charles E. Farley, Clerk

STATE OF W. VIRGINIA, PUTNAM COUNTY CLERK'S OFFICE
I, Charles E. Farley, Clerk of the Putnam County Commission do
hereby certify and transmit a true and correct copy
of the Commission, given under my hand and seal of the said
Commission, at Winfield, West Virginia, this the 16 day of Feb, 1982
at Winfield, West Virginia, this the 16 day of Feb, 1982
Book 28 At Page 314
By CHARLES E. FARLEY, CLERK, PUTNAM COUNTY COMMISSION
Deputy

STATE OF WEST VIRGINIA, PUTNAM COUNTY CLERK'S OFFICE
I, Charles E. Farley, Clerk of the Putnam County Commission do
hereby certify that this foregoing is a true and correct copy
and transcript from the record of my office.
Given under my hand and seal of the said commission,
at Winfield, West Virginia, this the 16 day of Feb, 1982
Court order Book 28 At Page 314
By CHARLES E. FARLEY, CLERK, PUTNAM COUNTY COMMISSION
Deputy

A RESOLUTION AND ORDER EXPANDING THE BOUNDARIES OF THE TEAYS VALLEY PUBLIC SERVICE DISTRICT HEREINAFTER TO BE KNOWN AS THE SOUTH PUTNAM PUBLIC SERVICE DISTRICT WITHIN PUTNAM COUNTY, WEST VIRGINIA.

WHEREAS, the County Commission of Putnam County, West Virginia, did heretofore by a resolution and order adopted on the 27th of January, 1981, fix a date for a public hearing on the expansion of the Teays Valley Public Service District, hereafter to be known as the South Putnam Public Service District, and in and by, said resolution and 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 Commission at this meeting, and have an opportunity to be heard for and against the creation of the said public service district; and,

WHEREAS, notice of this hearing was duly given in a manner provided and required by the said resolution and order and by Article 13A, Chapter 16, of the West Virginia Code, and all interested persons have been afforded an opportunity of being heard for and against the creation of the said district, but no written protest has been filed by the requisite number of qualified voters registered and residing within the proposed expanded public service district area or the existing boundaries of the Teays Valley Public Service District, and said County Commission has given due consideration to all matters for which such hearing was offered; and,

WHEREAS, it is now deemed desirable by said County Commission to adopt a resolution and order expanding and establishing the said district;

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

Section 1: That the physical, geographical, territorial limits of the Teays Valley Public Service District, a public corporation, are hereby enlarged, expanded, and extended to include all of the properties described hereinafter as follows:

AN AREA comprising the magisterial districts of Teays Valley, Scott, Curry, and that portion of Buffalo, south of the Kanawha River, including the area currently known as the Teays Valley Public Service District, but excluding the areas currently known as the Water and/or Sewer Utilities of Record.

These areas to be excepted from the service jurisdiction of the South Putnam Public District are described hereinafter as follows:

(1) Lake Washington Public Service District, for water service only, more particularly defined as follows:

Beginning at a point in which the easterly line of Block C intersects the northerly right-of-way of U.S. Route 60, thence, N. 12° 13' W. 305.0 feet, thence, N. 00° 50' W. 176.07 feet, thence, N. 4° 22' W. 315.1 feet, thence, N. 27° 40' W. 1,728.7 feet, thence, S. 44° 18' W. 585.0 feet, thence, S. 43° 56' W. 1,893 feet, thence, S. 5° 20' E. 255.9 feet, thence, S. 40° 41' E. 70.0 feet, thence, S. 74° 07' E. 1,162.68 feet, thence, crossing U.S. Route 60, S. 15° 36' W. 270.7 feet, thence, S. 39° 18' W. 469.0 feet, thence, N. 85° 17' W. 198.0 feet, thence, S. 71° 38' W. 549.2 feet, thence, S. 70° 35' W. 705.32 feet, thence, S. 58° 06' W. 478.3 feet, thence, S. 58° 42' W. 437.75 feet, thence, S. 68° 54' W. 108.0 feet, thence, with West Virginia Route 64, S. 35° 45' E. 763.0 feet, thence, S. 83° 09' E. 609.3 feet, thence, S. 37° 44' E. 1,309.3 feet, thence, S. 24° 57' E. 546.9 feet, thence, S. 53° 14' E. 947.88 feet, thence, N. 71° 57' E. 380.48 feet, thence, N. 40° 07' E. 880.48 feet, thence, S. 60° 03' E. 1,461.4 feet, thence, N. 6° 15' E. 848.7 feet, thence, N. 15° 17' W. 99.0 feet, thence, S. 87° 25' E. 113.5 feet, thence, S. 67° 45' E. 108.4 feet, thence, S. 38° 40' E. 105.1 feet, thence, S. 45° 15' E. 111.1 feet, thence, S. 01° 05' E. 123.0 feet, thence, S. 31° 40' E. 279.3 feet, thence, S. 16° 25' E. 263 feet, thence, S. 10° 15' E. 115.0 feet, thence, S. 21° 45' E. 340.5 feet, thence, E. 60° 13' E. 113.0 feet, thence, N. 15° 40' E. 119.5 feet, thence, N. 20° 01' W. 798.0 feet, thence, N. 36° 00' E. 77.33 feet, thence, N. 50° 05' E. 794.47 feet, thence, N. 36° 00' E. 413.95 feet, thence, N. 78° 00' E. 423.7 feet, thence, N. 64° 44' W. 312.42 feet, thence, N. 58° 11' W. 577.0 feet, thence, N. 38° 17' W. 739.68 feet, thence, crossing U.S. Route 60, N. 13° 16' E. 990.0 feet, thence, along Route 60, S. 70° 05' W. 400.0 feet, thence, S. 58° 15' W. 400.0 feet, thence, S. 72° 00' W. 350.0 feet, to place of beginning, containing an area of 0.67 square miles.

(2) Kanawha Orchard Public Service District, more particularly defined

as follows:

Beginning at a point in the northerly right-of-way of Interstate Route 64 and 0.15 miles west of the center of McCloud Road, thence, N. 26° 40' E. 1.18 miles, thence, N. 63° 40' E. 1.34 miles, thence, N. 20° 35' W. 2.03 miles, thence, N. 69° 25' 0.31 miles to center of Kanawha River, thence, up Kanawha River S. 20° 25' E. 0.32 miles, thence, S. 69° 25' W. 0.29 miles to the center of West Virginia Route 17, thence, with Route 17 S. 20° 35' E. 0.25 miles, thence, S. 4° 45' E. 0.19 miles to a point in said State Route 17 having a latitude of N. 38° 30' and longitude W. 81° 50' 30", thence, leaving West Virginia Route 17 N. 69° 25' E. 0.50 miles to center of Kanawha River, thence, with center of the River and up stream 1.68 miles, thence, leaving the River S. 39° 40' 0.65 miles to a point having a latitude of N. 38° 28' 29" and longitude of W. 81° 50' thence, S. 63° 40' W. 1.53 miles, thence, to the northerly right-of-way of Interstate Route 64 S. 6° 15' E. 0.75

miles, thence, with northerly right-of-way line of Interstate 64 1.10 miles more or less to place of beginning containing 3.70 square miles.

- (3) Putnam Utilities Corporation, more particularly defined as

follows:

TRACT A: Beginning at a stone on a ridge in a line of the Cargill land, the said stone being a common corner to the land owned by A. C. Radford and Hazel B. Radford, his wife; thence, with the said line of the Cargill land, S. 85° 30' W. 181.5 feet, to a white oak stump in a low gap, thence, N. 87° 30' W. 940.5 feet to a stake, thence, S. 63° 30' W. 495 feet to a stone by some hickories, thence, N. 87° 30' W. 792 feet, to a stone, corner to a tract of land owned by Charles C. Payne, thence, with the northeasterly line of the said Payne land, N. 47° 45' W. 1,812.5 feet, to an iron pipe, thence, N. 41° 7' E. 696 feet to an iron pipe in the southerly line of the said Radford land, thence, with the line of the Radford land, S. 64° 30' E. 3,886.5 feet to the place of beginning, containing 62.44 acres, more or less.

TRACT B: Beginning at an iron pipe in the southerly right-of-way of U.S. Route 35, the said iron pipe being a common corner to a tract of land owned by A. C. Radford and Hazel B. Radford, his wife, thence, with the southwesterly line of the said Radford land, S. 16° 00' E. 1,300 feet to an iron pipe, thence, S. 64° 30' E. 455 feet to an iron pipe, thence, leaving the Radford land, S. 41° 7' W. 696 feet to an iron pipe in the northeasterly line of a tract of land owned by Charles C. Payne, thence with the said line of the Payne land, N. 47° 45' W. 350 feet to an iron pipe, thence, N. 36° 30' W. 1,482 feet to an iron pipe in the southerly line of Rockystep Branch Road, thence, with the right-of-way line of the said road, N. 31° 43' E. 29.3 feet to an iron pipe, thence, N. 35° 40' W. 336.6 feet to an iron pipe at the intersection of the easterly right-of-way line of Rockystep Branch Road and the southerly right-of-way line of U.S. Route 35, thence, running with U.S. Route 35, N. 55° 32' E. 542.4 feet to the place of beginning, containing 30.9 acres, more or less.

TRACT C: Beginning at an iron pipe in the common division line between the land owned by Charles C. Payne and the property herein conveyed, said iron pipe being located N. 36° 00' W. 444.4 feet from a stake in the northerly right-of-way line of U.S. Route 35, thence, with the common division line between the property herein conveyed and the Payne property, N. 36° 00' W. 201 feet to a stake at the edge of Kanawha River, thence, running up the river and binding thereon, N. 49° 37' E. 209.1 feet, to an iron pipe, thence, running S. 36° 00' E. 217 feet, thence, running S. 34° 00' W. 208.5 feet to the place of beginning, containing 1 acre.

- (4) Riverdale Utility Company, more particularly defined as follows:

TRACT 2: Beginning at an iron pipe in the northerly right-of-way line of State Route 17, at the point where the division line between the lands of Walter M. Raynes and F. F. Morris intersect said northerly right-of-way line, thence, leaving the said right-of-way

line and running with the division line between Morris and
 Raynes & Morris and Rose, N. 3° 00' 1,774 feet to an
 iron pipe where originally stood a stake 9 feet above a marked
 bench, thence, leaving Rose and running up the Kanawha River
 with pool stage, S. 81° 00' E. 543 feet to an iron pipe at
 the corner of Parcel 1 and 2, thence, leaving the river and
 running across the bottom with the division line between
 Parcels Nos. 1 and 2, S. 2° 00' E. 1,555 feet to an iron
 pipe in the northerly right-of-way of State Highway No. 17,
 thence, running in a westerly direction with the said northerly
 right-of-way line, a distance of 505 feet to the point of
 beginning, containing 19.6 acres, more or less.

(5) Sunnybrook Public Service District, more particularly defined

as follows:

Beginning at a point in the Teays Valley Public Service
 District line 200 feet south of the center line of West
 Virginia Primary Route 34, having latitude N. 38° 26' 30"
 and longitude W. 81° 59' 04", thence, S. 48° 15' W. for 0.30
 miles parallel with West Virginia Route 34, to a point having
 latitude N. 38° 26' 24" and longitude W. 81° 59' 23", thence,
 N. 37° 09' W. for 0.15 miles, crossing West Virginia Route
 34 at about 200 feet to a point having latitude N. 38° 26' 31"
 and longitude W. 81° 59' 29", thence, N. 43° 39' W. for 0.14
 miles to a point on the south right-of-way of Old County Route
 34/32 having latitude N. 38° 26' 34" and longitude W. 81° 59'
 36", thence, with the road right-of-way E. 37° 00' W. for 0.08
 miles to a point on the right-of-way having latitude N. 38°
 26' 32" and longitude W. 81° 59' 36", thence, N. 14° 00' W.
 with a fence line for 0.675 miles to a point on the Interstate
 Route 54 right-of-way having latitude N. 38° 27' 05" and
 longitude W. 81° 59' 51", thence, N. 68° 00' E. with the
 Interstate right-of-way line for 0.46 miles to a point on the
 right-of-way line having latitude N. 38° 27' 11" and longitude
 W. 81° 59' 22", thence, in a southerly direction for 0.32 miles
 with the Sunnybrook Estates-Springdale Estates Subdivision
 boundary line to a point having latitude N. 38° 26' 54" and
 longitude W. 81° 59' 15", thence, N. 82° 45' E. for 0.19 miles
 to a point on the Teays Valley Public Service District boundary
 line, having latitude N. 38° 26' 55" and longitude W. 81° 59'
 04", thence, S. for 0.48 miles with the Teays Valley Public
 Service District boundary line to the point of beginning, and
 containing an area of 0.402 square miles in Teays Valley
 Magisterial District of Putnam County, West Virginia.

(6) Culloden Sanitary Sewer and Water Service are to be excluded from
 the Teays Valley Public Service District proposed expansion area, more particularly

defined as follows: Culloden Area No. 1

Beginning at a point reference to the West Virginia Plane
 Coordinata System, South Zone, said Coordinata System referenced
 to the North American Datum, 1927 adjustment, said point having
 the coordinates N518475, E1698600 and being approximately situated
 on the Cabell-Putnam County line, thence, with the following

bearings and distances, based on the before named Plane Coordinate System, thence, N 1° 05' 28" W, 2,625.48 feet, thence, N 63° 52' 08" E, 1,475.85 feet, thence, S 33° 23' 19" E, 1,317.43 feet, thence, S 42° 35' 59" W, 2,954.76 feet, to the true point of beginning.

Culloden Area No. 2

Beginning at a point referenced to the West Virginia Plane Coordinate System, South Zone, said Coordinate System referenced to the North American Datum, 1927 adjustment, said point having the coordinates N516900, E1698725 and being approximately situated on the Cabell-Putnam County Line, thence, with the southerly right-of-way line of the Service Wholesale Access Road, 1,250 feet, more or less, to the westerly right-of-way line of Putnam County Route 60/1 (Thompson Road); thence, with the said westerly right-of-way line 2,200 feet, more or less, to a point; thence, leaving said westerly right-of-way line with the following bearings and distances based on the before named Plane Coordinate System; S 53° 07' 48" W, 125.00 feet, thence, S 38° 39' 35" E, 1,120.55 feet, thence, N 66° 48' 05" E, 761.58 feet, thence, S 70° 33' 35" E, 1,640.00 feet, thence, S 61° 54' 24" W, 1,707.71 feet, thence, S 78° 38' 01" E, 3,503.00 feet, thence, N 03° 55' 33" W, 4,100 feet, to the true point of beginning.

- (7) City of Hurricane Water Service Area, more particularly defined as

follows:

Beginning at a point referenced to the West Virginia Plane Coordinate System, South Zone, said Coordinate System referenced to the North American Datum, 1927 adjustments, and having the coordinates N521750, E1700000, thence, with the following bearings and distances based on the before named Plane Coordinate System: N 63° 47' 00" E, 7,356.50 feet, thence, N 47° 01' 17" W, 1,503.51 feet, thence, N 31° 05' 50" E, 1,839.33 feet, thence, S 70° 01' 01" E, 1,463.09 feet, thence, S 07° 18' 21" E, 982.98 feet, thence, S 25° 38' 28" E, 693.27 feet, thence, N 53° 44' 46" E, 1,860.11 feet; thence, N 58° 32' 09" E, 3,927.47 feet, thence, S 29° 41' 27" E, 3,280.72 feet, thence, N 54° 46' 57" E, 1,560.65 feet, thence, S 16° 41' 57" E, 1,044.03 feet, thence, S 70° 07' 59" W, 6,326.53 feet, thence, S 04° 23' 55" W, 1,303.84 feet, thence, S 58° 23' 33" W, 3,052.87 feet, thence, S 07° 41' 46" E, 1,866.82 feet, thence, S 33° 06' 41" W, 1,372.95 feet, thence, N 52° 18' 21" W, 1,390.14 feet, thence, S 86° 11' 09" W, 2,254.99 feet, thence, S 09° 03' 28" E, 3,493.57 feet, thence, S 46° 32' 53" W, 654.31 feet, thence, N 75° 22' 45" W, 1,782.73 feet, thence, S 73° 18' 03" W, 522.02 feet, thence, N 50° 54' 22" W, 1,030.78 feet, thence, N 45° 00' 00" E, 353.55 feet, thence, N 17° 31' 32" W, 498.12 feet, thence, N 40° 56' 26" W, 2,746.93 feet, thence, N 02° 20' 14" E, 1,226.02 feet, thence, N 42° 22' 25" E, 1,928.89 feet, thence, N 29° 03' 17" W, 1,029.56 feet to the true point of beginning.

- (8) City of Hurricane Sanitary Sewer Service Area, more particularly

defined as follows:

Beginning at a point referenced to the West Virginia Plane Coordinate System, South Zone, said Coordinate System referenced to the North American Datum, 1927 adjustment, said point having the coordinates N522825, E1701990, and being approximately situated on the southerly right-of-way line of Interstate Route 64; thence, with the following bearings and distances based on the before named Plane Coordinate System; N 63° 56' 44" E, 5,521.07 feet, thence, N 74° 55' 53" E,

1,346.29 c, thence, S 29° 44' 42" E, 67 feet, thence, N 70° 42' 36" E, 529.74 feet, thence, S 33° 41' 24" E, 180.28 feet, thence, N 64° 29' 10" E, 2,437.72 feet, thence, S 28° 18' 03" E, 369.12 feet, thence, S 65° 11' 09" W, 2,561.49 feet, thence, S 24° 56' 39" E, 2,371.18 feet, more or less, to a point in the center of Hurricane Creek, thence, with the center of Hurricane Creek in a southwesterly, upstream, direction 3,800 feet, more or less, to the center of the West Virginia Route 34 Hurricane Creek Bridge, thence, leaving the center line of Hurricane Creek with the following bearings and distances based on the before named Plane Coordinate System: S 61° 36' 08" W, 2,796.52 feet, thence, N 55° 03' 16" W, 2,025.14 feet, thence, S 33° 09' 48" W, 603.26 feet, thence, N 55° 00' 29" W, 305.16 feet, thence, N 26° 33' 54" E, 279.51 feet, thence, N 56° 18' 36" W, 901.39 feet, thence, S 33° 41' 24" W, 721.11 feet, thence, N 55° 00' 29" W, 305.16 feet, thence, S 30° 20' 36" W, 1,187.70 feet, thence, S 53° 07' 48" E, 625.00 feet, thence, S 35° 32' 16" W, 430.12 feet, thence, N 54° 41' 20" W, 735.27 feet, thence, N 32° 39' 39" E, 1,158.12 feet, thence, N 51° 20' 25" W, 160.08 feet, thence, N 29° 25' 39" E, 1,119.43 feet, thence, N 31° 56' 41" E, 2,003.40 feet, to the true point of beginning.

(9) Vencroux Water Association, for water service only, more particularly

defined as follows:

Beginning at a point which is the intersection of the western right-of-way line of U.S. Route 35 and the southern edge of Scary Creek: thence, 700 feet in a southerly direction with the Route 35 line to a point, thence, N 84° 15' W, 2,360 feet, leaving the Route 35 line to a point, thence, S 03° 24' W, 1,850 feet to a point, thence, N 87° 18' W, 500 feet to a point, thence, N 01° 56' E, 2,130 feet to a point, thence, N 61° 32' E, 2,150 feet to a point in the southern edge of Scary Creek, thence, 1,500 feet with the southern edge of Scary Creek to the point of beginning, containing an area of 0.13 square miles.

(10) Town of Winfield, more particularly defined as follows:

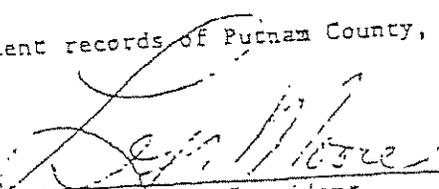
Beginning at the southern most point in the original Town limits, thence, S 36° E, 1,270.50 feet, leaving the Town limits to a point, thence, S 57° E, 4,075.50 feet to a point, thence, S 45-1/2° W, 412.50 feet to a point, thence, S 85-1/2° W, 511.50 feet to a point, thence, N 87° 30' W 478.50 feet to a point, thence, S 33-1/2° E, 2,739.00 feet to a point, thence, S 80-1/2° W, 1,435.50 feet to a point, thence, N 29° W, 39.60 feet to a point, thence, S 81-1/2° W, 1,386.0 feet, crossing Route 29/1 to a point, thence, N 31-1/2° E, 334.60 feet, again crossing Route 29/1 to a point, thence, S 75° W 264 feet to a point, thence, N 68° W 453.80 feet to a point, thence, W 1,386.0 feet, crossing Route 29/1 to a point, thence, N 71° 00' W, 1,250 feet, crossing Route 29/1 to a point, thence, S 51° 58' W 450 feet to a point, thence, S 48° 45' W, 1,455.20 feet, crossing Routes 29/1 and 29, thence, N 67° 15' W, 760.80 feet to a point, thence, N 33° 30' E, 128.70 feet to a point, thence, N 18° 45' E, 184.70 feet to a point, thence, N 29° 15' E, 286.50 feet to a point, thence, N 19° 30' E, 415.70 feet to a point, thence, N 60° 50' W 411.60 feet to a point, thence, N 55° 40' W, 378.60 feet to a point, thence, N 46° W, 436.60 feet to a point in the eastern right-of-way line of Route 34, thence, N 4° E, 2,715 feet crossing Routes 34 and 35 to a point in the southern edge of Kanawha River, thence, N 71° 35' E, 285 feet with the river to a point, thence, N 36° 15' E, 250 feet with the river to a point, thence, N 45° 37' E, 500 feet with the river to a point, thence, N 39° 40' E, 440 feet with the river to a point, thence, N 56-1/2° E, 471 feet with the river to a

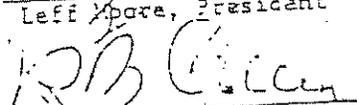
point, thence, N 53-1/2° E, 146 feet with the river to a point, thence, N 53° E, 231 feet with the river to a point, thence, N 57° 30' E, 280 feet with the river to a point, thence, N 57° E 294 feet with the river to a point, thence, N 52° E, 587.80 feet with the river to a point, thence, N 52° E, 569.30 feet with the river to a point, thence, N 50° E, 1,155 feet with the river to a point in the original Town limits.

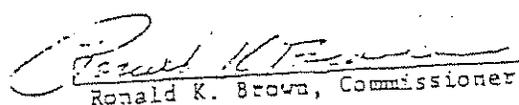
Section 2: (a) The name and corporate title of the expanded Teays Valley Public Service District shall be "South Putnam Public Service District".

(b) That the said area of the Teays Valley Public Service District, hereafter known as the South Putnam Public Service District, is hereby enlarged, extended, and expanded to include all of the aforementioned area as described herein, and is hereby made a part of the said area included and embraced within the South Putnam Public Service District, and that the same shall be henceforth and hereafter included, annexed, and made a part of, the South Putnam Public Service District, and shall henceforth and hereafter become and constitute an integral part of the said South Putnam Public Service District.

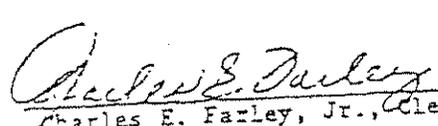
ENTERED into the permanent records of Putnam County, West Virginia, this 10th day of March, 1981.


Leff Spore, President


R. B. Allen, Commissioner


Ronald K. Brown, Commissioner

ATTEST:


Charles E. Farley, Jr., Clerk

Transmitted to the County Clerk's Office, March 11, 1981

Received by: _____

A RESOLUTION AND ORDER creating
Teays Valley Public Service District
in Putnam County, West Virginia

WHEREAS, the County Court of Putnam County, West Virginia, did heretofore by a resolution and order adopted September 1, 1958, fix a date for a public hearing on the creation of the proposed Teays Valley Public Service District and in and by said resolution and 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 resolution and order and by Article 13-A of Chapter 16 of the West Virginia Code, 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 and It Is Hereby Resolved and Ordered by the County Court of Putnam County, West Virginia as follows:

Section 1. That a public service district within Putnam County West Virginia, is hereby created, and said district shall have the following boundaries:

Beginning at a point of intersection of the center line of West Virginia Secondary Route No. 44 and the northerly right-of-way line of the Chesapeake and Ohio Railway Company at a latitude of N. $38^{\circ} 26'$ and longitude W. $81^{\circ} 51' 24''$, thence with the northerly right-of-way line of the Chesapeake and Ohio Railway Company in a westerly direction 6.90 miles, more or less, to a point having a latitude of N. $38^{\circ} 26' 23''$ and a longitude of W. $81^{\circ} 59' 08''$, thence North 0.83 miles to the southerly right-of-way line of Interstate Route No. 64, thence with the southerly right-of-way line of Interstate Route No. 64, in an easterly direction 7.35 miles, thence south $30^{\circ} 00'$ W. 0.85 miles to the place of beginning containing 5.14 square miles, more or less, being a portion of Scott Magisterial District and containing generally the area north of the northerly right-of-way line of the Chesapeake and Ohio Railway and the southerly right-of-way line of Interstate Route No. 64, all of which are in Putnam County, State of West Virginia, as shown upon map prepared by J. H. Milan, Inc., 1214 Myers Avenue, Dunbar, West Virginia, dated June 30, 1959.

Section 2. That said Public service district so created shall have the name and corporate title of "Teays Valley 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 of Chapter 16 of the West Virginia Code.

Section 3. That the County Court of Putnam County, West Virginia has determined that the territory within Putnam County, West Virginia having the hereintoabove described boundaries, is so situated that the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying sewerage and/or water services within such territory by a public service district will be conducive to the preservation of public health and comfort and convenience of such area.

ADOPTED BY THE COUNTY COURT September 1, 1959.

C. A. Miller
President

Attest;

A. M. Brown
Clerk

STATE OF WEST VIRGINIA

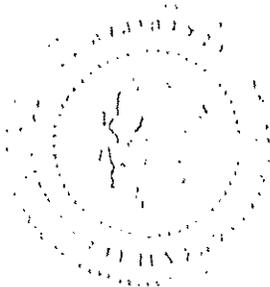
COUNTY OF PUTNAM, SS:

I, J. M. LAKE, Clerk of the County Commission of Putnam County, West Virginia, hereby certify that the foregoing is a full, true, correct and complete copy of the instrument as same appears of record in my office in

Court Order Book Number 19 Page 63.

Given under my hand and seal of said Commission this the

22nd day of May, 1978



J. M. Lake Clerk
Putnam County Commission
Winfield, West Virginia

Kay Hart
BY DEPUTY CLERK

8.4.59

Winfield, West Virginia

August 4, 1959

The County Court of Putnam County, West Virginia, met in regular session pursuant to law and to the rules of said court at the County Court House, Winfield, West Virginia, at 10:00 o'clock A.M. The meeting was called to order and the roll being called there were present Carl B. Miller, President, presiding, and the following named commissioners.

Absent: None

This being the date fixed by prior action of the County Court for conducting the public hearing on the creation of the proposed Teays Valley Public Service District, as contemplated and provided for in a resolution and order adopted by the County Court on August 4, 1959, 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 of said district would be heard and all such interested persons desiring to be heard were given full opportunity.

The County Court then further discussed the creation of said public service district, whereupon Homer West introduced and caused to be read a proposed resolution and order, entitled:

"A RESOLUTION AND ORDER creating Teays Valley
Public Service District, Putnam County, West
Virginia",

and moved that all rules otherwise requiring deferred consideration
or several readings be suspended and said proposed resolution and
order be adopted. Harold D. Brown seconded the motion and
after due consideration the President put the question on the motion
and the roll being called, the following voted:

Aye: All three

Nay:

Whereupon the President declared the motion duly carried and
said resolution and order duly adopted.

Homer West introduced and caused to be
read a proposed resolution and order, entitled:

"A RESOLUTION AND ORDER appointing
members to the public service board of
the Teays Valley Public Service District".

and moved that all rules otherwise requiring deferred consideration
or several readings be suspended and said proposed resolution and
order be adopted, A. C. Neal & H.D. BROWN seconded the motion and
after due consideration the President put the question on the motion
and the roll being called, the following voted.

Aye: all three

Nay:

Whereupon the President declared the motion duly carried and
said resolution and order duly adopted.

On motion and vote the meeting adjourned.

C. B. Miller
President

Attest:

A. M. Brown
Clerk

NOTICE OF PUBLIC HEARING
ON CREATION OF TEAYS VALLEY
PUBLIC SERVICE DISTRICT

Notice is hereby given that a legally sufficient petition has been filed with the Clerk of the County Court of Putnam County, West Virginia, and has been presented to the County Court of Putnam for the creation of a public service district within Putnam County, for the purpose of constructing or acquiring by purchase or otherwise and the maintenance, operation, improvement and extension of public service properties supplying water and/or sewerage services within said district and also outside said district to the extent permitted by law; to be named "Teays Valley Public Service District", and having the following described boundaries:

Beginning at a point of intersection of the center line of West Virginia Secondary Route No. 44 and the northerly right-of-way line of the Chesapeake and Ohio Railway Company at a latitude of N. $36^{\circ} 26' 10''$ and longitude W. $81^{\circ} 51' 24''$, thence with the northerly right-of-way line of the Chesapeake and Ohio Railway Company in a westerly direction 6.90 miles, more or less, to a point having a latitude of N. $38^{\circ} 26' 23''$ and a longitude of W. $81^{\circ} 59' 00''$, thence North 0.53 miles to the southerly right-of-way line of Interstate Route No. 64, thence with the southerly right-of-way line of Interstate Route No. 64, in an easterly direction 7.35 miles, thence south $30^{\circ} 00'$ W. 0.85 miles to the place of beginning containing 5.14 square miles, more or less, being a portion of Scott Magisterial District and containing generally the area north of the northerly right-of-way line of the Chesapeake and Ohio Railway and the southerly right-of-way line of Interstate Route No. 64, all of which are in Putnam County, State of

West Virginia, as shown upon map prepared by J. H. Milan, Inc., 1214
Myers Avenue, Dunbar, West Virginia, dated June 30, 1959.

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 Putnam County will conduct a public hearing
on September 1, 1959, at 10:00 o'clock A.M., in the
County Court House at Winfield, 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 4th day of August,
1959.

A. M. Brown
County Court Clerk

Adopted by the County Court August 4, 1959.

C. B. Miller
President

Attest:

A. M. Brown
Clerk

STATE OF WEST VIRGINIA)
COUNTY OF PUTNAM) SS

I, A. M. Brown, hereby certify that I am the
duly qualified and acting Clerk of the County Court of Putnam County,
West Virginia, and that the foregoing constitutes a true, correct and

NOTICE OF PUBLIC HEARING ON
CREATION OF TRAYS VALLEY
PUBLIC SERVICE DISTRICT

Notice is hereby given that a legally sufficient petition has been filed with the Clerk of the County Court of Putnam County, West Virginia, and has been presented to the County Court of Putnam for the creation of a public service district within Putnam County, for the purpose of constructing or acquiring by purchase or otherwise and the maintenance, operation, improvement and extension of public service properties supplying water and/or sewerage services within said district and also outside said district in the extent permitted by law to be named "Trays Valley Public Service District", and having the following described boundaries:

Beginning at a point of intersection of the center line of West Virginia Secondary Route No. 44 and the northerly right-of-way line of the Chesapeake and Ohio Railway Company at a latitude of N. 28° 28' 18" and longitude W. 21° 21' 24", thence with the northerly right-of-way line of the Chesapeake and Ohio Railway Company in a westerly direction 4.90 miles, more or less, to a point having a latitude of N. 24° 26' 23" and a longitude of W. 21° 27' 24", thence North 4.21 miles to the southerly right-of-way line of Interstate Route No. 64, thence with the southerly right-of-way line of Interstate Route No. 64, in an easterly direction 7.15 miles, thence south 22° 00' W. 2.23 miles to the place of beginning containing 3.14 square miles, more or less, being a portion of Peck's Magisterial District and containing generally the area north of the northerly right-of-way line of the Chesapeake and Ohio Railway and the southerly right-of-way line of Interstate Route No. 64, all of which are in Putnam County, State of West Virginia, as shown upon map prepared by J. H. McLean, Inc., 1214 Myers Avenue, Denver, West Virginia, dated June 26, 1926.

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 Putnam County will conduct a public hearing on September 1, 1927, at 10:00 o'clock A. M. in the County Court House at Weirfield, 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 24th day of August, 1926.
A. M. BROWN
County Court Clerk
Attest by the County Court Clerk
A. M. BROWN
C. R. MILLER
President
A. M. BROWN
Clerk

A resolution and order fixing a date of hearing on the creation of a proposed public service district within Putnam County, West Virginia; and providing for the publication of a notice of such hearing.

WHEREAS, there has heretofore been filed in the office of the Clerk of the County Court of Putnam County, West Virginia, a petition to this County Court, for the creation of a public service district within Putnam County, West Virginia; and

WHEREAS, said County Court Clerk has presented such petition to this County Court at this meeting; and

WHEREAS, Pursuant to the provisions of Article 13A of Chapter 16 of the West Virginia Code this County Court upon presentation of such petition is required to fix a date of hearing on the creation of the proposed public service district:

NOW, THEREFORE, Be It and It Is Hereby Resolved and Ordered by the County Court of Putnam County, West Virginia, as follows:

Section 1. That the County Court of Putnam County, West Virginia hereby finds and declares that there has been filed in the office of the County Court Clerk and presented by said County Court Clerk to the County Court a petition for the creation of a public service district within Putnam County, West Virginia, which petition contains a description sufficient to identify the territory to be embraced within the proposed public service district and which petition has been signed by at least one hundred legal voters resident within and owning real property within the limits of the proposed public service district, and said County Court further finds and declares that said petition in all respects meets the requirements of Article 13A of Chapter 16 of the West Virginia Code.

Section 2. That said petition, among other things, states as follows:

(a). The name and corporate title of said Public service district shall be "Teays Valley Public Service District".

(b). The territory to be embraced in said Public Service District shall be as follows:

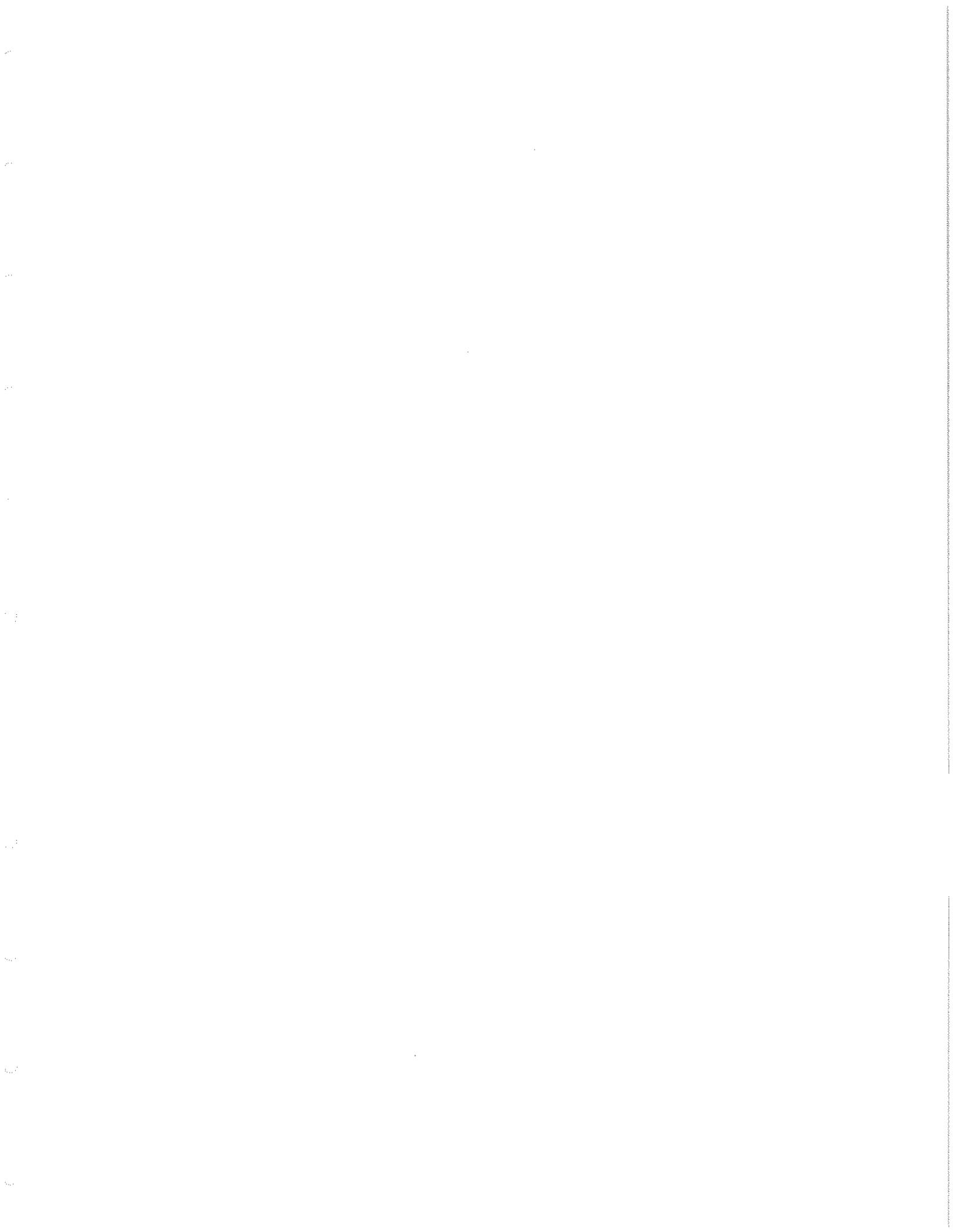
Beginning at a point of intersection of the center line of West Virginia Secondary Route No. 64 and the northerly right-of-way line of the Chesapeake and Ohio Railway Company at a latitude of N. $33^{\circ} 26' 10''$ and longitude W. $81^{\circ} 51' 24''$, thence with the northerly right-of-way line of the Chesapeake and Ohio Railway Company in a westerly direction 6.90 miles, more or less, to a point having a latitude of N. $38^{\circ} 26' 23''$ and a longitude of W. $81^{\circ} 59' 03''$, thence North 0.83 miles to the southerly right-of-way line of Interstate Route No. 64; thence with the southerly right-of-way line of Interstate Route No. 64, in an easterly direction 7.35 miles, thence south $30^{\circ} 00' W.$ 0.85 miles to the place of beginning containing 5.14 square miles, more or less, being a portion of Scott Magisterial District and containing generally the area north of the northerly right-of-way line of the Chesapeake and Ohio Railway and the southerly right-of-way line of Interstate Route No. 64, all of which are in Putnam County, State of West Virginia, as shown upon map prepared by J. H. Milan, Inc. 1214 Myers Avenue, Dunbar, West Virginia, dated June 30, 1959.

(c). The purpose of said Public service district shall be to construct, or acquire by purchase or otherwise and maintain, operate, improve and extend properties supplying water and/or sewage services within such territory and also outside such territory to the extent permitted by law.

(d). The territory described above does not include within its limits the territory of any other Public Service District organized under Article 13A of Chapter 16 of the West Virginia Code, nor does such territory include within its limits any city, incorporated town or other municipal corporation.

Section 3. That on September 1, 1959, at the hour of 10:00 o'clock A.M., this County Court shall meet in the County Court House at Winfield, 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 before this County Court and shall have an opportunity to be heard for and against the creation of said district, and at such hearing, this County Court shall consider and determine the feasibility of the creation of the proposed public service district

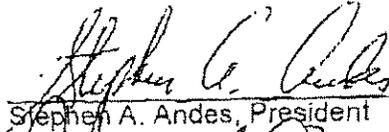
Section 4. That the County Court Clerk is hereby authorized and directed to cause notice of such hearing in substantially the form hereinafter set out to be published on Aug. 7 and 14th, 1959, in the Hurricane Breeze and Putnam, a newspaper of general circulation published in Putnam County.



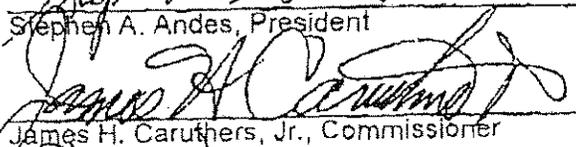
IN THE COUNTY COMMISSION OF PUTNAM COUNTY, WEST VIRGINIA

The County Commission of Putnam County, West Virginia, sitting in regular session this the 30th day of August, 2005 does hereby RE-APPOINT Mr. Joe E. Miller, 3709 Cambridge Drive, Hurricane, West Virginia 25526 to serve on the South Putnam Public Service District Board, effective August 31, 2005 with a term to expire on August 31, 2011.

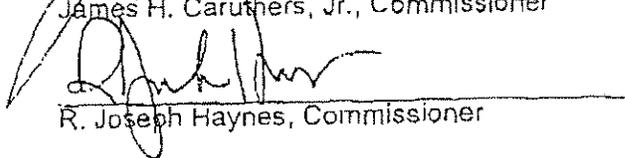
ENTER this 30th day of August, 2005.



Stephen A. Andes, President



James H. Caruthers, Jr., Commissioner



R. Joseph Haynes, Commissioner

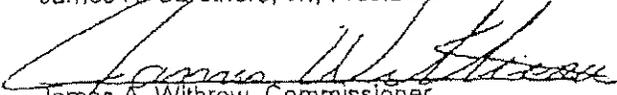
IN THE COUNTY COMMISSION OF PUTNAM COUNTY, WEST VIRGINIA

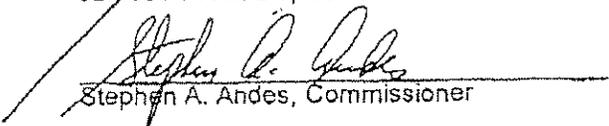
County Commission of Putnam County, West Virginia, sitting in regular session this the 9th of September, 2003 does hereby RE-APPOINT Mr. Calvin L. Hatfield, 101 Vista Lane, Americana, WV 25526 to serve on the South Putnam Public Service District Board effective August 2003 with a term to expire on August 31, 2009.

ENTER this 9th day of September, 2003.

Absent

~~James H. Caruthers, Jr., President~~


James A. Withrow, Commissioner


Stephen A. Andes, Commissioner

OFFICIAL OATH

STATE OF WEST VIRGINIA,
PUTNAM COUNTY, SS:

I, CALVIN L. HATFIELD do solemnly

swear that I will support the Constitution of the United States
and the Constitution of the State of West Virginia, and that I
will faithfully discharge the duties of the office of _____

SOUTH PUTNAM PUBLIC SERVICE DISTRICT BOARD

(TERM: AUGUST 31, 2003 TO AUGUST 31, 2009)

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

Calvin L. Hatfield

Subscribed and sworn to before me this 17th day

of September, 2003.

Michael W. Elliott CLERK
Putnam County Commission,
Winfield, West Virginia

BY: _____ Deputy

STATE OF WEST VIRGINIA
County of Putnam, to-wit:
I, MICHAEL W. ELLIOTT, Clerk of
County Commission of said County, do hereby
certify that the foregoing writing was this day
read in me in my said office and together with
the affidavits thereto annexed, was duly returned
and thereon.

Given under my hand this
17th day of September 2003
Michael W. Elliott 11:31
Clerk AM

OFFICIAL OATH

STATE OF WEST VIRGINIA,

PUTNAM COUNTY, SS:

I, JOE E. MILLER do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of _____

SOUTH PUTNAM PUBLIC SERVICE DISTRICT BOARD

(TERM: AUGUST 31, 2005 TO AUGUST 31, 2011)

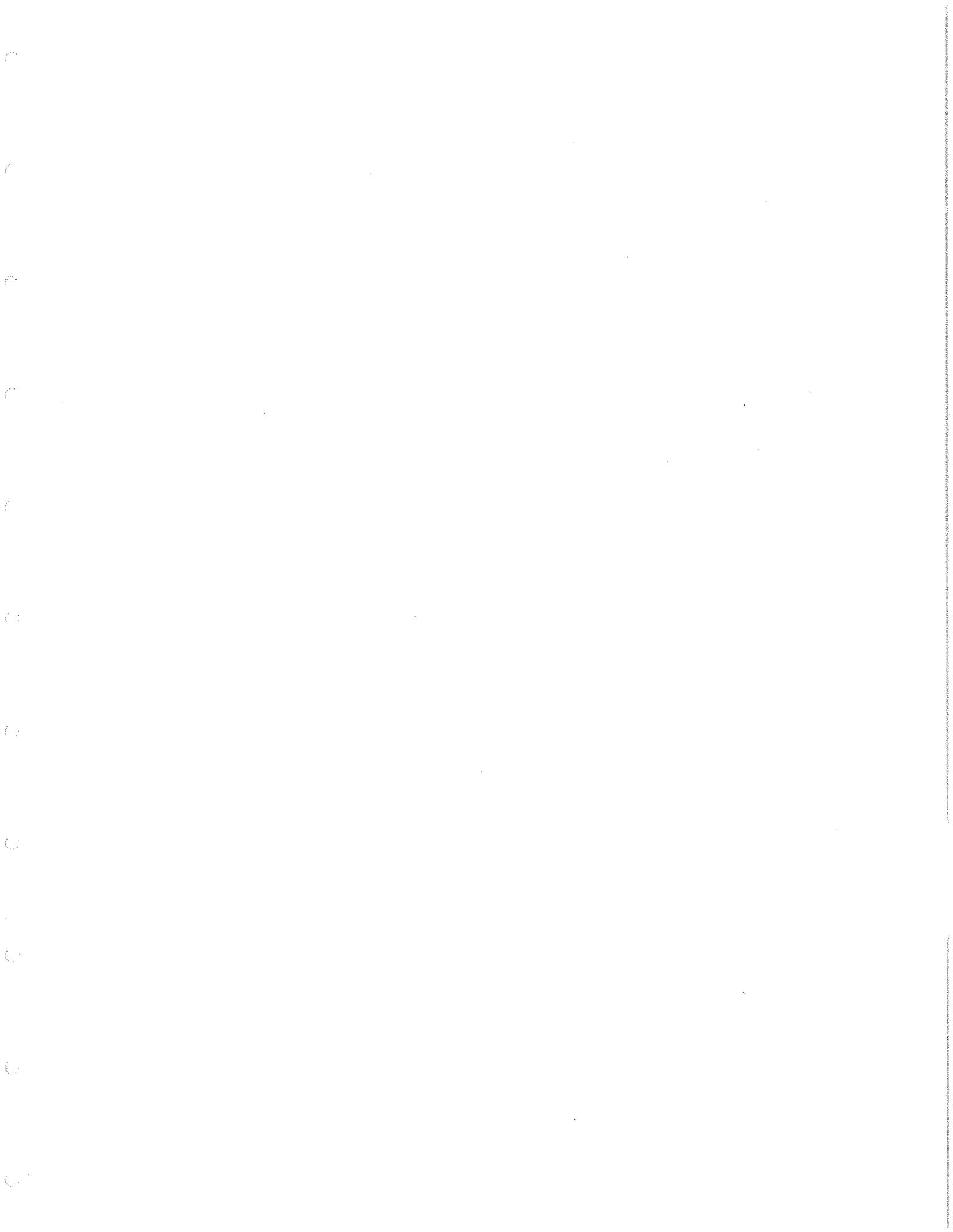
to the best of my skill and judgement, SO HELP ME, GOD.

J. E. Miller

Subscribed and sworn to before me this 6th day of September, 2005.

Brian Wood CLERK
Putnam County Commission,
Winfield, West Virginia

BY: J. Seibert Deputy



RULES OF PROCEDURE
SOUTH PUTNAM PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: SOUTH PUTNAM PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District will be located at 107 South Poplar Fork Road, Scott Depot, Putnam County, West Virginia.

Section 3. The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed South Putnam Public Service District, and in the center "seal" as follows:

Section 4: The fiscal year of the District shall begin on July 1 of each year and shall end on the following June 30.

ARTICLE II

PURPOSE

This District is organized exclusively for the purposes set forth in Chapter 16, Article 13A of the Code of West Virginia of 1931, as amended (the "Act").

ARTICLE III

MEMBERSHIP

Section 1. The members of the Public Service Board of this District shall be those persons appointed by The County Commission of Putnam County, West Virginia, or otherwise appointed pursuant to the Act, who shall serve for such terms as may be specified in the order of the County Commission or otherwise.

Section 2. Should any member of the Public Service Board resign or otherwise become legally disqualified to serve as a member of the Public Service Board, the Secretary shall immediately notify the County Commission or other entity provided under the Act and request the appointment of a qualified person to fill such vacancy. Prior to the end of the term of any member of the Public Service Board, the Secretary shall notify the County Commission or other entity provided under the Act of the pending termination and request the County Commission or other entity provided under the Act to enter an order of appointment or re-appointment to maintain a fully qualified membership of the Public Service Board.

ARTICLE IV

MEETINGS OF THE PUBLIC SERVICE BOARD

Section 1. The members of the Public Service Board of this District shall hold regular monthly meetings on the second and fourth Tuesdays of each month, at such place and hour as the members shall determine from time to time. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Public Service Board may be called at any time by the Chairman or by a quorum of the Board.

Section 2. At any meeting of the Public Service Board of the District, 2 members shall constitute a quorum. Each member of the Public Service Board shall have one vote at any membership meeting and if a quorum is not present, those present may adjourn the meeting to a later date.

Section 3. Unless otherwise agreed, notice to members of regular meetings shall not be required. Unless otherwise waived, notice of each special meeting of the membership shall be given to all members by the Secretary by fax, telephone, mail or other satisfactory means at least 3 days before the date fixed for such special meeting. The notice of any special meeting shall state briefly the purposes of such meeting and the nature of the business to be transacted thereat, and no business other than that stated in the notice or incidental thereto shall be transacted at any such special meeting.

PUBLIC NOTICE OF MEETINGS

Section 4. Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended (1999 Revision), notice of the date, time, place and agenda of all regularly scheduled meetings of such Public Service Board, and the date, time, place and purpose of all special meetings of such Public Service Board, shall be made available, in advance, to the public and news media (except in the event of an emergency requiring immediate action) as follows:

A. Regular Meetings. A notice shall be posted and maintained by the Secretary of the Public Service Board of the Public Service District at the front door or bulletin board of the Putnam County Courthouse and at the front door or bulletin board of the place fixed for regular meetings of the Public Service Board of the date, time and place fixed and entered of record by the Public Service Board for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same locations by the Secretary of the Public Service Board not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the same locations as soon as feasible after such cancellation or postponement has been determined.

B. Special Meetings. A notice shall be posted by the Secretary of the Public Service Board at the front door or bulletin board of the Putnam County Courthouse and at the front door or bulletin board of the place fixed for the regular meetings of the Public Service Board not less than 72 hours before a special meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

ARTICLE V

OFFICERS

Section 1. The officers of the Public Service Board shall be a Chairman, a Secretary and a Treasurer. The Chairman shall be elected from the members of the Public Service Board. The Secretary and Treasurer need not be members of the Public Service Board, and may be the same person.

Section 2. The officers of the Public Service Board shall be elected each year by the members at the first meeting held in such year. The officers so elected shall serve until the next annual election by the membership and until their successors are duly elected and qualified. Any vacancy occurring among the officers shall be filled by the members of the Public Service Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the following January meeting of the Board when their successors shall be elected hereinabove provided.

ARTICLE VI

DUTIES OF OFFICERS

Section 1. When present, the Chairman shall preside as Chairman at all meetings of the Public Service Board. The Chairman shall, together with the Secretary, sign the minutes of all meetings at which he or she shall preside. The Chairman shall attend generally to the executive business of the Board and exercise such powers as may be conferred by the Board, by these Rules of Procedure, or as prescribed by law. The Chairman shall execute, and if necessary, acknowledge for record, any deeds, deeds of trust, contracts, notes, bonds, agreements or other papers necessary, requisite, proper or convenient to be executed by or on behalf of the Board when and if directed by the members of the Board.

Section 2. The Secretary shall keep a record of all proceedings of the Board which shall be available for inspection as other public records. The Secretary shall, together with the Chairman, sign the minutes of the meetings at which he or she is present. The Secretary shall have charge of the minute book, be the custodian of the Common Seal of the District and all deeds and other writings and papers of the Board. The Secretary shall also perform such other duties as he or she may have under law by virtue of the office or as may be conferred from time to time by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 3. The Treasurer shall be the lawful custodian of all funds of the District and shall disburse funds of the District on orders authorized or approved by the Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him and shall prepare and submit such reports and statements of the financial condition of the Board as the members may from time to time prescribe. He shall perform such other duties as may be required of him by law or as may be conferred upon him by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 4. If the Chairman, Secretary or Treasurer is absent from any meeting, the remaining members of the Board shall select a temporary chairman, secretary



Lincoln Standard Company

AFFIDAVIT OF PUBLICATION

Cost of Publication 372 ²⁸

State of West Virginia, County of PUTNAM, to wit:

I, Sharon Watts, being first sworn upon my oath, do depose and say that I am Assistant Publisher of the newspaper entitled THE PUTNAM STANDARD, a Democratic newspaper; that I have been duly authorized to execute all affidavits of publication; that such newspaper has been published for more than one year prior to publication of the annexed notice described below; that such newspaper is regularly published weekly on Tuesday, for at least fifty weeks during the calendar year, in Winfield, PUTNAM 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 or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, that the annexed notice of

Case No 07-0756-PWD-CN

Was duly published in said newspaper once a week for 1 (successive) week(s), commencing with the issue of the 29 day of May 2007, and ending with issue of the 29 day of May 2007 (and was posted, if required, at the on the _____ day of _____, 20____).

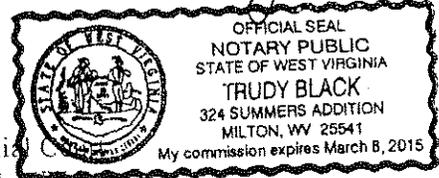
Sharon Watts
Sharon Watts, Assistant Publisher
THE PUTNAM STANDARD

RECEIVED
07 JUN 12 PM 4:52
NOTARY PUBLIC SERVICE
COMMISSION
CLERK'S OFFICE

Taken, subscribed and sworn to before me in my said county this day of May 20 07.

My commission expires March 8, 2015

Trudy Black



2 Colonial
Alum Creek WV 25005

RATES

First 2,000 gallons used per month	
Minimum Rate According to Meter Size	
Next 23,000 gallons used per month	\$4.25 per 1,000 gallons
Next 975,000 gallons used per month	\$3.91 per 1,000 gallons
Next 1,000,000 gallons used per month	\$2.69 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than \$16.11 per month which is the equivalent of 2,000 gallons of water.

5/8 - or 3/4 inch meter	\$16.11 per month
1 inch meter	\$40.28 per month
1- 1/4 inch meter	\$ 58.80 per month
1- 1/2 inch meter	\$80.55 per month
2 inch meter	\$128.88 per month
3 inch meter	\$241.65 per month
4 inch meter	\$402.75 per month
6 inch meter	\$805.50 per month
8 inch meter	\$1,298.80 per month

TAP FEE

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

A tap fee of \$100.00 will be charged to a customer 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.

RECONNECTION SERVICE CHARGE

\$75.00

To be charged whenever the supply of water is turned off for violation of rules, non-payment of bills or fraudulent use of water

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 FOR INSUFFICIENT FUNDS

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

\$0.40 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

SCHEDULE 1-A

APPLICABILITY

Applicable in territory formerly served by Kanawha Orchard Public Service District for industrial customers only

AVAILABILITY

Available for industrial water service

RATES

First 3,000 gallons used per month	\$5.08 per 1,000 gallons
Next 7,000 gallons used per month	\$5.79 per 1,000 gallons
All Over 10,000 gallons used per month	\$5.50 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than \$18.24 per month which is the equivalent of 3,000 gallons of water

month which is the equivalent of 3,000 gallons of water

5/8 or 3/4 inch meter	\$18.24 per month
1 inch meter	\$45.60 per month
1- 1/2 inch meter	\$91.20 per month
2 inch meter	\$145.92 per month
4 inch meter	\$456.00 per month
6 inch meter	\$912.00 per month
8 inch meter	\$1,459.20 per month

RECONNECTION

\$15.00

To be charged whenever the supply of water is turned off for violation of rules, non-payment of bills or fraudulent use of water.

TAP FEE

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

A tap fee of \$200.00 will be charged to a customer 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 \$200.00 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.

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 FOR INSUFFICIENT FUNDS

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

\$0.40 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such consumption above customer's historical average usage.

SCHEDULE 2

APPLICABILITY

Applicable in entire territory served

AVAILABILITY

Available for private fire protection

RATE

The monthly rate for private fire protection will be \$36.53 per hydrant to sprinkler connection.

FIRE SERVICE TAP FEE

The tap for connection of private fire hydrants or sprinkler connections shall be the actual cost of making said connection.

RECONNECTION CHARGE AND DELAYED PAYMENT PENALTY

The connection service charge and delayed payment penalty set forth in Schedule 1 is applicable to Schedule 2.

SCHEDULE 3

APPLICABILITY

Applicable in entire territory served

SURCHARGE

Bond Reserve Repayment Surcharge - \$0.064 per 1,000 gallons sold from the effective date of this tariff will be charged in order to eliminate the deficiency in the water bond reserve. This surcharge will be eliminated once the deficiency reaches a zero balance.

These rates represent the following project-related

increases, based upon an average of 4,500 gallons per month:

	(\$) INCREASE	(%) INCREASE
Residential	.64	.02452
Commercial	.64	.02452
Industrial	.64	.02452
Retail	.64	.02452
Other	.64	.02452

Retail customers of Putnam Public Service District include the City of Hurricane.

The proposed increased rates and charges will produce approximately \$78,500.00 annually in additional revenue, an increase of 2.44%.

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average.

Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing.

Pursuant to §24-2-11, West Virginia Code, IT IS ORDERED that the Putnam Public Service District give notice of the filing of said application, by publishing a copy of this order once in a newspaper duly qualified by the Secretary of State, published and of general circulation in Putnam County, making due return to this Commission of proper certification of publication immediately after publication. Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or intervention. Requests to intervene must comply with the Commission's rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and interventions should be addressed to Sandra Squire, Executive Secretary, P.O. Box 812, Charleston, West Virginia 25321.

IT IS FURTHER ORDERED that if no protests are received within said thirty (30) day period, the Commission may waive formal hearing and grant the application based on the evidence submitted with said application and its review thereof.

A True Copy, Teste:
Sandra Squire
Executive Secretary
11 5-29 ps

LEGAL NOTICE

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

Emeryed by the Public Service Commission of West Virginia, in the City of Charleston on the 10th day of May, 2007.

CASE NO. 07-0756-PWD-CN

PUTNAM PUBLIC SERVICE DISTRICT, a public utility.

Application for a certificate of convenience and necessity for the upgrade, operation and maintenance of water mains, including gate valves, fire hydrants, water meters and all necessary appurtenances in the Venetous Road area, Putnam County, the participation in the construction of a new maintenance/service garage and office facility, for approval of increased water rates and charges, and for approval of financing related thereto.

SECOND AMENDED NOTICE OF FILING

WHEREAS, on May 3, 2007, the Putnam Public Service District filed an application, duly verified, for a certificate for the construction, operation and maintenance of water mains, including gate valves, fire hydrants, water meters and all necessary appurtenances in the Venetous Road area, Putnam County, the participation in the construction of a new maintenance/service garage and office facility, and for approval of financing related thereto. Said project will replace an existing 4-inch line which is in poor condition and requires numerous leak repairs on an annual basis and is inadequately sized for fire protection. The District's application further seeks approval of increased water rates and charges and approval of the financing of the project. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

WHEREAS, the Putnam Public Service District estimates that the total construction costs for the proposed project is \$1,436,000.00, to be funded through a West Virginia Water Development Authority ("WDA") loan for a term of 40 years at an interest rate of 5%.

WHEREAS, the District is seeking the Commission's approval of the following increased water rates and charges:

SCHEDULE 1

APPLICABILITY

Applicable in entire territory served except the Kanawha Orchard Industrial customers.

AVAILABILITY

Available for general domestic, commercial, Putnam industrial and resale service

**PUTNAM PUBLIC SERVICE DISTRICT
Regular Meeting of the PSD Board
10 January 2008**

MINUTES

Chairman Joe Miller called to order the regular meeting of the PSD Board with Board member Calvin Hatfield present. Staff members present included Mike McNulty and David Mercer.

RECOGNITION OF GUESTS

The Board welcomed Gary Tills, Putnam County Commissioner; John Stump, Steptoe and Johnson, Randall Lewis and Eric Coberly, EL Robinson Engineering Company.

RESOLUTION HONORING JERRY K. KELLEY, COMMISSIONER

Chairman Miller and Commissioner Hatfield spoke about serving on the Putnam Public Service District Board with Jerry and his contributions to Putnam County.

Chairman Miller offered a Resolution Honoring Jerry K. Kelley. Calvin Hatfield made the motion to adopt the resolution; Joe Miller seconded the motion that was approved by unanimous vote.

ORGANIZATION OF BOARD / ELECTION OF OFFICERS

Calvin Hatfield made the motion to appoint Joe Miller, Chairman of the Board and himself Secretary / Treasurer of the Board for calendar year 2008. Joe Miller seconded the motion that was approved by unanimous vote.

MINUTES OF PREVIOUS MEETING

Calvin Hatfield made the motion approving the Minutes of the December 20, 2007 regular meeting of the PSD Board that were provided to the Board prior to the meeting for review. Joe Miller seconded the motion that was approved by unanimous vote.

FINANCIAL REPORT & PAYMENT OF REQUISITIONS

A status report of the District's bank accounts was provided to the Board for review and discussion.

Requisition #811 in the amount of \$127,699.22 was presented to the Board for re-approval; and Requisition #812 in the amount of \$126,133.42 was presented to the Board for approval; and Requisition #813 in the amount of \$196,480.33 was presented to the Board for approval.

Following review, Calvin Hatfield made the motion approving the Requisitions as presented for payment. Joe Miller seconded the motion that was approved by unanimous vote.

PUTNAM PUBLIC SERVICE DISTRICT
 Regular Meeting of the PSD Board
 MINUTES

10 January 2008

Page 2

CUSTOMER ADJUSTMENT REQUESTS

Mr. McNulty presented the customer adjustment requests as outlined below.

Name/Address	Water	Sewer	Action
Larry Miller Rollin St. (North Putnam)	---	\$125.63	Approved
Susie Beller 33 Black Betsy Bottom	---	\$43.66	Approved
Robert Stout Jr. 112 Dawn Heights	\$32.54	\$68.37	Approved
Brad Helmick 1 Montain Dr.	\$17.43	---	Approved
Dale Briscoe 120 Kilgore Rd	\$80.35 \$97.52	---	Approved
Brian Hickman 145 Candlewyck Dr	\$48.14 \$51.93	\$100.97 \$108.92	Approved
Mary Hodges Rt. 34 Winfield	\$117.77	---	Approved
Eleanor Samms 9 Sevilla Dr	\$22.36	\$53.88	Approved
G.C. Hutton 137 Maple Ln	\$73.53 \$128.76	\$97.00 \$281.43	Approved
Jerry Browning 20 Marina Park	\$22.37	\$46.91	Approved
Rebekah Boone 1653 Amanda Dr.	\$18.57	\$38.95	Approved
Carlous Luikart 409 Washington St.	---	\$229.8 \$79.66	Approved
Stephen J. Hatten RR 3 Box 57	---	\$55.46 \$31.61	Approved

Following review, Calvin Hatfield made the motion approving the customer adjustment requests as presented. Joe Miller seconded the motion that was approved by unanimous vote.

OLD BUSINESS

WVDOH Projects

Staff updated the Board on the status of current highway projects.

Kanawha Valley / Midway Sewer Projects

Staff updated the Board on the status of the project.

Staff also informed the Board that efforts were still continuing to move forward with the replacement of the Care Haven sewage lift station replacement project. The District's engineer, S&S Engineering and USDA Rural Development are working on the details for final approval of the change order to complete the work.

Water System Improvement Project

Project Finances

Staff presented USDA Estimate of Funds Needed No. 22 relating to construction and other services for the WSI Water System Improvement Project and authorizing payment in the amount of \$5,128.97 and authorizing the Chairman to sign the Estimate on behalf of the District.

Following review, Calvin Hatfield made the motion to approve the USDA Estimate of Funds Needed No. 22 for the **WSI Water System Improvement Project** in the amount of \$5,128.97 presented and authorizing the Chairman to sign on behalf of the District. Joe Miller seconded the motion that was approved by unanimous vote.

Staff presented Resolution No. 22 approving the invoices relating to construction and other services for the **WSI Water System Improvement Project** and authorizing payment in the amount of \$5,128.97.

Following review, Calvin Hatfield made the motion to approve Resolution No. 22 for the **WSI Water System Improvement Project** in the amount of \$5,128.97 as presented. Joe Miller seconded the motion that was approved by unanimous vote.

Calvin Hatfield made the motion to authorize Michael McNulty, General Manager to sign the contractor pay estimates related to the payment of the above Requisition and Resolutions. Joe Miller seconded the motion that was approved by unanimous vote.

Red House Collectors Project

Staff presented Resolution No.12 in the amount of \$2,234.25 for project related expenses.

Following review, Calvin Hatfield made the motion to approve Resolution No. 12 in the amount of \$2,234.25. Joe Miller seconded the motion that was approved by unanimous vote.

Calvin Hatfield made the motion to authorize Michael McNulty, General Manager to sign the contractor pay estimates related to the payment of the above Resolution. Joe Miller seconded the motion that was approved by unanimous vote.

Vintroux Hollow Project & Maintenance Building Project

Chairman Miller presented a proposed CWSRF Loan Agreement by and among the Putnam Public Service District, the Water Development Authority and the Department of Environmental Protection for a \$3,680,000 loan from the Clean Water State Revolving Fund ("CWSRF") to finance the Vintroux sewer project. Thereupon, on motion was duly made by Calvin Hatfield and seconded by Joe Miller to approve the CWSRF Loan Agreement and authorize the Chairman and Secretary to execute the Loan Agreement. The motion passed by unanimous vote.

Next, the Chairman presented a proposed WDA Loan Agreement by and between the Putnam Public Service District and the Water Development Authority for a \$1,436,000 loan from the Water Development Authority ("WDA") to finance the Vintroux water project. Thereupon, on motion was duly made by Calvin Hatfield and seconded by Joe Miller, to approve the Loan Agreement and authorize the Chairman and Secretary to execute the WDA Loan Agreement. The motion passed by unanimous vote.

Thereupon, the Chairman presented Sewer Project First Draw Resolution and there was discussion. Thereupon, on motion duly made by Calvin Hatfield and seconded by Joe Miller, it was unanimously ordered that the said Sewer Project First Draw Resolution for a total aggregate amount of \$421,293.73 be adopted and be in full force and effect on and from the date hereof.

Thereupon, the Chairman presented Water Project First Draw Resolution and there was discussion. Thereupon, on motion duly made by Calvin Hatfield and seconded by Joe Miller, it was unanimously ordered that the said Water Project First Draw Resolution for a total aggregate amount of \$301,077.53 be adopted and be in full force and effect on and from the date hereof.

Teays Hollow Sewer Project

Staff updated the Board on the status of the project. Plans and specifications are being delivered to Bob Rodecker, Attorney, in the morning.

Hometown Sewer Plant Upgrade Project

Staff updated the Board on the status of the project. Bids will be opened on January 16.

Jamestown Subdivision / Cow Creek Sewer Extension

Project Finances

Staff presented Resolution No. 05 in the amount of \$87,654.18 for the **Jamestown Subdivision / Cow Creek Sewer Extension Project** related expenses.

Following review, Calvin Hatfield made the motion to approve Resolution No. 05 for the **Jamestown Subdivision / Cow Creek Sewer Extension Project** in the amount of \$87,654.18 as presented. Joe Miller seconded the motion that was approved by unanimous vote.

Calvin Hatfield made the motion to authorize Michael McNulty, General Manager to sign the contractor pay estimates related to the payment of the above Resolutions. Joe Miller seconded the motion that was approved by unanimous vote.

Water Treatment Plant Pre-Sedimentation Basin Project

Staff updated the Board on the status of the project.

City of Hurricane Sanitary Board & Sycamore Landfill

Staff updated the Board on the status of the complaint case filed by the District with the Public Service Commission of West Virginia.

Water Surcharge

Mr. McNulty updated the Board on the status of the surcharge and the WVAW Company pending rate case. The District is not signing the stipulation agreement due to the fact that we have concerns over the language in the stipulation as it relates to the filing of the next Class Cost of Service Study. The District is not opposing the settlement.

NEW BUSINESS

Developer Plans

No plans were presented.

OTHER BUSINESS

Mr. McNulty informed that Board that he instructed Harold Payne to review the existing Companion Life, short term and long term Disability insurance policies and compare it with other carriers. It was determined that Putnam PSD could save approximate \$7,000 per year by switching to Guardian Insurance Company.

Following discussion, Calvin Hatfield made the motion to approve switching the District's existing policy to Guardian. Joe Miller seconded the motion that was approved by unanimous vote.

EXECUTIVE SESSION

The Board did not enter into executive session

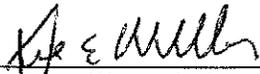
ADJOURNMENT

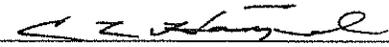
There being no further business, Calvin Hatfield made the motion to adjourn the regular meeting at 8:30 pm. Joe Miller seconded the motion that was approved by unanimous vote.

PUTNAM PUBLIC SERVICE DISTRICT
Regular Meeting of the PSD Board
MINUTES

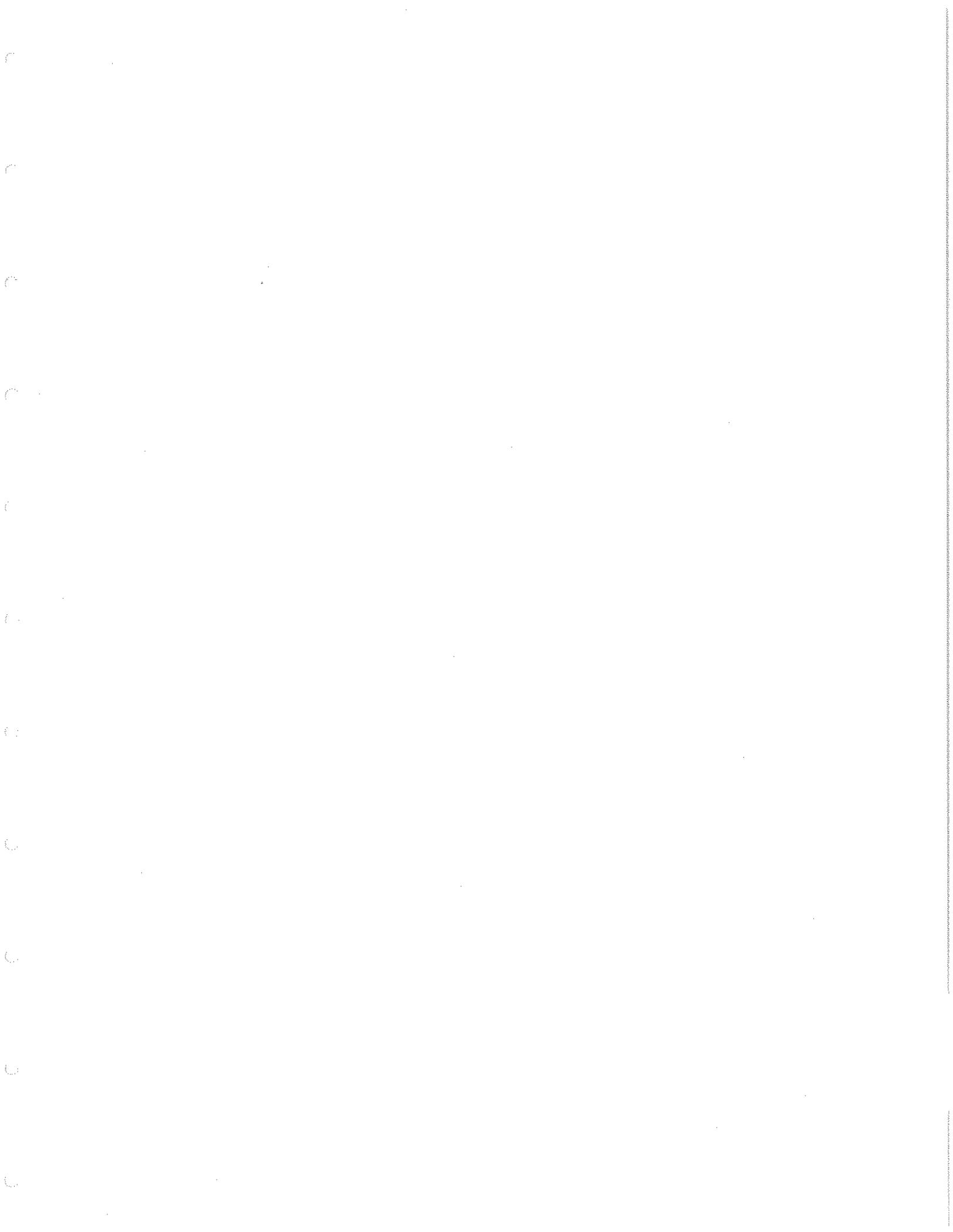
10 January 2008

Page 6


Joe E. Miller, Chairman


Calvin L. Hatfield, Secretary / Treasurer

RESERVED



PUTNAM PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2008 A
(West Virginia Water Development Authority)

EXCERPTS OF MINUTES ON ADOPTION OF BOND RESOLUTION
AND SUPPLEMENTAL RESOLUTION

The undersigned Secretary of the Public Service Board of Putnam Public Service District, hereby certifies that the following is a true and correct excerpt of the minutes of a **regular** meeting of the said Public Service Board:

The Public Service Board of Putnam Public Service District met in **special** session, pursuant to notice duly given, on the 24th day of January, 2008, at the District's office in Scott Depot, Putnam County, West Virginia, at the hour of 7:00 p.m., prevailing time.

PRESENT:	Chairman	-	Joe Miller
	Secretary/Treasurer	-	Calvin Hatfield
	Vacant		

ABSENT: None

Joe Miller, presided, and Calvin Hatfield, acted as Secretary.

Mr. Miller announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Chairman presented a proposed Bond Resolution in writing entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF PUTNAM PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$1,436,000 IN AGGREGATE

PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2008 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), 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 AND RATIFYING LOAN AGREEMENT RELATING TO THE SERIES 2008 A 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 Calvin Hatfield and seconded by Joe Miller, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Thereupon, the Chairman presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISIONS, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF WATER REVENUE BONDS, SERIES 2008 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF PUTNAM PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO THE SERIES 2008 A BONDS; AUTHORIZING AND APPROVING THE SALE OF THE SERIES 2008 A BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Calvin Hatfield and seconded by Joe Miller, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

CERTIFICATION

I further hereby certify that the foregoing action of said Public Service Board remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

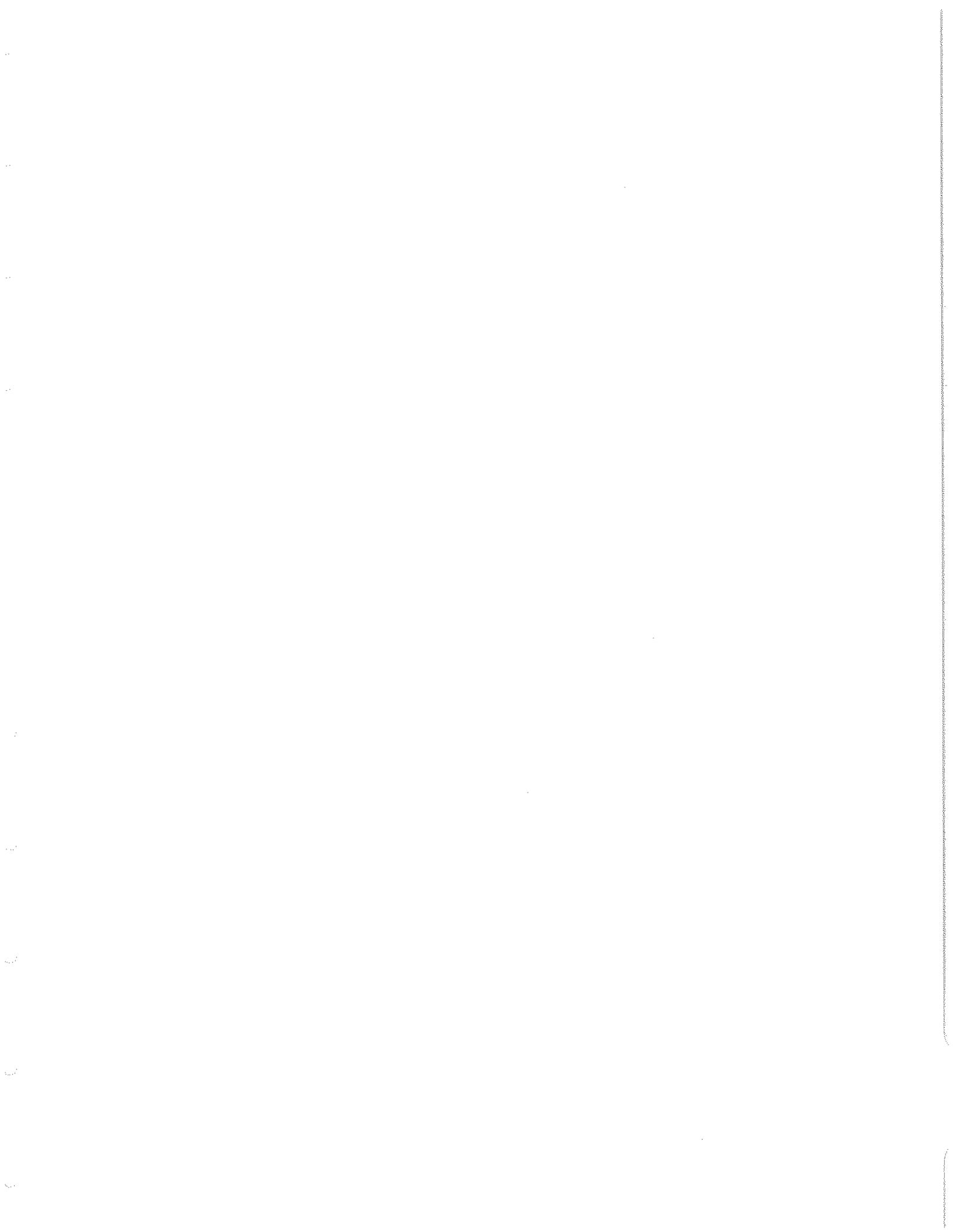
WITNESS my signature on this 28th day of January, 2008.



Secretary

847280.00011

CH4831065.1



Date of Report: January 28, 2008

ISSUE: Putnam Public Service District, Water Revenue Bonds,
Series 2008 A (West Virginia Water Development Authority)

ADDRESS: Post Office Box 147, Scott Depot, West Virginia COUNTY: Putnam

PURPOSE OF ISSUE: New Money: X
Refunding: _____ REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: January 28, 2008 CLOSING DATE: January 28, 2008

ISSUE AMOUNT: \$ 1,436,000 RATE: 5%

1ST DEBT SERVICE DUE: April 1, 2008* (interest only) 1ST PRINCIPAL DUE: October 1, 2009

1ST DEBT SERVICE AMOUNT: \$12,565* PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Steptoe & Johnson PLLC UNDERWRITERS COUNSEL: Jackson Kelly PLLC
Contact Person: John C. Stump, Esquire Contact Person: Samme L. Gee
Phone: (304) 353-8196 Phone: (304) 340-1318

CLOSING BANK: Putnam County Bank ESCROW TRUSTEE: _____
Contact Person: Jerry Brown Contact Person: _____
Phone: (304) 562-9931 Phone: _____

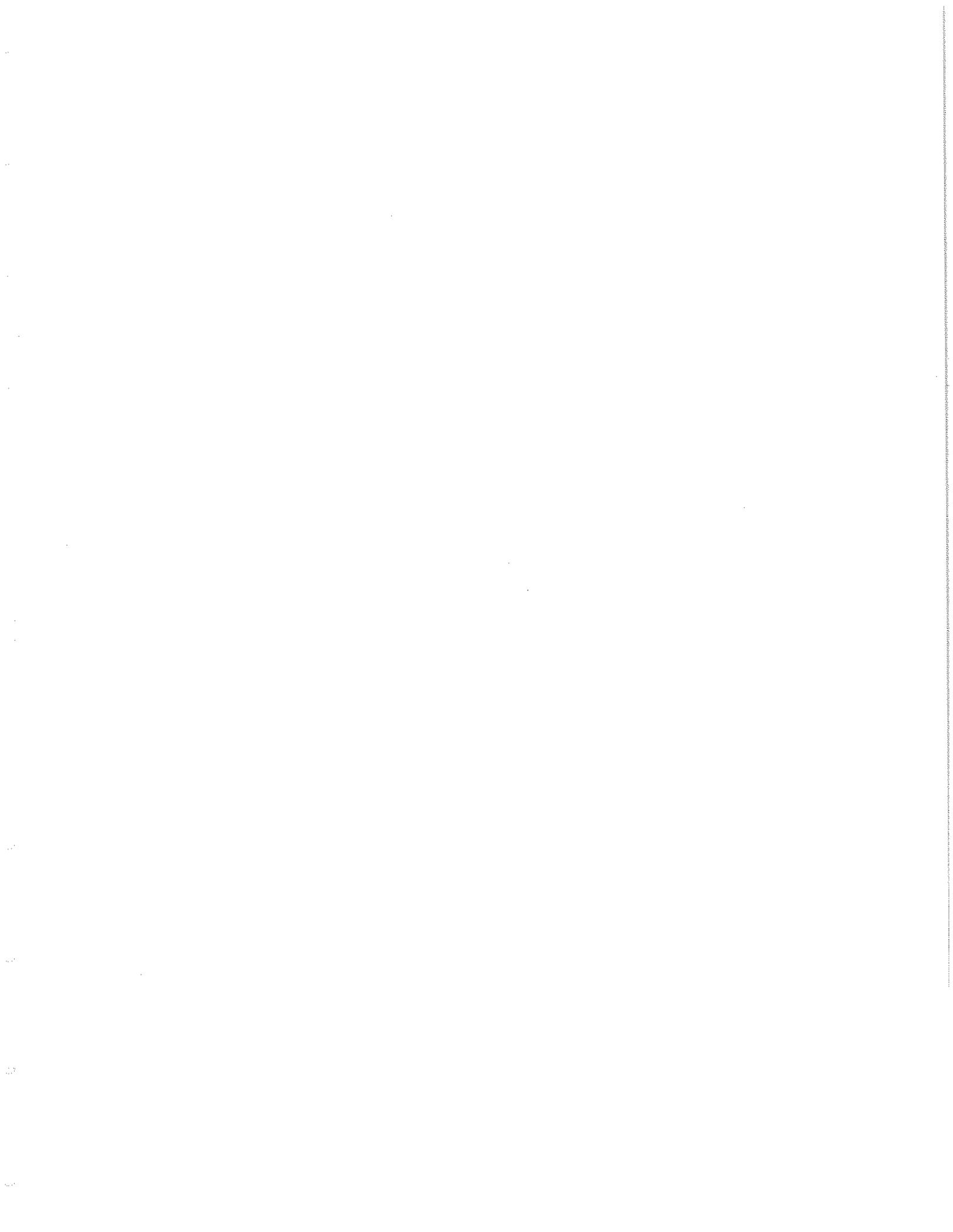
KNOWLEDGEABLE ISSUER CONTACT OTHER WV Water Development Authority
Contact Person: Mike McNulty Contact Person: Chris Jarrett
Position: General Manager Function: Director
Phone: (304) 757-6551 Phone: (304) 558-3612

DEPOSITS TO MBC AT CLOSE: _____
By: X Wire _____
_____ Check X Capitalized Interest: \$ 120,265
_____ X Reserve Account: \$ 84,387
_____ Other: \$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: _____ Wire _____ To Escrow Trustee: \$ _____
_____ Check _____ To Issuer \$ _____
_____ IGT _____ To Cons. Invest. Fund \$ _____
_____ To Other: \$ _____

NOTES: mikemcnulty@putnampsd.com

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____



PUTNAM PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2008 A
(West Virginia Water Development Authority)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

Putnam County Bank, Hurricane, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Resolution of the Putnam Public Service District (the "Issuer"), adopted January 24, 2008, and a Supplemental Resolution of the Issuer adopted January 24, 2008 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), dated January 28, 2008, in the principal amount of \$1,436,000 (the "Bonds") and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 28th day of January, 2008.

PUTNAM COUNTY BANK



Authorized Officer

01.11.08
847280.00011

PUTNAM PUBLIC SERVICE DISTRICT

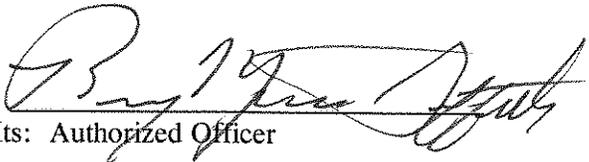
Water Revenue Bonds, Series 2008 A
(West Virginia Water Development Authority)

ACCEPTANCE OF DUTIES AS REGISTRAR OF SERIES 2008 A BONDS

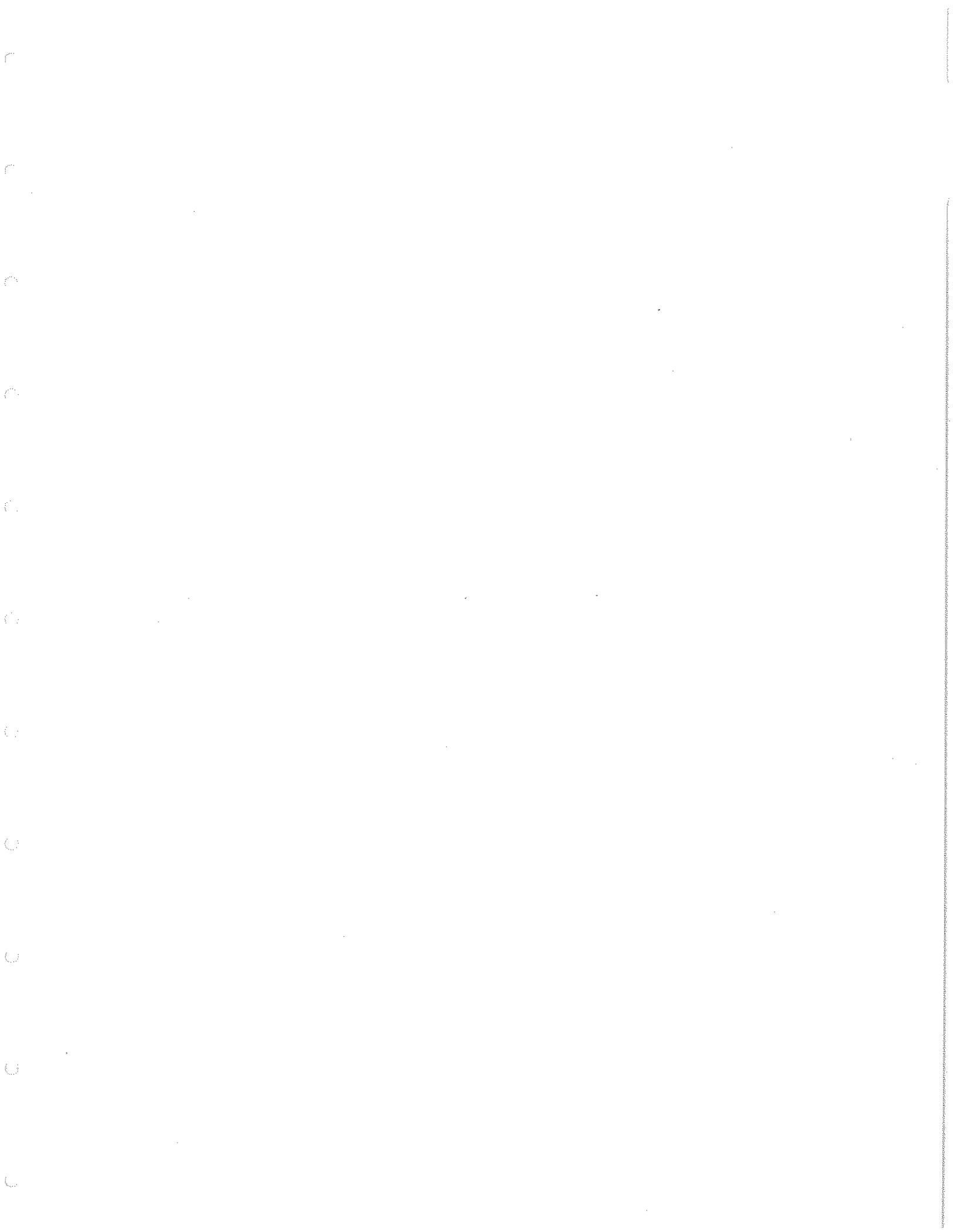
The Huntington National Bank, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Putnam Public Service District Water Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), dated January 28, 2008, in the principal amount of \$1,436,000 ("the Bonds") and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 28th day of January, 2008.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

01.11.08
847280.00011



PUTNAM PUBLIC SERVICE DISTRICT

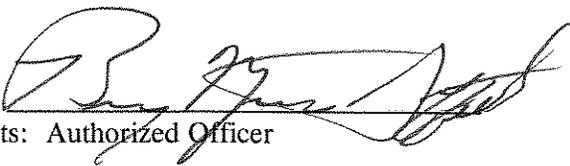
Water Revenue Bonds, Series 2008 A
(West Virginia Water Development Authority)

CERTIFICATE OF REGISTRATION OF SERIES 2008 A BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned bond issue of the Putnam Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Putnam Public Service District Water Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), of the Issuer, dated January 28, 2008, in the principal amount of \$1,436,000, numbered AR-1, is registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 28th day of January, 2008.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

01.11.08
847280.00011

PUTNAM PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2008 A
(West Virginia Water Development Authority)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 28th day of January, 2008, by and between the PUTNAM PUBLIC SERVICE DISTRICT, a public service district and public corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$1,436,000 Water Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), in fully registered form (the "Series 2008 A Bonds"), pursuant to a Bond Resolution of the Issuer duly adopted January 24, 2008, and a Supplemental Resolution of the Issuer duly adopted January 24, 2008 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: Putnam Public Service District
Post Office Box 147
Scott Depot, West Virginia 25560
Attention: Chairman

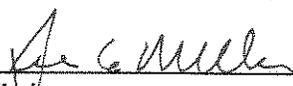
REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

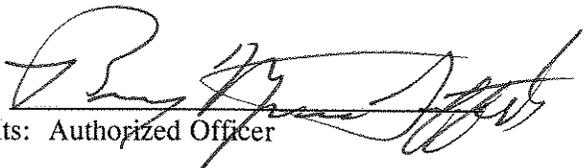
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IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

PUTNAM PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

01.07.08
847280.00011

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See attached)

Private Financial Group
P.O. Box 633 - WE3013
Charleston, West Virginia 25322-0633



STATEMENT OF REGISTRAR'S FEES
Invoice Date January 28, 2008

Putnam Public Service District
Account Number 6089001809

Putnam Public Service District
Water Revenue Bonds
C/o John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

FEE CALCULATION FOR January, 2008

TOTAL AMOUNT	\$	500.00
TOTAL DUE	\$	<u>500.00</u>

- * FEE INVOICES ARE PAYABLE WITHIN 30 DAYS. IF PAYMENT *
- * IS NOT RECEIVED, FEES WILL BE DEDUCTED FROM THE PLAN *
- * .. MAIL CHECK TO: HUNTINGTON NATIONAL BANK, ATTN: BARRY. . *
- * .. GRIFFITH, PO BOX 633, CHARLESTON, WV 25322-0633 *

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304)348-5035

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

CAPITOL and WASHINGTON STREETS 1 DAVIS SQUARE, SUITE 200 CHARLESTON, WEST VIRGINIA 25301
TELEPHONE 304-558-2981

PERMIT
PROJECT: (Water) Vintroux Hollow Water Line Replacement PERMIT NO.: 17,554
LOCATION: near Scary COUNTY: Putnam DATE: 6-27-2007

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

Putnam Public Service District
P. O. Box 860
Scott Depot, West Virginia 25560

is hereby granted approval to: install approximately 4,645 LF of 6", 370 LF of 4" and 1,000 LF of 2" water line, all necessary valves and appurtenances.

Facilities are to replace existing water line in the Vintroux Hollow and Sue Drive areas in the Putnam Public Service District.

Note: This permit is contingent upon all new water line being disinfected, flushed and bacteriologically tested, prior to use.

The Environmental Engineering Division of the OEHS St. Albans District Office (304-722-0611) is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR



William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:emt

pc: Qk4, 802 B Street
Katheryn Emery, P.E., DEP
James W. Ellars, P.E., PSC-Engineering Division
Amy Swann, PSC
Putnam County Health Department
OEHS-EED St. Albans District Office



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

Writer's Contact Information
(304) 353-8196
(304) 353-8181 Fax
John.Stump@step-toe-johnson.com

February 1, 2008

Putnam Public Service District
Water Revenue Bonds, Series 2008 A
(West Virginia Water Development Authority)

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Internal Revenue Service
Internal Revenue Service Center
Ogden, Utah 84201

Ladies and Gentlemen:

Enclosed herewith is a completed and executed Internal Revenue Service Form 8038-G and a file copy thereof with regard to the above-captioned issue. Please file the original form in the appropriate Internal Revenue Service records and return the copy marked in red as the "File Copy" to me (after acknowledging receipt of the same) in the enclosed self-addressed envelope.

Thank you for your attention to this letter. If you have any questions regarding any of the issues set forth herein, or if I can be of any service, please do not hesitate to call.

My best regards.

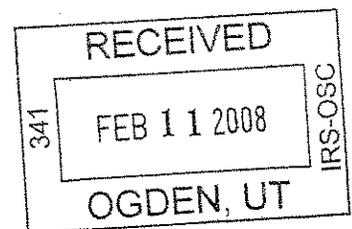
Very truly yours,

John C. Stump

JCS/bsl
Enclosure

847280.00011

CH4837877.1



Information Return for Tax-Exempt Governmental Obligations

Under Internal Revenue Code section 149(e)

See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority

If Amended Return, check here

1 Issuer's name Putnam Public Service District	2 Issuer's employer identification number 55 0463396
3 Number and street (or P.O. box if mail is not delivered to street address) Post Office Box 147	Room/suite
4 City, town, or post office, state, and ZIP code Scott Depot, West Virginia 25560	4 Report number 3 08-01
5 Name of issue Water Revenue Bonds, Series 2008 A	6 Date of issue January 28, 2008
7 Name and title of officer or legal representative whom the IRS may call for more information Mike McNulty, General Manager	8 CUSIP number N/A
9 Name and title of officer or legal representative whom the IRS may call for more information Mike McNulty, General Manager	10 Telephone number of officer or legal representative (304) 757.6551

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11 <input type="checkbox"/> Education	11
12 <input type="checkbox"/> Health and hospital	12
13 <input type="checkbox"/> Transportation	13
14 <input type="checkbox"/> Public safety	14
15 <input checked="" type="checkbox"/> Environment (including sewage bonds)	15 1,436,000
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input type="checkbox"/> Other. Describe ▶	18
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANS, check box <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	October 1, 2047	\$ 1,436,000	\$ 0.00	26.511 years	5.000000 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22	-0-
23 Issue price of entire issue (enter amount from line 21, column (b))	23	1,436,000
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	25,500
25 Proceeds used for credit enhancement	25	-0-
26 Proceeds allocated to reasonably required reserve or replacement fund	26	84,387
27 Proceeds used to currently refund prior issues	27	-0-
28 Proceeds used to advance refund prior issues	28	-0-
29 Total (add lines 24 through 28)	29	109,887
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	1,326,113

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	_____ 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	_____
34 Enter the date(s) the refunded bonds were issued	_____

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	n/a
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	n/a
b Enter the final maturity date of the guaranteed investment contract		
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	n/a
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer _____ and the date of the issue _____		
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input type="checkbox"/>		
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>		
40 If the issuer has identified a hedge, check box <input type="checkbox"/>		

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.

Sign Here

Signature of issuer's authorized representative: Joe Miller Date: 1-30-2008
 Type or print name and title: Joe Miller, Chairman



**United States Department of Agriculture
Rural Development
West Virginia State Office**

January 28, 2008

Putnam Public Service District
Water Revenue Bonds, Series 2008 A
(West Virginia Water Development Authority)

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present holder of the Prior Bonds, hereinafter defined and described, hereby (a) consents to the issuance of the Water Revenue Bonds, Series 2008 A (West Virginia Water Development Authority), in the original aggregate principal amount not to exceed \$1,500,000 (the "Series 2008 A Bonds"), by Putnam Public Service District (the "Issuer"), under the terms of the bond resolution authorizing the issuance of the Bonds (the "Resolution"), on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Water Revenue Bonds, Series 2006 A, dated March 12, 2006, issued in the original aggregate principal amount of \$8,190,000, (the "Prior Bonds"); and (b) waives any requirements imposed by the Prior Bonds or the resolution authorizing the Prior Bonds (the "Prior Resolution"), regarding the issuance of parity bonds which are not met by the Bonds or the Resolution; and (c) consents to any amendments made to the Prior Resolutions by the Resolution.

WITNESSETH my signature on this 28th day of January, 2008.

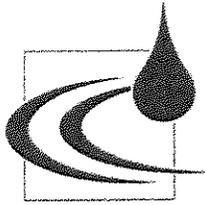


State Director

75 High Street Federal Building • Suite 320 • Morgantown, WV 26505-7500
Phone: 304.284.4860 • 1.800.295.8228 • Fax: 304.284.4893 • TTY/TDD: 304.284.4836 • Web: <http://www.rurdev.usda.gov/wv>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W.,
Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).



WEST VIRGINIA
Water Development Authority
Celebrating 34 Years of Service 1974 - 2008

January 28, 2008

Putnam Public Service District
Water Revenue Bonds, Series 2008 A
(West Virginia Water Development Authority)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Bassett & Lowe, the independent certified public accountants and an opinion of Steptoe & Johnson PLLC, bond counsel, that the coverage and parity tests have been met, the undersigned duly authorized representative for the West Virginia Water Development Authority, the registered owner of the entire outstanding aggregate principal amount of the Prior Bonds, hereinafter defined and described, of Putnam Public Service District (the "Issuer"), hereby consents to the issuance of the Water Revenue Bonds, Series 2008 A (West Virginia Water Development Authority) (collectively, the "Bonds"), by the Issuer, under the terms of the resolution authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment with the (i) Water Revenue Bonds, Series 1999 A (West Virginia Water Development Authority), dated June 16, 1999, issued in the original aggregate principal amount of \$6,440,000 (ii) the Water Revenue Bonds, Series 1999 B (West Virginia Water Development Authority), dated June 16, 1999, issued in the original aggregate principal amount of \$5,425,000, and (iii) Water Revenue Notes, Series 2004 A (West Virginia Water Development Authority), dated June 18, 2004, issued in the original aggregate principal amount of \$250,000 (collectively, the "Prior Bonds").


Chris E. Jarrett, Executive Director

01.11.08
847280.00011

CH891684.1

180 Association Drive, Charleston, WV 25311-1217
phone (304) 558-3612 / fax (304) 558-0299
www.wvwda.org

CLOSING MEMORANDUM

To: Financing Team
From: John C. Stump, Esquire
Date: January 28, 2008
Re: Putnam Public Service District Water Revenue Bonds, Series 2008 A (West Virginia Water Development Authority)

1. DISBURSEMENTS TO PUTNAM PUBLIC SERVICE DISTRICT

Payor: West Virginia Water Development Authority
Amount: \$1,231,348
Form: Wire
Payee: Putnam Public Service District
ABA #: 051502858
Acct #: 1504710
Bank: Putnam County Bank
Contact: Rhonda Cunningham (304) 562-9931
Memo: Series 2008 A Bonds Construction Trust Fund

2. DISBURSEMENTS TO MUNICIPAL BOND COMMISSION

A. Payor: West Virginia Water Development Authority
Source: Series 2008 A Bonds Proceeds
Amount: \$84,387.00
Form: Wire Transfer
Payee: Municipal Bond Commission on behalf of Putnam Public Service District
Bank: Branch Banking & Trust Company
Routing #: 051503394
Contact: Sara Boardman, 558.3971
Account: Series 2008 A Bonds Reserve Account
5270517317

B. Payor: West Virginia Water Development Authority
Source: Series 2008 A Bonds Proceeds
Amount: \$120,265
Form: Wire Transfer
Payee: Municipal Bond Commission on behalf of Putnam Public Service District
Bank: Branch Banking & Trust Company
Routing #: 051503394
Contact: Sara Boardman, 558.3971
Account: Series 2008 A Bonds Sinking Fund
5270517317
Purpose: Capitalized Interest Payments

State of West Virginia
WATER DEVELOPMENT AUTHORITY
 180 Association Drive, Charleston, WV 25311-1217
 (304) 558-3612 - (304) 558-0299 (Fax)
 Internet: www.wvwda.org - Email: contact@wvwda.org

BOND CLOSING ATTENDANCE LIST

Date 1.28.08 Time 2:30 p.m. LGA Putnam PSD Program WDA

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Ryan White	Jackson Kelly PLLC	(304) 340-1272	(304) 340-1272	rwhite@jacksonkelly.com
John Stump	Steboe & Johnson PLLC	304.353.8196	304.353.8181	john.stump@steboe-johnson.com
Todd Swanson	Steboe & Johnson PLLC	(304) 353-8148	(304) 353-8101	todd.swanson@steboe-johnson.com
Rose Brodersen	WV DEP	304 4926	304	rbrodersen@wvdep.org
Barbara B Meadows	Water Development Authority	0499X1608	9260496	bmeadows@wvwda.org
Samye Gee	Jackson Kelly PLLC	304.558.3612	304.558.0299	sggee@jacksonkelly.com
		304.340.1318	304.340.1272	

The Authority requests that the following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Mike McNulty Telephone 304.757.6551 E-Mail mikemcnulty@putnampsd.com
 Address P.O. Box 147, Scott Depot West Virginia

REMINER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the NonArbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code, 1986, as amended.

WATER PROJECT

REIMBURSEMENT RESOLUTION

RESOLUTION STATING THE REASONABLE EXPECTATION OF THE PUBLIC SERVICE BOARD OF PUTNAM PUBLIC SERVICE DISTRICT TO REIMBURSE THE DISTRICT FOR CAPITAL EXPENDITURES IN CONNECTION WITH THE ACQUISITION AND CONSTRUCTION OF WATERWORKS SYSTEM FACILITIES AND IMPROVEMENTS MADE PRIOR TO THE ISSUANCE OF TAX-EXEMPT REVENUE BONDS

WHEREAS, the Public Service Board of the Putnam Public Service District (the "District") has determined to acquire and construct certain improvements to the District's existing water system (the "System"), including but not limited to, water mains, including gate valves, fire hydrants, water meters and all necessary appurtenances in the Vintroux Road area, maintenance/service garage and office facility, such acquisition and construction herein called the "Project" and the cost thereof estimated not to exceed \$2,000,000;

WHEREAS, the District will finance all, or a portion of, the costs of construction of the Project through the issuance of tax-exempt water revenue bonds, in one or more series, in an aggregate amount not to exceed \$2,000,000 (the "Bonds");

WHEREAS, the District expects that it will make certain capital expenditures related to the Project prior to the issuance of the Bonds;

WHEREAS, such costs will be paid from the District's revenue account (Account No. _____) for the System (the "Revenue Account"); and
#1504710

WHEREAS, the Public Service Board reasonably expects that the District will reimburse such Revenue Account for a portion of the cost of the Project in an amount not to exceed \$500,000, from the proceeds of sale of the Bonds,

NOW, THEREFORE BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF PUTNAM PUBLIC SERVICE DISTRICT, AS FOLLOWS:

Section 1. The Public Service Board of Putnam Public Service District reasonably expects that the District will reimburse itself for certain capital expenditures made not more than 60 days prior to the date of adoption of this resolution (and after the date of such adoption, but prior to the issuance of the Bonds) in connection with the Project, such capital expenditures to be undertaken or incurred prior to the execution and delivery of the Bonds, from the proceeds of such Bonds, which are reasonably expected to be executed and delivered within 18 months from the later of (i) the expenditure for payment of said costs or (ii) the placing of the Project in service.

Section 2. This Resolution is intended to constitute a "declaration of official intent" pursuant to Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1986, as amended (the "Reimbursement Regulations").

Section 3. The source of payment for such capital expenditures will be the District's Revenue Account, and upon issuance of the Bonds, proceeds thereof not to exceed the amount of such capital expenditures will be applied to reimbursement of such Revenue Account, such allocation to be made within 30 days following the date of issuance of the Bonds and to not exceed \$500,000.

Section 4. The maximum principal amount of Bonds to be issued for the Project is \$2,000,000.

Section 5. The District shall provide written evidence of all reimbursement allocations within 30 days following issuance of the Bonds.

Section 6. This Resolution shall become effective on the date of its adoption.

Adopted this 18th day of June, 2007.

PUTNAM PUBLIC SERVICE
DISTRICT

By: _____

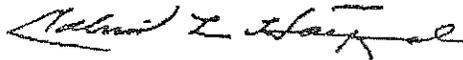
Its: Chairman

CERTIFICATION

I, Calvin L. Hatfield, the duly appointed Secretary of Putnam Public Service District, do hereby certify that the foregoing is a true and accurate copy of a Reimbursement Resolution adopted by the Public Service Board of Putnam Public Service District at a regular meeting of Public Service Board held June 18, 2007, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this 18th day of June, 2007.

[SEAL]



Secretary

05.10.07
847280.00011

VINTRoux WATER

RESOLUTION OF THE PUTNAM PUBLIC SERVICE DISTRICT APPROVING INVOICES RELATING TO CONSTRUCTION AND OTHER SERVICES FOR THE PROPOSED WATER PROJECT AND AUTHORIZING PAYMENT THEREOF,

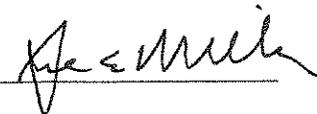
WHEREAS, the Putnam Public Service District, has reviewed the invoices attached hereto and incorporated herein by reference relation to the construction of the Vintroux Water Project funded by the West Virginia Water Development Authority (WDA) and find as follows:

- a) That none of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.
- b) That each item for which the payment is proposed to be paid is or was necessary in connection with the Project and constitutes a Cost of the project.
- c) That each of such costs has been otherwise properly incurred.
- d) That the payment for each of the items proposed is due and owing.

NOW, THEREFOR, BE IT RESOLVED Putnam Public Service District by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	WDA
Huntington Banks (Registrar)	500.00	500.00
Steptoe & Johnson (Bond Counsel)	25,000.00	25,000.00
Qk4	34,080.00	34,080.00
EL Robinson	28,000.00	28,000.00
Putnam PSD	8,845.53	8,845.53
Municipal Bond Commission (Reserves)	84,387.00	84,387.00
Municipal Bond Commission (Capitalized Interest)	120,265.00	120,265.00
Total	301,077.53	301,077.53

ADOPTED BY the Putnam Public Service District, at the meeting held on the 8th day of January, 2008

By: 

Its: CHAIRMAN

Putnam PSD - Costs already Paid

	<u>vendor</u>	<u>Total Invoice</u>	<u>water</u>	<u>sewer</u>
PPSD	fire marshall	1,000.00	520.00	480.00
PPSD	Qk4	7,800.00	-	7,800.00
PPSD	Qk4	7,800.00	-	7,800.00
PPSD	Qk4	7,800.00	-	7,800.00
PPSD	Qk4	2,168.00	2,168.00	-
PPSD	Qk4	2,166.00	2,166.00	-
PPSD	Qk4	2,166.00	2,166.00	-
PPSD	Rodecker	2,906.26	1,525.53	1,380.73 ✓
PPSD	CSX	750.00	-	750.00
PPSD	DHHR	300.00	300.00	-
		34,856.26	8,845.53	26,010.73

State Fire Commission
Office of the State Fire Marshal

Plans Review Division
1207 Quarrier St, 2nd Floor
Charleston, WV 25301
304-558-2191 Ext. 214; Fax 304-558-2537

INVOICE

INVOICE NO: 2007-6509
DATE: 10/24/2007

ORIGINAL INVOICE

Invoiced To:

✓
PUTNAM PSD
PO BOX 147
SCOTT DEPOT, WV 25560-

Submitter:

ASSOCIATED ARCH'S INC.

Project Name: PUTNAM PUBLIC SERVICE DIST. MAINT. FAC.

County: PUTNAM

Review Type: ARCHITECTURAL

Invoice Amount: \$1000.00

State Law 29-3 authorizes the State Fire Marshal to charge a fee for the review of plans, carpet certification and/or walk-in consultations.

Please make all checks/money orders payable to:

WV State Fire Marshal

Agency Revenue Code:

6152 (FY) 0619 999 696

Please refer any questions to this invoice to:

Debbie Hudson

Please send a copy of the invoice with your remittance.

5014
Water - 520.00
Sewer - 480.00
1000.00

maint Building
Prior
RET

PUTNAM PUBLIC SERVICE DISTRICT
 WATER AND SEWER GENERAL OPERATING

P.O. BOX 860
 SCOTT DEPOT, WV 25560
 (304) 757-6551

PUTNAM COUNTY BANK
 HURRICANE, WV

69-285
 515

037628

- DATE -

- CHECK NO. -

- AMOUNT -

10/29/07

037,628

\$1,000.00

** ONE THOUSAND AND 00/100 DOLLARS **

PAY
 TO THE
 ORDER
 OF

WV STATE FIRE MARSHAL
 1207 QUARRIER STREET 2ND FLOOR
 CHARLESTON WV 25301

Non-Negotiable

MP

MP

AUTHORIZED SIGNATURE

⑈037628⑈ ⑆051502858⑆ 20 69503⑈

VENDOR NUMBER	VENDOR NAME	CHECK DATE	CHECK NUMBER
5,074	WV STATE FIRE MARSHAL	10/29/07	037,628
DESCRIPTION	INVOICE DATE	REFERENCE	AMOUNT
ARCHITECTURAL/GREAT TEAYS	10/24/07	2007-6509	1,000.00

File Copy

Architecture

Engineering

Construction

January 20, 2006

Mr. Mike McNulty
South Putnam Public Service District
P.O. Box 147
Scott Depot, WV 25560-0147

Payments Received
Revised invoices for your Records

Dear Mr. McNulty:

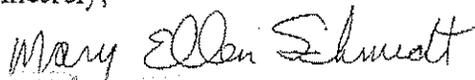
We received final payment today for two projects: Vintroux Preliminary Engineering Report, and Vintroux Water Line - Preliminary Report. Both projects have been paid in full and we thank you for your prompt payment.

Based on a few questions Mike Newton recently asked, I have looked closely at how these two projects have been billed. The first invoice we sent on each project was billed at 33% by accident, instead of 33 1/3%. This unfortunately made our invoices not jive with your payments, and the remaining invoices, although billed correctly at 66.67%, and now at 100%, never did fall in line exactly with your payments. In addition, our invoices were sent to Fred Stottlemeyer, but should have gone to your attention.

I apologize for both of these errors. For your records, I have revised all three invoices for both projects so that they exactly match the payment amounts we have received. As previously stated, we have received payment in full. The enclosed invoices are simply revised for your record-keeping convenience.

Thank you for your patience, and I apologize for any inconvenience this may have caused.

Sincerely,



Mary Ellen Schmidt
Accounting

Enclosures

The Glassworks District

815 West Market Street

Suite 900

Louisville, Kentucky

40202

Ph. 502-585-2222

Fx. 502-581-0406

www.qk4.com

Qk4
815 WEST MARKET, SUITE 300
LOUISVILLE, KY 40202 (502) 585-2222
FEDERAL ID #61-0865261

Invoice

SOUTH PUTNAM PUBLIC SERVICE DISTRICT
MR. MIKE MCNULTY
P.O. BOX 147
SCOTT DEPOT WV 25560-0147

November 22, 2005
Project No: 03176.000
Invoice No: 0042441 Revised

Sewer

Project: 03176.000

Invoice Number 1 for
Vintroux Preliminary Engineering Report

Professional services from February 22, 2003 to May 2, 2003

Fee

Total Fee	23,400.00		
Percent Complete	33.3333	Total Earned	7,800.00
		Previous Fee	0.00
		Current Fee Billing	7,800.00
		Total Fee	7,800.00
		Total this Invoice	\$7,800.00
		Paid by check # 031236	<u>-\$7,800.00</u>
		Balance owed	\$0.00

SUBMITTED BY:

Mary Ellen Schmidt for

STEVEN M. NEWTON
Qk4

TERMS - NET 30 DAYS - INTEREST OF 1.5% PER MONTH WILL BE CHARGED ON BALANCES OVER 30 DAYS

REMIT TO: Qk4; 3668 RELIABLE PARKWAY; CHICAGO, IL; 60686-0038

5

QK4
815 WEST MARKET, SUITE 300
LOUISVILLE, KY 40202 (502) 585-2222
FEDERAL ID #61-0865261

Invoice

SOUTH PUTNAM PUBLIC SERVICE DISTRICT
MR. MIKE MCNULTY
P.O. BOX 147
SCOTT DEPOT WV 25560-0147

November 30, 2005
Project No: 03176.000
Invoice No: 0042490 Revised

Sewer

Project: 03176.000 Invoice Number 2 for
Vintroux Preliminary Engineering Report

Professional services from May 3 to November 25, 2005

Fee

Total Fee	23,400.00		
Percent Complete	66.67	Total Earned	15,600.00
		Previous Fee	7,800.00
		Current Fee Billing	7,800.00
		Total Fee	7,800.00
		Total this invoice	\$7,800.00
		Paid by check # 031277	<u>-\$7,800.00</u>
		Balance owed	\$0.00

SUBMITTED BY:

Mary Ellen Schmidt for

STEVEN M. NEWTON

QK4

TERMS - NET 30 DAYS - INTEREST OF 1.5% PER MONTH WILL BE CHARGED ON BALANCES OVER 30 DAYS

REMIT TO: QK4; 3868 RELIABLE PARKWAY; CHICAGO, IL; 60686-0038

5

QK4
815 WEST MARKET, SUITE 300
LOUISVILLE, KY 40202 (502) 585-2222
FEDERAL ID #61-0865261

Invoice

SOUTH PUTNAM PUBLIC SERVICE DISTRICT
MR. MIKE MCNULTY
P.O. BOX 147
SCOTT DEPOT WV 25560-0147

December 31, 2005
Project No: 03176.000
Invoice No: 0042604 FINAL INVOICE

sewer

Project: 03176.000 Invoice Number 3 for
Vintroux Preliminary Engineering Report

Professional services from November 26 to December 23, 2005

Fee

Total Fee	23,400.00	Total Earned	23,400.00
Percent Complete	100.00	Previous Fee	15,600.00
		Current Fee Billing	7,800.00
		Total Fee	7,800.00
		Total this invoice	\$7,800.00
		Paid by check # 031670	<u>-\$7,800.00</u>
		Balance owed	\$0.00

SUBMITTED BY:

Mary Ellen Schmidt for

STEVEN M. NEWTON
QK4

TERMS - NET 30 DAYS - INTEREST OF 1.5% PER MONTH WILL BE CHARGED ON BALANCES OVER 30 DAYS

REMIT TO: Qk4; 3868 RELIABLE PARKWAY; CHICAGO, IL; 60686-0038

5

Qk4
815 WEST MARKET, SUITE 300
LOUISVILLE, KY 40202 (502) 585-2222
FEDERAL ID #61-0865261

Invoice

SOUTH PUTNAM PUBLIC SERVICE DISTRICT
MR. MIKE MCNULTY
P.O. BOX 147
SCOTT DEPOT WV 25560-0147

November 22, 2005
Project No: 04175.000
Invoice No: 0042442 Revised

Water

Project: 04175.000 Invoice Number 1 for
Vintroux Water Line - Preliminary Report

Professional services from February 7, 2004 to April 16, 2004

Fee

Total Fee	6500.00		
Percent Complete	33.35	Total Earned	2,168.00
		Previous Fee	0.00
		Current Fee Billing	2,168.00
		Total Fee	2,168.00

Total this invoice \$2,168.00

Paid by check # 031236 -\$2,168.00

Balance owed \$0.00

SUBMITTED BY:

Mary Ellen Schmitt for

STEVEN M. NEWTON
Qk4

TERMS - NET 30 DAYS - INTEREST OF 1.5% PER MONTH WILL BE CHARGED ON BALANCES OVER 30 DAYS

REMIT TO: Qk4; 3868 RELIABLE PARKWAY; CHICAGO, IL; 60686-0038

W

Qk4
815 WEST MARKET, SUITE 300
LOUISVILLE, KY 40202 (502) 585-2222
FEDERAL ID #61-0865261

Invoice

SOUTH PUTNAM PUBLIC SERVICE DISTRICT
MR. MIKE McNULTY
P.O. BOX 147
SCOTT DEPOT WV 25560-0147

November 30, 2005
Project No: 04175.000
Invoice No: 0042491 Revised

water

Project: 04175.000 Invoice Number 2 for
Vintroux Water Line - Preliminary Report

Professional services from April 17, 2004 to November 25, 2005

Fee

Total Fee	6500.00		
Percent Complete	66.67	Total Earned	4,334.00
		Previous Fee	2,168.00
		Current Fee Billing	2,166.00
		Total Fee	2,166.00

Total this invoice	\$2,166.00
Paid by check # 031277	<u>-\$2,166.00</u>
Balance owed	\$0.00

SUBMITTED BY:

Mary Ellen Schmitt for

STEVEN M. NEWTON
Qk4

TERMS - NET 30 DAYS - INTEREST OF 1.5% PER MONTH WILL BE CHARGED ON BALANCES OVER 30 DAYS

REMIT TO: Qk4; 3868 RELIABLE PARKWAY; CHICAGO, IL; 60686-0038

W

Qk4
815 WEST MARKET, SUITE 300
LOUISVILLE, KY 40202 (502) 585-2222
FEDERAL ID #61-0865261

Invoice

SOUTH PUTNAM PUBLIC SERVICE DISTRICT
MR. MIKE MCNULTY
P.O. BOX 147
SCOTT DEPOT WV 25560-0147

December 31, 2005
Project No: 04175.000
Invoice No: 0042605 FINAL INVOICE

Project: 04175.000

Invoice Number 3 for
Vintroux Water Line - Preliminary Report

Water

Professional services from November 26 through December 23, 2005

Fee

Total Fee	6500.00	Total Earned	6,500.00
Percent Complete	100.00	Previous Fee	4,334.00
		Current Fee Billing	2,166.00
		Total Fee	2,166.00

Total this invoice \$2,166.00

Paid by check # 031670 -\$2,166.00

Balance owed \$0.00

SUBMITTED BY:

Mary Ellen Schmitt for

STEVEN M. NEWTON

Qk4

TERMS - NET 30 DAYS - INTEREST OF 1.5% PER MONTH WILL BE CHARGED ON BALANCES OVER 30 DAYS

REMIT TO: Qk4; 3868 RELIABLE PARKWAY; CHICAGO, IL; 60686-0038

W

VENTROUX PROJECT PAID BY DISTRICT

VENDOR	DATE PAID	CHECK #	AMOUNT	WATER	SEWER
RODECKER	2/19/2007	35435	20.00	10.40	9.60
RODECKER	3/26/2007	35752	78.75	61.25	17.50
RODECKER	4/16/2007	35945	110.00	17.50	92.50
RODECKER	5/21/2007	36254	246.25	73.75	172.50
RODECKER	6/25/2007	36541	1,308.98	356.60	952.38
RODECKER	7/16/2007	36731	367.28	362.28	5.00
RODECKER	8/20/2007	36995	547.50	527.50	20.00
RODECKER	9/17/2007	37246	227.50	116.25	111.25
RODECKER TOTAL			2,906.26	1,525.53	1,380.73

WV STATE FIRE MARSHALL	10/29/2007		1,000.00	520.00	480.00
CSX TRANSPORTATION	6/25/2007	36577	750.00		750.00

GRAND TOTAL \$ 4,656.26 \$ 2,045.53 \$ 2,610.73

Paid 2-19-07
35435

Hours Amount

SUBTOTAL:

[1.60 205.00] W

FILE NO. 108.320 Removal of Surcharges Water Tariff

1/11/2007 EG Review Correspondence From Mike McNulty Re Removal of Surcharges From Water Tariff; Review Public Service Commission Orders/Joint Stipulation Establishing Surcharges; Draft Petition To Remove Surcharges From Water Tariff

0.70

1/18/2007 RRR Review & Revise Surcharge Petition for Water

0.10

EG E-Mail Public Service Commission Filing To Mike McNulty for Review and Execution of Verification; Review Reply E-Mail From Mike McNulty Approving Filing; Finalize Filing and Travel to Public Service Commission To File.

0.25

SUBTOTAL:

[1.05 65.00] W

FILE NO. 108.321 Removal of Surcharge Sewer Tariff

1/10/2007 EG Review Correspondence From Mike McNulty Re Removal of Surcharge Sewer Tariff; Review Public Service Commission Orders/Joint Stipulation Establishing Surcharge; Draft Petition To Remove Surcharge From Sewer Tariff

0.60

1/18/2007 RRR Review & Revise Sewer Surcharge Petition

0.10

EG E-Mail Public Service Commission Filing To Mike McNulty for Review and Execution of Verification; Review Reply E-Mail From Mike McNulty Approving Filing; Finalize Filing and Travel to Public Service Commission To File

0.25

SUBTOTAL:

[0.95 60.00] S

FILE NO. 108.322 Vintroux Road Sewer Exten. & Maint. Garage

1/22/2007 EG Review E-Mail From Jason Henderson Re New Vintroux Road Projects Forthcoming; Telephone Call To Jason To Discuss Projects

0.10

1/26/2007 EG E-Mail To Jason Henderson Re Status of Documents for Vintroux Road Sewer Project

0.10

1/29/2007 EG E-Mail From Jason Henderson Re Status of Documents for Vintroux Road Sewer Project

0.10

SUBTOTAL:

[0.30 15.00] W/S

Paid 3-26-07
35752

	Hours	Amount
SUBTOTAL:	[0.60	105.00] S
<u>FILE NO. 108.312 Connie Irvin vs Putnam PSD (06-1088-PWD-C)</u>		
2/21/2007 RRR Review Irvin Order & Forward to Mike McNulty	0.10	
SUBTOTAL:	[0.10	17.50] W
<u>FILE NO. 108.316 Purchase of Backhoe (2006)</u>		
2/14/2007 RRR Review Order on Backhoe and Forward to Mike McNulty	0.10	
SUBTOTAL:	[0.10	17.50] W/S
<u>FILE NO. 108.320 Removal of Surcharges Water Tariff</u>		
2/16/2007 EG Review Staff Memo and Forward To Mike McNulty; Telephone Call From Mike McNulty; Draft Correspondence to Public Service Commission Concurring With Staff Recommendation; Draft Revised Tariff Pages; Travel to Public Service Commission To File Letter	0.30	
RRR Review Staff Recommendation in Surcharge Case and Forward to Mike McNulty and Ralph Bassett	0.10	
SUBTOTAL:	[0.40	32.50] W
<u>FILE NO. 108.321 Removal of Surcharge Sewer Tariff</u>		
2/16/2007 EG Review Staff Memo and Forward To Mike McNulty; Telephone Call From Mike McNulty; Draft Correspondence to Public Service Commission Concurring With Staff Recommendation; Draft Revised Tariff Pages; Travel to Public Service Commission To File Letter	0.30	
RRR Review Staff Recommendation in Surcharge Case and Forward to Mike McNulty and Ralph Bassett	0.10	
SUBTOTAL:	[0.40	32.50] S
<u>FILE NO. 108.322 Vintoux Road Sewer Exten. & Maint. Garage</u>		
2/15/2007 RRR Review Draft Sewer R.42	0.10	
SUBTOTAL:	[0.10	17.50] S

Hours Amount

FILE NO. 108.323 Vintroux Road Water Lines & Maint. Garage

2/15/2007 RRR Review Draft Water R.42 for Vintroux Project

0.35

SUBTOTAL:

[0.35 61.25]

FILE NO. 108.325 General Release

2/26/2007 RRR Draft Release for PSD Telephone Call From Mike McNulty

1.40

SUBTOTAL:

[1.40 245.00] w/s

For professional services rendered

6.55 \$1,071.25

Additional Charges :

Qty/Price

FILE NO. 108.00 General/Expenses

2/28/2007 Long Distance Telephone Charges 1/13/07 thru 2/12/07 Billing

1 2.03
2.03

February 1-28, 2007 Photocopies

60 12.00
0.20

SUBTOTAL:

[14.03] w/s

Total costs

\$14.03

Total amount of this bill

\$1,085.28

Previous balance

\$811.36

2/26/2007 Payment - thank you. Check No. 035435

(\$811.36)

Total payments and adjustments

(\$811.36)

Balance due

\$1,085.28

17.50
61.25
78.75

Final 4-16-07
35945

		<u>Hours</u>	<u>Amount</u>
	Finalize First Revised Page No. 6 And Prepare Correspondence Transmitting To PSC		
3/23/2007	EG Forward Water Tariff Revised To Reflect Removal Of Surcharges And As In Effect As Of March 23, 2007 To Mike McNulty And Ralph Bassett	0.10	
SUBTOTAL:		[0.70	47.50] W
<u>FILE NO. 108.321 Removal of Surcharge Sewer Tariff</u>			
3/16/2007	EG Prepare Filing of Revised Tariff Pages Per Public Service Commission Order Approving Removal of Surcharges; Prepare Transmittal Letter to PSC	0.30	
3/23/2007	EG Forward Sewer Tariff Revised To Reflect Removal Of Surcharges And As In Effect As Of March 23, 2007 To Mike McNulty And Ralph Bassett	0.10	
SUBTOTAL:		[0.40	20.00] S
<u>FILE NO. 108.322 Vintroux Road Sewer Exten. & Maint. Garage</u>			
3/25/2007	EG Review Documents Received To-Date Re Vintroux Road Project; Review WVIJDC And Public Service Commission Website Re Project	0.25	
3/26/2007	EG Telephone Call To Mike McNulty Re Drafting of Order Not Have Sufficient Documents/Information To Draft Application	0.10	
3/27/2007	EG Work On Certificate Application; Revise Rule 42T Exhibit To Include Current Tariff; Memo To Ralph Bassett Re Revisions To Rule 42T Exhibit	1.00	
3/30/2007	EG Work On Application; E-Mail To PSD Re Funding Documentation	0.50	
SUBTOTAL:		[1.85	92.50] S
<u>FILE NO. 108.323 Vintroux Road Water Lines & Maint. Garage</u>			
3/25/2007	EG Review Documents Received To-Date Re Vintroux Road Project; Review WVIJDC And Public Service Commission Website Re Project	0.25	
3/26/2007	EG Telephone Call To Mike McNulty Re Drafting of Order Not Have Sufficient Documents/Information To Draft Application	0.10	
SUBTOTAL:		[0.35	17.50] W
<u>FILE NO. 108.326 2007 Teays Hollow Sewer Project</u>			
3/6/2007	RRR Finalize Letter To PSD Re: Teays Hollow Project	0.10	

92.50
17.50

110.00

Rodecker

*Paid 5-21-07
36254*

Putnam Public Service District

Page 2

	Hours	Amount
4/27/2007 RRR Review Sewer Rates, Revise Petition & Forward To Mike McNulty	1.00	
SUBTOTAL:	1.70	210.00

FILE NO. 108.303 Hunter v SPUT (06-0115-PSWD-C)

4/9/2007 RRR Telephone Call From Mike McNulty Re: Letter From Hunter's Attorney	0.10	
4/16/2007 RRR Review Letter From Mike Del Giudice & Prepare Response, Finalize Letter To Del Giudice	0.90	

SUBTOTAL:	1.00	175.00
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FILE NO. 108.322-Ventroux Road Sewer Exten. & Maint. Garage

4/2/2007 EG Review E-Mail Response From Mike McNulty Re Funding Documentation; Telephone Calls From/To and E-Mail From David Mercer Re Documentation; Download and Print Funding Letter; Work On Application; Scan and E-Mail List Of Operators To David Mercer For Verification of Correctness; Review E-Mail From David Mercer/Revise List of Operators; Prepare Notice of Filing Order	0.70	
4/3/2007 EG Finalize Draft Sewer Application	0.30	
EG Telephone Call To Ralph Bassett Re Transmittal Letter Needed For Sewer Rule 42	0.10	
4/11/2007 EG Work On Water Certificate Application; Fax To Ralph Bassett Re Difference In Funding Reflected In Water Rule 42 And Documentation Provided By David Mercer Re WDA Funding	0.70	
4/17/2007 EG Telephone Call To Ralph Bassett Re Status of Rule 42 Transmittal Letter	0.10	
4/20/2007 EG Meet With Ralph Bassett Re Revised Rule 42; Finalize Draft Application For Bob Rodecker Review	0.50	
4/27/2007 RRR Review & Revise Draft Certificate Application	0.30	

SUBTOTAL:	2.70	172.50
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FILE NO. 108.323 Ventroux Road Water Lines & Maint. Garage

4/3/2007 EG Review Ventroux Water Project Documents; Prepare E-Mail To Mike McNulty, David Mercer And Jason Henderson Re Documents/Information Needed; Download And Print Documents E-Mailed From David Mercer	0.50	
4/17/2007 EG Telephone Call To Ralph Bassett Re Status of Revised Water Rule 42	0.10	

172.50

	<u>Hours</u>	<u>Amount</u>
4/27/2007 RRR Review & Revise Draft Certificate Application	0.25	
SUBTOTAL:	[0.85	73.75] <i>w/s</i>
<u>FILE NO. 108.327 Turner v Putnam PSD (07-0590-PWD-C)</u>		

4/12/2007 EG Review New Complaint Filed With Public Service Commission And Forward To Mike McNulty Via E-Mail	0.25	
4/18/2007 RRR Review & Revise Answer In Turner Case	0.20	
EG Review Complaint Filed By J.P. Turner And Documents Furnished By Mike McNulty; Prepare Answer And Motion To Dismiss; E-Mail Draft Answer To Mike McNulty For Review And Approval; Review E-Mail Approval From Mike McNulty; Finalize Filing and Travel To Public Service Commission To File	0.50	
SUBTOTAL:	[0.95	72.50] <i>w/s</i>
<u>FILE NO. 108.328 Reimbursement To Customers</u>		

4/17/2007 RRR Review E-mail From Jason Henderson & Respond Re: Calculation Of Net Revenue For Reimbursements	0.55	
SUBTOTAL:	[0.55	96.25] <i>w/s</i>
For professional services rendered	8.75	\$900.00
Additional Charges :		

	<u>Qty/Price</u>	
<u>FILE NO. 108.00 General/Expenses</u>		
4/13/2007 Phone Calls March To April 12, 2007	1 1.23	1.23
4/30/2007 April 1-30, 2007 Photocopies	330 0.20	66.00
April 1-30, 2007 Postage	1 3.21	3.21
SUBTOTAL:		[70.44] <i>w/s</i>
Total costs		\$70.44

$$\begin{array}{r}
 172.50 \\
 73.75 \\
 \hline
 246.25
 \end{array}$$

Kodicker

*Paid 6-25-07
36541*

Putnam Public Service District

Page 2

		Hours	Amount
5/22/2007	EG Review Jamestown Documents; E-Mails To/From Jason Henderson Re Additional Information; Draft Petition	0.75	
5/25/2007	RRR Review & Revise Jamestown Petition	0.40	

SUBTOTAL:

[1.25 125.00] *S*

FILE NO. 108.322 Ventrux Road Sewer Exten. & Maint. Garage

5/3/2007	EG Finalize and Prepare Application Filing; Travel To Public Service Commission To File; E-Mail Notice Of Filing Order To Executive Secretary's Office	0.50	
5/4/2007	EG Review Notice of Filing Order; Prepare Correspondence To Newspaper Requesting Class I Legal Advertisement; Telephone Calls From Mike McNulty and Ralph Bassett Re Status of Filing	0.25	
5/11/2007	RRR Telephone Call From Jon Fowler Re: Meeting At PPSD	0.10	
5/15/2007	RRR Travel To & Return From PSD For Meeting With Staff	3.00	
5/18/2007	EG Correspondence to Public Service Commission Transmitting Affidavit of Publication Re Notice of Filing Order; Travel to Public Service Commission To File	0.30	

SUBTOTAL:

[4.15 595.00] *S*

FILE NO. 108.323 Ventrux Road Water Lines & Maint. Garage

5/1/2007	EG Telephone Call and E-Mail To Ralph Bassett Re Information Needed For Form No. 14 Re Rate \$/% Increases	0.15	
5/2/2007	EG Telephone Call and Fax From Ralph Bassett Re Information Re Rate \$/% Increases	0.10	
5/3/2007	EG Telephone Call And Fax To Ralph Bassett Re Errors In Rule 42; Review Corrected Sheets E-Mailed From Ralph Bassett; Finalize and Prepare Application For Filing; Travel To Public Service Commission To File; E-Mail Notice Of Filing Order To Executive Secretary's Office	0.75	
5/4/2007	EG Review Notice of Filing Order; E-Mails To/From Executive Secretary's Office Re Errors In Order; Telephone Calls From Mike McNulty and Ralph Bassett Re Status of Application Filings; Review Public Service Commission Rules Re Notice Via Billing Of Water Rate Increase; Telephone Call To PSD Re New Billing Program/Use of Envelopes; E-Mail To Mike McNulty And Jason Henderson Re Billing Notice Changed With Use Of New Billing Program	0.60	

See next page

		Hours	Amount
5/7/2007	EG Telephone Call From Staff Attorney Ron Robertson Re Proposed Tariff In Water Certificate Case; E-Mail To Mike McNulty And Ralph Bassett Re Changes Suggested By Ron Robertson; Review E-Mail From Mike McNulty	0.25	
5/8/2007	EG Telephone Call From Mike McNulty Re Billings Being Sent/Status Of Revised Notice	0.10	
5/9/2007	EG Review, Download And Print Revised Pages To Rule 42 E-Mailed From Ralph Bassett; Revise Pages To Reflect Addition Of New Tariff Provisions; Prepare Correspondence To Public Service Commission; Revised Proposed Tariff	0.35	
5/10/2007	RRR Finalize Revision To Tariff In Ventroux Water CCN Filing	0.10	
	EG Revised Notice of Filing Order To Incorporate Revisions To Rule 42; Finalize Filing and Travel To Public Service Commission To File	0.50	
5/11/2007	EG Prepare Correspondence To Putnam Democrat Transmitting Notice of Filing For Publication; E-Mail of Revised Notice of Filing Order To Mike McNulty and Ralph Bassett; Telephone Call To Mike McNulty and Ralph Bassett Re May 15th Meeting Request From Public Service Commission Staff; Prepare Certified Mailing of Notice of Filing Order To Resale Customer City of Hurricane Per Public Service Commission Rules; Prepare Certificate Of Service Via Certified Mail	0.50	

SUBTOTAL:

[3.40 182.50]

FILE NO. 108.329 Purchase Two Pickups (May 2007)

5/1/2007	EG Review Fax From Mike McNulty; Review 2006 Request Filed With Public Service Commission Draft Petition For Approval To Purchase Trucks; E-Mail Draft To Mike McNulty With Note Re Quote From Matheny Motor Truck	0.35	
5/2/2007	EG Review Fax E-Mail From Mike McNulty; Revise Petition Re Allocation of Payment Between Water and Sewer Utilities And Including Quote From Matheny Motor Truck As Exhibit; Finalize Filing And Travel To Public Service Commission To File	0.60	

SUBTOTAL:

[0.95 47.50]

FILE NO. 108.330 Sewer Service To Wal-Mart

5/24/2007	RRR Review Letter From Flora Re: Sewer Service To Wal-Mart	0.10	
5/25/2007	RRR Telephone Call From Mike McNulty Re: Wal-Mart & Trilar; Research § 16-13A-8 & Prepare Letter To Flora	1.10	

	Hours	Amount
5/29/2007 RRR Finalize Letter To Flora	0.10	
SUBTOTAL:	[1.30	227.50] S

FILE NO. 108.331 Hurricane Sewer Charge True-Up

5/21/2007 RRR Review Hurricane True-Up Material	1.75	
5/23/2007 RRR Travel To District To Meet Re: Hurricane Sewer Rate & Return To Charleston	2.55	
SUBTOTAL:	[4.30	752.50] S
For professional services rendered	17.10	\$2,236.25

Additional Charges :

	Qty/Price	
<u>FILE NO. 108.00 General/Expenses</u>		
5/23/2007 Telephone Bill April 13-May 12, 2007	1 3.80	3.80
5/31/2007 Photocopies May 1-31, 2007	1454 0.20	290.80
Postage May 1-31, 2007	1 13.15	13.15
SUBTOTAL:		[307.75] W

FILE NO. 108.322 Ventroux Road Sewer Exten. & Maint. Garage

5/3/2007 Copies of Sewer Certificate Application For Filing With Public Service Commission and Copies To PSD And Ralph Bassett	2550 0.10	255.00
Postage - Water Certificate Application To PSD And Ralph Bassett	1 4.60	4.60
5/15/2007 Travel To Putnam PSD & Return To Charleston	42 0.28	11.76
5/18/2007 Fee Paid To Putnam Standard Newspaper For Publication On May 15, 2007 Of Notice of Filing Order	1 86.02	86.02
SUBTOTAL:		[357.38] S

	<u>Qty/Price</u>	<u>Amount</u>
<u>FILE NO. 108.323 Ventrux Road Water Lines & Maint. Garage</u>		
5/3/2007 Copies of Water Certificate Application For Filing With Public Service Commission and Copies To PSD And Ralph Bassett	1695 0.10	169.50
Postage - Water Certificate Application To PSD And Ralph Bassett	1 4.60	4.60
SUBTOTAL:		[174.10] BA
<u>FILE NO. 108.331 Hurricane Sewer Charge True-Up</u>		
5/23/2007 Travel To District To Meet Re: Hurricane Sewer Rate & Return To Charleston	41 0.28	11.48
SUBTOTAL:		[11.48] S
Total costs		\$850.71
Total amount of this bill		\$3,086.96

595.00
 182.50
 357.28
 174.10

 1308.88

	<u>Hours</u>	<u>Amount</u>
6/28/2007 RRR Telephone Call From Mike McNulty Re: Hurricane True-up	0.10	

SUBTOTAL:

[7.75	1,356.25]
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FILE NO. 108.332 WVAWC 2007 RATE CASE (07-0998-W-42T)

6/6/2007 EG Review E-Mail From Mike McNulty And Download WV-American June 4, 2007 Correspondence To District Transmitting Notice Of Rate Increase Filing; E-Mail To Mike McNulty Re Intervention	0.30	
6/7/2007 EG Review E-Mail From Mike McNulty; Draft Petition To Intervene and E-Mail Petition and Verification To Mike McNulty	0.25	
6/11/2007 EG Finalize Petition To Intervene; Travel To Public Service Commission To File	0.40	
6/12/2007 RRR Prepare WVAWC Rate Case Filing; Prepare Opinion Letter Re: Sales To Hurricane	0.75	
6/22/2007 EG Download and E-Mail Staff Initial Memorandum To Mike McNulty	0.10	

SUBTOTAL:

[1.80	183.75]
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For professional services rendered

11.60	\$1,717.50
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Additional Charges :

Qty/Price

FILE NO. 108.00 General/Expenses

6/28/2007 Copies June 1-29, 2007	456	91.20
	0.20	
Postage June 1-29, 2007	1	2.78
	2.78	

SUBTOTAL:

[93.98]
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FILE NO. 108.323 Ventroux Road Water Lines & Maint. Garage

6/11/2007 Publication Fee Paid For Publication of Second Amended Notice of Filing	1	322.28
	322.28	

SUBTOTAL:

[322.28]
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5.00
 40.00
 322.28

 367.28

ROBERT R. RODECKER
ATTORNEY AT LAW
POST OFFICE BOX 3713
CHARLESTON, WEST VIRGINIA 25337
304/343-1654

Paid
8-20-07
36995

Putnam Public Service District
Michael W. McNulty
General Manager
Post Office Box 860
Scott Depot WV 25560

August 03, 2007

FEIN: 55-0738643

Invoice # 4085

Professional Services

			<u>Hours</u>	<u>Amount</u>
<u>FILE NO. 108.00 General/Expenses</u>				
7/13/2007	EG	Review Audit Opinion Letter Request; Prepare Audit Opinion Letter As Of June 30, 2007 Matters	0.30	
	RRR	Meet With Mike McNulty. Audit Opinion Letter	0.60	
SUBTOTAL:			[0.90	120.00]
<u>FILE NO. 108.277 Water & Sewer Surcharge Reports</u>				
7/9/2007	EG	Review June 20, 2007 Status Report Re Water Surcharge; Prepare Correspondence to Public Service Commission Transmitting Report Pursuant To January 27, 2004 Commission Order; Travel To Public Service Commission To File	0.35	
SUBTOTAL:			[0.35	17.50]
<u>FILE NO. 108.322 Ventroux Road Sewer Exten. & Maint. Garage</u>				
7/6/2007	EG	E-Mail To Mike McNulty Re Status of Engineering Documents Requested By PSC	0.05	
7/31/2007	RRR	Telephone Call From Ron Robertson; Karen Buckley	0.10	
SUBTOTAL:			[0.15	20.00]

wl

wl

OS

Hours Amount

FILE NO. 108.323 Ventrux Road Water Lines & Maint. Garage

7/6/2007	EG	E-Mail To Mike McNulty Re Status of Engineering Documents Requested By PSC	0.05
7/9/2007	EG	Review E-Mails From Mike McNulty And David Mercer; Download And Print Engineering Reports; Prepare Transmittal Memorandum To Lisa Pringle Of Public Service Commission Engineering Division; Hand Deliver Reports To Public Service Commission	0.35
7/17/2007	RRR	Telephone Call From Ron Robertson & Karen Buckley. Telephone Call To Mike McNulty. Telephone Call From Mike and Telephone Call To Karen Buckley	0.65
7/18/2007	RRR	Telephone Call From Ralph Bassett; Review File Re: Tariff Filing In Minimum Bills; Send E-mail Message To Ralph & Mike	0.30
7/24/2007	RRR	E-mail To Mike McNulty & Ralph Bassett Re: Notice To AEP	0.10
7/25/2007	RRR	Telephone Call From Mike McNulty; Telephone Call From Ralph Bassett.	0.20
7/26/2007	RRR	Work On Notes To AEP Re: Rate Increase. Telephone Call From John Moltesherd & E-mail To Mike & Jason. Telephone Call From Mike & Jason	1.30
7/27/2007	RRR	Telephone Call From Ron Robertson; Prepare E-mail To Terry Eads Re: Notice Of Increase	0.35

SUBTOTAL:

[3.30 527.50] *W*

FILE NO. 108.326 2007 Teays Hollow Sewer Project

7/3/2007	RRR	Review Public Service Commission Order Approving Loan. Forward To John Stump.	0.15
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SUBTOTAL:

[0.15 26.25] *S*

Sewer
FILE NO. 108.330.01 Water Service To Wal-Mart (07-0810)

7/6/2007	RRR	Research & Prepare Letter To Flora Re: Service To Wal-Mart	4.15
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SUBTOTAL:

[4.15 726.25] *S*

FILE NO. 108.330.02 Sewer/Water To Hurricane Marketplace

7/13/2007	RRR	Telephone Call From Jason Henderson Re: Hurricane & TriCor	0.25
7/25/2007	RRR	Telephone Call From Ron Flora & E-mail To Mike McNulty	0.50

520.00
527.50

547.50

Rodecker

*Paid 9-17-07
37246*

Putnam Public Service District

Hours Amount

8/29/2007 EG Review August 23, 2007 Commission Order Approving Revised Rates (To Include 30-B Increment); Prepare New Sewer Tariff No. 4 Setting Forth Rates; Travel To Public Service Commission To File Tariff

0.50

SUBTOTAL:

[2.35 117.50]

FILE NO. 108.283 C/N 2005 Water System Improvements

8/31/2007 EG Review E-Mail From David Mercer Transmitting Substantial Completion Certificates; Download And Print Documents; Review Tabulation Of Bids Filed With Public Service Commission; Prepare Chart Of Contracts For Project Re Lack Of Two Certificates Of Completion; E-Mail To David Mercer

0.70

SUBTOTAL:

[0.70 35.00]

FILE NO. 108.300 North Putnam Sewer CCN PHASE I

8/20/2007 RRR Telephone Call From Jonathan Fowler Re: Hunter. Telephone Call From Mike & Jason

0.30

8/21/2007 RRR Respond To E-mail From Mike McNulty Re: Expedited Order In 05-1146 Telephone Call From Jessica Lane & E-mail To Mike

0.35

8/22/2007 RRR Telephone Call From Mike McNulty Re: Putting Rates Into Effect. Telephone Call From Public Service Commission ; Telephone Call To Mike (n/a), Telephone Call To Jason (n/a); E-mail To Both Re: Telephone Call From Public Service Commission . Telephone Call From Mike

0.60

8/27/2007 RRR Draft Petition To Re-open

2.10

8/30/2007 RRR Revise Petition To Re-open; Forward Copy Electronically

0.50

SUBTOTAL:

[3.85 673.75]

FILE NO. 108.322 Ventrux Road Sewer Exten. & Maint. Garage

8/3/2007 RRR Telephone Call From Karen Buckley Re: Sewer Project

0.15

8/6/2007 RRR Review Staff Recommendations & Forward To Mike, Jason & Ralph

0.20

EG Review Staff Report; Download and E-Mail Report To Mike McNulty, Jason Henderson and Ralph Bassett

0.10

8/10/2007 EG Telephone Call From Administrative Law Judge Sunya Anderson Re Status of NPDES Permit and Rates Associated With Project Approved In 06-0743; Review File Re Permit; E-Mail To Jason Henderson and David Mercer; Review E-Mailed Document From David; Telephone Call To David Mercer; Review Second E-Mail/Download and Print Permit;

0.50

See next page

Hours Amount

Telephone Call To Administrative Law Judge Anderson; Prepare Correspondence To Public Service Commission Transmitting Permit

8/13/2007 EG Review Jason Henderson's E-Mail Re Red House Project To Be Completed Well Before Ventroux Sewer Project/Therefore, No Problem With Rates; Telephone Call To Administrative Law Judge Anderson; E-Mail To Jason Henderson 0.25

8/16/2007 EG Review and Download Recommended Decision Granting Certificate; Fax To Mike McNulty And E-Mail To Jason Henderson 0.15

SUBTOTAL:

[1.35 ~~111.25~~]
Sum

FILE NO. 108.323 Ventroux Road Water Lines & Maint. Garage

8/1/2007 RRR Telephone Call From Ron Robertson 0.15

8/3/2007 EG Prepare Correspondence To Public Service Commission Transmitting Certified Mail Return Receipt Re Notice To AEP Of Impact On Water Rate Increase On Service To John Amos; Travel To Public Service Commission To File; Telephone Call From Ron Robertson Re City of Hurricane Receipt of Notice Via Certified Mail; Review File and USPS Website For Signature Date; Telephone Call To Ron Robertson 0.50

8/6/2007 EG Review Staff Report; Download and E-Mail Report To Mike McNulty, Jason Henderson and Ralph Bassett 0.10

RRR Review Staff Recommendations & Forward To Mike, Jason & Ralph 0.20

8/10/2007 EG Telephone Call From Administrative Law Judge Sunya Anderson Re Status of Permit; Review File; E-Mail To Jason Henderson and David Mercer; Review E-Mail and Permit Received From David Mercer; Prepare Correspondence To Public Service Commission Transmitting Permit; Telephone Call To Administrative Law Judge Anderson 0.35

8/16/2007 EG Review and Download Recommended Decision Granting Certificate, Etc.; Fax To Mike McNulty And E-Mail To Jason Henderson 0.15

SUBTOTAL:

[1.45 ~~116.25~~]
Water

FILE NO. 108.330.02 Sewer/Water To Hurricane Marketplace

8/1/2007 RRR Review & Revise Petition To Intervene 0.50

8/2/2007 EG Download And Print Tricor Letter To Public Service Commission and Sewer Alternate MainLine Extension Agreement; Revise Petition To Intervene To Include Documents As Exhibits; E-Mail Verification To Mike McNulty For Verification 0.30

111.25
116.25

227.50

ES-69

03/08/2005

Office Use Only

Date Received _____
 Date Approved _____
 Approved by _____
 Permit Number _____

WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Bureau for Public Health
 Office of Environmental Health Services
 Capitol and Washington Streets
 1 Davis Square, Suite 200
 Charleston, West Virginia 25301-1798
 Telephone: 304-558-2981 Fax: 304-558-0691

APPLICATION FOR PERMIT TO CONSTRUCT OR MODIFY A
 WASTEWATER COLLECTION AND/OR TREATMENT SYSTEM
 (Please Prepare in 4 Copies)

In accordance with Chapter 16, Article 1, Section 9 of the West Virginia Code, as amended, we hereby make application for a Permit to Construct.

APPLICANT Putnam Public Service District DATE February 26, 200
 STREET OR PO BOX P.O. Box 860 TELEPHONE (304) 757-6551
 CITY Scott Depot COUNTY Putnam ZIP 25560
 ENGINEERING FIRM Qk4
 STREET OR PO BOX 802 B Street, Suite 200 TELEPHONE (304) 201-8980
 CITY St. Albans STATE WV ZIP 25177

Please list various units and their size Install 6,525'-8", 3,625'-6" gravity sewers,
2,175'-10", 3,500'-4", 1,695'-3", 2,775'-2" and 1,900'-1 1/2" force mains, 85
manholes, 10 cleanouts, 9 simplex and 3 duplex residential grinder pumps,
5 force main cleanouts and 5 air / vacuum release valves.

Discharging into Nitro Regional Wastewater Utility
(name of sewage collection system)

Serving 92 people or customers in Vintroux Hollow, US35 / CR33 Intersec
(subdivision, section, etc.)

City and State Scary Creek Area, West Virginia

Signature of Applicant or Authorized Agent Michael W. McFalls

NOTE: A \$300 application fee must accompany a permit application. Make check or money order payable to "West Virginia Department of Health and Human Resources". Cash not accepted. Permit applications which include both water and sewer systems require only a single \$300 fee.

PUTNAM PUBLIC SERVICE DISTRICT 3/07
VINTRoux SEWER PROJECT
P. O. BOX 860
SCOTT DEPOT, WV 25560

CC02

69-385/515

DATE 3-8-07

PAY TO THE
ORDER OF

WVDEHR

\$ 300.00

Three Hundred and no/100

DOLLARS



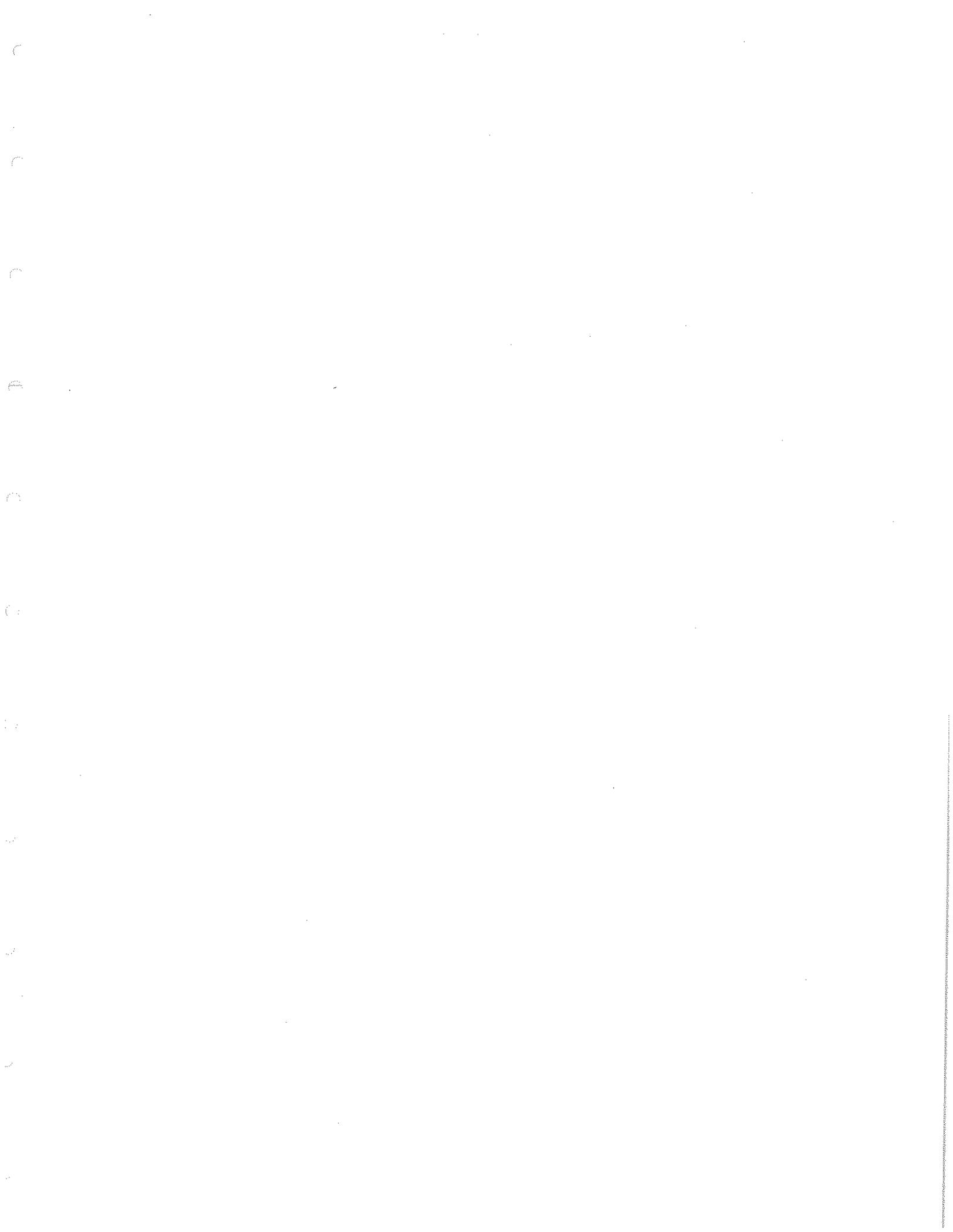
PUTNAM COUNTY BANK
HURRICANE, WEST VIRGINIA 25516

MEMO Application Fee

10515028581 1504209

[Handwritten Signature]

MP



WV Infrastructure & Jobs Development Council

Certification of Bidder Regarding Compliance with the
WV Jobs Act (SB 103) WV Code 21-1C-1

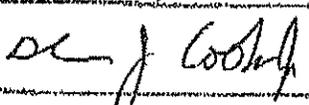
WV JOBS ACT REQUIREMENTS

- (a) Contractors shall hire at least 75% of employees for the project from the local labor market.
 - At least two employees from outside local labor market permissible for each employer
 - Employees shall have resided in the local labor market
- (b) Any employer unable to employ the minimum number of employees from the local labor market shall provide the nearest office of the Division of Employment Services, Bureau of Employment Programs the following:
 - (1) the number of qualified employees needed; and
 - (2) a job description of positions to be filled
- (c) If, within 3 business days following the placing of the job order with the Division of Employment Services (the "Division"), the Division is unable to refer any qualified applicants to the employer or refers less qualified job applicants than the number requested, then the Division shall issue a waiver to the employer stating the unavailability of applicants and permit the employer to fill any positions covered by the waiver from outside the local labor market.

CONTRACTOR REQUIREMENTS

The contractor hereby agrees to the following:

- (a) The contractor will comply with the Act and will file or cause to be filed with the WV Division of Labor and the Infrastructure Council copies of waiver certificates and certified payrolls as required by the Act, or other comparable documents that include the number of employees, the county and state where the employees reside and their occupation
- (b) the contractor will follow the procedure established by the Division of Labor for efficient collection of the data;
- (c) the contractor will ensure that each subcontract for shall contain provisions conforming to the requirement of the Act
- (d) the contractor will provide with each pay requisition a certification that the contract is in compliance with the Act

Name & Title of Signer (Please type)	
Glen J. Cook Jr., Vice President	
Signature: 	Date November 14, 2007

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
01/17/2008

PRODUCER (304)375-4900 FAX (304)375-5843
 Bill Bailey Insurance Agency
 701 Highland Avenue
 P. O. Box 246
 Williamstown, WV 26187

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED Putnam PSD
 PO Box 147
 Scott Depot, WV 25560

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: American Alternative Insurance	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	SP9152081	07/01/2007	07/01/2008	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
A		EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE RETENTION \$	SX9250756	07/01/2007	07/01/2008	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER				<input type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

The certificate holder listed below is listed as Additional Insured on the above mentioned policy.

CERTIFICATE HOLDER

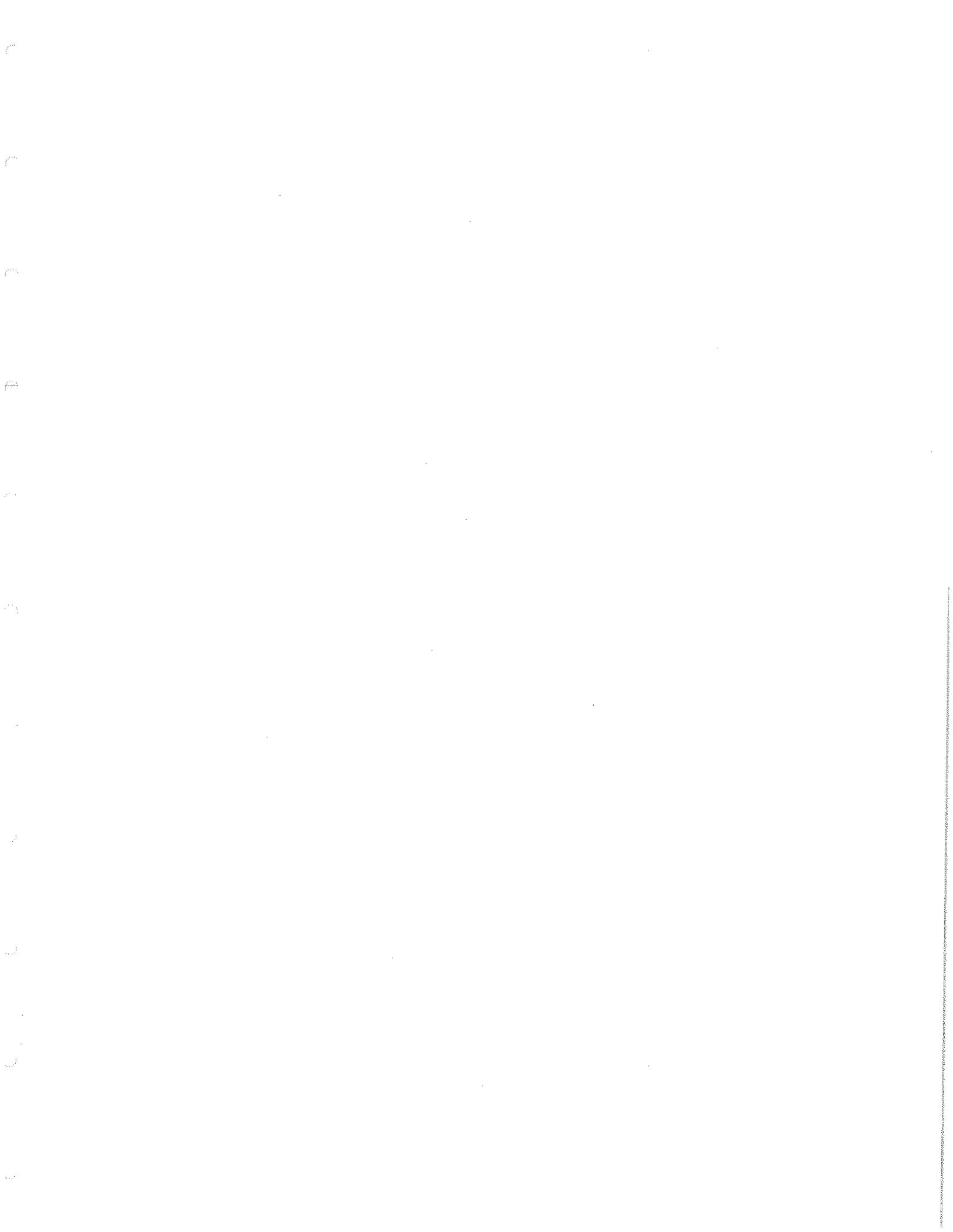
WV Water Development Authority
 180 Association Drive
 Charleston, WV 25311

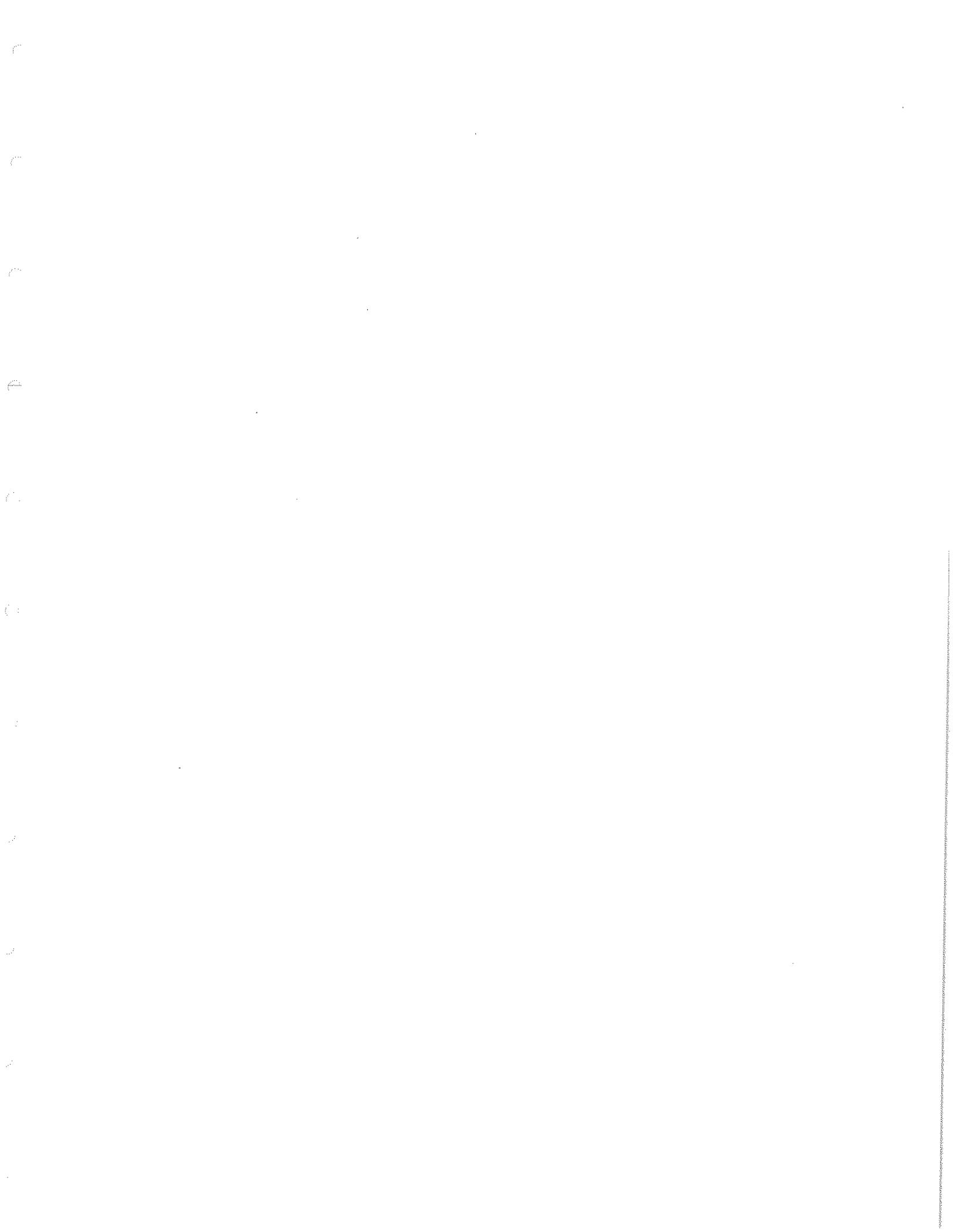
CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Richard Showell





SOUTH PUTNAM PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ISSUANCE BY SOUTH PUTNAM PUBLIC SERVICE DISTRICT OF NOT MORE THAN \$450,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS SYSTEM REVENUE NOTES, SERIES 2004 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), FOR THE PURPOSES OF FINANCING CERTAIN SINKING FUND AND DEBT SERVICE RESERVE FUND ARREARAGES AND COSTS OF ISSUANCE OF THE NOTES; AUTHORIZING THE ISSUANCE OF NOT MORE THAN \$400,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS SYSTEM BOND ANTICIPATION NOTES, SERIES 2004 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), FOR THE PURPOSES OF TEMPORARILY FINANCING A PORTION OF THE COSTS OF ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE ISSUER AND COSTS OF ISSUANCE OF THE NOTES; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTES; AND ENACTING OTHER PROVISIONS WITH RESPECT THERETO.

BE IT RESOLVED AND ADOPTED BY THE PUBIC SERVICE BOARD OF SOUTH PUTNAM 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 "Notes Legislation") is adopted pursuant to the provisions of Chapter 16, Article 13A and Chapter 22C, Article 1 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. South Putnam Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Putnam County of said State.

B. The Issuer is in arrears with respect to certain of its sinking fund and debt service reserve payments on its Prior Bonds, as hereinafter defined. The Issuer has filed, and the Public Service Commission of West Virginia has approved by final order in Case No. 03-0303-PWD-42T entered on January 27, 2004, as amended by a corrective order entered on February 6, 2004, a petition seeking a rate increase and a surcharge, the proceeds of which are to be used to fund the sinking fund and debt service reserve funds for the Prior Bonds, but the Issuer finds it necessary to borrow additional funds to pay arrearages on the Prior Bonds pending the receipt of increased revenues expected to result from such rate increase and surcharge.

C. The Issuer presently owns and operates a public waterworks system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain additions, betterments, improvements and extensions to the existing public waterworks facilities of the Issuer, specifically including, but not limited to, relocation of an existing 16 inch water transmission line and installation of a new 24 inch water transmission line under the soon-to-be expanded U. S. Route 35 interchange near Winfield, West Virginia, and all necessary appurtenant facilities (the "Project"). The existing public waterworks facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System."

D. It is deemed necessary for the Issuer to issue its (i) Waterworks System Revenue Notes, Series 2004 A (West Virginia Water Development Authority) (the "Series 2004 A Notes"), in an aggregate principal amount of not more than \$450,000, to finance the sinking fund and debt service reserve fund arrearages on its Prior Bonds and to pay costs of issuance of the Series 2004 A Notes and related costs, and (ii) Waterworks System Bond Anticipation Notes, Series 2004 B (the "Series 2004 B Notes" and together with the Series 2004 A Notes, collectively referred to herein as the "Notes"), in an aggregate principal amount of not more than \$400,000, to temporarily finance a portion of the costs of acquisition and construction of the Project and the costs of issuance of the Series 2004 B Notes and related costs, pending the issuance of revenue bonds anticipated to be issued to permanently finance the costs of the Project.

E. The Issuer has outstanding its (i) Water Revenue Bonds, Series 1999 A (West Virginia Water Development Authority), dated June 16, 1999, and issued in the original aggregate principal amount of \$6,440,000, and (ii) Water Revenue Bonds, Series 1999 B (West Virginia Water Development Authority), dated June 16, 1999, and

issued in the original aggregate principal amount of \$5,425,000 (collectively, the "Prior Bonds"). The Prior Bonds are payable from and secured by Net Revenues of the System.

F. The Series 2004 A Notes shall be payable with respect to liens, pledge and source of and security for payment from the Net Revenues of the System, on a parity with the Prior Bonds and prior and senior to the Series 2004 B Notes. The Series 2004 B Notes shall be payable only from and secured by a first lien on (i) the proceeds of revenue bonds or other obligations of the Issuer issued subsequent to the issuance of the Series 2004 B Notes to permanently finance the costs of the Project; (ii) the proceeds of any grants received by the Issuer for the Project; and (iii) the Surplus Revenues, if any, of the System. The Series 2004 B Notes shall be junior and subordinate to the Prior Bonds and the Series 2004 A Notes with respect to liens, pledge and source of and security for payment insofar as the Series 2004 B Notes are not secured by the Net Revenues of the System.

G. It is in the best interests of the Issuer that the Series 2004 A Notes be sold to the Authority (as hereinafter defined) pursuant to the terms and conditions of a loan agreement by and between the Issuer and the Authority (the "Series 2004 A Notes Loan Agreement"), and that the Series 2004 B Notes be sold to the Authority pursuant to the terms and conditions of a loan agreement by and between the Issuer and the Authority (the "Series 2004 B Notes Loan Agreement").

H. The Issuer has complied with all requirements of West Virginia law relating to authorization of the acquisition and construction of the Project, operation of the System and issuance of the Notes, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the obtaining of an order of the Public Service Commission of West Virginia approving this financing by final order entered on April 6, 2004, in Case No. 04-0034-PWD-PC, the time for rehearing and appeal of which will either have expired prior to the issuance of the Notes or such final order will not be subject to appeal or rehearing.

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, collectively, Chapter 16, Article 13A and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended and in effect on the date of enactment of this Resolution.

"Administrative Fee" means any administrative fee required to be paid under the Loan Agreements.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Notes, or any other agency, board or department of the State that succeeds to the functions of the Authority.

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

"Board" or "Governing Body" means the public service board of the Issuer or any successor thereto.

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

"Chairman" means the Chairman of the Governing Body.

"Closing Date" means the date upon which there is an exchange of the Notes for all or a portion of the proceeds thereof representing the purchase price of the Notes by the Authority.

"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 Howard K. Bell, Consulting Engineers, Inc., Teays Valley, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time now or 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.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, 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.

"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.

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

"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.

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

"Loan Agreements" means, collectively, the Series 2004 A Notes Loan Agreement and the Series 2004 B Notes Loan Agreement.

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

"Noteholder" or "Holder of the Notes" or "Holder" or "Registered Owner" or any similar term means any person who shall be the registered owner of any Outstanding Note or Notes.

"Notes" means, collectively, the Series 2004 A Notes and the Series 2004 B Notes.

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

"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 (all as herein defined), 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 Prior Bonds or the Notes, 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 Bonds and as of any particular date, describes all Bonds theretofore and thereupon being delivered except (a) any Bond for the payment of which monies, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Notes Resolution and set aside for such payment (whether upon or prior to maturity); and (b) 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 8.07 hereof.

"Paying Agent" means the Commission or other entity to be designated as the Paying Agent for the Notes in the Supplemental Resolution and its successors and assigns.

"Prior Bonds" means, collectively, the Series 1999 A Bonds and Series 1999 B Bonds of the Issuer.

"Prior Resolution" means the resolution of the Issuer enacted June 16, 1999, as supplemented, authorizing the Prior Bonds.

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

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;
- (c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home

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

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

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

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

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

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

(i) Obligations of States or political subdivisions or agencies thereof, the interest on which is 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 the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by the Prior Resolution.

"Revenue Fund" means the Revenue Fund established by the Prior Resolution.

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

"Series 1999 A Bonds" means the Water Revenue Bonds, Series 1999 A (West Virginia Water Development Authority), of the Issuer, dated July 16, 1999, and issued in the original aggregate principal amount of \$6,440,000.

"Series 1999 B Bonds" means the Water Revenue Bonds, Series 1999 B (West Virginia Water Development Authority), of the Issuer, dated July 16, 1999, and issued in the original aggregate principal amount of \$5,450,000.

"Series 2004 A Loan Agreement" means the Loan Agreement heretofore entered into, or to be entered into, between the Issuer and the Authority providing for the purchase of the Series 2004 A Notes 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.

"Series 2004 B Loan Agreement" means the Loan Agreement heretofore entered into, or to be entered into, between the Issuer and the Authority providing for the purchase of the Series 2004 B Notes 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.

"Series 2004 A Notes" means the not more than \$450,000 Waterworks System Revenue Notes, Series 2004 A (West Virginia Water Development Authority), originally authorized hereby.

"Series 2004 A Notes Sinking Fund" means the Series 2004 A Sinking Fund established by Section 4.02 hereof.

"Series 2004 A Notes Reserve Account" means the Series 2004 A Notes Reserve Account established by Section 4.02 hereof.

"Series 2004 A Notes Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2004 A Notes in the then current or any succeeding year.

"Series 2004 B Notes" means the not more than \$400,000 Waterworks System Bond Anticipation Notes, Series 2004 B (West Virginia Water Development Authority), originally authorized hereby.

"Series 2004 B Notes Payment Fund" means the Series 2004 B Notes Payment Fund established by Section 5.02 hereof.

"Series 2004 B Notes Proceeds Fund" means the Series 2004 B Notes Proceeds Fund established by Section 5.01 hereof.

"Series 2004 B Notes Sinking Fund" means the Series 2004 B Sinking Fund established by Section 4.02 hereof.

"State" means the State of West Virginia.

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

"Surplus Revenues" means the Net Revenues, if any, not required by the Prior Resolution to be set aside and held for the payment of or security for the Prior Bonds, including any sinking fund, reserve accounts and renewal and replacement funds.

"System" means, collectively, the complete existing public waterworks system of the Issuer, as presently existing in its entirety or any integral part thereof, and all waterworks 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 waterworks 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.

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. Notes Legislation Constitutes Contract. In consideration of the acceptance of the Notes by those who shall be the Registered Owners of the same from time to time, this Notes 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 benefit, protection and security of the Registered Owners of the Notes.

ARTICLE II

AUTHORIZATION OF FINANCING OF SINKING FUND AND DEBT SERVICE
RESERVE FUND ARREARAGES; AUTHORIZATION OF THE
CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Financing of Sinking Fund and Debt Service Reserve Fund Arrearages. There is hereby authorized and ordered the financing of the Prior Bonds sinking fund and debt service reserve fund arrearages which will be paid from the proceeds of the Series 2004 A Notes.

Section 2.02. Authorization of the Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project at an estimated cost of not to exceed \$400,000, which will be obtained from the proceeds of the Series 2004 B Notes, 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 2004 B Notes hereby authorized shall be applied as provided in Article V 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.

ARTICLE III

THE NOTES

Section 3.01. Authorization of the Notes. For the purposes of financing sinking fund and debt service reserve fund arrearages with respect to the Prior Bonds and paying costs of issuance of the Series 2004 A Notes and related costs, there shall be and hereby are authorized to be issued the Waterworks System Revenue Notes, Series 2004 A (West Virginia Water Development Authority), of the Issuer, in an aggregate principal amount of not more than \$450,000. For the purposes of temporarily financing the costs of acquisition and construction of the Project and paying the costs of issuance of the Series 2004 B Notes and related costs, there shall be and hereby are authorized to be issued the Waterworks System Bond Anticipation Notes, Series 2004 B (West Virginia Water Development Authority), of the Issuer, in an aggregate principal amount of not more than \$400,000, such amount to be set forth in the Supplemental Resolution.

Section 3.02. Terms of Notes. The Series 2004 A Notes shall be issued in fully registered form and shall be initially issued as one Note, numbered AR-1, in the aggregate principal amount of not to exceed \$450,000. The Series 2004 B Notes shall be issued in fully registered form and shall be initially issued as one Note, numbered BR-1, in the aggregate principal amount of not to exceed \$400,000. The Notes shall be dated such date, shall be in such amounts, shall bear interest at such rate or rates, not exceeding the then legally permissible limit on such date or dates; shall mature on such dates; and shall be subject to such repayment or redemption, all as provided in the Supplemental Resolution or as specifically provided in the Notes. The Notes 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 and Authentication of Notes. The Notes shall be executed in the name of the Issuer by the manual signature of its Chairman and the seal of the Issuer shall be affixed thereto, and attested by the manual signature of the Secretary of the Issuer. In case any one or more of the officers who shall have signed or sealed any of the Notes shall cease to be such officer of the Issuer before the Notes so signed and sealed shall have been actually sold or delivered, such Notes may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Notes had not ceased to hold such office. Any Notes may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Notes shall hold the proper office of the Issuer, although at the date of such Notes such person may not have held such office or may not have been so authorized.

No Note shall be valid or entitled to any security or benefit under this Resolution unless and until the certificate of authentication and registration on such Note shall have been duly manually executed by the Registrar, and such executed certificate of the Registrar upon any such Note shall be conclusive evidence that such Note has been authenticated, registered and delivered under this Notes Legislation. 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 Notes issued hereunder.

Section 3.04. Negotiability, Transfer and Registration. Subject to the restrictions on transfer set forth below, the Notes 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 any of said Notes, shall be conclusively deemed to have agreed that said Notes 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 Notes shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Notes remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Notes. The Notes 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 a Note, there shall be issued to the transferee another fully registered Note or Notes of the aggregate principal amount equal to the unpaid amount of the transferred Note.

In all cases in which the privilege of transferring Notes is exercised, Notes shall be delivered in accordance with the provisions of this Resolution. All Notes surrendered in any such transfers shall forthwith be canceled by the Registrar. For every such transfer of Notes, 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 Note upon each transfer, and any other expenses of the Registrar incurred in connection therewith, which sum or sums shall be paid by the person requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer. The Registrar shall not be obliged to make any such transfer of Notes during the 15 days preceding an interest payment date on the Notes or after notice of any prepayment of the Notes has been given.

Section 3.05. Notes Mutilated, Destroyed, Stolen or Lost. In case any Note shall become mutilated or be destroyed, stolen or lost, the Issuer, may in its discretion,

issue and deliver a new Note in exchange and substitution for such mutilated Note upon surrender and cancellation of such mutilated Notes or in lieu of and substitution for the Note 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 Notes so surrendered shall be submitted to and canceled by the Registrar and held for the account of the Issuer. If such Note shall have matured or be about to mature, instead of issuing a substitute Note, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Note be lost, stolen or destroyed, without surrender thereof.

Section 3.06. Form of Notes. The text of the Notes shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution or any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF NOTE)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
SOUTH PUTNAM PUBLIC SERVICE DISTRICT
WATERWORKS SYSTEM REVENUE NOTES, SERIES 2004 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That SOUTH PUTNAM PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Putnam 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 WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, the principal sum of _____ DOLLARS (\$ _____), in annual installments on the 1st day of October each year, commencing October 1, 2005, as set forth on the "Debt Service Schedule" attached as Exhibit A hereto and incorporated herein by reference, with interest on each installment as the rate per annum set forth on said Exhibit A.

The interest on each installment shall run from the original date of delivery of this Note to the Authority and payment therefor, and until payment of such installment, such interest shall be payable semiannually on April 1 and October 1 of each year, commencing October 1, 2004, as set forth on Exhibit A 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 interest on this Note is 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 Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Note 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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated June 18, 2004.

This Note is issued (i) to finance certain sinking fund and debt service reserve fund arrearages with respect to the Prior Bonds; and (ii) to pay the costs of issuance hereof and related costs. This Note 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 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Notes Resolution duly enacted by the Issuer on June 8, 2004, as supplemented by a Supplemental Resolution duly adopted by the Issuer on June 11, 2004 (collectively, the "Notes Legislation"), and is subject to all the terms and conditions thereof.

THIS NOTE IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECT WITH THE ISSUER'S (1) WATER REVENUE BONDS, SERIES 1999 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JULY 16, 1999, AND ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$6,440,000, AND (2) WATER REVENUE BONDS, SERIES 1999 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED JULY 16, 1999, AND ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$5,450,000 (COLLECTIVELY, THE "PRIOR BONDS"). THIS NOTE IS SENIOR IN ALL RESPECTS TO THE ISSUER'S SERIES 2004 B NOTES ISSUED CONCURRENTLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$120,000 (THE "SERIES 2004 B NOTES").

This Note is payable only from and secured by a pledge of the Net Revenues (as defined in the Notes Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds and unexpended proceeds of the Series 2004 A Notes. 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 Note 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 hereon, except from said special fund provided from the Net Revenues and unexpended proceeds of the Series 2004 A Notes. The Issuer has entered into certain covenants with the registered owners of the Notes for the terms of which reference is made to the Notes Legislation. Remedies provided the registered owners of the Notes are exclusively as provided in the Notes Legislation, to which reference is here made for a detailed description thereof.

Subject to the requirements for transfer set forth herein, this Note is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia. This Note is transferable, as provided in the Notes Legislation, only by transfer of registration upon the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), to be made at the request of the registered owner hereof in person or by his attorney duly authorized in writing, and upon

surrender hereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

All monies received from the sale of this Note shall be applied to the payment of the sinking fund and debt service reserve fund arrearages related to the Prior Bonds and the costs of issuance and related costs described in the Notes 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 Note.

Under the Act, this Note is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

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 Note do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Note, 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 and interest on this Note.

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

IN WITNESS WHEREOF, SOUTH PUTNAM PUBLIC SERVICE DISTRICT
has caused this Note to be signed by its Chairman and its corporate seal to be hereunto
affixed and attested by its Secretary, and has caused this Note to be dated
_____, 2004.

[SEAL]

Chairman

ATTEST:

Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Note is one of the Series 2004 A Notes described in and issued under the provisions of the within-mentioned Notes Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2004.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:

(FORM OF SERIES 2004 B NOTE)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
SOUTH PUTNAM PUBLIC SERVICE DISTRICT
WATERWORKS SYSTEM BOND ANTICIPATION NOTE, SERIES 2004 B
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. BR-1

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That SOUTH PUTNAM PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Putnam 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 WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns, on October 1, 2007, the principal sum of _____ DOLLARS (\$ _____), together with accrued interest thereon, as set forth on the "Debt Service Schedule" attached as Exhibit A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

The principal of this Note is 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 the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest shall run from the original date of delivery of this Note to the Authority and payment therefor, and until payment of such installment, such interest shall be payable semiannually on April 1 and October 1 of each year, commencing October 1, 2004, as set forth on Schedule X to the Series 2004 B Notes Loan Agreement attached as Exhibit B hereto and incorporated herein by reference. The interest on this Note is 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 Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding the interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Note 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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated June 18, 2004.

This Note is issued (i) to temporarily finance a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public waterworks facilities of the Issuer (the "Project"); and (ii) to pay the costs of issuance hereof and related costs. The existing public waterworks facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System". This Note 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 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Notes Resolution duly adopted by the Issuer on June 8, 2004, as supplemented by a Supplemental Resolution duly adopted by the Issuer on June 11, 2004 (collectively, the "Notes Legislation"), and is subject to all the terms and conditions thereof.

The principal of and interest on this Note are payable only from and secured by a first lien on (i) the proceeds of any grants received by the Issuer for the System; (ii) the proceeds of revenue bonds or other obligations of the Issuer issued subsequent to the issuance of this Note to permanently finance the costs of acquisition and construction of the Project; and (iii) the Surplus Revenues, if any, of the System. The monies from these sources shall be deposited into the Series 2004 B Notes Payment Fund established under the Notes Legislation for the prompt payment of the principal of and interest on this Note. THIS NOTE HAS NO LIEN ON THE NET REVENUES OR GROSS REVENUES OF THE SYSTEM AND SHALL BE JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT TO THE PRIOR BONDS AND THE SERIES 2004 A NOTES ISSUED CONCURRENTLY HERewith IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$250,000 (THE "SERIES 2004 A NOTES"). THIS NOTE IS SECURED IN PART BY A LIEN ON SURPLUS REVENUES, IF ANY, OF THE SYSTEM.

Subject to the requirements for transfer set forth herein, this Note is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia. This Note is transferable, as provided in the Notes Legislation, only by transfer of registration upon the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), to be made at the request of the registered owner hereof in person or by his attorney duly authorized in writing, and upon surrender hereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

All monies received from the sale of this Note shall be applied to the payment of the costs of acquisition and construction of the Project and the costs of issuance and related costs described in the Notes 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 Note.

Under the Act, this Note is exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

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 Note do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Note, 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.

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

IN WITNESS WHEREOF, SOUTH PUTNAM PUBLIC SERVICE DISTRICT
has caused this Note to be signed by its Chairman and its corporate seal to be hereunto
affixed and attested by its Secretary, and has caused this Note to be dated
_____, 2004.

[SEAL]

Chairman

ATTEST:

Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Note is one of the Series 2004 B Notes described in and issued under the provisions of the within-mentioned Notes Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2004.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

EXHIBIT A

DEBT SERVICE SCHEDULE

EXHIBIT B

SCHEDULE X

(Form of)

ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:

Section 3.07. Sale of Notes. The Notes shall be sold to the Authority contemporaneously with, or as soon as practicable and authorized and permitted by applicable law after, adoption of the Supplemental Resolution; provided, that the Authority and the Issuer shall have agreed to the purchase thereof.

Section 3.08. Security for the Notes; Lien Positions with Respect to Prior Bonds. A. The principal of and interest on the Series 2004 A Notes shall be secured by a first lien on the Net Revenues derived from the System. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2004 A Notes and to make all other payments provided for in the Notes Legislation, are hereby irrevocably pledged to such payments as they become due. The Series 2004 A Notes shall be on parity with respect to liens, pledge and source of and security for payment and in all respects with the Prior Bonds.

B. The principal of and interest on the Series 2004 B Notes shall be payable only from and secured by a first lien on (i) the proceeds of revenue bonds or other obligations of the Issuer to be issued subsequent to the issuance of the Series 2004 B Notes to permanently finance the costs of acquisition and construction of the Project; (ii) the proceeds of any grants (other than grants by the West Virginia Infrastructure Fund) received by the Issuer for the Project; and (iii) the Surplus Revenues, if any, of the System. The Series 2004 B Notes shall be junior and subordinate with respect to liens, pledge and source of and security for payment to the Prior Bonds and the Series 2004 A Notes.

Section 3.09. Notes not to be Indebtedness of Issuer. The Notes shall be special obligations of the Issuer, payable as to principal and interest solely from the sources described in Section 3.08 hereof. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation. 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 pledged therefor by this Resolution.

Section 3.10. Prohibition of Other Loans. So long as the Notes are outstanding, no bonds, notes or other evidences of indebtedness shall be issued by the Issuer without the prior written consent of the Authority in anticipation of the proceeds of revenue bonds or other obligations of the Issuer issued subsequent to the issuance of the Notes to permanently finance the costs of acquisition and construction of the Project, or proceeds of any grants for the Project; provided however, that the Issuer may issue refunding notes or bonds to pay the entire outstanding principal of, and accrued interest, if any, on the Notes in full.

Section 3.11. Refunding of Notes. In the event the proceeds of the grants for the System, proceeds of revenue bonds or other obligations of the Issuer issued subsequent to the issuance of the Series 2004 B Notes to permanently finance the costs of acquisition and construction of the Project or Surplus Revenues, if any, of the System are not sufficient or available to pay the Series 2004 B Notes in full by the maturity date of the Series 2004 B Notes, the Issuer covenants and agrees to issue and sell its refunding notes or bonds in an amount sufficient to pay the entire outstanding principal of, and accrued interest, if any, on the Series 2004 B Notes in full.

Section 3.12. Delivery of Notes. The Issuer shall execute and deliver the Notes to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Notes to the original purchasers upon receipt of the documents set forth below:

- (1) If other than the Authority, a list of the names in which each series of the Notes are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- (2) A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the respective Notes to the original purchasers;
- (3) An executed and certified copy of the Notes Legislation;
- (4) An executed copy of the Loan Agreements; and
- (5) The unqualified approving opinion of bond counsel on the Notes.

Section 3.13. Sale of Notes: Approval and Ratification of Execution of Loan Agreements. The Loan Agreements, including all schedules and exhibits attached thereto, are hereby approved. The Notes shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreements. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreements in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreements to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.14. Filing of Amended Schedule. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority a schedule

for the Series 2004 B Notes, the form of which will be provided by the Authority, setting forth the actual costs of the Project and sources of funds therefor.

Section 3.15. [Reserved].

Section 3.16. [Reserved].

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 hereby created with respect to the Series 2004 A Notes (or continued if previously established by the Prior Resolution) and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

- (1) Revenue Fund (established by the Prior Resolution);
- (2) Renewal and Replacement Fund (established by the Prior Resolution); and
- (3) Series 2004 B Notes Proceeds Fund.

Section 4.02. Establishment of Funds and Accounts with Commission.

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

- (1) Series 1999 A Bonds Sinking Fund (established by the Prior Resolution);
- (2) Within the Series 1999 A Bonds Sinking Fund, the Series 1999 A Bonds Reserve Account (established by the Prior Resolution);
- (3) Series 1999 B Bonds Sinking Fund (established by the Prior Resolution);
- (4) Within the Series 1999 B Bonds Sinking Fund, the Series 1999 B Bonds Reserve Account (established by the Prior Resolution);
- (5) Series 2004 A Notes Sinking Fund;
- (6) Series 2004 A Notes Reserve Account; and
- (7) Series 2004 B Notes Sinking Fund.

Section 4.03. 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 Notes 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 manner and 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 Commission (i) for deposit in the Series 1999 A Bonds Sinking Fund, the amount required by the Prior Resolution to pay the interest on the Series 1999 A Bonds; (ii) for deposit in the Series 1999 B Bonds Sinking Fund, the amount required by the Prior Resolution to pay the interest on the Series 1999 B Bonds; (iii) commencing 7 months prior to the first date of payment of interest on the Series 2004 A Notes for which interest has not been capitalized or as required in the Series 2004 A Notes Loan Agreement, for deposit in the Series 2004 A Notes Sinking Fund, an amount equal to 1/6th of the amount of interest which will become due on the Series 2004 A Notes on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 A Notes Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next semiannual interest payment date, the required amount of interest coming due on such date; and (iv) commencing 7 months prior to the first date of payment of interest on the Series 2004 B Notes for which interest has not been capitalized or as required in the Series 2004 B Notes Loan Agreement, for deposit in the Series 2004 B Notes Sinking Fund, an amount equal to 1/6th of the amount of interest which will become due on the Series 2004 B Notes on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 B Notes Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next semiannual interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1999 A Bonds Sinking Fund, the amount required by the Prior Resolution to pay the principal of the Series 1999 A Bonds; (ii) for deposit in the Series 1999 B Bonds Sinking Fund, the amount required by the Prior Resolution to pay the principal of the Series 1999 B Bonds; and

(iii) commencing 13 months prior to the first date of payment of principal of the Series 2004 A Notes, for deposit in the Series 2004 A Notes Sinking Fund, an amount equal to 1/12th of the amount of principal which will mature and become due on the Series 2004 A Notes on the next ensuing annual principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2004 A Notes Sinking Fund and the next annual principal payment date is less than 13 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next annual principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1999 A Bonds Reserve Account, the amount required by the Prior Resolution to be deposited therein; (ii) for deposit in the Series 1999 B Bonds Reserve Account, the amount required by the Prior Resolution to be deposited therein; and (iii) commencing 13 months prior to the first date of payment of principal of the Series 2004 A Notes or upon completion of construction of the Project, whichever is earlier, if not fully funded upon issuance of the Series 2004 A Notes, for deposit in the Series 2004 A Notes Reserve Account, an amount equal to 1/60th of the Series 2004 A Notes Reserve Requirement; provided that, no further payments shall be made into the Series 2004 A Notes 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 2004 A Notes Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund (as previously set forth in the Prior Resolution and not in addition thereto) to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VI 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.

Monies in the Series 2004 A Notes Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2004 A Notes as

the same shall become due. Monies in the Series 2004 A Notes Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2004 A Notes as the same shall come due, when other monies in the Series 2004 A Notes Sinking Fund are insufficient therefor, and for no other purpose.

Monies in the Series 2004 B Notes Sinking Fund shall be used only for the purposes of paying interest on the Series 2004 B Notes as the same shall become due.

All investment earnings on moneys in the Series 2004 A Notes Sinking Fund and the Series 2004 A Notes Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2004 A Notes, and then to the next ensuing principal payment due thereon.

All investment earnings on moneys in the Series 2004 B Notes Sinking Fund shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full to the next ensuing interest payment due on the Series 2004 B Notes.

Any withdrawals from the Series 2004 A Notes Reserve Account which result in a reduction in the balance of the Series 2004 A Notes Reserve Account to below the Series 2004 A Notes Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

The Issuer shall not be required to make any further payments into the Series 2004 A Notes Sinking Fund or the Series 2004 A Notes Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2004 A Notes issued pursuant to this Notes Legislation then Outstanding and all interest to accrue until the maturity thereof.

Interest, principal or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2004 A Notes and the Prior Bonds, all in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2004 A Notes Sinking Fund, the Series 2004 A Notes Reserve Account and the Series 2004 B Notes Sinking Fund 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 any time, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2004 A Notes Sinking Fund, the Series 2004 A Notes Reserve Account and the Series 2004 B Notes Sinking Fund shall be invested and reinvested by the Commission in accordance with Section 6.01 hereof.

The Series 2004 A Notes Sinking Fund and the Series 2004 A Notes Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2004 A Notes Outstanding under the conditions and restrictions set forth herein.

The Series 2004 B Notes Sinking Fund shall be used solely and only for, and is hereby pledged for, the purpose of servicing the Series 2004 B Notes Outstanding under the conditions and restrictions set forth herein.

B. The monies derived from the sale of the Series 2004 B Notes shall be deposited with the Depository Bank in the Series 2004 B Notes Proceeds Fund and applied solely to the payment of the costs of the acquisition and construction of the Project and the costs of issuance of the Series 2004 B Notes and related costs, and until so expended, are hereby pledged as additional security for the Series 2004 B Notes.

C. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2004 A Notes and the interest payments with respect to the Series 2004 B Notes 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 Notes Legislation.

C. 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.

D. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the

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

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

F. 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.

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

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

I. 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

[RESERVED]

ARTICLE VI

INVESTMENT OF FUNDS

Section 6.01. Investments. A. Any monies held as a part of the funds and accounts created by Article IV of this Notes Legislation shall be invested and reinvested by the Commission or the Depository Bank, 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 Notes Legislation, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 6.01.

B. Pending application as provided in Article V above, any monies held in the Series 2004 B Notes Proceeds Fund shall be invested and reinvested by the Depository Bank at the direction of the Issuer to the fullest extent possible under applicable laws, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof.

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 except as otherwise provided herein 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 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 2004 B Notes are Outstanding.

ARTICLE VII

DEFAULT AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Notes:

(A) If default occurs in the due and punctual payment of the principal of or interest on either Note;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Notes in this Resolution, any Supplemental Resolution, or in the Notes, 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 a Holder of a Note; or

(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.

Section 7.02. Remedies. Upon the happening and continuance of any Event of Default, any Holder of a Note 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 Holders of the Notes including the right to require the Issuer to perform its duties under the Act and the Notes Legislation relating thereto, (iii) bring suit upon the Notes, (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 Notes, and (v) by action or bill in equity enjoin any acts in violation of the Notes Legislation with respect to the Notes, or the rights of the Holders of the Notes; provided that, the rights of the Holders of the Notes shall be junior and subordinate to the rights of the Holders of the Prior Bonds.

No remedy by the terms of this Resolution conferred upon or reserved to the Holders of the Notes 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 Holders of the Notes 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 Holders of the Notes shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

ARTICLE VIII

ADDITIONAL COVENANTS OF THE ISSUER

Section 8.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Notes 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 Notes. In addition to the other covenants, agreements and provisions of this Notes Legislation, the Issuer hereby covenants and agrees with the Holders of the Notes as hereinafter provided in this Article VIII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Notes Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 8.02. Notes not to be Indebtedness of the Issuer. The Notes shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Notes Legislation. No Holder or Holders of the Notes Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Notes or the interest, if any, thereon.

Section 8.03. Series 2004 A Notes Secured by Pledge of Net Revenues; Series 2004 B Notes Secured by Pledge of Surplus Revenues. A. The payment of the debt service of the Series 2004 A Notes shall be secured by a first lien on the Net Revenues derived from the System. The Net Revenues in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2004 A Notes and to make the payments into all funds and accounts and all other payments provided for in the Notes Legislation, are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Notes Legislation.

B. The payment of the debt service of the Series 2004 B Notes shall be secured in part by a first lien on the Surplus Revenues, if any, of the System.

Section 8.04. 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 Loan Agreements. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the final order of the Public Service Commission of West Virginia entered January 27, 2004, as amended by a corrective order entered on February 6, 2004, in Case No. 03-0303-PWD-42T, and such rates are hereby adopted.

So long as the Series 2004 Notes 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 Notes Legislation and in compliance with the Loan Agreements. In the event the schedule of rates and charges initially established for the System in connection with the Series 2004 Notes shall prove to be insufficient to produce the required sums set forth in this Notes Legislation and the Loan Agreements, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Notes Legislation and the Loan Agreements.

Section 8.05. Sale of the System. So long as the Prior Bonds and the Series 2004 Notes 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 and with the written consent of the Authority. Additionally, so long as the Series 2004 Notes are outstanding and except as otherwise required by law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding, or to effectively defease this Notes Legislation in accordance with Article IX hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2004 Notes, immediately be remitted to the Commission for deposit in the respective Series 2004 Notes 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 of and interest on the Series 2004 Notes. Any balance remaining after the payment of the Series 2004 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, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution, duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such

property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from 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 amounts required to be paid into said fund by other provisions of this Notes Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 8.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in Section 3.10, Section 8.06 and Section 8.07 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 2004 A Notes or the Series 2004 B Notes. All obligations issued by the Issuer after the issuance of the Series 2004 Notes 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 2004 Notes; 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 2004 Notes, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2004 Notes and the interest thereon, if any, in this Notes Legislation, or upon the System or any part thereof.

The Issuer shall give 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 8.07. 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 2004 Notes pursuant to this Notes Legislation, except

under the conditions and in the manner herein provided (unless less restrictive than the provisions of the Prior Resolution) and with the prior written consent of the Authority.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2004 A Notes and the Prior Bonds, and shall be senior in all respects with the Series 2004 B Notes.

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

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer and approved by the Public Service Commission of West Virginia, the period for appeal of which has expired prior to the date of 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 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 Notes Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues; without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 2004 Notes 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 2004 A Notes or the Series 2004 B Notes.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Notes Legislation with respect to the Bonds then Outstanding, and any other payments provided for in this Notes 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 Notes Legislation.

Section 8.08. Books, Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the cost of designing, acquiring, constructing and installing the Project. The Issuer shall permit the Authority, 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 such documents and information as it may reasonably require in connection with the design, 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, or its agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at any

reasonable time following completion of construction of the Project and commencement of operation thereof, or if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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 Note or Notes issued pursuant to this Notes 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 Council and Authority, or any other original purchaser of the Series 2004 A Notes, and shall mail in each year to any Holder or Holders of the respective Series 2004 A Notes, 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 Notes Legislation, and the status of all said funds and accounts.

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Notes, and shall submit said report to the Authority,

or any other original purchaser of the Notes. Such audit report submitted to the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreements and this Notes 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 Series 2004 B Notes Loan Agreements and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Issuer shall permit the Authority, or its agents and representatives, to enter and inspect the Project site and 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, or its agents and representatives, with access to the System site and facilities, as may be reasonably necessary to accomplish all of the powers and rights of the Authority with respect to the System pursuant to the Act.

Section 8.09. Rates. Prior to the issuance of the Notes, 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 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 2004 A Notes and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2004 A Notes, 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 2004 A Notes Reserve Account and any reserve accounts for obligations on a parity with or junior to the Series 2004 A Notes, including the Prior Bonds, are funded at least at the requirement therefor and the Series 2004 B Notes are no longer outstanding, 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 2004 A Notes and all other obligations

secured by a lien on or payable from such revenues on a parity with or junior to the Series 2004 A Notes, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 8.04.

Section 8.10. 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 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 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 Authority and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

Section 8.11. 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 8.12. 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 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 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.

Section 8.13. 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 8.14. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Section 8.15. [Reserved].

Section 8.16. Statutory Mortgage Lien. For the further protection of the Holders of the Notes, 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 Notes.

Section 8.17. Compliance with Loan Agreements and Law. The Issuer shall perform, satisfy and comply with all the terms, conditions and requirements of the Loan Agreements and the Act.

The Issuer also agrees to comply with all applicable laws, rules and regulations issued by 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.

ARTICLE IX

DEFEASANCE

Section 10.01. Defeasance of Notes. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Series 2004 Notes, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Notes Legislation, then the pledge of Net Revenues or Surplus Revenues, if any, and other monies and securities pledged under this Notes Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2004 Notes shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment or Modification of Resolution. Prior to issuance of the Notes, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Notes, 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 Noteholders shall be made without the consent in writing of the Holders of the Notes then Outstanding; provided, that no change shall be made in the maturity of any Note or Notes 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 Holder thereof.

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

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, the Supplemental Resolution or the Notes.

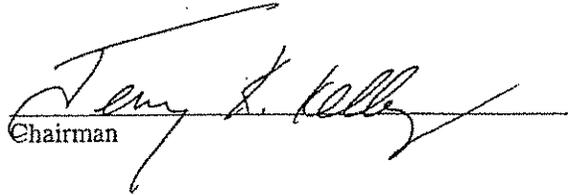
Section 10.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

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 Resolution 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 of West Virginia applicable thereto; and that the Chairman, the Secretary and members of the Board 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.
immediately upon adoption.

Effective Date. This Resolution shall take effect


Chairman

CERTIFICATION

Certified a true copy of an Resolution duly adopted by the Public Service Board of SOUTH PUTNAM PUBLIC SERVICE DISTRICT on June 8, 2004, which Resolution has not been repealed, rescinded, modified, amended or revoked, except as set forth in the Supplemental Resolution described therein.

Dated this 18th day of June, 2004.

[SEAL]


Secretary

06/11/04
847280.00003

SOUTH PUTNAM PUBLIC SERVICE DISTRICT

Waterworks System Revenue Notes, Series 2004 A
(West Virginia Water Development Authority)

and

Waterworks System Bond Anticipation Notes, Series 2004 B
(West Virginia Water Development Authority)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES AND OTHER TERMS OF THE WATERWORKS SYSTEM REVENUE NOTES, SERIES 2004 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) AND WATERWORKS SYSTEM BOND ANTICIPATION NOTES, SERIES 2004 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) OF SOUTH PUTNAM PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING LOAN AGREEMENTS RELATING TO THE NOTES AND THE SALE AND DELIVERY OF SUCH NOTES TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE NOTES.

WHEREAS, the Public Service Board (the "Governing Body") of South Putnam Public Service District (the "Issuer"), has duly and officially adopted a notes resolution, effective June 8, 2004 (the "Notes Resolution" or the "Resolution") entitled:

RESOLUTION AUTHORIZING THE ISSUANCE BY SOUTH PUTNAM PUBLIC SERVICE DISTRICT OF NOT MORE THAN \$450,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS SYSTEM REVENUE NOTES, SERIES 2004 A (WEST VIRGINIA

WATER DEVELOPMENT AUTHORITY), FOR THE PURPOSES OF FINANCING CERTAIN DEBT SERVICE RESERVE FUND ARREARAGES AND COSTS OF ISSUANCE OF THE NOTES; AUTHORIZING THE ISSUANCE BY THE ISSUER OF NOT MORE THAN \$400,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS SYSTEM BOND ANTICIPATION NOTES, SERIES 2004 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), FOR THE PURPOSES OF TEMPORARILY FINANCING A PORTION OF THE COSTS OF ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS FACILITIES OF THE ISSUER AND COSTS OF ISSUANCE OF THE NOTES; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH NOTES; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTES; AND ENACTING OTHER PROVISIONS WITH RESPECT THERETO.

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

WHEREAS, the Notes Resolution provides for the issuance by the Issuer of its (i) Waterworks System Revenue Notes, Series 2004 A (West Virginia Water Development Authority), in an aggregate principal amount of not more than \$450,000 (the "Series 2004 A Notes"), and (ii) Waterworks System Bond Anticipation Notes, Series 2004 B (West Virginia Water Development Authority), in an aggregate principal amount of not more than \$400,000 (the "Series 2004 B Notes and together with the Series 2004 A Notes, collectively referred to herein as the "Notes"), and has authorized the execution and delivery of a loan agreement relating to the Series 2004 A Notes and a loan agreement relating to the Series 2004 B Notes (collectively, the "Loan Agreements"), each by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), all in accordance with Chapter 16, Article 13A and Chapter 22C, Article 1 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Notes Resolution it is provided that the form of the Loan Agreements and the exact principal amounts, dates, maturity dates, interest rates, interest and principal payment dates, sale prices and other terms of the Notes should be established by a supplemental resolution pertaining to the Notes; and that other matters relating to the Notes be herein provided for;

WHEREAS, the Loan Agreements have been presented to the Issuer at this meeting;

WHEREAS, the Notes are proposed to be purchased by the Authority pursuant to the respective Loan Agreements; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreements be approved and entered into by the Issuer, that the exact principal amounts, the dates, the maturity dates, the interest rates, the interest and principal payment dates and the sale prices of the Notes be fixed hereby in the manner stated herein, and that other matters relating to the Notes be herein provided for;

WHEREAS, the Notes Resolution did not establish a sinking fund for the Series 2004 B Notes and the Issuer wishes to create the Series 2004 B Notes Sinking Fund;

WHEREAS, the Notes Resolution contemplated that the proceeds of the Series 2004 A Notes would be used solely to finance arrearages in the debt service reserve funds with respect to the Prior Bonds of the Issuer;

WHEREAS, the Issuer wishes to use a portion of the proceeds of the Series 2004 A Notes to finance sinking fund arrearages with respect to the Prior Bonds of the Issuer;

WHEREAS, the Issuer wishes to approve a conformed Notes Resolution in the form attached hereto (the "Conformed Notes Resolution");

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF SOUTH PUTNAM PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Notes Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued as follows:

- (A) Waterworks System Revenue Bonds, Series 2004 A (West Virginia Water Development Authority), of the Issuer, originally represented by a single Note, numbered AR-1, in the principal amount of \$250,000. The Series 2004 A Notes shall be dated the date of delivery thereof, shall finally mature October 1,

2009, and shall bear interest at the rate of 5.00% per annum, payable semiannually on April 1 and October 1 of each year, beginning October 1, 2004. The Series 2004 A Notes shall be payable in annual installments of principal on October 1 of each year, commencing October 1, 2005, and ending October 1, 2009, and in the amounts as set forth in "Schedule X" attached to the Loan Agreement for the Series 2004 A Notes and incorporated in and made a part of the Series 2004 A Notes. The Series 2004 A Notes shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement for the Series 2004 A Notes, as long as the Authority shall be the registered owner of the Notes.

(B) Waterworks System Bond Anticipation Notes, Series 2004 B (West Virginia Water Development Authority), of the Issuer, originally represented by a single Note, numbered BR-1, in the principal amount of \$120,000. The Series 2004 B Notes shall be dated the date of delivery thereof, shall finally mature October 1, 2007, and shall bear interest at the rate set forth on Exhibit A attached to the Series 2004 B Notes. Interest shall be payable semiannually on April 1 and October 1 of each year, beginning October 1, 2004. The entire outstanding principal balance, together with interest accrued thereon, shall be payable on October 1, 2007. The Series 2004 B Notes shall be subject to redemption at any time with 30 days' notice, and otherwise in compliance with the Loan Agreement for the Series 2004 B Notes, as long as the Authority shall be the registered owner of the Notes.

Section 2. The Issuer hereby creates the Series 2004 B Notes Sinking Fund at the West Virginia Municipal Bond Commission.

Section 3. The Issuer hereby approves the Conformed Notes Resolution attached hereto.

Section 4. All other provisions relating to the Notes and the text of the Notes shall be in substantially the forms provided in the Conformed Notes Resolution.

Section 5. The Issuer does hereby authorize, approve and accept the Loan Agreements, copies of which are incorporated herein by reference, and the execution and delivery of the Loan Agreements by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, directed, ratified and

approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreements and in the application to the Authority. The price of the Notes shall be 100% of par value, there being no interest accrued thereon.

Section 6. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, as Registrar (the "Registrar") for the Notes and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Notes, 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 7. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Notes under the Notes Resolution.

Section 8. The Issuer does hereby appoint and designate Putnam County Bank, Hurricane, West Virginia, to serve as Depository Bank under the Notes Resolution.

Section 9. To pay the Prior Bonds arrearages, the proceeds of the Series 2004 A Notes shall be deposited as follows: \$15,000 shall be deposited into the Series 1999 A Bonds Sinking Fund; \$67,500 shall be deposited into the Series 1999 A Bonds Reserve Account; \$85,000 shall be deposited into the Series 1999 B Bonds Sinking Fund; and \$82,500 shall be deposited into the Series 1999 B Bonds Reserve Account.

Section 10. All proceeds of the Series 2004 B Notes shall be deposited in or credited to the Series 2004 B Notes Proceeds Fund at the time of closing for payment of costs of acquisition and construction of the Project, including costs of issuance of the Notes and related costs.

Section 11. 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 Notes hereby and by the Notes Resolution approved and provided for, to the end that the Notes may be delivered on or about June 18, 2004, to the Authority pursuant to the Loan Agreements.

Section 12. The payment of the Prior Bond arrearages, the acquisition and construction of the Project, and the temporary financing thereof with proceeds of the Notes 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.

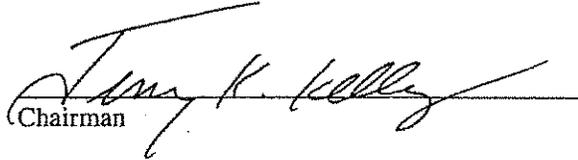
Section 13. The Issuer hereby determines that it is in the best interest of the Issuer to invest all monies in the funds and accounts established by the Notes Resolution held by the Depository Bank, in time accounts, secured by a pledge of Government Obligations,

and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such time accounts until further directed by the Issuer. Monies in the Series 2004 A Notes Sinking Fund, the Series 2004 A Notes Reserve Account and the Series 2004 B Notes Sinking Fund shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

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

Adopted this 11th day of June, 2004.

SOUTH PUTNAM PUBLIC SERVICE
DISTRICT


Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of SOUTH PUTNAM PUBLIC SERVICE DISTRICT on the 11th day of June, 2004.

Dated: June 18, 2004.

[SEAL]


Secretary

06/10/04
847280.00003

