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November 9, 2005

**Short Line Public Service District
Water Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)**

TO PERSONS ON THE ATTACHED DISTRIBUTION LIST:

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

My best regards.

Very truly yours,

John C. Stump

JCS/rmc
Enclosure
820440.97001

CH789156.1

**Short Line Public Service District
Water Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)**

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SHORT LINE PUBLIC SERVICE DISTRICT

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

DATE OF CLOSING: AUGUST 24, 2005

BOND TRANSCRIPT

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SHORT LINE PUBLIC SERVICE DISTRICT

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

Closing Date: August 24, 2005

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07/10/05
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SHORT LINE PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF SHORT LINE PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF \$1,274,183 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND) AND A DEFERRED LOAN FROM THE HARRISON COUNTY PLANNING COMMISSION IN THE AGGREGATE PRINCIPAL AMOUNT OF \$100,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF SHORT LINE PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

A. Short Line Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Harrison and Wetzel Counties of said State.

B. The Issuer presently owns and operates a public waterworks system. However, it is deemed necessary and desirable for the health, safety, advantage, convenience and welfare of the inhabitants of the Issuer that there be acquired and constructed improvements and extensions to the existing public waterworks system of the Issuer in order to serve approximately 127 new customers in the areas of Olive, Marshville and Catfish Hollow, Harrison County, together with all appurtenant facilities (the existing public waterworks facilities of the Issuer, the Project and any further improvements or extensions thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Infrastructure Fund pursuant to the Act, and a Deferred Loan from the Harrison County Planning Commission (the "Deferred Loan").

D. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund) in the total aggregate principal amount of \$1,274,183 (the "Series 2005 A Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2005 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2005 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2005 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2005 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

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

G. It is in the best interests of the Issuer that the Issuer obtain the Deferred Loan pursuant to a Promissory Note in order to fund the deficiencies in the Revenue Fund and Reserve Accounts for the Prior Bonds, and finance a portion of the costs of acquisition and construction of the Project.

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

I. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2005 A Bonds as to liens, pledge and source of and security for payment, being the (i) Water Revenue Bonds, Series 1990, dated May 9, 1991, issued in the original principal amount of \$120,000; (ii) Water System Revenue Bonds, Series 1974, dated September 12, 1974, issued in the original principal of \$33,500; (iii) Water System Revenue Bonds, Series 1973, dated November 6, 1973, issued in the original principal amount of \$500,000; and (iv) Water System Revenue Bonds, Series 1973, dated November 6, 1973, issued in the original amount of \$137,000 (collectively, the "Prior Bonds").

Prior to the issuance of the Series 2005 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2005 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Resolution.

The Issuer will issue its Deferred Loan Promissory Note in the aggregate principal amount of \$100,000 to be held by the Harrison County Planning Commission, which will not have a lien on the Net Revenues of the System, but will only be secured by the surplus revenues of the System.

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

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

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

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

"Act" means, collectively, Chapter 16, Article 13A, and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

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

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

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

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

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

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

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

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

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

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

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

"Consulting Engineers" means GAI Consultants, Charleston, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System or portion thereof in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

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

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

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

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

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

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

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

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

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

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

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

"Investment Property" means:

- (A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),
- (B) any obligation,
- (C) any annuity contract,
- (D) any investment-type property, or
- (E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the

Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

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

"Issuer" means Short Line Public Service District, a public service district, public corporation and political subdivision of the State of West Virginia in Harrison and Wetzel Counties, West Virginia, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

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

"Net Proceeds" means the face amount of the Series 2005 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2005 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2005 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

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

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

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered, except

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

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

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

"Prior Bonds" means, collectively, Prior Bonds as described in Section 1.02 I hereof.

"Prior Resolutions" means, collectively, the Resolutions authorizing the Prior Bonds.

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

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

"Promissory Note" means, the Promissory Note heretofore entered, or to be entered into by and between the Issuer and the Harrison County Planning Commission, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified herein.

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

(a) Government Obligations;

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

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

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

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

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

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

(h) The West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended; and

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

"Registrar" means the Bond Registrar.

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

"Replacement Reserve" means the Replacement Reserve continued by Section 5.01 hereof.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2005 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts of the Series 2005 A Bonds and the Prior Bonds.

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

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

"Series 2005 A Bonds" means the Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

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

"Series 2005 A Bonds Reserve Account" means the Series 2005 A Bonds Reserve Account established in the Series 2005 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

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

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

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2005 A Bonds and the Prior Bonds.

"State" means the State of West Virginia.

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

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

"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 also include the Project and any and all extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the waterworks systems from any sources whatsoever.

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

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

Additional terms and phrases are defined in this Resolution as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT; AND AUTHORIZATION OF DEFERRED LOAN; AUTHORIZATION OF AMENDMENT OF PRIOR RESOLUTIONS

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 \$3,007,225, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2005 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the Authority and the Council.

The cost of the Project is estimated to be \$3,007,225, of which approximately \$1,274,183 will be obtained from proceeds of the Series 2005A Bonds, approximately \$431,453 will be obtained from a West Virginia Infrastructure Fund Grant, approximately \$1,201,589 will be obtained from an abandoned Mine Lands Grant and approximately \$100,000 from proceeds of the Deferred Loan.

Section 2.02. Authorization of Deferred Loan. The Deferred Loan, in the amount of \$100,000 to be held by the Harrison County Planning Commission and which final terms are set forth in the Commission Order of the West Virginia Public Service Commission entered on June 7, 2005, in Case No. 04-0451-PWD-PC is hereby authorized, approved, ratified and confirmed. The proceeds of the Deferred Loan will be used to cure the deficiencies in the Prior Bonds Reserve Fund and Revenue Fund and to finance a portion of the costs of the Project. If not so authorized by previous resolution, the Chairman and Secretary are specifically and finance a portion of the costs of the Project authorized and directed to execute all documents necessary to issue the Deferred Loan.

Section 2.03. Authorization of Amendment of Prior Resolutions. The Issuer hereby approves the amendment of the Depository Bank for the Prior Bonds Reserve Accounts, respectively, to the West Virginia Municipal Bond Commission and the following specific Amendments to each of the Prior Resolutions:

(A) Section 3.02 (B) (4) of the Series 1973 Bond Resolution shall be amended to read as follows:

The Issuer shall next, on the first day of each month, transfer from the Revenue Fund to the Replacement Reserve, so long as the Bonds are outstanding, an amount equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Accounts. All funds in the Replacement Reserve shall be kept apart from all other funds of the Issuer or of the Depository Bank. Withdrawals and disbursements may be

made from the Replacement Reserve for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Accounts (except to the extent such deficiency exists because the required payments into such accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with monies from the Replacement Reserve.

(B) Section 3.02 (B) (4) of the Series 1974 Bond Resolution and Section 4.03 (B) (iv) of the Series 1991 Bond Resolution shall be amended to read as follows:

The Issuer shall next, on the first day of each month, transfer from the Revenue Fund to the Replacement Reserve, so long as the Bonds are outstanding, an amount equal to 2 1/2% of the Gross Revenues each month, (as set forth in the Prior Resolutions and not in addition thereto), exclusive of any payments for account of any Reserve Accounts. All funds in the Replacement Reserve shall be kept apart from all other funds of the Issuer or of the Depository Bank. Withdrawals and disbursements may be made from the Replacement Reserve for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Accounts (except to the extent such deficiency exists because the required payments into such accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with monies from the Replacement Reserve.

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 paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2005 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2005 A Bonds of the Issuer. The Series 2005 A Bonds shall be issued as a single bond, designated as "Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund)," in the principal amount of not more than \$1,274,183, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2005 A Bonds remaining after funding of the Series 2005 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2005 A Bonds, if any, shall be deposited in or credited to the Series 2005 A Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

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

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

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

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

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

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

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

The registered Series 2005 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2005 A Bonds or transferring the registered Series 2005 A Bonds are exercised, all Series 2005 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2005 A

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

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

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

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of the Series 2005 A Bonds shall be secured by a first lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2005 A Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

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

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

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

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

D. An executed copy of the Loan Agreement; and

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

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

(FORM OF SERIES 2005 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
SHORT LINE PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2005 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-_____

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That on this the ____ day of _____, 2005, SHORT LINE PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS (\$ _____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

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

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public 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 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Resolution duly adopted by the Issuer on _____, 2005, and a Supplemental Resolution duly adopted by the Issuer on _____, 2005 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation

provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH (1) WATER REVENUE BONDS, SERIES 1990, DATED MAY 9, 1991, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$120,000; (2) WATER SYSTEM REVENUE BONDS, SERIES 1974, DATED SEPTEMBER 12, 1974, ISSUED IN THE ORIGINAL PRINCIPAL OF \$33,500; (3) WATER SYSTEM REVENUE BONDS, SERIES 1973, DATED NOVEMBER 6, 1973, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$500,000; AND (4) WATER SYSTEM REVENUE BONDS, SERIES 1973, DATED NOVEMBER 6, 1973, ISSUED IN THE ORIGINAL AMOUNT OF \$137,000 (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 monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2005 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2005 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2005 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, 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 Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), by the registered

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

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

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

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

IN WITNESS WHEREOF, SHORT LINE 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]

By: _____
Its: Chairman

ATTEST:

By: _____
Its: Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2005 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: August 24, 2005.

THE HUNTINGTON NATIONAL BANK,
as Registrar

By: _____
Its: Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:

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

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

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created (or continued) and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

- (1) Revenue Fund (established by the Prior Resolutions);
- (2) Replacement Reserve (established by the Prior Resolutions); and
- (3) Series 2005 A Bonds Construction Trust Fund.

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

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

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order of priority:

- (1) The Issuer shall first, each month, pay from the 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 remit to the National Finance Office, the amounts required to pay interest on the Prior Bonds, as required by the Prior Resolutions.
- (3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and (i) remit to the National Finance Office the amounts required to pay principal of the Prior Bonds, as required by the Prior Resolutions; and (ii) remit to the Commission, commencing 3 months prior to the first

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

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

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Replacement Reserve, an amount equal to 2 1/2% of the Gross Revenues each month, (as set forth in the Prior Resolutions and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Replacement Reserve 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. So long as the Prior Bonds are outstanding, the restricted use and the requirements in the Prior Ordinances regarding the Replacement Reserve shall be in effect insofar as it relates to the Prior Bonds. Withdrawals and disbursements may be made from the Replacement Reserve for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Replacement Reserve.

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

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

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

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

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

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2005 A Bonds and the Prior Bonds, in accordance with the respective principal amounts then Outstanding.

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

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

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

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

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

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

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

such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

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

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

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

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

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

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

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

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

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

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

(b) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(c) Each of such costs has been otherwise properly incurred; and

(d) Payment for each of the items proposed is then due and owing.

Section 6.03 Disbursements from the Bond Construction Trust Fund. The Issuer shall expend all proceeds of the Series 2005 A Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loan to the Issuer.

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

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

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

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2005 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2005 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2005 A Bonds or the interest, if any, thereon.

Section 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 2005 A Bonds shall be secured by a first lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2005 A Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Commission Order of the Public Service Commission of West Virginia entered _____, 2005, in Case No. 01-0965-PWD-CN, and such rates are hereby adopted.

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

Series 2005 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Series 2005 A Bonds and the Prior Bonds are outstanding and except as otherwise required by law or with the written consent of the Council, the Authority and the holders of the Prior Bonds, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2005 A Bonds, immediately be remitted to the Commission for deposit in the Series 2005 A Bonds Sinking Fund and applied to the payment of principal of and interest, if any, on the Series 2005 A Bonds. Any balance remaining after the payment of the Series 2005 A Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

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

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

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolution shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2005 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the Council and without complying with the conditions and requirements herein provided.

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

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

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

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

No Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 7.11. Engineering Services and Operating Personnel. The Issuer 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 and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

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

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System 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 7.14. No Free Services. Except as required by law, the Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

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

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Replacement Reserve and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Replacement Reserve. 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 require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction.

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

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

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2005 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2005 A Bonds during the term thereof is, under the terms of the Series 2005 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed 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 2005 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2005 A Bonds during the term thereof is, under the terms of the Series 2005 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2005 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2005 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of 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 2005 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 2005 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. **INFORMATION RETURN.** If required, the Issuer will timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2005 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 2005 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 2005 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2005 A Bonds and shall be on a parity with the Prior Bonds.

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

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

Section 7.21. Securities Laws Compliance. The Issuer 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; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2005 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

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

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

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

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

Section 8.02. Certificate as to Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2005 A Bonds as a condition to issuance of the Series 2005 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2005 A Bonds as may be necessary in order to maintain the status of the Series 2005 A Bonds as public purpose bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2005 A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by

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

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

ARTICLE IX

DEFAULT AND REMEDIES

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

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

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

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

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

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 2005 A Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

Legislation, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

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

ARTICLE XI

MISCELLANEOUS

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

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

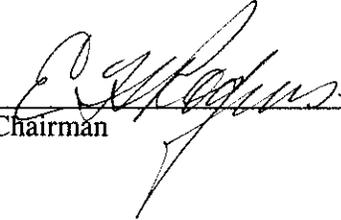
Section 11.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 11.05. Conflicting Provisions Repealed. All orders or resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

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

Adopted this 19th day of July, 2005.


Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of SHORT LINE PUBLIC SERVICE DISTRICT on the 19th day of July, 2005.

Dated: August 24, 2005.

[SEAL]


Secretary

08/10/05
820440.97001

EXHIBIT A

Loan Agreement included in bond transcript as Document 3.

SHORT LINE PUBLIC SERVICE DISTRICT

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

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 THE WATER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF SHORT LINE PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; PROVIDING FOR TRANSFER OF THE RESERVE ACCOUNTS FOR PRIOR BONDS AND AMENDMENT OF PRIOR RESOLUTIONS TO EFFECT SUCH TRANSFER; AND MAKING OTHER PROVISIONS AS TO THE BONDS AND DEFERRED LOAN.

WHEREAS, the Public Service Board (the "Governing Body") of Short Line Public Service District (the "Issuer") has duly and officially adopted a bond resolution on July 19, 2005 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF SHORT LINE PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF \$1,274,183 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND) AND A DEFERRED LOAN FROM THE HARRISON COUNTY

PLANNING COMMISSION IN THE AGGREGATE PRINCIPAL AMOUNT OF \$100,000; 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 Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the Issuer (the "Series 2005 A Bonds" and the "Bonds"), in the aggregate principal amount not to exceed \$1,274,183 and has authorized the execution and delivery of the loan agreement relating to the Series 2005 A Bonds, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A, and Chapter 31, Article 15A of the 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 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;

WHEREAS, the Issuer has previously issued the Prior Bonds, as more fully defined in the Bond Resolution, which are held by the United States Department of Agriculture, Rural Utilities Service ("RUS");

WHEREAS, the Prior Bonds are secured by a reserve account pledged for the payment of principal of and interest on each series of Prior Bonds (hereinafter, the "Prior Bonds Reserve Accounts"), which accounts are held by Merrill Lynch pursuant to the Prior Bonds Resolutions, authorizing the Prior Bonds (collectively, the "Prior Resolutions");

WHEREAS, the RUS has requested that the Issuer transfer the monies in the Prior Bonds Reserve Accounts to the West Virginia Municipal Bond Commission (the "Commission");

WHEREAS, the Prior Resolutions provide that it may be amended by supplemental resolution with the prior written consent of RUS and such consent has been received by the Issuer; and

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF SHORT LINE 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 Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$1,274,183. The Series 2005 A Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2045, and shall bear no interest. The principal of the Series 2005 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2007, and maturing June 1, 2045, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2005 A Bonds. The Series 2005 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2005 A Bonds.

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

Section 3. The Issuer hereby approves the transfer of the Prior Bonds Reserve Accounts to the Commission.

Section 4. The Issuer hereby approves the amendment of the Prior Resolutions as follows:

A. The Prior Bonds Reserve Accounts are hereby transferred to and will be held by the Commission.

B. The Commission is designated as the Fiscal Agent for the administration of the Prior Bonds Reserve Accounts as herein provided, and all amounts required for the Prior Bonds Reserve Accounts will be deposited therein by the Issuer upon transfer of funds from the Revenue Fund at the times provided herein. If required by the Purchaser at anytime, the Issuer shall make the necessary arrangements whereby required payments into said account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

C. The Issuer shall, on the first day of each month (if the first day is not a business day, then the first business day of each month), deposit with the Commission the required reserve account payment with respect to the Prior 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 Prior Resolutions.

D. Monies in the Prior Bonds Reserve Account shall be invested by the Commission in the West Virginia Consolidated Fund.

E. Earnings from monies in Prior Bonds Reserve Accounts, so long as the reserve requirement is on deposit in such account and maintained therein, shall be returned not less than once each year, by the Commission to the Issuer, to be deposited in the Revenue Fund.

F. The Issuer shall remit from the Revenue Fund to the Commission such additional sums as shall be necessary to pay the charges and fees of the Commission then due.

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

Section 5. 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 application to the Council and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 6. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Bond Resolution and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 7. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds under the Bond Resolution.

Section 8. The Issuer does hereby appoint and designate The Huntington National Bank, Clarksburg, West Virginia, to serve as Depository Bank under the Bond Resolution.

Section 9. Series 2005 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2005 A Bonds Sinking Fund, as capitalized interest.

Section 10. Series 2005 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2005 A Bonds Reserve Account.

Section 11. The balance of the proceeds of the Series 2005 A Bonds shall be deposited in or credited to the Series 2005 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 12. Deferred Loan proceeds in the amount of \$13,306 shall be deposited in the Revenue Fund and Reserve Accounts for the Prior Bonds. The balance of the proceeds of the Deferred Loan shall be deposited in or credited to the Series 2005 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 13. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Bonds may be delivered on or about August 24, 2005, to the Authority pursuant to the Loan Agreement.

Section 14. 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 15. 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, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Monies in the Series 2005 A Bonds Sinking Fund and the Series 2005 A Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 16. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project and the Chairman is hereby authorized and directed to execute and deliver all such contracts.

Section 17. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 16th day of August, 2005.

SHORT LINE PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Short Line Public Service District on the 16th day of August, 2005.

Dated: August 24, 2005.

[SEAL]


Secretary

08/10/05
820440.97001

LOAN AGREEMENT

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

SHORT LINE PUBLIC SERVICE DISTRICT
(Governmental Agency)

WITNESSETH:

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

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

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

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V

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

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

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

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

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

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

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

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

7.10 This Loan Agreement shall terminate upon the earlier of:

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

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

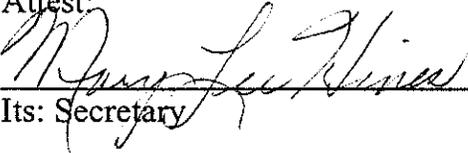
IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Authority.

SHORTLINE PUBLIC SERVICE DISTRICT

(SFAI.)

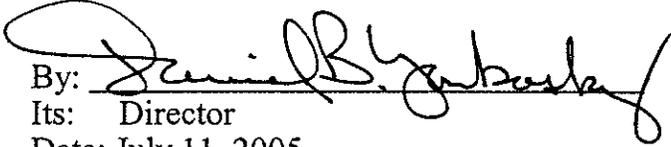
By: 
Its: Chairperson
Date: July 11, 2005

Attest:

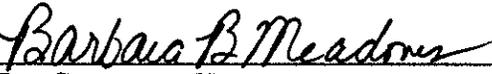

Its: Secretary

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By: 
Its: Director
Date: July 11, 2005

Attest:


Its: Secretary-Treasurer

000832/00466
05/23/05

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

(Issuer)

(Name of Bonds)

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

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

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

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

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

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

[SEAL]

By: _____
West Virginia License No. _____

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

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

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

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

-22-

EXHIBIT C

MONTHLY FINANCIAL REPORT

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

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

 Name of Person Completing Form

 Address

 Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest \$_____

Principal \$_____

Total: \$_____

Reserve Account: \$_____

Witness my signature this ____ day of _____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$1,274,183
Purchase Price of Local Bonds \$1,274,183

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

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

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

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

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

1. Water Revenue Bonds, Series 1990, dated May 9, 1991, issued in the original principal amount of \$120,000.
2. Water System Revenue Bonds, Series 1974, dated September 12, 1974, issued in the original principal amount of \$33,500.
3. Water System Revenue Bonds, Series 1973, dated November 6, 1973, issued in the original principal amount of \$500,000.
4. Water System Revenue Bonds, Series 1973, dated November 6, 1973, issued in the original principal amount of \$137,000.

SCHEDULE Y

\$1,274,183

Short Line PSD

0% Interest Rate, 40 Years

Closing Date: August 24, 2005

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Total P+I
09/01/2005	-	-	-
12/01/2005	-	-	-
03/01/2006	-	-	-
06/01/2006	-	-	-
09/01/2006	-	-	-
12/01/2006	-	-	-
03/01/2007	-	-	-
06/01/2007	8,328.00	-	8,328.00
09/01/2007	8,328.00	-	8,328.00
12/01/2007	8,328.00	-	8,328.00
03/01/2008	8,328.00	-	8,328.00
06/01/2008	8,328.00	-	8,328.00
09/01/2008	8,328.00	-	8,328.00
12/01/2008	8,328.00	-	8,328.00
03/01/2009	8,328.00	-	8,328.00
06/01/2009	8,328.00	-	8,328.00
09/01/2009	8,328.00	-	8,328.00
12/01/2009	8,328.00	-	8,328.00
03/01/2010	8,328.00	-	8,328.00
06/01/2010	8,328.00	-	8,328.00
09/01/2010	8,328.00	-	8,328.00
12/01/2010	8,328.00	-	8,328.00
03/01/2011	8,328.00	-	8,328.00
06/01/2011	8,328.00	-	8,328.00
09/01/2011	8,328.00	-	8,328.00
12/01/2011	8,328.00	-	8,328.00
03/01/2012	8,328.00	-	8,328.00
06/01/2012	8,328.00	-	8,328.00
09/01/2012	8,328.00	-	8,328.00
12/01/2012	8,328.00	-	8,328.00
03/01/2013	8,328.00	-	8,328.00
06/01/2013	8,328.00	-	8,328.00
09/01/2013	8,328.00	-	8,328.00
12/01/2013	8,328.00	-	8,328.00
03/01/2014	8,328.00	-	8,328.00
06/01/2014	8,328.00	-	8,328.00
09/01/2014	8,328.00	-	8,328.00
12/01/2014	8,328.00	-	8,328.00
03/01/2015	8,328.00	-	8,328.00
06/01/2015	8,328.00	-	8,328.00
09/01/2015	8,328.00	-	8,328.00
12/01/2015	8,328.00	-	8,328.00
03/01/2016	8,328.00	-	8,328.00
06/01/2016	8,328.00	-	8,328.00

\$1,274,183

Short Line PSD

0% Interest Rate, 40 Years

Closing Date: August 24, 2005

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Total P+I
09/01/2016	8,328.00	-	8,328.00
12/01/2016	8,328.00	-	8,328.00
03/01/2017	8,328.00	-	8,328.00
06/01/2017	8,328.00	-	8,328.00
09/01/2017	8,328.00	-	8,328.00
12/01/2017	8,328.00	-	8,328.00
03/01/2018	8,328.00	-	8,328.00
06/01/2018	8,328.00	-	8,328.00
09/01/2018	8,328.00	-	8,328.00
12/01/2018	8,328.00	-	8,328.00
03/01/2019	8,328.00	-	8,328.00
06/01/2019	8,328.00	-	8,328.00
09/01/2019	8,328.00	-	8,328.00
12/01/2019	8,328.00	-	8,328.00
03/01/2020	8,328.00	-	8,328.00
06/01/2020	8,328.00	-	8,328.00
09/01/2020	8,327.99	-	8,327.99
12/01/2020	8,327.99	-	8,327.99
03/01/2021	8,327.99	-	8,327.99
06/01/2021	8,327.99	-	8,327.99
09/01/2021	8,327.99	-	8,327.99
12/01/2021	8,327.99	-	8,327.99
03/01/2022	8,327.99	-	8,327.99
06/01/2022	8,327.99	-	8,327.99
09/01/2022	8,327.99	-	8,327.99
12/01/2022	8,327.99	-	8,327.99
03/01/2023	8,327.99	-	8,327.99
06/01/2023	8,327.99	-	8,327.99
09/01/2023	8,327.99	-	8,327.99
12/01/2023	8,327.99	-	8,327.99
03/01/2024	8,327.99	-	8,327.99
06/01/2024	8,327.99	-	8,327.99
09/01/2024	8,327.99	-	8,327.99
12/01/2024	8,327.99	-	8,327.99
03/01/2025	8,327.99	-	8,327.99
06/01/2025	8,327.99	-	8,327.99
09/01/2025	8,327.99	-	8,327.99
12/01/2025	8,327.99	-	8,327.99
03/01/2026	8,327.99	-	8,327.99
06/01/2026	8,327.99	-	8,327.99
09/01/2026	8,327.99	-	8,327.99
12/01/2026	8,327.99	-	8,327.99
03/01/2027	8,327.99	-	8,327.99
06/01/2027	8,327.99	-	8,327.99

\$1,274,183

Short Line PSD

0% Interest Rate, 40 Years

Closing Date: August 24, 2005

Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Total P+I
09/01/2027	8,327.99	-	8,327.99
12/01/2027	8,327.99	-	8,327.99
03/01/2028	8,327.99	-	8,327.99
06/01/2028	8,327.99	-	8,327.99
09/01/2028	8,327.99	-	8,327.99
12/01/2028	8,327.99	-	8,327.99
03/01/2029	8,327.99	-	8,327.99
06/01/2029	8,327.99	-	8,327.99
09/01/2029	8,327.99	-	8,327.99
12/01/2029	8,327.99	-	8,327.99
03/01/2030	8,327.99	-	8,327.99
06/01/2030	8,327.99	-	8,327.99
09/01/2030	8,327.99	-	8,327.99
12/01/2030	8,327.99	-	8,327.99
03/01/2031	8,327.99	-	8,327.99
06/01/2031	8,327.99	-	8,327.99
09/01/2031	8,327.99	-	8,327.99
12/01/2031	8,327.99	-	8,327.99
03/01/2032	8,327.99	-	8,327.99
06/01/2032	8,327.99	-	8,327.99
09/01/2032	8,327.99	-	8,327.99
12/01/2032	8,327.99	-	8,327.99
03/01/2033	8,327.99	-	8,327.99
06/01/2033	8,327.99	-	8,327.99
09/01/2033	8,327.99	-	8,327.99
12/01/2033	8,327.99	-	8,327.99
03/01/2034	8,327.99	-	8,327.99
06/01/2034	8,327.99	-	8,327.99
09/01/2034	8,327.99	-	8,327.99
12/01/2034	8,327.99	-	8,327.99
03/01/2035	8,327.99	-	8,327.99
06/01/2035	8,327.99	-	8,327.99
09/01/2035	8,327.99	-	8,327.99
12/01/2035	8,327.99	-	8,327.99
03/01/2036	8,327.99	-	8,327.99
06/01/2036	8,327.99	-	8,327.99
09/01/2036	8,327.99	-	8,327.99
12/01/2036	8,327.99	-	8,327.99
03/01/2037	8,327.99	-	8,327.99
06/01/2037	8,327.99	-	8,327.99
09/01/2037	8,327.99	-	8,327.99
12/01/2037	8,327.99	-	8,327.99
03/01/2038	8,327.99	-	8,327.99
06/01/2038	8,327.99	-	8,327.99

\$1,274,183

Short Line PSD

0% Interest Rate, 40 Years

Closing Date: August 24, 2005

Debt Service Schedule

Part 4 of 4

Date	Principal	Coupon	Total P+I
09/01/2038	8,327.99	-	8,327.99
12/01/2038	8,327.99	-	8,327.99
03/01/2039	8,327.99	-	8,327.99
06/01/2039	8,327.99	-	8,327.99
09/01/2039	8,327.99	-	8,327.99
12/01/2039	8,327.99	-	8,327.99
03/01/2040	8,327.99	-	8,327.99
06/01/2040	8,327.99	-	8,327.99
09/01/2040	8,327.99	-	8,327.99
12/01/2040	8,327.99	-	8,327.99
03/01/2041	8,327.99	-	8,327.99
06/01/2041	8,327.99	-	8,327.99
09/01/2041	8,327.99	-	8,327.99
12/01/2041	8,327.99	-	8,327.99
03/01/2042	8,327.99	-	8,327.99
06/01/2042	8,327.99	-	8,327.99
09/01/2042	8,327.99	-	8,327.99
12/01/2042	8,327.99	-	8,327.99
03/01/2043	8,327.99	-	8,327.99
06/01/2043	8,327.99	-	8,327.99
09/01/2043	8,327.99	-	8,327.99
12/01/2043	8,327.99	-	8,327.99
03/01/2044	8,327.99	-	8,327.99
06/01/2044	8,327.99	-	8,327.99
09/01/2044	8,327.99	-	8,327.99
12/01/2044	8,327.99	-	8,327.99
03/01/2045	8,327.99	-	8,327.99
06/01/2045	8,327.99	-	8,327.99
Total	\$1,274,183.00	-	\$1,274,183.00

Yield Statistics

Bond Year Dollars	\$26,464.07
Average Life	20.769 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	7.80E-11
Bond Yield for Arbitrage Purposes	7.80E-11
All Inclusive Cost (AIC)	7.80E-11

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	20.769 Years

IF 8-17-05 REVISED | SINGLE PURPOSE | 8/17/2005 | 9:59 AM

Ferris, Baker Watts, Inc.
West Virginia Public Finance Office

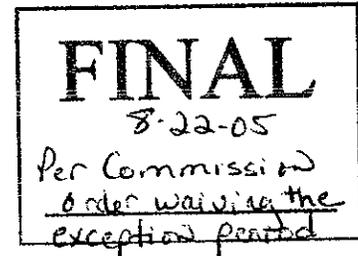
SCHEDULE Z

None.



PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: August 11, 2005



CASE NO. 01-0965-PWD-CN (Reopened)

SHORT LINE PUBLIC SERVICE DISTRICT,
a public utility.

Application for a certificate of convenience and necessity to construct certain additions and improvements to the District's water and fire protection system in Harrison County.

RECOMMENDED DECISION

By a Recommended Decision issued November 20, 2002, which became a Final Order of the Public Service Commission on December 10, 2002, the Short Line Public Service District (District or Applicant) was granted a certificate of convenience and necessity to construct and operate an extension of its existing water distribution system in Harrison County, West Virginia. The extension will provide public water service to approximately 100 new customers in the areas of Olive, Marshville and Catfish Hollow of Harrison County.

On January 18, 2005, the District filed a letter/petition to reopen this case in order to allow Commission Staff to revise the project-related rates and charges. Although the project had been certificated for over two years, it had not been finalized or let for bids. Apparently, complications had arisen concerning the negotiation, execution and approval of a revised memorandum of understanding involving selection of an engineer for those portions of the project unrelated to certain Abandoned Mine Lands (AML) Funds. The issue had been resolved by the fall of 2004, but the District's accountant could not then certify that the previously approved project-related rates were adequate.

By a Commission Referral Order entered March 2, 2005, this certificate application was reopened and referred to the Division of Administrative Law Judges for further proceedings, with a decision due date of August 16, 2005.

On April 8, 2005, Commission Staff filed a Further Joint Staff Memorandum in this matter. Staff pointed out that this project was scheduled for a bid opening on April 27, 2005, and that the final Staff recommendation would be delayed until after the actual bids were received and tabulated in order to insure sufficient funding.

On June 14, 2005, a copy of the West Virginia Office of Environmental Health Services Permit No. 16,573, issued for this project, was filed in this matter.

On July 12, 2005, Commission Staff filed its Final Joint Staff Memorandum in this reopened certificate case. Staff confirmed an increase in construction costs of \$26,090, an increase in legal costs of \$59,000, and a decrease in land acquisition costs of \$9,000. Overall project costs increased from \$2,810,365 to \$2,886,455, or approximately \$76,090. The funding package had been increased accordingly and is sufficient to cover the revised project costs. Increased rates of 6.81% are necessary to cover the debt service and increased operation and maintenance expense. Such a rate increase will generate an additional \$63,526 in revenues from operations, which should produce a cash flow surplus of \$10,571 and a debt service coverage ratio of 137.27%. Staff prepared a revised tariff to generate its recommended revenue increase. In conclusion, Staff recommended as follows:

1. To approve the changes in the funding for the project, which consist of an increase in the AML grant from \$1,104,729 to \$1,117,558, and an increase in the upper limit of the Harrison County Commission Deferred Loan from \$50,000 to \$64,000;
2. To approve the Staff-recommended rates and charges included herein as Appendix A;
3. To approve the level of operations, as shown on Staff's recommended cash flow analysis; and
4. If there are changes in the plans, scope or financing of the project, the District should notify the Commission and request a reopening of the certificate case for adjustments and approval.

On July 20, 2005, a Procedural Order was issued which scheduled this matter for hearing to be held on August 4, 2005, in Clarksburg, Harrison County, West Virginia. That Order also required the District to give public legal notice of this reopened certificate case by causing to be published a prepared Notice of Filing and Hearing once a week for two consecutive weeks in newspapers duly qualified by the Secretary of State, published and of general circulation in each county wherein the District operates, and to make due return to the Commission of proof of publication before the date of hearing. The prepared notice contained the proposed increased rates recommended by Staff and made provision for the filing of written statements of protest, objection and support.

On August 3, 2005, the District filed duly executed certificates of publication demonstrating that the prepared Notice was published in The Exponent-Telegram (Harrison County) on July 26 and August 2, 2005, and in the Wetzel Chronicle (Wetzel County) on July 27 and August 3, 2005, all in compliance with the Procedural Order issued July 20, 2005. As of the date of this Recommended Decision, no written statements of protest or objection have been filed in this matter.

The hearing convened as scheduled on August 4, 2005, with all parties in attendance. The Applicant, Short Line Public Service District, was present by its Chairman, Gene Rodgers, and was represented

by its attorney, James D. Gray. The Staff of the Public Service Commission was present and represented by Staff Attorney Cecelia Jarrell. On August 5, 2005, an accurate transcript consisting of fourteen (14) pages of discussion and testimony was filed with the Commission.

EVIDENCE

At hearing, the District, by counsel, stated that it accepted the Staff report and recommendations filed herein on July 12, 2005, without objection, including both the Staff-recommended increased rates and accounting adjustments. (Tr. p. 8).

Approximately twenty-five prospective customers appeared at hearing to support this project. Kendy Clutter, a resident of Catfish Run near Sardis, Harrison County, stated that the residents of her area had waited over thirteen (13) years for public water. Wells in the area have degraded seriously in both quantity and quality. She then detailed the numerous problems faced by the hopeful new customers in their day-to-day lives without sufficient water supply. These situations are even worse when serious or terminal illness must be dealt with. She also believes the project will spur economic development and home building. All prospective customers present concurred in Ms. Clutter's statement. (Tr. pp. 10-14).

DISCUSSION

By all accounts, this project is necessary, convenient and well overdue. The prospective customers are eager to be served and there has been no protest filed to this reopened certificate case or to the moderately increased rates. Consequently, this reopened and revised application for a certificate of convenience and necessity shall be approved in the amount of \$2,887,194, as recommended by Commission Staff.

FINDINGS OF FACT

1. By a Recommended Decision issued November 20, 2002, which became a Final Order of the Public Service Commission on December 10, 2002, the Short Line Public Service District (District or Applicant) was granted a certificate of convenience and necessity to construct and operate an extension of its existing water distribution system in Harrison County, West Virginia. The extension will provide public water service to approximately 100 new customers in the areas of Olive, Marshville and Catfish Hollow of Harrison County. (See Recommended Decision issued November 20, 2002).

2. On January 18, 2005, the District filed a letter/petition to reopen this case in order to allow Commission Staff to revise the project-related rates and charges. (See letter/petition filed January 18, 2005).

3. By a Commission Referral Order entered March 2, 2005, this certificate application was reopened and referred to the Division of Administrative Law Judges for further proceedings, with a decision due date of August 16, 2005. (See Commission Referral Order entered March 2, 2005).

4. West Virginia Office of Environmental Health Services Permit No. 16,573 has been issued for this project. (See permit filed June 14, 2005).

5. On July 12, 2005, Commission Staff filed its Final Joint Staff Memorandum in this reopened certificate case. Staff confirmed an increase in construction costs of \$26,090, an increase in legal costs of \$59,000, and a decrease in land acquisition costs of \$9,000. Overall project costs increased from \$2,810,365 to \$2,886,455, or approximately \$76,090. The funding package had been increased accordingly and is sufficient to cover the revised project costs. Increased rates of 6.81% are necessary to cover the debt service and increased operation and maintenance expense. Such a rate increase will generate an additional \$63,526 in revenues from operations, which should produce a cash flow surplus of \$10,571 and a debt service coverage ratio of 137.27%. Staff prepared a revised tariff to generate its recommended revenue increase. In conclusion, Staff recommended as follows:

5. To approve the changes in the funding for the project, which consist of an increase in the AML grant from \$1,104,729 to \$1,117,558, and an increase in the upper limit of the Harrison County Commission Deferred Loan from \$50,000 to \$64,000;
6. To approve the Staff-recommended rates and charges included herein as Appendix A;
7. To approve the level of operations, as shown on Staff's recommended cash flow analysis; and
8. If there are changes in the plans, scope or financing of the project, the District should notify the Commission and request a reopening of the certificate case for adjustments and approval.

(See Final Joint Staff Memorandum filed July 12, 2005).

6. On August 3, 2005, the District filed duly executed certificates of publication demonstrating that the prepared Notice was published in The Exponent-Telegram (Harrison County) on July 26 and August 2, 2005, and in the Wetzel Chronicle (Wetzel County) on July 27 and August 3, 2005, all in compliance with the Procedural Order issued July 20, 2005. (See certificates of publication filed August 3, 2005).

7. As of the date of this Recommended Decision, no written statements of protest or objection have been filed in this matter. (See Commission case file generally).

8. At hearing, the District, by counsel, stated that it accepted the Staff report and recommendations filed herein on July 12, 2005, without objection, including both the Staff-recommended increased rates and accounting adjustments. (Tr. p. 8).

9. At hearing, there was universal support for this project and the increased rates and no statements of protest or objection were heard. (See, Tr. pp. 7, 10-14).

CONCLUSION OF LAW

Under the facts and circumstances of this case, the recommendation of Commission Staff and in the absence of objection or protest, it is reasonable to approve this revised and reopened application for a certificate of convenience and necessity and to authorize the Short Line Public Service District to charge and collect the Staff-recommended increased rates and charges, attached hereto as Appendix A, for all service on and after the date the project engineer certifies that the approved project is substantially complete.

ORDER

IT IS, THEREFORE, ORDERED that the Staff-recommended increased rates and charges, attached hereto as Appendix A, shall be authorized for collection and use by the Short Line Public Service District for all service rendered on and after the date the revised project certificated herein is certified by the project engineer as substantially complete. The certificate of substantial completion shall be filed with the Commission within ten (10) days of its issuance.

IT IS FURTHER ORDERED that the District shall file, within thirty (30) days of first use, an original and five (5) copies of its actual tariff as amended by this Recommended Decision.

IT IS FURTHER ORDERED that the Short Line Public Service District is authorized to accept, execute and use the revised project funding package consisting of a West Virginia Division of Environmental Protection Abandoned Mine Lands grant of \$1,117,558; a West Virginia Infrastructure and Jobs Development Council (WVIJDC) grant of \$431,453; a WVIJDC loan in the amount of \$1,274,183, at an interest rate of zero percent (0.0%) for a term of 40 years; and a Harrison County Commission deferred loan of \$64,000.

IT IS FURTHER ORDERED that, except as amended herein, the certificate of convenience and necessity granted to Short Line Public Service District by Recommended Decision entered on November 20, 2002, and final on December 10, 2002, remain in full force and effect.

IT IS FURTHER ORDERED that, if bids exceed projections or the plans, scope or financing for this revised project change, the District shall notify the Public Service Commission and request a subsequent review and approval of said changes.

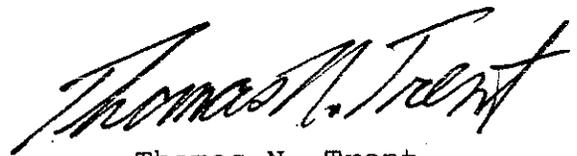
IT IS FURTHER ORDERED that this matter shall be removed from the Commission docket of open cases.

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.



Thomas N. Trent
Administrative Law Judge

TNT:mal/dfs
010965ad.wpd

SHORT LINE PUBLIC SERVICE DISTRICT
CASE NO. 01-0965-PWD-CN

APPROVED RATESTARIFF SCHEDULE 1APPLICABILITY

Applicable within the entire territory served, with the exception of the Jones Run Extension area.

AVAILABILITY

Available for general domestic, commercial and industrial water service.

RATES (customers with metered water supply)

First	3,000 gallons used per month	\$ 7.53 per 1,000 gallons
Next	3,000 gallons used per month	\$ 7.17 per 1,000 gallons
Next	4,000 gallons used per month	\$ 6.79 per 1,000 gallons
Next	15,000 gallons used per month	\$ 6.44 per 1,000 gallons
All Over	25,000 gallons used per month	\$ 5.33 per 1,000 gallons

MINIMUM CHARGE

5/8-inch meter	\$ 22.59 per month
3/4-inch meter	\$ 33.89 per month
1-inch meter	\$ 56.48 per month
1-1/2-inch meter	\$ 112.95 per month
2-inch meter	\$ 180.72 per month
3-inch meter	\$ 338.85 per month
4-inch meter	\$ 564.75 per month
6-inch meter	\$1,129.50 per month

DELAYED PAYMENT PENALTY

The above scheduled is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION - \$15.00

To be charged whenever the supply of water is turned off for violations 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 \$250.00 will be charged to customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

TARIFF SCHEDULE 2

APPLICABILITY

Applicable within the Jones Run area.

AVAILABILITY

Available for general domestic, commercial and industrial water service.

RATES (customers with metered water supply)

First	3,000 gallons used per month	\$ 8.41 per 1,000 gallons
Next	3,000 gallons used per month	\$ 7.99 per 1,000 gallons
Next	4,000 gallons used per month	\$ 7.57 per 1,000 gallons
Next	15,000 gallons used per month	\$ 7.17 per 1,000 gallons
All Over	25,000 gallons used per month	\$ 5.92 per 1,000 gallons

MINIMUM CHARGE

5/8-inch meter	\$ 25.23 per month
3/4-inch meter	\$ 37.85 per month
1-inch meter	\$ 63.08 per month
1-1/4-inch meter	\$ 92.09 per month
1-1/2-inch meter	\$ 126.15 per month
2-inch meter	\$ 201.84 per month
3-inch meter	\$ 378.45 per month
4-inch meter	\$ 630.75 per month
6-inch meter	\$1,261.50 per month
8-inch meter	\$2,018.40 per month

DELAYED PAYMENT PENALTY

The above scheduled is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION FEE - \$15.00

To be charged whenever the supply of water is turned off for violations 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 \$250.00 will be charged to customers who apply for service outside of a certificate proceeding before the Commission for each new tap to the system.

TARIFF SCHEDULE 3

APPLICABILITY

Applicable within the entire territory served.

MUNICIPAL EXCISE TAX SURCHARGE

The municipality listed below, having imposed a public utility tax computed on the basis of two percent of revenues from water sales by the Town of Smithfield water utility within the corporate limits of such municipality, said tax shall be billed as a surcharge to the customers receiving service within said corporate limits.

The water utility is required to collect the utility tax pursuant to West Virginia Code §8-13-5a.

Customers receiving water service within the corporate limits of the specified municipality shall pay a surcharge based on the following surcharge rates:

Municipality: Town of Smithfield ----- Utility Excess Tax 2%

RETURNED CHECK CHARGE

If a check is returned by the bank for any reason, the bank's charge to Short Line Public Service District shall be the District's charge to the customer for such a bad check, but such charge to customers shall not exceed \$25.00.

LEAK ADJUSTMENT

\$3.37 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.



PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the Public Service Commission of West Virginia, in the City of Charleston on the 17th day of August, 2005.

CASE NO. 01-0965-PWD-CN

SHORT LINE PUBLIC SERVICE DISTRICT

Application for a certificate of convenience
and necessity to construct certain additions
and improvements to the District's water and
fire protection system in Harrison County.

COMMISSION ORDER

By Recommended Decision entered on August 11, 2005, the petition to reopen the above proceeding filed with the Commission on January 18, 2005, it was ordered that the Staff-recommended increased rates and charges, attached as Appendix A, should be authorized for collection and use by the Short Line Public Service District for all service rendered on and after the date the revised project certificated herein is certified by the project engineer as substantially complete.

On August 16, 2005, James D. Gray, Counsel, Short Line Public Service District, filed a motion requesting a waiver of the District's right to file exceptions to the Recommended Decision.

On August 17, 2005, Cecelia Gail Jarrell, Staff Attorney, stated that she did not object to the motion for a waiver of the fifteen day exception period to the Recommended Decision entered in this proceeding.

West Virginia Code §24-1-9 provides a time period of at least twenty (20) days from the date of a recommended order until it becomes effective. According to West Virginia Code §24-1-9(c), at least fifteen (15) days must be afforded the parties within which to file exceptions. In addition, §24-1-9(e) provides that when no exceptions are filed within the specified time period, the Commission shall have an additional five (5) days within which to stay or postpone the order.

The Commission is therefore of the opinion and belief that said motion of waiver received by the Commission on August 16, 2005, should be granted.

IT IS, THEREFORE, ORDERED that the requested waiver be, and the same hereby is, granted.

IT IS FURTHER ORDERED that the Administrative Law Judge's Recommended Decision in this matter becomes final (5) days after the date of this order.

A True Copy, Teste:



Sandra Squire
Executive Secretary

SS/pjh
010965sb.wpd

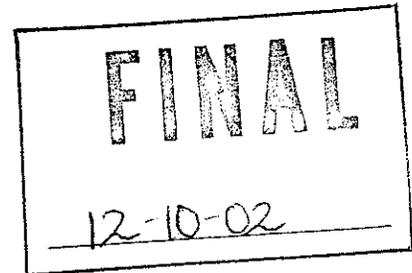
PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: November 20, 2002

CASE NO. 01-0965-PWD-CN

SHORT LINE PUBLIC SERVICE DISTRICT,
a public utility.

Application for a certificate of convenience and necessity to construct certain additions and improvements to the District's water and fire protection system in Harrison County.



RECOMMENDED DECISION

On May 8, 2002, Short Line Public Service District, a public water utility, filed an application for a certificate of convenience and necessity to construct and operate certain additions and improvements to the District's water system in order to serve approximately 127 new customers in the areas of Olive, Marshville and Catfish Hollow, Harrison County, West Virginia. The District estimates that construction of this project will cost \$2,810,365, which will be financed as follows: a West Virginia Infrastructure and Jobs Development Council (WVIJDC) Loan in an amount not to exceed \$1,274,183 and a WVIJDC Grant in an amount not to exceed \$431,451; and an Abandoned Mine Lands Grant in an amount not to exceed \$1,104,729. The District also requested increased rates and charges of 7.5%, required by the increased debt service and other expenses of this project.

This application had been submitted to the Public Service Commission for prefiling notice on July 19, 2001.

Pursuant to a Commission Order entered July 20, 2001, the Applicant filed duly executed affidavits of publication on August 7 and 24, 2001, demonstrating publication of the prefiling Notice on July 26 and August 2, 2001, in The Clarksburg Exponent and on August 15 and 22, 2001, in the Wetzel Chronicle, newspapers duly qualified by the Secretary of State, published and of general circulation in Harrison and Wetzel Counties, West Virginia.

On May 8, 2002, the Public Service Commission entered a formal Notice of Filing in this matter, requiring the Applicant to provide public legal notice of this application by publishing a copy of the Notice of Filing once in a newspaper duly qualified by the Secretary of State, published and of general circulation in the service territory of the Short Line Public Service District. The Notice of Filing contained a description of the proposed project and project funding, as well as the requested increased rates and charges. The Notice also made provision for the filing of written statements of protest, objection or interven-

tion within thirty (30) days of publication. In the absence of protest or objection, the Commission reserved the right to waive hearing in this matter and to grant the application based on the evidence submitted with the application and its review thereof.

On June 18, 2002, the Applicant filed duly executed Affidavits of Publication demonstrating publication of the formal Notice of Filing on May 20, 2002, in The Exponent-Telegram (Harrison County), and on May 22, 2002, in the Wetzel Chronicle (Wetzel County), all in accordance with the Commission's Order entered May 8, 2002.

As of the date of this Recommended Decision, there have been no statements of protest, objection or intervention filed in this matter.

By a Commission Referral Order entered June 19, 2002, this matter was referred to the Division of Administrative Law Judges for further proceedings with a decision due date of December 4, 2002.

On August 27, 2002, a Procedural Order was entered which scheduled this matter for hearing to be held on September 23, 2002, in Clarksburg, Harrison County, West Virginia. Additionally, that Order required the District to submit proof of compliance with the requirement to notify its customers individually of the increase associated with this project under the Commission's Procedural Rule 10.3.

On September 3, 2002, the District filed an affidavit and exhibits demonstrating its compliance with Procedural Rule 10.3.

On September 10, 2002, Commission Staff filed its Final Joint Staff Memorandum in this matter. Staff recommended that the District's certificate application be granted, with Staff's revised rates, reflecting a rate increase of approximately 7.5%. Staff further recommended that, since no customer protests or objections had been filed in this matter, the hearing currently scheduled should be cancelled contingent upon the District accepting Staff's recommendations in this matter.

On September 11, 2002, the District filed a letter accepting Staff's recommendations in this matter and joining in Staff's request that the hearing be cancelled.

On September 19, 2002, Commission Staff filed a Further Final Joint Staff Memorandum. In its Memorandum, Staff stated that it had only recently learned that the District had obtained very few formal commitments from the prospective new customers to be served by this project's water main extension. The District had not been required to obtain or file executed user agreements by any of the lending sources for this project and, pursuant to public meetings held in the area, the District only had agreements with about 20% of the potential users. The District's ability to meet its expected increase in debt service is severely compromised by such a low subscription rate. As a result, Staff stated that it could only recommend approval of this application if duly executed user agreements representing 70% of the 127 potential new customers were filed. Such a participation rate would be expected to generate approximately \$32,886 in additional annual operating revenues required by the project.

On September 20, 2002, the District filed, by facsimile transmission, a request that the hearing in this matter be cancelled. The District stated that it was in agreement with the investigative findings and recommendations filed by Commission Staff and was currently trying to obtain the requisite user agreements. Since there were no facts in dispute in this matter, a hearing was not required and would not be productive.

On September 20, 2002, a Procedural Order was entered which cancelled the hearing previously scheduled to be held on September 23, 2002. Additionally, the parties were placed on notice that all evidence concerning sufficient user participation should be filed on or before November 8, 2002. Any Staff response to such evidence was required to be filed no later than November 15, 2002.

On November 8, 2002, the Applicant filed an affidavit executed by its Office Manager, Patricia A. Bates, stating that the District had obtained ninety-eight (98) signed and notarized Water Users Agreements from new customers to be served by this extension. Attached to the affidavit was a list of the prospective new customers and a blank copy of the Water Users Agreement form.

On November 15, 2002, Commission Staff notified the Administrative Law Judge that it was satisfied by the District's most recent filing concerning customer participation and would not be filing any additional memoranda in this matter.

Consequently, this matter is mature for consideration and the application filed by the Short Line Public Service District on May 8, 2002, will be approved.

FINDINGS OF FACT

1. On May 8, 2002, Short Line Public Service District, a public water utility, filed an application for a certificate of convenience and necessity to construct and operate certain additions and improvements to the District's water system in order to serve approximately 127 new customers in the areas of Olive, Marshville and Catfish Hollow, Harrison County, West Virginia. (See, Application filed May 8, 2002).

2. This application had been submitted to the Public Service Commission for pre-filing notice on July 19, 2001. (See, letter filed July 19, 2001).

3. Pursuant to a Commission Order entered July 20, 2001, the Applicant filed duly executed affidavits of publication on August 7 and 24, 2001, demonstrating publication of the pre-filing Notice on July 26 and August 2, 2001, in The Clarksburg Exponent and on August 15 and 22, 2001, in the Wetzel Chronicle, newspapers duly qualified by the Secretary of State, published and of general circulation in Harrison and Wetzel Counties, West Virginia. (See, Commission Order entered July 20, 2001; Affidavits filed August 7 and 24, 2001).

4. On June 18, 2002, the Applicant filed duly executed Affidavits of Publication demonstrating publication of a formal Notice of Filing on May 20, 2002, in The Exponent-Telegram (Harrison County), and on May 22, 2002, in the Wetzel Chronicle (Wetzel County), all in accordance with the Commission's Order entered May 8, 2002. (See, Notice of Filing entered May 8, 2002; Affidavits filed June 18, 2002).

5. As of the date of this Recommended Decision, no statements of protest, objection or intervention have been filed in this matter. (See, Commission case file generally).

6. On September 3, 2002, the District filed an affidavit and exhibits demonstrating its compliance with Procedural Rule 10.3. (See, Affidavit filed September 3, 2002).

7. Pursuant to its investigation and review, Commission Staff has recommended that the District's certificate application be granted. Staff further recommended that, since no customer protests or objections had been filed in this matter, a hearing was not required. (See, Final Joint Staff Memorandum filed September 10, 2002).

8. On September 11, 2002, the District filed a letter accepting Staff's recommendations in this matter and joining in Staff's request that the hearing be cancelled. (See, letter filed September 11, 2002).

9. On November 8, 2002, the Applicant filed an affidavit executed by its Office Manager, Patricia A. Bates, stating that the District had obtained ninety-eight (98) signed and notarized Water Users Agreements from new customers to be served by this extension. Attached to the affidavit was a list of the prospective new customers and a blank copy of the Water Users Agreement form. (See, Affidavit filed November 8, 2002).

10. The District has estimated that this project will cost \$2,810,365 and will be financed as follows; a West Virginia Division of Environmental Protection Abandoned Mine Lands grant of \$1,104,729; a WVIJDC Grant of \$431,453; and a WVIJDC Loan of \$1,274,183. The WVIJDC loan will have an interest rate of 0.0% for a term of 40 years. All funding commitments have been reviewed and confirmed by Commission Staff. (See, Final Joint Staff Memorandum filed September 10, 2002).

11. Commission Staff has reviewed the plans and specifications for this project and has determined that they are in general conformance with Public Service Commission rules and regulations. (See, Final Joint Staff Memorandum filed September 10, 2002).

12. The Short Line Public Service District was issued State of West Virginia Office of Environmental Health Services Permit No. 14,611, for this project on August 28, 2000. (See, Permit filed October 19, 2001).

13. This project will provide reliable, safe drinking water to customers experiencing ground water contamination and well failure. This project is approximately 55% grant funded and requires a rate increase of only 7.5%. (See, Final Joint Staff Memorandum filed September 10, 2002).

14. The Staff-Recommended Rates, attached hereto as Appendix A, will generate additional annual operating revenues of \$75,786, which will be sufficient to cover project-related expenses, debt service and reserves with a coverage ratio of 131.34% and a cash flow surplus of \$8,882. (See, Final Joint Staff Memorandum filed September 10, 2002).

15. Commission Staff has recommended that this project be approved as detailed in this filing. (See, Final Joint Staff Memorandum filed September 10, 2002).

CONCLUSIONS OF LAW

1. Under the facts and circumstances of this case, the recommendation of Commission Staff and in the absence of protest, it is reasonable to approve this application and grant a certificate of convenience and necessity for the project detailed therein.

2. It is also reasonable to approve the Staff-Recommended Rates and Charges, attached hereto as Appendix A, for all service rendered by the District on and after the date the project certificated herein becomes operational.

ORDER

IT IS, THEREFORE, ORDERED that the application filed May 8, 2002, by Short Line Public Service District shall be approved and a certificate of convenience and necessity shall be issued for the construction and operation of the water mainline extension and other improvements detailed in said application.

IT IS FURTHER ORDERED that the Staff-recommended increased rates and charges, attached hereto as Appendix A, shall be authorized for collection and use by the Short Line Public Service District for all service rendered on and after the date the project certificated herein becomes operational.

IT IS FURTHER ORDERED that the District shall file, within thirty (30) days of the in-service date of the project, an original and five (5) copies of its actual tariff as amended by this Recommended Decision.

IT IS FURTHER ORDERED that the Short Line Public Service District is authorized to accept, execute and use the project funding package consisting of a West Virginia Division of Environmental Protection Abandoned Mine Lands grant of \$1,104,729; a West Virginia Infrastructure and Jobs Development Council grant of \$431,453; and a WVIJDC loan in the amount of \$1,274,183, at an interest rate of 0.0% for a term of 40 years.

IT IS FURTHER ORDERED that, if bids exceed projections or the plans, scope or financing for this project change, the District shall notify the Public Service Commission and request a subsequent review and approval of said changes. Additionally, the District shall notify the Public Service Commission when the project engineer has performed the substantial completion inspection.

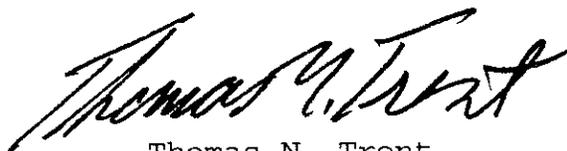
IT IS FURTHER ORDERED that this matter shall be removed from the Commission's docket of open cases.

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.



Thomas N. Trent
Administrative Law Judge

TNT:dfs
010965ab.wpd

SHORT LINE PUBLIC SERVICE DISTRICT
CASE NO. 01-0965-PWD-CN

STAFF-RECOMMENDED RATES

TARIFF SCHEDULE 1

APPLICABILITY

Applicable in entire territory served, with the exception of the Jones Run Extension area.

AVAILABILITY

Available for general domestic, commercial and industrial service.

RATES

First	3,000 gallons used per month	\$7.02 per 1,000 gallons
Next	3,000 gallons used per month	\$6.68 per 1,000 gallons
Next	4,000 gallons used per month	\$6.32 per 1,000 gallons
Next	15,000 gallons used per month	\$5.98 per 1,000 gallons
All over	25,000 gallons used per month	\$4.93 per 1,000 gallons

MINIMUM CHARGE

5/8 inch meter	\$ 20.79 per month
3/4 inch meter	31.19 per month
1 inch meter	51.98 per month
1-1/2 inch meter	103.95 per month
2 inch meter	166.32 per month
3 inch meter	311.85 per month
4 inch meter	519.75 per month
6 inch meter	1,039.50 per month

The above minimum charges are subject to an additional \$0.09 per 1,000 gallons used per month.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION FEE ----- \$15.00

SERVICE CONNECTION FEE (TAP FEE) ---- \$250.00

TARIFF SCHEDULE 2

APPLICABILITY

Applicable in the Jones Run area.

AVAILABILITY

Available in the Jones Run area.

RATES

First	3,000 gallons used per month	\$7.30 per 1,000 gallons
Next	3,000 gallons used per month	\$6.94 per 1,000 gallons
Next	4,000 gallons used per month	\$6.57 per 1,000 gallons
Next	15,000 gallons used per month	\$6.21 per 1,000 gallons
All over	25,000 gallons used per month	\$5.10 per 1,000 gallons

MINIMUM CHARGE

5/8 inch meter	\$ 21.63 per month
3/4 inch meter	32.45 per month
1 inch meter	54.10 per month
1-1/4 inch meter	78.95 per month
1-1/2 inch meter	108.15 per month
2 inch meter	173.05 per month
3 inch meter	324.45 per month
4 inch meter	540.75 per month
6 inch meter	1,081.50 per month
8 inch meter	1,730.40 per month

The above minimum charges are subject to an additional \$0.09 per 1,000 gallons used per month.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION FEE ----- \$15.00

SERVICE CONNECTION FEE (TAP FEE) ---- \$250.00

TARIFF SCHEDULE 3

APPLICABILITY

Applicable to all customers.

2% LOCAL UTILITY TAX TO ITS CUSTOMERS IN THE TOWN OF SMITHFIELD

There is hereby laid and imposed upon each and every public utility using the City, for the purpose of maintaining upon, over and under the same any pipes, or pipe lines, any rails, wires, cables, poles or conduits, or any other means of conveying and transporting any natural gas, waters, telephone, electric power or energy or electric light or power service, or for furnishing any public utility service, a charge equal to two percent (2%) of the gross revenues derived by any and each such public utilities from business done within the City. There shall be no credits allowed or allowable on such tax of two percent (2%).

RETURNED CHECK FOR INSUFFICIENT FUNDS

If a check received is returned by the bank for any reason, the bank's charge to the Short Line Public Service District shall be the District's charge to the customer for such a bad check, but such charge to the customer shall not exceed \$15.00.

INCREMENTAL COST OF WATER PURCHASED

\$2.87 per M. gallons. 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 unusual consumption above the customer's historical average usage.



West Virginia Infrastructure & Jobs Development Council

Public Members:

James D. Williams, Chairman
St. Albans
James L. Harrison, Sr., Vice Chairman
Princeton
Lloyd P. Adams, P.E.
Wheeling
Sheirl L. Fletcher
Morgantown

1320 One Valley Square
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Susan J. Riggs, Esquire
Executive Secretary

September 17, 1997

Terry L. Schulte
Harrison County Courthouse
301 West Main Street
Clarksburg, WV 26301

Re: Shortline Public Service District
Water System Extension Project 97W-346

Dear Ms. Schulte:

The West Virginia Infrastructure and Jobs Development Council (Council) has reviewed the Shortline Public Service District's (District) preliminary application regarding its proposed project to extend its water system to approximately 112 customers (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. The District may need to address certain issues raised in said comments as it proceeds with the Project.

Pursuant to its review of the preliminary application, the Council determined that the District should use Abandoned Mine Lands assistance of \$998,240 to finance the Project. In addition, the District may be eligible for Infrastructure Fund assistance of approximately \$1,198,480. The Council's final decision regarding the specific funding of the Project is deferred pending final determination of the Project's eligibility and readiness to proceed, and availability of funds in the Infrastructure Fund. Currently, no funds are available in the Infrastructure Fund. Please note that this letter does not constitute funding approval from the Council.

If you have any questions regarding this matter, please contact Susan J. Riggs at the above telephone number.

Sincerely,

James D. Williams

JDW/bh
Enclosure
cc: Pat Park

SHORT LINE PUBLIC SERVICE DISTRICT

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

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this 24th day of August, 2005, 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 Short Line 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 Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the Issuer, in the principal amount of \$1,274,183, numbered AR-1 (the "Series 2005 A Bonds"), issued as a single, fully registered Bond, and dated August 24, 2005.

2. At the time of such receipt, all the Series 2005 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 Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2005 A Bonds, of \$127,454, being a portion of the principal amount of the Series 2005 A Bonds. The balance of the principal amount of the Series 2005 A Bonds will be advanced by the Authority and the West Virginia Infrastructure and Jobs Development Council to the Issuer as acquisition and construction of the Project progresses.

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By: Barbara B Meadows
Its: Authorized Representative

SHORT LINE PUBLIC SERVICE DISTRICT

By: C. Meadows
Its: Chairman

08/10/05
820440.97001

SHORT LINE PUBLIC SERVICE DISTRICT

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

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

On this 24th day of August, 2005, there are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of Short Line Public Service District Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), in the principal amount of \$1,274,183 (the "Series 2005 A Bonds"), dated August 24, 2005, executed by the Chairman and Secretary of Short Line 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 July 19, 2005, and a Supplemental Resolution duly adopted by the Issuer on August 16, 2005 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of a loan agreement for the Series 2005 A Bonds, dated July 11, 2005, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") (the "Loan Agreement"); and

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

You are hereby requested and authorized to deliver the Series 2005 A Bonds to the Authority upon payment to the Issuer of the sum of \$127,454, representing a portion of the principal amount of the Series 2005 A Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

[Remainder of Page Intentionally Left Blank]

Dated as of the day and year first written above.

SHORT LINE PUBLIC SERVICE DISTRICT

By:  _____
Its: Chairman

08/10/05
820440.97001

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
SHORT LINE PUBLIC SERVICE DISTRICT
WATER REVENUE BOND, SERIES 2005 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1

\$1,274,183

KNOW ALL MEN BY THESE PRESENTS: That on this the 24th day of August, 2005, SHORT LINE PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Harrison and Wetzel Counties of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE MILLION TWO HUNDRED SEVENTY-FOUR THOUSAND ONE HUNDRED EIGHTY THREE DOLLARS (\$1,274,183), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2007, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated July 11, 2005.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of improvements and extensions to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public 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 31, Article 15A of the West Virginia Code of 1931, as amended (collectively,

the "Act"), and a Bond Resolution duly adopted by the Issuer on July 19, 2005, and a Supplemental Resolution duly adopted by the Issuer on August 16, 2005 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH (1) WATER REVENUE BONDS, SERIES 1990, DATED MAY 9, 1991, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$120,000; (2) WATER SYSTEM REVENUE BONDS, SERIES 1974, DATED SEPTEMBER 12, 1974, ISSUED IN THE ORIGINAL PRINCIPAL OF \$33,500; (3) WATER SYSTEM REVENUE BONDS, SERIES 1973, DATED NOVEMBER 6, 1973, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$500,000; AND (4) WATER SYSTEM REVENUE BONDS, SERIES 1973, DATED NOVEMBER 6, 1973, ISSUED IN THE ORIGINAL AMOUNT OF \$137,000 (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 monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2005 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2005 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2005 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, 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 Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

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

IN WITNESS WHEREOF, SHORT LINE 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 date first written above.

[SEAL]

By: *E. Rogers*
Its Chairman

ATTEST:

By: *Mary Lu Jones*
Its Secretary

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2005 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: August 24, 2005

THE HUNTINGTON NATIONAL BANK,
as Registrar

SPECIMEN


Its: Authorized Officer

EXHIBIT A
RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$127,454	August 24, 2005	(19) \$	
(2) \$		(20) \$	
(3) \$		(21) \$	
(4) \$		(22) \$	
(5) \$		(23) \$	
(6) \$		(24) \$	
(7) \$		(25) \$	
(8) \$		(26) \$	
(9) \$		(27) \$	
(10) \$		(28) \$	
(11) \$		(29) \$	
(12) \$		(30) \$	
(13) \$		(31) \$	
(14) \$		(32) \$	
(15) \$		(33) \$	
(16) \$		(34) \$	
(17) \$		(35) \$	
(18) \$		(36) \$	

TOTAL \$ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Total P+I</u>
09/01/2005	-	-	-
12/01/2005	-	-	-
03/01/2006	-	-	-
06/01/2006	-	-	-
09/01/2006	-	-	-
12/01/2006	-	-	-
03/01/2007	-	-	-
06/01/2007	8,328.00	-	8,328.00
09/01/2007	8,328.00	-	8,328.00
12/01/2007	8,328.00	-	8,328.00
03/01/2008	8,328.00	-	8,328.00
06/01/2008	8,328.00	-	8,328.00
09/01/2008	8,328.00	-	8,328.00
12/01/2008	8,328.00	-	8,328.00
03/01/2009	8,328.00	-	8,328.00
06/01/2009	8,328.00	-	8,328.00
09/01/2009	8,328.00	-	8,328.00
12/01/2009	8,328.00	-	8,328.00
03/01/2010	8,328.00	-	8,328.00
06/01/2010	8,328.00	-	8,328.00
09/01/2010	8,328.00	-	8,328.00
12/01/2010	8,328.00	-	8,328.00
03/01/2011	8,328.00	-	8,328.00
06/01/2011	8,328.00	-	8,328.00
09/01/2011	8,328.00	-	8,328.00
12/01/2011	8,328.00	-	8,328.00
03/01/2012	8,328.00	-	8,328.00
06/01/2012	8,328.00	-	8,328.00
09/01/2012	8,328.00	-	8,328.00
12/01/2012	8,328.00	-	8,328.00
03/01/2013	8,328.00	-	8,328.00
06/01/2013	8,328.00	-	8,328.00
09/01/2013	8,328.00	-	8,328.00
12/01/2013	8,328.00	-	8,328.00
03/01/2014	8,328.00	-	8,328.00
06/01/2014	8,328.00	-	8,328.00
09/01/2014	8,328.00	-	8,328.00
12/01/2014	8,328.00	-	8,328.00
03/01/2015	8,328.00	-	8,328.00
06/01/2015	8,328.00	-	8,328.00
09/01/2015	8,328.00	-	8,328.00
12/01/2015	8,328.00	-	8,328.00
03/01/2016	8,328.00	-	8,328.00
06/01/2016	8,328.00	-	8,328.00

Date	Principal	Coupon	Total P+I
09/01/2016	8,328.00	-	8,328.00
12/01/2016	8,328.00	-	8,328.00
03/01/2017	8,328.00	-	8,328.00
06/01/2017	8,328.00	-	8,328.00
09/01/2017	8,328.00	-	8,328.00
12/01/2017	8,328.00	-	8,328.00
03/01/2018	8,328.00	-	8,328.00
06/01/2018	8,328.00	-	8,328.00
09/01/2018	8,328.00	-	8,328.00
12/01/2018	8,328.00	-	8,328.00
03/01/2019	8,328.00	-	8,328.00
06/01/2019	8,328.00	-	8,328.00
09/01/2019	8,328.00	-	8,328.00
12/01/2019	8,328.00	-	8,328.00
03/01/2020	8,328.00	-	8,328.00
06/01/2020	8,328.00	-	8,328.00
09/01/2020	8,327.99	-	8,327.99
12/01/2020	8,327.99	-	8,327.99
03/01/2021	8,327.99	-	8,327.99
06/01/2021	8,327.99	-	8,327.99
09/01/2021	8,327.99	-	8,327.99
12/01/2021	8,327.99	-	8,327.99
03/01/2022	8,327.99	-	8,327.99
06/01/2022	8,327.99	-	8,327.99
09/01/2022	8,327.99	-	8,327.99
12/01/2022	8,327.99	-	8,327.99
03/01/2023	8,327.99	-	8,327.99
06/01/2023	8,327.99	-	8,327.99
09/01/2023	8,327.99	-	8,327.99
12/01/2023	8,327.99	-	8,327.99
03/01/2024	8,327.99	-	8,327.99
06/01/2024	8,327.99	-	8,327.99
09/01/2024	8,327.99	-	8,327.99
12/01/2024	8,327.99	-	8,327.99
03/01/2025	8,327.99	-	8,327.99
06/01/2025	8,327.99	-	8,327.99
09/01/2025	8,327.99	-	8,327.99
12/01/2025	8,327.99	-	8,327.99
03/01/2026	8,327.99	-	8,327.99
06/01/2026	8,327.99	-	8,327.99
09/01/2026	8,327.99	-	8,327.99
12/01/2026	8,327.99	-	8,327.99
03/01/2027	8,327.99	-	8,327.99
06/01/2027	8,327.99	-	8,327.99

Date	Principal	Coupon	Total P+I
09/01/2027	8,327.99	-	8,327.99
12/01/2027	8,327.99	-	8,327.99
03/01/2028	8,327.99	-	8,327.99
06/01/2028	8,327.99	-	8,327.99
09/01/2028	8,327.99	-	8,327.99
12/01/2028	8,327.99	-	8,327.99
03/01/2029	8,327.99	-	8,327.99
06/01/2029	8,327.99	-	8,327.99
09/01/2029	8,327.99	-	8,327.99
12/01/2029	8,327.99	-	8,327.99
03/01/2030	8,327.99	-	8,327.99
06/01/2030	8,327.99	-	8,327.99
09/01/2030	8,327.99	-	8,327.99
12/01/2030	8,327.99	-	8,327.99
03/01/2031	8,327.99	-	8,327.99
06/01/2031	8,327.99	-	8,327.99
09/01/2031	8,327.99	-	8,327.99
12/01/2031	8,327.99	-	8,327.99
03/01/2032	8,327.99	-	8,327.99
06/01/2032	8,327.99	-	8,327.99
09/01/2032	8,327.99	-	8,327.99
12/01/2032	8,327.99	-	8,327.99
03/01/2033	8,327.99	-	8,327.99
06/01/2033	8,327.99	-	8,327.99
09/01/2033	8,327.99	-	8,327.99
12/01/2033	8,327.99	-	8,327.99
03/01/2034	8,327.99	-	8,327.99
06/01/2034	8,327.99	-	8,327.99
09/01/2034	8,327.99	-	8,327.99
12/01/2034	8,327.99	-	8,327.99
03/01/2035	8,327.99	-	8,327.99
06/01/2035	8,327.99	-	8,327.99
09/01/2035	8,327.99	-	8,327.99
12/01/2035	8,327.99	-	8,327.99
03/01/2036	8,327.99	-	8,327.99
06/01/2036	8,327.99	-	8,327.99
09/01/2036	8,327.99	-	8,327.99
12/01/2036	8,327.99	-	8,327.99
03/01/2037	8,327.99	-	8,327.99
06/01/2037	8,327.99	-	8,327.99
09/01/2037	8,327.99	-	8,327.99
12/01/2037	8,327.99	-	8,327.99
03/01/2038	8,327.99	-	8,327.99
06/01/2038	8,327.99	-	8,327.99

Date	Principal	Coupon	Total P+I
09/01/2038	8,327.99	-	8,327.99
12/01/2038	8,327.99	-	8,327.99
03/01/2039	8,327.99	-	8,327.99
06/01/2039	8,327.99	-	8,327.99
09/01/2039	8,327.99	-	8,327.99
12/01/2039	8,327.99	-	8,327.99
03/01/2040	8,327.99	-	8,327.99
06/01/2040	8,327.99	-	8,327.99
09/01/2040	8,327.99	-	8,327.99
12/01/2040	8,327.99	-	8,327.99
03/01/2041	8,327.99	-	8,327.99
06/01/2041	8,327.99	-	8,327.99
09/01/2041	8,327.99	-	8,327.99
12/01/2041	8,327.99	-	8,327.99
03/01/2042	8,327.99	-	8,327.99
06/01/2042	8,327.99	-	8,327.99
09/01/2042	8,327.99	-	8,327.99
12/01/2042	8,327.99	-	8,327.99
03/01/2043	8,327.99	-	8,327.99
06/01/2043	8,327.99	-	8,327.99
09/01/2043	8,327.99	-	8,327.99
12/01/2043	8,327.99	-	8,327.99
03/01/2044	8,327.99	-	8,327.99
06/01/2044	8,327.99	-	8,327.99
09/01/2044	8,327.99	-	8,327.99
12/01/2044	8,327.99	-	8,327.99
03/01/2045	8,327.99	-	8,327.99
06/01/2045	8,327.99	-	8,327.99
Total	\$1,274,183.00	-	\$1,274,183.00

ASSIGNMENT

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

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

Dated: _____, _____.

In the presence of:



Clarksburg Charleston Morgantown Martinsburg Wheeling Huntington

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

Writer's Contact Information

August 24, 2005

Short Line Public Service District
Water Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

Short Line Public Service District
Wallace, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs
Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Short Line Public Service District (the "Issuer"), a public service district, public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its \$1,274,183 Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated July 11, 2005, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2007, and maturing June 1, 2045, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

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

We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on July 19, 2005, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 16, 2005 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

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

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

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

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System 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 Prior Bonds, all in accordance with the terms of the Bonds and the Bond Legislation.

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

6. The Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may

Short Line Public Service District, et al.
Page 3

be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion and the application of equitable remedies in appropriate cases.

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

Very truly yours,



STEPTOE & JOHNSON PLLC

08/10/05
820440.97001

CH753081.1



Clarksburg Charleston Morgantown Martinsburg Wheeling Huntington

Bank One Center, Eighth Floor

P.O. Box 1588

Charleston, WV 25326-1588

(304) 353-8000 (304) 353-8180 Fax

www.steptoe-johnson.com

Writer's Contact Information

August 24, 2005

Short Line Public Service District
Water Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

Short Line Public Service District
Wallace, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs
Development Council
Charleston, West Virginia

Step toe & Johnson PLLC
Clarksburg, West Virginia

Ladies and Gentlemen:

We are counsel to Short Line Public Service District, a public service district, in Harrison and Wetzel Counties, 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 2005 A Bonds dated July 11, 2005, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), the Bond Resolution duly adopted by the Issuer on July 19, 2005, as supplemented by the Supplemental Resolution duly adopted by the Issuer on August 16, 2005 (collectively, the "Bond Legislation"), orders of The County Commission of Harrison County relating to the Issuer and the appointment of members of the Public Service Board of the Issuer, and other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer (collectively, the "Bonds"). 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 is duly created and validly existing as a public service district and as a public corporation and political subdivision of the State of West Virginia.
2. The 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.

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

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 order, resolution, agreement or other instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, court order or consent decree to which the Issuer is subject.

6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders, certificates and approvals from The County Commission of Harrison County, the Bureau for Public Health, the Council and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on December 10, 2002 and the Recommended Decision entered on August 11, 2005, in Case No. 01-0965-PWD-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project, approving the financing for the Project and approving the rates for the System. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. The time for appeal of the Recommended Decision has not expired prior to the date hereof. However, the Issuer has certified that it does not intend to appeal such Recommended Decision and the other parties to such Recommended Decision have stated that they do not intend to appeal such Recommended Decisions. The Orders remain in full force and effect.

The Issuer has received the Commission Orders of the Public Service Commission of West Virginia entered on August 24, 2004 and June 7, 2005, in Case No. 04-0451-PWD-PC, approving the Deferred Loan. The time for appeal of both Commission Orders has expired prior to the date hereof. Both Commission Orders remain in full force and effect.

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

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

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Steptoe & Johnson PLLC", is written over a printed name.

STEPTOE & JOHNSON PLLC



Clarksburg Charleston Morgantown Martinsburg Wheeling Huntington

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(304) 624-8125

Writer's E-Mail Address

lightrc@steptoe-johnson.com

July 25, 2005

Short Line Public Service District
P. O. Box 188
Wallace, WV 26448

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

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

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

Re: Final Title Opinion for Short Line Public Service District
Sardis-Marshville AML/JDC Water Line Project
Project 97W-346

Ladies and Gentlemen:

We are counsel to Short Line Public Service District (the "Issuer") in connection with a proposed project to construct the captioned waterline extension (the "Project"). We provide this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council") for the Project. Please be advised of the following:

1. 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 BPH.

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 GAI Consulting Engineers, the consulting engineers for the Project.

Short Line Public Service District
West Virginia Infrastructure and Jobs Development Authority
West Virginia Water Development Authority
Steptoe & Johnson PLLC
July 25, 2005
Page 2

4. We have examined the records on file in the Office of the Clerk of the County Commission of Harrison 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, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

5. 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 Harrison County to protect the legal title to and interest of the Issuer.

Very truly yours,

STEPTOE & JOHNSON PLLC

By: 
A Member

RCL:pjg

SHORT LINE PUBLIC SERVICE DISTRICT

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

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Short Line Public Service District in Harrison and Wetzel Counties, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify, on this the 24th day of August, 2005, in connection with the Issuer's Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated the date hereof (collectively, the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Resolution of the Issuer duly adopted July 19, 2005, and the Supplemental Resolution duly adopted July 19, 2005 (collectively, the "Bond Legislation").

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

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

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

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2005 A Bonds as to liens, pledge and source of and security for payment, being the (i) Water Revenue Bonds, Series 1990, dated May 9, 1991, issued in the original principal amount of \$120,000; (ii) Water System Revenue Bonds, Series 1974, dated September 12, 1974, issued in the original principal of \$33,500; (iii) Water System Revenue Bonds, Series 1973, dated November 6, 1973, issued in the original principal amount of \$500,000; and (iv) Water System Revenue Bonds, Series 1973, dated November 6, 1973, issued in the original amount of \$137,000 (collectively, the "Prior Bonds").

The Issuer has obtained (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2005 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Resolution.

The Issuer will issue its Deferred Loan Promissory Note in the aggregate principal amount of \$100,000 to be held by the Harrison County Planning Commission which will not have a lien on the Net Revenues of the System, but will be secured by the surplus revenues of the System.

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

Bond Resolution

Supplemental Resolution

Loan Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

County Commission Orders Regarding the Creation and Enlargement of the District and the PSC Order Approving the Enlargement of the District

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Affidavit of Publication on Notice of Pre- Filing

Minutes of 2005 Organizational Meeting

Minutes on Adoption of Bond Resolution and Supplemental Resolution

Environmental Health Services Permit

Evidence of AML Grant

WVIJDC Grant Agreement

Promissory Note for Deferred Loan

Evidence of Insurance

1973, 1974 and 1990 Bond Resolutions

Consent of RUS to Issuance of Parity Bonds

Water Purchase Contract with Clarksburg Water Board

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

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Eugene Rogers	11-26-2003	11-26-2009
Mary Lee Hines	06-12-2003	06-12-2009
Donald A. Wikert	06-19-2003	07-03-2008

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

Chairperson	-	Eugene Rogers
Secretary	-	Mary Lee Hines
Treasurer	-	Donald A. Wikert

The duly appointed and acting local and PSC counsel to the Issuer is Randall C. Light, Esquire of Steptoe & Johnson PLLC, in Clarksburg, West Virginia.

7. **LAND AND RIGHTS-OF-WAY:** All land in fee simple and all rights-of-way and easements necessary for the acquisition and construction of the Project and the operation and maintenance of the System have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds.

8. **MEETINGS, ETC.:** All actions, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the acquisition, construction, operation and financing of the Project and the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

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

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

11. **RATES:** The Issuer has received the Recommended Decision of the Public Service Commission of West Virginia entered on August 11, 2005, in Case No. 01-0965-PWD-CN, approving the rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. The time for appeal of such Order has not expired on to the date hereof. The parties to such Order have stated that they do not intend to appeal such Order. The Issuer hereby certifies that it will not appeal such Order. Such Order remains in full force and effect. The rates will become effective upon completion of the Project.

12. **PUBLIC SERVICE COMMISSION ORDERS:** The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on December 10, 2002 and the Recommended Decision entered on August 11, 2005, in Case No. 01-0965-PWD-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Final Order has expired prior to the date hereof without any appeal.

The time for appeal of the August 11, 2005 Recommended Decision has not expired prior to the date hereof. However, the Issuer hereby certifies that it does not intend to appeal such Recommended Decision and the other parties to such Recommended Decision have stated that they do not intend to appeal such Recommended Decision. Such Orders remain in full force and effect.

The Issuer has received the Commission Orders of the Public Service Commission of West Virginia entered on August 24, 2004 and June 7, 2005, in Case No. 04-0451-PWD-PC, approving the Deferred Loan. The time for appeal of both Commission Orders has expired on the date hereof. Such Orders remain in full force and effect.

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

14. **BOND PROCEEDS:** On the date hereof, the Issuer received \$127,454 from the Authority and the Council, being a portion of the principal amount of the Series 2005 A Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

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

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

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

18. GRANTS: As of the date hereof, the West Virginia Infrastructure and Jobs Development Council Grant in the amount of \$431,453 and the Abandoned Mine Lands Grant in the amount of \$1,201,589, are in full force and effect.

19. WATER PURCHASE AGREEMENT: The Issuer hereby certifies that it will promptly and diligently seek to obtain the approval from the Public Service Commission of West Virginia of the water purchase agreement between the Issuer and the Clarksburg Water Board regarding an extended term equal to term of the Series 2005 A Bonds prior to 50% of the proceeds of the Series 2005 A Bonds being disbursed.

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

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

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE



Chairman



Secretary

Counsel to Issuer

08/10/05
820440.97001

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

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

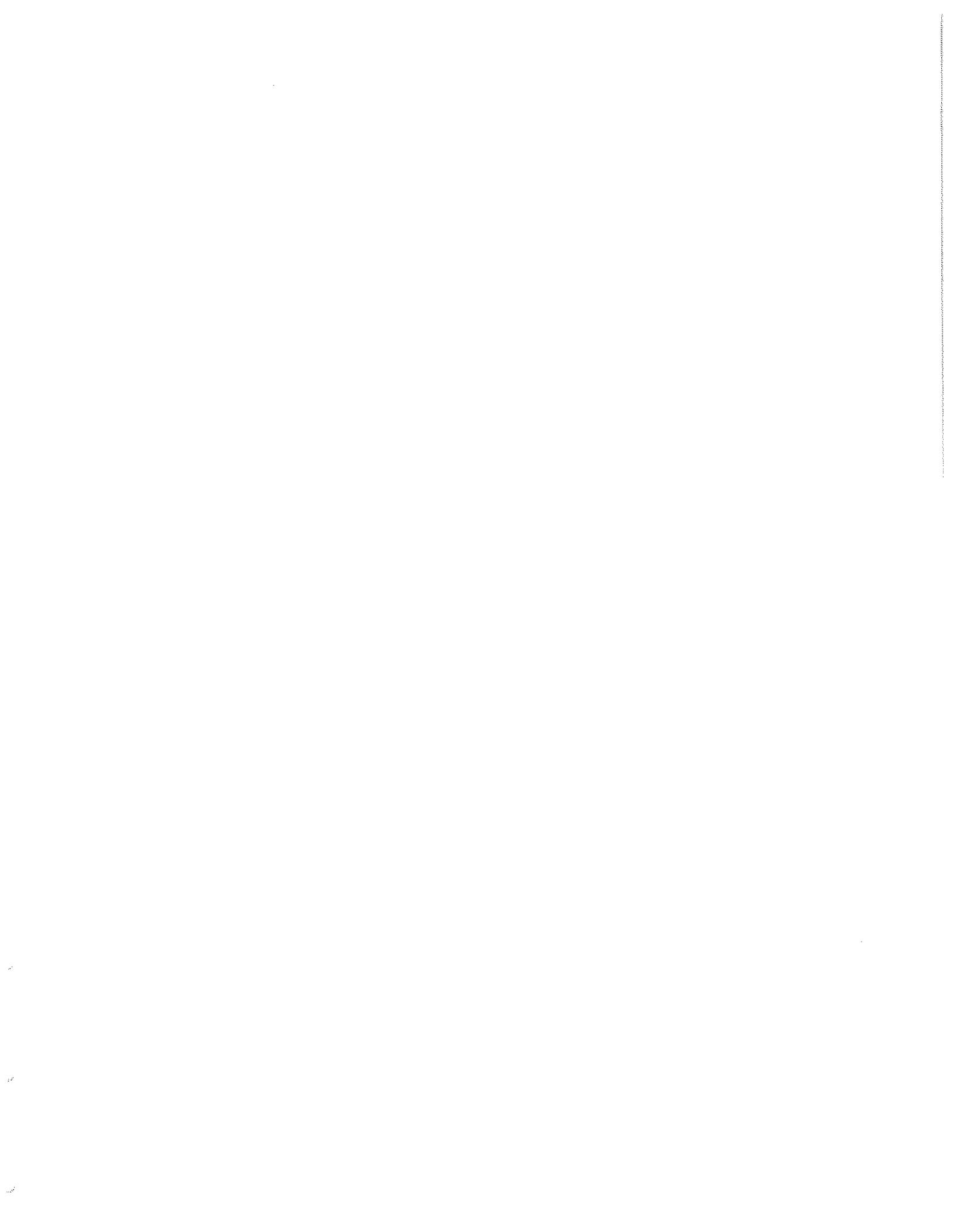
Chairman

Secretary

Randall J. [Signature]

Counsel to Issuer

08/10/05
820440.97001



SHORT LINE PUBLIC SERVICE DISTRICT

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

CERTIFICATE OF ENGINEER

I, Charles F. Straley, Registered Professional Engineer, West Virginia License No. 11842, of GAI Consultants, Charleston, West Virginia, hereby certify as follows:

1. My firm is engineer for the construction of certain improvements and extensions (the "Project") to the existing public waterworks facilities (the "System") of Short Line Public Service District (the "Issuer") to be constructed primarily in Harrison County, West Virginia, which construction is being financed in part by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on July 19, 2005, and the Loan Agreement for the Series 2005 A Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), dated July 11, 2005 (the "Loan Agreement").

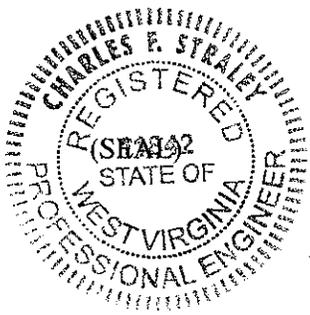
2. The Series 2005 A Bonds are being issued for the purposes of (i) paying a portion of the costs of construction of the Project; and (ii) paying certain costs of issuance of the Bonds and related costs.

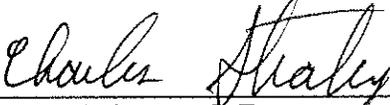
3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the West Virginia Bureau for Public Health ("BPH") and the Council and any change orders approved by the Issuer, the Council, the BPH and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least forty years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and the Issuer's counsel, Randy Light, Esquire, 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 BPH and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has

obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (ix) in reliance upon the certificate of the Issuer's certified public accountant, Smith & Denny, as of the effective date thereof, the rates and charges for the System as approved by the Public Service Commission of West Virginia and adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (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 construction of the Project approved by the BPH; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this 24th day of August, 2005.

GAI CONSULTANTS





Charles F. Straley, P.E.
West Virginia License No. 11642

08/10/05
820440.97001

Schedule B

Received
JUN 16 2005

SHORTLINE PUBLIC SERVICE DISTRICT

A. COST OF PROJECT	TOTAL	IJDC	AML (56%)	Harrison County Loan
1 Construction				
Contract 1	2,619,456.00	1,475,084.00	1,144,371.00	
2 Technical Services - GAI				
a. Planning & Design (Non AML portion)	29,800.00	29,800.00		
b. Inspection	25,000.00	25,000.00		
c. Special Services				
3 Legal & Fiscal				
a. Legal Staples	100,000.00	100,000.00		
b. Accounting Smith & Denny	2,000.00			2,000.00
4 Administrative	1,500.00			1,500.00
5 Sites & Other Lands				
a. Land acquisition / RGW	15,000.00	15,000.00		
6 Interim Financing				
7 Contingency (AML portion) 5%	102,175.00	44,957.00	57,218.00	
8 Contingency (non AML portion)	91,795.00	295.00		91,500.00
9 TOTAL of Lines 1 through 8	2,986,725.00	1,690,138.00	1,201,589.00	95,000.00
10 Bond Reserve	5,000.00			5,000.00
11 Funded Reserve				
12 Other Costs				
a. Registrar fees	500.00	500.00		
b. Bond Counsel (S&J)	15,000.00	15,000.00		
13 Cost of Issuance	15,500.00	15,500.00		
14 TOTAL PROJECT COST line 9 plus line 12	3,007,225.00	1,705,838.00	1,201,589.00	100,000.00
RESOURCES OTHER THAN AML				
15 Federal Grants (AML)	1,201,589.00		1,201,589.00	
16 State Grants (IJDC)	431,453.00	431,453.00		
17 Other Grants				
18 Any Other Source Harrison County Commission Deferred Loan	100,000.00			100,000.00
19 TOTAL GRANTS Lines 14 through 17	1,833,042.00	431,453.00	1,201,589.00	100,000.00
20 Size of Bond Issue	1,274,183.00	1,274,183.00	0.00	0.00

Shortline Public Service District

Date

GAI Consultants, Inc.

Date

Charles J. Miller
AML

6/9/05
Date

Infrastructure Council

Date

- Note 1 AML project is \$2,043,519
- Note 2 AML is participating at 56% of AML portion (\$1,144,371 construction)
- Note 3 Contingency of 5% on AML portion is \$102,175 of which AML is 56% (\$57,218)

**SHORTLINE PUBLIC SERVICE DISTRICT
SCHEDULE B
WATER PROJECT 97W-346**

	TOTAL	IJDC	AML (58%)	Harrison County Loan
A. COST OF PROJECT				
1 Construction				
Contract 1	2,819,455.00	1,475,084.00	1,144,371.00	
2 Technical Services - GAI				
a. Planning & Design (Non AML portion)	29,800.00	29,800.00		
b. Inspection	25,000.00	25,000.00		
c. Special Services				
3 Legal & Fiscal				
a. Legal Stephoe	100,000.00	100,000.00		
b. Accounting Smith & Denny	2,000.00	0.00		2,000.00
	1,500.00	0.00		1,500.00
4 Administrative				
5 Sites & Other Lands				
a. Land acquisition / ROW	15,000.00	15,000.00		
6 Interim Financing				
7 Contingency (AML portion) 5%	102,175.00	44,957.00	57,218.00	
8 Contingency (non AML portion)	91,795.00	285.00		91,500.00
9 TOTAL of Lines 1 through 8	2,988,725.00	1,890,138.00	1,201,589.00	95,000.00
B. COST OF FINANCING				
10 reserves	5,000.00			5,000.00
11 Other Costs				
a. Registrar fees	500.00	500.00		
b. Bond Counsel (S&J)	15,000.00	15,000.00		
12 Cost of Issuance	20,500.00	15,500.00	0.00	5,000.00
13 TOTAL PROJECT COST line 9 plus line 12	3,007,225.00	1,705,638.00	1,201,589.00	100,000.00
C. SOURCES OF OTHER FUNDS				
14 Federal Grants (AML)	1,201,589.00		1,201,589.00	
15 State Grants (IJDC)	431,453.00	431,453.00		
16 Other Grants				
17 Any Other Source Harrison County Commission Deferred Loan	100,000.00			100,000.00
18 TOTAL GRANTS Lines 14 through 17	1,733,042.00	431,453.00	1,201,589.00	100,000.00
19 Size of Bond Issue	1,274,183.00	1,274,183.00	0.00	0.00

Shortline Public Service District _____

Date _____

GAI Consultants, Inc. _____

Date _____

AML

 Infrastructure Council _____

Date
 8/24/2005
 Date _____

- Note 1 AML project is \$2,043,519
- Note 2 AML is participating at 56% of AML portion (\$1,144,371 construction)
- Note 3 Contingency of 5% on AML portion is \$102,175 of which AML is 56% (\$57,218)
- Note 4 Harrison County loan is a deferred loan not to exceed \$100,000.

Smith Denny
Alastanos PLLC

- CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS -

JAMES D. SMITH, JR., CPA
JAMES E. DENNY, CPA
MICHAEL G. ALASTANOS, CPA
C. JEFFREY ALASTANOS, CPA
TERRING M. WEAVER, CPA

248 East Main Street • Clarksburg, West Virginia 26301
(304) 624-9400 • FAX (304) 624-7848 • E-mail: smithdenny@ma.rr.com

AUGUST 24, 2005

Short Line Public Service District
Water Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

Short Line Public Service District
Wallace, West Virginia

West Virginia Water Development
Authority
Charleston, West Virginia

United States Department of Agriculture,
Rural Utilities Service
Morgantown, West Virginia

West Virginia Infrastructure and Jobs
Development Council
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the Recommended Decision of the Public Service Commission of West Virginia entered August 11, 2005, in Case No. 01-0965-PWD-CN, the projected operating expenses and the anticipated customer usage as furnished to us by the Public Service Commission and Short Line Public Service District (the "Issuer"), it is my opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the waterworks system (the "System") of the Issuer, will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Issuer's Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund) (the "Bonds"), to be issued to West Virginia Water Development Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council, and all other obligations secured by or payable from the revenues of the System, on a parity with the Bonds, including the Issuer's Water System Revenue Bonds, Series 1973, Water System Revenue Bonds, Series 1973, Water System Revenue Bonds, Series 1974 and Water Revenue Bonds, Series 1991 (collectively, the "Prior Bonds"). The Promissory Note to be held by the Harrison County Planning Commission will be secured by surplus revenues only.

It is further my opinion that 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.

Very truly yours,

Smith Denny & Alastanos PLLC



Smith Denny
Alastanos PLLC

- CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS -

JAMES D. SMITH, JR., CPA
JAMES E. DENNY, CPA
MICHAEL G. ALASTANOS, CPA
C. JEFFREY ALASTANOS, CPA
TERRING M. WEAVER, CPA

248 East Main Street • Clarksburg, West Virginia 26301
(304) 624-9400 • FAX (304) 624-7848 • E-mail: smithdenny@ma.rr.com

August 22, 2005

In re: Prior Bond Reserve Accounts

Gentlemen:

I have reviewed the account balances in the Debt Service and Bond Reserve accounts of Short Line Public Service District. Based on my review the deficiencies that existed in said accounts have been funded thru August 31, 2005.

Sincerely,



Michael G Alastanos, CPA



SHORT LINE PUBLIC SERVICE DISTRICT

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

CERTIFICATE AS TO USE OF PROCEEDS

On this 24th day of August, 2005, the undersigned Chairman of the Public Service Board of Short Line Public Service District in Harrison and Wetzel Counties, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of \$1,274,183 Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), of the Issuer, dated August 24, 2005 (the "Bonds"), hereby certify as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Resolution duly adopted by the Issuer on July 19, 2005 (the "Bond Resolution"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on August 24, 2005, the date on which the Bonds are being physically delivered in exchange for an initial advance of the principal amount of the Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

5. The Bonds were sold on August 24, 2005, to the Authority, pursuant to a loan agreement dated July 11, 2005, by and between the Issuer and the Authority, on behalf of the Council, for an aggregate purchase price of \$1,274,183 (100% of par), at which time, the Issuer received \$127,454 from the Authority and the Council, being the first advance of the principal amount of the Bonds. No accrued interest has been or will be paid on the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; and (ii) paying certain costs of issuance and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion 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, 2007. The acquisition and construction of the Project is expected to be completed by January, 2007.

10. The total cost of the Project is estimated at \$3,007,225. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2005 A Bonds	\$1,274,183
Infrastructure Council Grant	\$ 431,453
AML Grant	\$1,201,589
Harrison County Planning Commission Deferred Loan	<u>\$ 100,000</u>
Total Sources	<u>\$3,007,225</u>

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USES

Costs of Acquisition and Construction of the Project	\$2,978,419
Funding Prior Bonds' Deficiencies in Reserve and Revenue Accounts	\$ 13,306
Costs of Issuance	<u>\$ 15,500</u>
Total Uses	<u>\$3,007,225</u>

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

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

12. Pursuant to Article VI of the Bond Resolution, the proceeds of the Bonds will be deposited in the Series 2005 A Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Bonds and related costs.

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

14. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within eighteen (18) months of the date hereof.

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

16. With the exception of the amount deposited in the Series 2005 A Bonds Sinking Fund for payment of interest, if any, on the Bonds and the amount deposited in the Bonds Reserve Account, if any, all of the proceeds of the Series 2005 A Bonds will be expended on the Project within twenty-one (21) months from the date of issuance thereof.

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

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

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

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

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

22. 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.

23. The Bonds are not federally guaranteed.

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

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

26. 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 of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bonds.

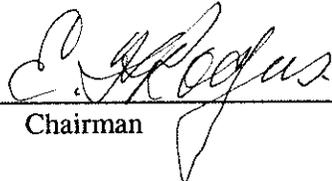
27. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

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

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

WITNESS my signature as of the date written above.

SHORT LINE PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

08/10/05
820440.97001

ORDERS—Commissioners Harrison County, W. Va. 070

Session Held

Tuesday, September 20,

19 88

Dayton Legal Blank Co.—L-3554

County Commission

Expansion of Short Line Public
Service District

IN THE COUNTY COMMISSION OF HARRISON COUNTY, WEST VIRGINIA

IN RE: EXPANSION OF SHORT LINE PUBLIC SERVICE DISTRICT

At a regular term of the County Commission of Harrison County, West Virginia, held at the Court House of said county, President. Frank X. Lopez, and Commissioner Ruby Keister being present thereat, on the 20th day of September, 1988, being the date fixed by prior action of the County Commission for the conducting of a public hearing on the expansion of the Short Line Public Service District as contemplated provided for an Order adopted by the County Commission on the 28th day of July, 1988, and as continued, orally, without objection, on the 23rd day of August, 1988, by the County Commission unto the 20th day of September, 1988, the Commission announced that due publication of notice of such public hearing, in accordance with said Order, had been made in (a) the Clarksburg Exponent, a newspaper of general circulation in Harrison County, West Virginia, on the 10th day of August, 1988; and of the Amended Notice of Publication in (b) the Wetzel Chronicle, a newspaper of general circulation in Wetzel County, West Virginia, on the 31st day of August, 1988, as appeared from the certificates of publication tendered to the County Commission and now filed herein. Such notice stating that all persons residing in or owning or having any interest or property in such proposed expansion or of the existing areas of the Short Line Public Service District desiring to be heard for or against the expansion of said Short Line Public Service District would be heard.

674 **ORDERS—Commissioners Harrison County, W. Va.**

Session Held

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Dayton Legal Blank Co.—L-3884

The Commission further announced that the Affidavit of J. K. Jones, Jr., was filed herein, setting out facts concerning posting of notices and amended notices in accordance with said Order in five (5) conspicuous places within the limits of the proposed expansion of the said Short Line Public Service District and further within five (5) conspicuous places within the existing Short Line Public Service District. Said notices and amended notices containing the same information contained in the published notices and such posted notices and amended notices were posted not less than ten (10) days prior to the date of this hearing.

Numerous persons residing in or owning or having any interest in the property in the limits of the proposed expansion of the Short Line Public Service District appeared and all of such persons desiring to be heard were given full opportunity at the hearing held on this day, and a number of such persons testified in favor of the expansion of the Short Line Public District and none in opposition thereto.

The County Commission then further discussed the expansion of said Short Line Public Service District, whereupon, upon the unanimous vote of all commissioners, the following Order and Resolution was adopted, effective immediately:

**ORDER EXPANDING SHORT LINE PUBLIC SERVICE DISTRICT
IN THE COUNTIES OF HARRISON AND WETZEL
IN THE STATE OF WEST VIRGINIA**

WHEREAS, upon its own motion, the County Commission

ORDERS—Commissioners Harrison County, W. Va. 070

Secret (11) (10/1)

18

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of Harrison County, West Virginia, deemed that an expansion of the Short Line Public Service District located within the counties of Harrison and Wetzel, the State of West Virginia, to include within the said Short Line Public Service District the Jones Run Community located in Eagle District, Harrison County, West Virginia was necessary and desirable; and

WHEREAS, the original resolution and order of the County Commission of Harrison County, West Virginia, contained a description sufficient to identify the territory to be embraced within the expanded Short Line Public Service District; and

WHEREAS, the proposed territory for the expanded Short Line Public Service District 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 limit any city, incorporated town or other municipal corporation having a population in excess of three thousand (3,000) persons; and

WHEREAS, the Commission further finds that due to geographic and other financial considerations, no other public service district can serve the area of expansion sought by the Short Line Public Service District, and

WHEREAS, the County Commission of Harrison County, West Virginia, did heretofore, by resolution and order adopted on the 28th day of July, 1988, fix a date for a public hearing which date was subsequently, orally amended, without objections, by action of this commission modifying the date of the hearing herein for the 23rd day of August, 1988, unto the 20th day of

76 **ORDERS—Commissioners Harrison County, W. Va.**

Session Held

19

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September, 1988, on the proposed expansion of the Short Line Public Service District for supplying water and sewage services to the Jones Run community in Harrison County, West Virginia, and in said resolution and order provided that all persons residing in or owning or having any interest in property in the proposed expansion area or in the existing area of the Short Line Public Service District might appear before the County Commission of Harrison County, West Virginia, at this meeting and have an opportunity to be heard for or against the expansion of said district; and

WHEREAS, notice of this hearing was duly given in a manner provided and required by said resolution and order and by Article 13A of Chapter 16 of the West Virginia Code, and all interested persons having been afforded an opportunity to be heard for and against the expansion of said district and upon the need for water and sewage services described generally at the hearing, no written protest being filed by the requisite number of qualified voters registered and residing in said expanded public service district or otherwise, and the said County Commission having given due consideration to all matters for which such hearing was held; and

WHEREAS, The County Commission is of the opinion and does hereby determine that the expansion of the Short Line Public Service District is feasible and that the water and sewage services proposed for said expanded district will be conducive to the preservation of public health, comfort and convenience in said district, and that a Resolution and Order creating said

ORDERS—Commissioners Harrison County, W. Va. 677

Session Held

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expansion of the Short Line Public Service District should be adopted; and

WHEREAS, the Commission finds that the present physical facilities of the Short Line Public Service District are adequate and are able to provide the service sought herein to be expanded.

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

I.

The Short Line Public Service District within the counties of Harrison and Wetzel in the State of West Virginia is hereby expanded and said expanded Short Line Public Service District shall have the following boundaries:

Beginning at a point in the northern boundary line of the City of Clarksburg along U.S. Route 19; thence northerly with U.S. Route 19 0.22 miles to the intersection of Crooked Run Road, designated as being State Route 19/10; thence with said Crooked Run Road and the southern boundary of The Enlarged Hepzibah Public Service District 2.38 miles to the Coal and Sardis Magisterial District line; thence with said District line and with the western boundary of The Enlarged Hepzibah Public Service District in a northerly direction 0.47 miles to the Eagle Magisterial District Line; thence with the Sardis-Eagle Magisterial District Line 2.61 miles in a northwest direction to Tenmile Creek; thence N. 56° 15' E 0.95 miles to a point in said Tenmile Creek; thence downstream 0.57 miles to a point; thence leaving said Tenmile Creek N 06° 45' E 2.73 miles to a common corner and point in the boundary of the Bingamon Public Service District; thence with said Bingamon Public Service District north 1.17 miles to a point; thence west 2.47 miles to a point; thence north 1.25 miles to a point, common boundary corner of said Bingamon Public Service District and OJW Public Service District; thence leaving said Bingamon Public Service District and with the southern boundary of said OJW Public Service District N 60° 00' W 4.85 miles to a point in the Marion-Harrison County line; thence with the said County line in a northwesterly direction 0.82 miles to a point in the Wetzel County line; thence with the Wetzel-Marion County line in a northerly direction 0.78 miles to

678 ORDERS—Commissioners Harrison County, W. Va.

Session Held

19

Dayton Legal Blank Co.—L-3654

a point; thence leaving the County line N 55° 00' W 3.42 miles to a point; thence S 72° 00' W 1.84 miles to a point; thence S 20° 00' E 5.21 miles to the Harrison, Wetzel and Doddridge County lines (a common corner); thence with said Harrison-Doddridge County Line in a southeast direction 6.49 miles to a point (a common corner with the Sardis-Tenmile Magisterial District line); thence with the said District line 8.72 miles to a point in the Coal Magisterial District line; thence in an easterly direction with the Coal-Sardis Magisterial District line 3.15 miles to a point; thence leaving the magisterial district line S 61° 00' E 0.51 miles to a point on the ridge; thence S 88° 00' E 1.81 miles to a point on the northern boundary of the City of Clarksburg; thence in an easterly direction with the Corporation line 0.17 miles to the beginning, containing 95.76 square miles.

II.

The expanded public service district shall continue to have the name and corporate title of SHORT LINE PUBLIC SERVICE DISTRICT and shall constitute a public corporation applicable subdivision of the State of West Virginia having all the rights and powers conferred upon the public service districts by the laws of the State of West Virginia and particularly by Article 13A of Chapter 16 of the West Virginia Code and as heretofore authorized by this Commission.

III.

There being no city, incorporated town or other municipal corporation having a population of three thousand (3,000) persons or more included in the said district, the current members of the Short Line Public Service Board shall continue and their terms shall continue as currently stated, all in accordance with West Virginia Code, Chapter 16, Article 13A, Section 3.

It is further ORDERED that a copy of this Order and Resolution and Order shall be filed in the office of the Clerk of the County Commission of Wetzel County, West Virginia.

ORDERS—Commissioners Harrison County, W. Va. 679

Session Held

19

Dayton Legal Blank Co.—L-3554

It is further ORDERED that the Clerk of the Harrison County Commission shall within ten (10) days from date hereof, file a certified copy of this order and resolution for review and approval with the Public Service Commission of the State of West Virginia.

Enter this the 20 day of Sept., 1988.

Frank X Lopez
President
Harrison County Commission

Ruby Keister
Commissioner
Harrison County Commission

Commissioner
Harrison County Commission

STATE OF WEST VIRGINIA,

County of Harrison:

I, SYLVIA BASILE, Clerk of the Harrison County Commission do hereby certify that the foregoing writing is a true and accurate copy as appears of record in my office in General Order Book No. 56 at Page 673, of said records.

Given under my hand and Seal of said Office this 11th day of October, 1990.



Clerk, Harrison County Commission

576 ORDERS—Commissioners Harrison County Court, W. Va.

Regular Session Held

Wednesday, September 22nd,

1971

Short Line Public Service District

Created

SHORT LINE PUBLIC SERVICE DISTRICT:

At a regular term of the County Court of Harrison County, held at the Court House of said County, Commissioners Daniel L. McCarthy and John Scott being present thereat, on the 22nd day of September, 1971, being the date fixed by prior action of the County Court for conducting the public hearing on the creation of the proposed Short Line Public Service District, as contemplated and provided for in a petition and order adopted by the County Court on the 19th day of August, 1971, the Court announced that due publication of notice of such public hearing, in accordance with said order, had been made in (a) The Clarksburg Exponent, a newspaper of general circulation in Harrison County, West Virginia on Thursday, August 26, 1971; and, (b) The Wetzel Democrat, a newspaper of general circulation in Wetzel County on Tuesday, August 31, 1971, as appears from the certificates of publication tendered to the County Court and now filed herein, such notices stating that all persons residing in or owning or having any interest in property in such proposed Short Line Public Service District desiring to be heard for or against the creation of said District would be heard. The Court further announced that the affidavit of Nelson R. Jennings was filed herein, setting out facts concerning the posting of notices in accordance with said order, in five (5) conspicuous places within the limits of the proposed public service district, said notices containing the same information contained in the published notices and such posted notices were posted not less than ten (10) days prior to the date of this hearing. Numerous persons residing in or owning or having any interest in property in the limits of the proposed public service district area appeared and any of such interested persons desiring to be heard were given full opportunity at the hearing held on this day and a number of such persons testified in favor of such creation, and none in opposition thereto.

ORDERS—Commissioners Harrison County Court, W. Va. 577

Regular

Session Held

Wednesday, September 22nd,

19 71

The County Court then further discussed the creation of said Public Service District, whereupon, on unanimous vote of all the Commissioners, the following order and resolution was adopted, effective immediately:

ORDER AND RESOLUTION creating Short Line Public Service District in the Counties of Harrison and Wetzel in the State of West Virginia.

WHEREAS, there was presented to the Clerk of the County Court of Harrison County, West Virginia, and filed in the Office of said Clerk of the County Court of Harrison County, West Virginia, a petition of a group of legal voters and real property owners residing within the limits of the proposed public service district, requesting the creation of a public service district within the Counties of Harrison and Wetzel, in the State of West Virginia; and

WHEREAS, said petition contained a description sufficient to identify the territory to be embraced within the proposed public service district, the purpose of said public service district, and the name of the proposed public service district; and

WHEREAS, said petition was signed by at least one hundred (100) legal voters resident within and owning real property within the limits of the proposed public service district; and

WHEREAS, said County Court found that said petition in all respects met the requirements of Article 13A of Chapter 16 of the West Virginia Code; and

WHEREAS, a copy of said petition has been filed in the Office of the Clerk of the County Court of Wetzel County, West Virginia; and said petition, among other things, stated (a) the name and corporate title of said public service district; (b) the territory to be embraced in said public service district; (c) the purpose of said public service district; and

WHEREAS, the territory described 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

OFFICE OF THE
CLERK OF THE
COUNTY COURT
HARRISON COUNTY,
WEST VIRGINIA

378 ORDERS—Commissioners Harrison County Court, W. Va.

Regular Session Held

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CAPITOL HARRIS INC., SPENCER, W. VA. RECORDED NO. 48258-B

include within its limits any city, incorporated town or other municipal corporation having a population in excess of three thousand (3,000) persons; and,

WHEREAS, the County Court of Harrison County, West Virginia, did heretofore, by a resolution and order adopted August 19, 1971, fix a date for a public hearing on the creation of the proposed Short Line Public Service District for supplying water and sewerage services and in and by said resolution and order provided that all persons residing in or owning or having any interest in property in the proposed Short Line 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, a copy of the aforesaid petition was filed with the Clerk of the County Court of Wetzel County, West Virginia, as aforesaid, and notice of this hearing was duly given in the manner provided and required by said resolution and order and by Article 13A of Chapter 16 of the West Virginia Code, and all interested persons having been afforded an opportunity to be heard for and against the creation of said district, and upon the need for water and sewerage services described generally at the hearing, and no written protest having been filed by the requisite number of qualified voters registered and residing in said proposed Public Service District or otherwise, and said County Court having given due consideration to all matters for which such hearing was had; and

WHEREAS, said County Court is of opinion and hereby determines that the creation of the proposed Public Service District is feasible, and that the water and sewerage services proposed for said District will be conducive to the preservation of public health, comfort and convenience in said District, and that a resolution and order creating said District should be adopted;

W. SPENCE
YOUNG,
JAN. A. CANN
DAVE BOULDER
SPENCER, W. VA.

ORDERS—Commissioners Harrison County Court, W. Va. 579

Regular

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NOW, THEREFORE, BE IT, and IT IS HEREBY ORDERED AND RESOLVED by the County Court of Harrison County, West Virginia, as follows:

I.

A Public Service District within the Counties of Harrison and Wetzel in the State of West Virginia, is hereby created, and said District shall have the following boundaries:

BEGINNING at a point in the northern boundary line of the City of Clarksburg along U. S. Route 19; thence northerly with U. S. Route 19 0.22 miles to the intersection of the Crooked Run Road designated as being State Route No. 19/10; thence with the Crooked Run Road and with the southern boundary of the Enlarged Hepzibah Public Service District 2.38 miles to the Coal-Sardis Magisterial District line; thence with this district line and with the western boundary of the Enlarged Hepzibah Public Service District in a northerly direction 0.47 miles to the Eagle Magisterial District line; thence with the Sardis-Eagle Magisterial District line 2.61 miles in a northerly direction to Tenmile Creek; thence downstream 0.57 miles to a point; thence N. 57° E. 1.29 miles to a point in Tenmile Creek; thence N. 28° 30' E. 0.49 miles to a point in Tenmile Creek; thence N. 58° 40' W. 1.48 miles to a point on a ridge; thence N. 49° 15' W. 3.62 miles to a point; thence S. 68° W. 0.17 miles to a point on the Sardis-Eagle Magisterial District line; thence with the line in a general northwesterly direction 6.54 miles to the Marion-Harrison County line; thence with the county line in a northwesterly direction 0.82 miles to the Wetzel County line; thence with the Wetzel-Marion County line in a northerly direction 0.78 miles to a point; thence leaving the county line N. 55° W. 3.41 miles to a point; thence S. 72° W. 1.84 miles to a point; thence S. 20° E. 5.20 miles to the Harrison, Wetzel and Doddridge County line (a common corner); thence with the Harrison-Doddridge County line 6.49 miles to a point (a common corner with the Sardis-Tenmile Magisterial District line); thence with the district line 8.72 miles

FOR OFFICE USE ONLY
DATE OF ORDER
BY WHOM MADE

580 ORDERS—Commissioners Harrison County Court, W. Va.

Regular Session Held

Wednesday, September 22nd,

1971

CASO & HARRIS INC., SPENCER, W. VA. REG. CASE NO. 48255-B

to the Coal Magisterial District line; thence in an easterly direction with the Coal-Sardis Magisterial District 3.15 miles to a point; thence leaving the Magisterial District line S. 61° E. 0.51 miles to a point on a ridge; thence S. 88° E. 1.81 miles to a point on the northern boundary of the City of Clarksburg; thence in an easterly direction with the corporation line 0.17 miles to the beginning, containing 69.7 square miles.

II.

Said Public Service District shall have the name and corporate title of SHORT LINE PUBLIC SERVICE DISTRICT, and shall constitute a public corporation and political subdivision of the State of West Virginia having all the rights and powers conferred on public service districts by the laws of the State of West Virginia, and particularly by Article 13A of Chapter 16 of the West Virginia Code.

III.

There being no city, incorporated town or other municipal corporation having a population in excess of three thousand (3,000) persons included within said District, the County Court hereby appoints the following three (3) persons residing within said District as members of the Public Service Board of said District for the terms shown after their names:

- Odus R. Kincaid - 6 years,
- Burl M. Buzgass - 4 years,
- Susan Jo Bockus - 2 years,

such terms to run from the 1st day of September, 1971, all in accordance with the provisions of West Virginia Code, Chapter 16, Article 13A, Section 3. Said members shall qualify by meeting in the Office of the Clerk of the County Court as soon as practicable and taking an oath of office, and shall thereafter meet as said Board and organize, pursuant to the provisions of said statute.

THE OFFICE OF
YOUNG,
GAIN & GAIN
DATE OF
HARRISON COUNTY
HARRISON, W. VA.

CASSTO & HARRIS INC., SPENCER, W. VA. RECORDED NO. 46288-B

AFFIDAVIT

STATE OF WEST VIRGINIA,
 COUNTY OF HARRISON, TO-WIT:

This day personally appeared before the undersigned Notary Public in and for the County and State aforesaid, Nelson R. Jennings, residing in the Community of Quiet Dell in Harrison County, West Virginia, who, after being by me first duly sworn, deposes and says:

1. That he is employed by the Farmers Home Administration, an agency of the United States Department of Agriculture and is presently County Supervisor for Harrison County;
2. That he is assisting in the Organization of the Short Line Public Service District, in Harrison and Wetzel Counties in the State of West Virginia, pursuant to and in accordance with the provisions of Chapter 16, Article 13A of the West Virginia Code;
3. That upon petition of a group of legal voters and real property owners residing within the limits of the proposed public service district, the County Court of Harrison County, West Virginia, by order entered on the 19th day of August, 1971, set on Wednesday, the 22nd day of September, 1971, at 10:00 o'clock A.M., in the Hearing Room of the County Court of Harrison County, in the Courthouse located in the City of Clarksburg, Harrison County, West Virginia, as the date and time for having a public hearing to consider the creation of the proposed public service district;
4. That in setting a date and time for said public hearing the said County Court of Harrison County further ordered notice to be given of such hearing, including the posting of a notice in at least five (5) conspicuous places within the limits of the proposed public service district at least ten (10) days prior to the date of said hearing;
5. That the affiant on the 7th day of September, 1971, personally posted the said order of the County Court fixing the date and time for the

582. ORDERS—Commissioners Harrison County Court, W. Va.

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CAIRO & MARRIOTT INC., PRINTERS, W. VA. TELEPHONE NO. 46255-B

public hearing in five (5) conspicuous places, within the limits of the proposed public service district, namely, (a) Holt's Grocery Store, situate in the Village of Dola, in Harrison County, West Virginia, (b) Stanard Supply Company Store No. 2, situate in the Village of Dola, in Harrison County, West Virginia, (c) Roger's American Oil Service Station, situate in the Village of Brown, Harrison County, West Virginia, (d) Smallwood's Confectionery, situate in the Village of Wallace, Harrison County, West Virginia, and (e) Glen's Pennzoil Service Station, situate in the Village of Smithfield, Wetzel County, West Virginia;

6. That this affidavit is given as evidence of compliance with the order of the County Court of Harrison County, requiring posting of said notice, as aforesaid;

And further this affiant sayeth naught.

Nelson R. Jennings
Nelson R. Jennings

Taken, subscribed and sworn to before me this the 22ND day of September, 1971.

Carmine Davis
Notary Public.

My Commission Expires:

August 23, 1974



LAW OFFICES
YOUNG,
ORGAN & CANN
PLANNING DIVISION
HARRISON COUNTY, W. VA.

ORDERS—Commissioners Harrison County Court, W. Va. 583

Regular Session Held Wednesday, September 22nd, 19 71

CASTO & HARMON, INC., SPENCER, W. VA. 26159 NO. 48230-B

ORDER OF PUBLICATION
 At a regular term of the County Court of Harrison County, West Virginia, continued and held at the Courthouse thereof, Commissioners Boyce, McCarthy and Scott being present thereat, on the 19th day of August, 1971, the following order was made and entered to wit:
IN THE COUNTY COURT OF HARRISON COUNTY, WEST VIRGINIA.

IN RE: ORDER FIXING A DATE FOR HEARING ON THE CREATION OF SHORT LINE PUBLIC SERVICE DISTRICT

On this 17th day of August, 1971, at a regular session of the Court came Carmine J. Cann, Attorney at Law, representing a group of legal voters and real property owners residing within the limits of the proposed Short Line Public Service District, in Harrison and Wetzell Counties, in the State of West Virginia, which area is bounded and described as follows:

BEGINNING at a point on the northern boundary line of the City of Clarksburg along U.S. Route 19; thence northerly with U.S. Route 19 0.22 miles to the intersection of the Crooked Run Road designated as being State Route No. 1970; thence with the Crooked Run Road and with the southern boundary of the Enlarged Hepzibah Public Service District 2.34 miles to the Coal-Sardis Magisterial District line; thence with this district line and with the western boundary of the Enlarged Hepzibah Public Service District in a northerly direction 0.47 miles to the Eagle Magisterial District line; thence with the Sardis-Eagle Magisterial District line 2.1 miles in a northerly direction to Tennie Creek; thence downstream 0.37 miles to a point; thence S. 27° E. 1.39 miles to a point in Tennie Creek; thence N. 24° 00' E. 0.49 miles to a point in Tennie Creek; thence N. 24° 00' W. 1.44 miles to a point on a ridge; thence N. 49° 15' W. 3.22 miles to a point; thence S. 42° W. 0.17 miles to a point on the Sardis-Eagle Magisterial District line; thence with the line in a general northwesterly direction 6.34 miles to the Marion-Harrison County line; thence with the county line in a northwesterly direction 0.82 miles to the Wetzell County line; thence with the Wetzell-Marion County line in a northerly direction 0.78 miles to a point; thence leaving the County line N. 55° W. 2.41 miles to a point; thence S. 20° E. 5.20 miles to the Harrison, Wetzell and Doddridge County line (a common corner); thence with the Harrison-Doddridge County line 6.49 miles to a point (a common corner with the Sardis-Tennie Magisterial District line); thence with the district line 8.72 miles to the Coal Magisterial District line; thence in an easterly direction with the Coal-Sardis Magisterial District 3.15 miles to a point; thence leaving the Magisterial District line S. 81° E. 0.31 miles to a point on a ridge; thence S. 48° E. 1.81 miles to a point on the northern boundary of the City of Clarksburg; thence in an easterly direction with the corporation line 0.17 miles to the beginning, containing 69.7 square miles.

and presented a petition signed by legal voters resident within and owning real property within the above described area and moved the Court to fix a date for hearing on the creation of a public service district for the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement, extension of properties supplying water or sewerage services in the area, and for the preservation of the public health, comfort and conveniences of the residents within the area.

Upon consideration whereof the Court is of opinion that a hearing should be held and it is **ORDERED, ADJUDGED AND DECREED** that a hearing be held to consider the creation of the proposed public service district, on Wednesday the 22nd day of September, 1971, at 10:00 o'clock A.M., in the hearing Room of the County Court of Harrison County, situate in the Courthouse of said Harrison County in the City of Clarksburg, Harrison County, West Virginia. It is further **ORDERED, ADJUDGED AND DECREED** that a copy of the petition and this order shall be filed in the Office of the Clerk of the County Court of Wetzell County, West Virginia, and that the Clerks of the County Courts of Harrison County and Wetzell County shall each cause notice of such hearing and the time and place thereof, to be given by publication at least once in a newspaper of general circulation published in his respective county at least ten (10) days prior to the date of such hearing. It is further **ORDERED, ADJUDGED AND DECREED** that in addition to the notices required herein to be published, there shall also be posted in at least five (5) conspicuous places within the limits of the proposed public service district, a notice containing the same information as is contained in the published notices and such posted notices shall be posted not less than (10) days prior to the date of such hearing.

Enter this 17th day of August, 1971
 James E. Boyce
 Darius L. McCarthy
 John Scott
 County Commissioners
 of Harrison County,
 West Virginia

Carmine J. Cann
 Attorney for the
 Proposed District
 State of West Virginia,
 County of Harrison, to-wit:
 I, Frank J. Maxwell, Jr., Clerk of the County Court of Harrison County, in the State of West Virginia, and as such Clerk, having the care and custody of the records of General Orders of said County, do hereby certify that the foregoing is a true and accurate copy of the Order fixing the date for hearing in the creation of Short Line Public Service District as the same appears of record in my office in General Order Book 45 at Page 64.
SEAL
 In Testimony Whereof, I have hereunto set my hand and affixed the seal of said Court, at the City of Clarksburg, in County and State, this 20th day of August, 1971.
 Frank J. Maxwell, Jr.
 Clerk of the County Court
 of Harrison County,
 West Virginia

PUBLISHER'S CERTIFICATE

STATE OF WEST VIRGINIA,
 COUNTY OF HARRISON:

I, Thomas C. Kennedy

Business Manager of THE CLARKSBURG EXPONENT, a newspaper of general circulation published in the City of Clarksburg County and State aforesaid, do hereby certify that the annexed

ORDER OF PUBLICATION

was published in said CLARKSBURG EXPONENT one time on the 26th day of August 19 71

The publisher's fee for said publication is \$59.80

Thomas C. Kennedy
 Business Manager of The Clarksburg Exponent

SEAL

Subscribed and sworn to before me this 26th day of August, 19 71

Margaret Ann Miller
 Notary Public of Harrison County, W. Va.

My commission expires on the 15th day of June 19 76

384 ORDERS—Commissioners Harrison County Court, W. Va.

Regular Session Held

Wednesday, September 22nd,

19 71

DEM. - AUG. 31.

ORDER OF PUBLICATION regular term of the County Court Harrison County, West Virginia, quoad and held at the Courthouse of, Commissioners Boyce, Arthy and Scott being present at, on the 19th day of August, the following order was made and ed to-wit:

IN THE COUNTY COURT OF HARRISON COUNTY, WEST VIRGINIA

RE: ORDER FIXING A DATE HEARING ON THE CREATION SHORT LINE PUBLIC SERVICE DISTRICT.

This 19th day of August, 1971, at a ar session of the Court came ine J. Cann, Attorney at Law, senting a group of legal voters real property owners residing n the limits of the proposed Short Public Service District, in ison and Wetzel Counties, in the of West Virginia, which area is ded and described as follows:

GINNING at a point in the ern boundary line of the City of sburg along U.S. Route 19; ce northerly with U.S. Route 19 miles to the intersection of the ked Run Road designated as being Route No. 19-10; thence with the ked Run Road and with the ern boundary of the Enlarged ibah Public Service District 2.38 s to the Coal-Sardis Magisterial ict line; thence with this district and with the western boundary of enlarged Hepzibah Public Service ict in a northerly direction 0.47 s to the Eagle Magisterial District thence with the Sardis-Eagle sterial District line 2.61 miles in a erly direction to Tenmile Creek; ce downstream 0.57 miles to a ; thence N. 57 E. 1.29 miles to a in Tenmile Creek; thence N. 28 . 0.49 miles to a point in Tenmile k; thence N. 58 40' W. 1.48 miles point on a ridge; thence N. 49 15' 62 miles to a point; thence S. 68 W. miles to a point on the Sardis-e Magisterial District line; thence the line in a general westerly direction 6.54 miles to Marion-Harrison County line; ce with the county line in a westerly direction 0.82 miles to etzel County line; thence with the el-Marion County line in a erly direction 0.78 miles to a ; thence leaving the county line N. 3.41 miles to a point; thence S. 72 84 miles to a point; thence S. 20 E. miles to the Harrison, Wetzel and ridge County line (a common er); thence with the Harrison-ridge County line 6.49 miles to a ; (a common corner with the is-Tenmile Magisterial District ; thence with the district line 8.72 s to the Coal Magisterial District thence in an easterly direction the Coal-Sardis Magisterial ict 3.15 miles to a point; thence ing the Magisterial District line S. . 0.51 miles to a point on a ridge; ce S. 88 E. 1.81 miles to a point on northern boundary of the City of

Clarksburg; thence in an easterly direction with the corporation line 0.17 miles to the beginning, containing 69.7 square miles. And presented a petition signed by legal voters resident within and owning real property within the above described area and moved the Court to fix a date for hearing on the creation of a public service district for the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying water or sewerage services in the area, or both, for the preservation of the public health, comfort and conveniences of the residents within the area. Upon consideration whereof the Court is of opinion that a hearing should be held and it is ORDERED, ADJUDGED AND DECREED that a hearing be held to consider the creation of the proposed public service district, on Wednesday the 22nd day of September, 1971, at 10:00 o'clock a.m. in the Hearing Room of the County Court of Harrison County situate in the Courthouse of said Harrison County in the City of Clarksburg, Harrison County, West Virginia. It is further ORDERED, ADJUDGED AND DECREED that a copy of the petition and this order shall be filed in the

The Wetzel Democrat

New Martinsville, W. Va., Sept 9 19 71

State of West Virginia, County of Wetzel:

Personally appeared before the undersigned, a Notary Public,

Jack S. Stark who, being duly sworn,

states that he is the manager of The Wetzel Democrat, a weekly newspaper of general circulation, published at New Martinsville, County of Wetzel, State of West Virginia, and that a copy of the notice

attached hereto was published for successive weeks in the said

Wetzel Democrat, beginning on the 31. day of Aug. 19 71.

and ending on the 31. day of Aug. 19 71 and that

a copy of said notice was posted at the front door of the Court House

of Wetzel County, West Virginia, on the 31. day of Aug.

19 71.

Jack S. Stark Manager, Wetzel Democrat

Subscribed and sworn to before me, a Notary Public of said County,

on this 9. day of Sept. 19 71.

Eugene G. Hochee Notary Public

My commission expires on the 29. day of May 19 72

Printers Fee \$ 49. 08

Office of the Clerk of the County Court of Wetzel County, West Virginia, and that the Clerks of the County Courts of Harrison County and Wetzel County shall each cause notice of such hearing and the time and place thereof, to be given by publication at least once in a newspaper of general circulation published in his respective county at least ten (10) days prior to the date of such hearing. It is further ORDERED, ADJUDGED AND DECREED that in addition to the notices required herein to be published, there shall also be posted in at least five (5) conspicuous places within the limits of the proposed public service district, a notice containing the same information as is contained in the published notices and such posted notices shall be posted not less than ten (10) days prior to the date of such hearing. Enter this 19th day of August, 1971.

JAMES E. BOYCE DANIEL L. McCARTHY JOHN SCOTT County Commissioners of Harrison County, West Virginia Carmine J. Cann Attorney for the Proposed District

STATE OF WEST VIRGINIA County of Harrison, to-wit: I FRANK J. MAXWELL, JR., of The County Court of Har County, in the State of West Vir and as such Clerk, having the car custody of the records of GENE ORDERS of said County, do he certify that the foregoing is a true accurate copy of the Order fixing date for hearing on the Creator Shortline Public Service District as same appears of record in my offic GENERAL ORDER BOOK 45 at P 548. In Testimony Whereof, I h hereunto set my hand and affixer seal of said Court, at the Cit Clarksburg, in said County and S this 20 day of August, 1971.

FRANK J. MAXW Clerk of The County C of Harrison Cou West Virgini

It is ordered that the Court be adjourned until Thursday, September 23, 1971 at 10:00 o'clock

James E Boyce, President

STATE OF WEST VIRGINIA,

County of Harrison:

I, SYLVIA BASILE, Clerk of the Harrison County Commission do hereby certify that the foregoing writing is a true and accurate copy as appears of record in my office in General Order Book No. 45 at Page 567, of said records.

Given under my hand and Seal of said Office this 11th day of October, 1990.

Clerk, Harrison County Commission

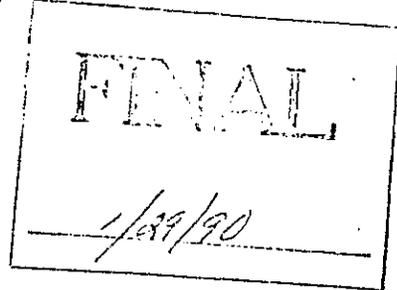
PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: January 9, 1990

CASE NO. 88-520-WS-PC

HARRISON COUNTY COMMISSION,
a public corporation, Harrison
County.

Petition for permission to expand the
Short Line Public Service District.



ADMINISTRATIVE LAW JUDGE'S DECISION

PROCEDURE

On September 28, 1988, the Harrison County Commission, a public corporation, Harrison County, adopted an order expanding the boundaries of Short Line Public Service District to include within said District the Jones Run Community located in Eagle District, Harrison County, to provide water and/or sewer services to additional areas in Harrison County.

In accordance with the provisions of West Virginia Code §16-13A-2, it is necessary for the Public Service Commission to schedule a hearing in Harrison County for the purpose of completing compliance with the requirements of said Code provision.

By Joint Staff Memorandum received November 6, 1989, the Staff Attorney advised that this matter was ready for hearing and that his review of the case indicates that the Harrison County Commission had substantially complied with the requirements of West Virginia Code §16-13A-2.

By Order entered November 20, 1989, this matter was set for hearing to be held in Room 222, Harrison County Correctional Center, Clarksburg, West Virginia, on Thursday, December 21, 1989, at 1:00 p.m., EST. The hearing was held as scheduled. Appearing on behalf of Short Line Public Service District was its Counsel, Thomas A. Bedell, and Cadwell Tyler, Chairman of the Short Line Public Service District. Appearing on behalf of Commission Staff was Ronald E. Robertson, Jr., Staff Attorney. No parties appeared in protest to this application. Along with Mr. Cadwell Tyler, Mr. Max Harbert voiced an opinion on the record in support of the expansion.

During the hearing, Mr. Thomas Bedell, Counsel for Short Line Public Service District, provided for the record an explanation concerning the publication of the proceeding. Mr. Bedell confirmed the information in his affidavit in which he explained that the original hearing scheduled by the County Commission for the expansion was scheduled and published in a Harrison County newspaper on the 23rd day of August, 1988. A conflict arose and the County Commission proceeding was rescheduled for September 20, 1988. The publication made in the Wetzel County newspaper was

8. Short Line Public Service District has only a water tariff on file with the Public Service Commission in its Tariff Office. (See, PSC Tariff Records).

CONCLUSION OF LAW

The Administrative Law Judge (ALJ) is of the opinion that, since the Harrison County Commission is in substantial compliance with the required provisions set forth in West Virginia Code §16-13A-2, and no parties appeared in protest to the petition of the Harrison County Commission to enlarge the boundaries of the Short Line Public Service District to provide water and/or sewer services to additional areas in Harrison County, said petition can be granted.

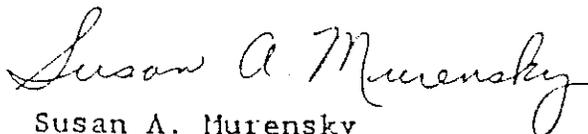
ORDER

IT IS, THEREFORE, ORDERED that the petition of the Harrison County Commission, a public corporation, Harrison County, filed on September 28, 1988, to enlarge certain boundary lines of the Short Line Public Service District to provide water and/or sewer services to additional areas in Harrison County, be, and the same hereby is, approved. In as much as the Short Line Public Service District does not have a sewer tariff on file in the Public Service Commission Tariff Office, the District must follow and conform to the Commission's rules and regulations in obtaining any and all certificates and permits necessary to operate a sewer service facility before providing such sewer services.

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

This order is issued pursuant to General Order No. 212, dated December 16, 1982, which order designates the Division of Administrative Law Judges as the initial decision making body in the Public Service Commission and authorizes the Public Service Commission Administrative Law Judges to issue orders on behalf of the Commission in all proceedings filed pursuant to Chapter 24 of the West Virginia Code, which proceedings are not set for hearing and which orders shall have the full force and effect of Commission orders, without the provision for the filing of exceptions thereto.

Leave is hereby granted to the parties to file a petition for further hearing, reopening, or rehearing pursuant to Rule 19 of the Commission's Rules of Practice and Procedure with the Executive Secretary of the Commission within ten (10) days after the date this order is mailed.



Susan A. Murensky
Administrative Law Judge

SAM:dfs

BEFORE THE COUNTY COMMISSION OF HARRISON COUNTY**A RESOLUTION AND ORDER PROPOSING THE EXPANSION OF THE BOUNDARIES OF THE SHORT LINE PUBLIC SERVICE DISTRICT; FIXING A DATE OF HEARING ON THE PROPOSED EXPANSION; PROVISION FOR NOTICE OF SUCH HEARING**

WHEREAS, the Short Line Public Service District desires to provide water and sewer service to residents of Harrison County who reside outside of existing boundaries of the Short Line Public Service District, and

WHEREAS, the Board of the Short Line Public District has petitioned the Harrison County Commission to enlarge the boundaries of the Short Line Public Service District, and

WHEREAS, the Short Line Public Service District is located within Harrison County and is more particularly bounded and described as follows:

SHORT LINE PUBLIC SERVICE DISTRICT

BEGINNING at a point in the northern boundary line of the City of Clarksburg along US Route 19;

THENCE northerly with US Route 19 0.22 miles to the intersection of Crooked Run Road, designated as being Highway Route 19/10;

THENCE in a northerly direction running with said Route 19/10, 1.17 miles to the Coal-Eagle Magisterial District lines;

THENCE North 41° East 1.3 miles to a point at the intersection of Highway Route 18 and Route 19/7;

THENCE North 19° West 3.5 miles to a point at the intersection of Highway Route 6 and Route 6/5;

THENCE North 82° East 1.9 miles to the 80° 20' parallel line, said point being the southwest corner of the consolidated Bingamon-OJW Public Service Districts;

THENCE following said district line, North 57° West 10.3 miles to the intersecting point of the Harrison-Marion-Wetzel County lines;

THENCE with the Wetzel-Marion County line in a northerly direction, 0.78 miles to a point;

THENCE leaving said County line North 55° West 3.42 miles to a point;

THENCE South 72° West 1.84 miles to a point;

THENCE South 20° East 5.21 miles to the intersecting point of the Doddridge-Harrison-Wetzel County lines;

THENCE with the Doddridge-Harrison County line in a southeast direction 6.49 miles to a point, said point being a common corner of the Sardis-Tenmile Magisterial District line;

THENCE with said district line 8.72 miles to a point in the Coal Magisterial District line;

THENCE in an easterly direction with the Coal-Sardis Magisterial District line 3.15 miles to a point;

THENCE leaving said district line South 61° East 0.51 miles to a point on the ridge;

THENCE South 88° East 1.81 miles to a point on the northern corporate boundary of the City of Clarksburg;

THENCE following said corporate boundary in an easterly direction 0.17 miles to the POINT OF BEGINNING, containing approximately 88 square miles and is shown upon a map prepared by the Public Service District Division of the West Virginia Public Service Commission entitled "Proposed Amendment to Boundary of Short Line Public Service District" dated January 1996.

WHEREAS, pursuant to the provisions of Article 13A, Chapter 16 of the West Virginia Code, the Harrison County Commission is empowered to, upon its own motion by order duly adopted, proposes the expansion of the boundaries of public service districts located within the County in order to preserve the public health, comfort and convenience of the areas within the public service district, and

WHEREAS, the Harrison County Commission has determined that the present or proposed physical facilities of the Short Line Public Service District are determined to be adequate to provide such expanded service, and

WHEREAS, the Harrison County Commission, after considerable deliberation, has decided that the proposed expansion of the boundaries of the Short Line Public Service District, subject to the approval of the Public Service Commission of West Virginia and the agreement of the bondholders of the Short Line Public Service District, is necessary for the preservation of the public health, comfort and convenience for the areas presently served or to be served by said District.

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

1. That the County Commission of Harrison County, West Virginia, upon its own motions, subject to the approval of the Public Service Commission of West Virginia, and the bondholders of the Short Line Public Service District, proposes the expansion of the boundaries of the Short Line Public Service District, with the new boundaries of the Short Line Public Service District to be more particularly bounded as described as follows:

SHORT LINE PUBLIC SERVICE DISTRICT AS PROPOSED ON SEPTEMBER 1, 1998

A certain area of land, situate in Harrison County, West Virginia, being more particularly bounded and described as follows:

BEGINNING at a point in the northerly boundary line of the City of Clarksburg and along US Route 19;

THENCE northerly with US Route 19, 0.22 miles more or less to the intersection of Crooked Run Road, also known as West Virginia Secondary Route 19/10;

THENCE in a northerly direction with said West Virginia Secondary Route 19/10, a distance of 1.17 miles more or less to a common line of the Coal-Eagle Magisterial District line;

THENCE North $41^{\circ} 00' 00''$ East a distance of 1.30 miles more or less to a point at the intersection of West Virginia State Route 18 and West Virginia County Route 19/7;

THENCE North $19^{\circ} 00' 00''$ East a distance of 3.50 miles more or less to a point at the intersection of West Virginia County Route 6 and West Virginia County Route 6/5;

THENCE North $82^{\circ} 00' 00''$ East a distance of 1.90 miles more or less to the $80^{\circ} 20' 00''$ parallel line, said point being the southwesterly corner of the consolidated Bingamon-OJW Public Service District;

THENCE following said Bingamon-OJW Public Service District Line, North $57^{\circ} 00' 00''$ West a distance of 10.30 miles more or less to the intersection of the Harrison, Marion and Wetzel County lines;

THENCE with the said Marion and Wetzel County line in a northerly direction, a distance of 0.78 mile more or less to a point;

THENCE leaving said Marion and Wetzel County line, North $55^{\circ} 00' 00''$ West, a distance of 3.42 miles more or less to a point, said point being located on a ridge top;

THENCE South $72^{\circ} 00' 00''$ West, a distance of 1.84 miles more or less to a point, said point being located on a ridge top;

THENCE South $20^{\circ} 00' 00''$ East, a distance of 5.21 miles more or less to the common intersection of the Doddridge, Harrison and Wetzel County lines;

THENCE leaving said common intersection of the Doddridge, Harrison and Wetzel County lines and with a common county line of Doddridge and Harrison Counties for a distance of 9.80 miles more or less to a point located along Cherry Camp Run Road;

THENCE leaving said County line of said Doddridge and Harrison and Cherry Camp Run Road, in a southeasterly direction a distance of 16,920 feet more or less to a point located at a ridge top;

THENCE leaving said ridge top and in a northeasterly direction a distance of 2,600 feet to a point located at a ridge top;

THENCE leaving said ridge top and in a southeasterly direction a distance of 16,200 feet to the common magisterial district lines of Tenmile, Sardis and Coal;

THENCE leaving said common magisterial district lines of Tenmile, Sardis and Coal, and with the common magisterial district lines of Sardis and Coal, for a distance of 16,000 feet to a point, said point being located at a ridge top;

THENCE leaving said ridge top in a southeasterly direction a distance of 900

feet more or less to a point located at a ridge top;

THENCE leaving said ridge top in a southeasterly direction a distance of 9,350 feet more or less to the PLACE OF BEGINNING, being 67,980 acres, more or less, as made a part of this description.

2. That on September 29, 1998, at the hour of 10:00 o'clock a.m., the Harrison County Commission shall meet in the Harrison County Courthouse at Clarksburg, West Virginia, for the purpose of conducting a public hearing on the proposed expansion of the boundaries of the Short Line Public Service District, at which time and place all persons residing in or owning or having any interest in property in the territory of the Short Line Public Service District may appear before this County Commission and shall be provided an opportunity to be heard for or against the proposed expansion of the boundaries of Short Line Public Service District.

3. That the Clerk of the County Commission shall cause a notice of the hearing on the proposed expansion of the boundaries of the Short Line Public Service District and a description of the territory of the Short Line Public Service District to be published as a Class I legal advertisement at least ten (10) days prior to the hearing.

4. That the Clerk of the County Commission shall cause a notice of the hearing and description of the territory of the Short Line Public Service District to be posted in at least five (5) conspicuous places within the territory of the Short Line Public Service District.

5. That the Clerk of the County Commission shall cause a copy of this Resolution and Order to be filed with the Executive Secretary of the Public Service Commission not less than ten (10) days after the hearing set forth therein.

By the Order of the Harrison County Commission this day, September 1 1998.

HARRISON COUNTY COMMISSION

Thomas A. Keeley
President

[Signature]
Commissioner

[Signature]
Commissioner

ATTEST:

[Signature]
Clerk of the County Commission

BEFORE THE COUNTY COMMISSION OF HARRISON COUNTY, WEST VIRGINIA**A RESOLUTION AND ORDER EXPANDING THE BOUNDARIES
OF THE SHORT LINE PUBLIC SERVICE DISTRICT**

WHEREAS, the County Commission of Harrison County, West Virginia, did heretofore, by Resolution and Order adopted on September 1, 1998, propose the expansion of the Short Line Public Service District; and

WHEREAS, by said September 1, 1998, Resolution and Order, the Harrison County Commission did set a hearing on the proposed expansion of the boundaries of the Short Line Public Service District, required notice of said hearing to be given by Class I legal publication in Harrison County, West Virginia, and by posting of notice in at least five (5) conspicuous places within the territory of the Short Line Public Service District, and required the Clerk of the Harrison County Commission to cause a copy of the Resolution and Order to be filed with the Executive Secretary of the Public Service Commission of West Virginia; and

WHEREAS, notice of the September 29, 1998, hearing has been given in the manner provided and required by said Resolution and Order and by West Virginia Code Chapter 16, Article 13-A, Section 2, and all interested parties have been afforded an opportunity of being heard for and against the expansion of the boundaries of the Short Line 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 determined by the said County Commission that the present or proposed physical facilities of the Short Line Public Service District are determined to be adequate to provide such expanded service; and

WHEREAS, it is now deemed desirous by said County Commission to adopt a Resolution and Order subject to the approval of the Public Service Commission of West Virginia and the bondholders of the Short Line Public Service District for the preservation of the public health, comfort and convenience of the areas presently served or to be served by the Short Line Public Service District.

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

1. That the County Commission of Harrison County, West Virginia, upon its own motion, subject to the approval of the Public Service Commission of West Virginia and the agreement of the bondholders of the Short Line Public Service District, enlarges the boundaries of the Short Line Public Service District. The presently existing public service district is particularly defined as the following area:

SHORT LINE PUBLIC SERVICE DISTRICT

BEGINNING at a point in the northern boundary line of the City of Clarksburg along US Route 19;

THENCE northerly with US Route 19 0.22 miles to the intersection of Crooked Run Road, designated as being Highway Route 19/10;

THENCE in a northerly direction running with said Route 19/10, 1.17 miles to the Coal-Eagle Magisterial District lines;

THENCE North 41° East 1.3 miles to a point at the intersection of Highway Route 18 and Route 19/7;

THENCE North 19° West 3.5 miles to a point at the intersection of Highway Route 6 and Route 6/5;

THENCE North 82° East 1.9 miles to the 80° 20' parallel line, said point being the southwest corner of the consolidated Bingamon-OJW Public Service Districts;

THENCE following said district line, North 57° West 10.3 miles to the intersecting point of the Harrison-Marion-Wetzel County lines;

THENCE with the Wetzel-Marion County line in a northerly direction, 0.78 miles to a point;

THENCE leaving said County line North 55° West 3.42 miles to a point;

THENCE South 72° West 1.84 miles to a point;

THENCE South 20° East 5.21 miles to the intersecting point of the Doddridge-Harrison-Wetzel County lines;

THENCE with the Doddridge-Harrison County line in a southeast direction 6.49 miles to a point, said point being a common corner of the Sardis-Tenmile Magisterial District line;

THENCE with said district line 8.72 miles to a point in the Coal Magisterial District line;

THENCE in an easterly direction with the Coal-Sardis Magisterial District line 3.15 miles to a point;

THENCE leaving said district line South 61° East 0.51 miles to a point on the ridge;

THENCE South 88° East 1.81 miles to a point on the northern corporate boundary of the City of Clarksburg;

THENCE following said corporate boundary in an easterly direction 0.17 miles to the POINT OF BEGINNING, containing approximately 88 square miles and is shown upon a map prepared by the Public Service District Division of the West Virginia Public Service Commission entitled "Proposed Amendment to Boundary of Short Line Public Service District" dated January 1996.

The new boundary of the Short Line Public Service District is more particularly bounded and described as follows:

SHORT LINE PUBLIC SERVICE DISTRICT AS ENLARGED ON SEPTEMBER 29, 1998

A certain area of land, situate in Harrison County, West Virginia, being more particularly bounded and described as follows:

BEGINNING at a point in the northerly boundary line of the City of Clarksburg and along US Route 19;

THENCE northerly with US Route 19, 0.22 miles more or less to the intersection of Crooked Run Road, also known as West Virginia Secondary Route 19/10;

THENCE in a northerly direction with said West Virginia Secondary Route 19/10, a distance of 1.17 miles more or less to a common line of the Coal-Eagle Magisterial District line;

THENCE North 41° 00' 00" East a distance of 1.30 miles more or less to a point at the intersection of West Virginia State Route 18 and West Virginia County Route 19/7;

THENCE North 19° 00' 00" East a distance of 3.50 miles more or less to a point at the intersection of West Virginia County Route 6 and West Virginia County Route 6/5;

THENCE North 82° 00' 00" East a distance of 1.90 miles more or less to the 80° 20' 00" parallel line, said point being the southwesterly corner of the consolidated Bingamon-OJW Public Service District;

THENCE following said Bingamon-OJW Public Service District Line, North 57° 00' 00" West a distance of 10.30 miles more or less to the intersection of the Harrison, Marion and Wetzel County lines;

THENCE with the said Marion and Wetzel County line in a northerly direction, a distance of 0.78 mile more or less to a point;

THENCE leaving said Marion and Wetzel County line, North 55° 00' 00" West, a distance of 3.42 miles more or less to a point, said point being located on a ridge top;

THENCE South 72° 00' 00" West, a distance of 1.84 miles more or less to a point, said point being located on a ridge top;

THENCE South 20° 00' 00" East, a distance of 5.21 miles more or less to the common intersection of the Doddridge, Harrison and Wetzel County lines;

THENCE leaving said common intersection of the Doddridge, Harrison and Wetzel County lines and with a common county line of Doddridge and Harrison Counties for a distance of 9.80 miles more or less to a point located along Cherry Camp Run Road;

THENCE leaving said County line of said Doddridge and Harrison and Cherry Camp Run Road, in a southeasterly direction a distance of 16,920 feet more or less to a point located at a ridge top;

THENCE leaving said ridge top and in a northeasterly direction a distance of 2,600 feet to a point located at a ridge top;

THENCE leaving said ridge top and in a southeasterly direction a distance

of 16,200 feet to the common magisterial district lines of Tenmile, Sardis and Coal;
THENCE leaving said common magisterial district lines of Tenmile, Sardis and Coal, and with the common magisterial district lines of Sardis and Coal, for a distance of 16,000 feet to a point, said point being located at a ridge top;

THENCE leaving said ridge top in a southeasterly direction a distance of 900 feet more or less to a point located at a ridge top;

THENCE leaving said ridge top in a southeasterly direction a distance of 9,350 feet more or less to the PLACE OF BEGINNING, being 67,980 acres, more or less, as made a part of this description.

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

Entered into the permanent record of Harrison County, West Virginia, this the 29th day of September, 1998.

HARRISON COUNTY COMMISSION

Thomas A. Hueley

President

Robert Oroy

Commissioner

Beth Taylor

Commissioner

ATTEST:

Alvin Cook

County Clerk

981518alj032699.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: March 26, 1999

FINAL

4-15-99

CASE NO. 98-1518-PSWD-PC

HARRISON COUNTY COMMISSION

Petition for consent and approval to
expand the boundaries of Short Line
Public Service District.

RECOMMENDED DECISIONPROCEDURE

On October 16, 1998, the Harrison County Commission (County Commission) filed with the Public Service Commission its Order of September 29, 1998, expanding the boundaries of the Short Line Public Service District, in accordance with the provisions of West Virginia Code §16-13A-2. This petition addresses both water and sewer service.

By Order dated January 19, 1999, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before July 19, 1999.

On January 27, 1999, Staff Attorney Cassius H. Toon filed the Final Joint Staff Memorandum to which was attached the Final Internal Memorandum prepared by Ms. Karen L. Buckley, Utilities Analyst, Water and Wastewater Division. Since the filing details the metes and bounds of the proposed expansion and contains the affidavits of publication and public posting, Staff recommended approval of the Order, subject to the statutorily-required hearing being held.

By Order dated February 25, 1999, this matter was set for hearing to be held in the County Commission Courtroom, 1st Floor, 301 West Main Street, Clarksburg, West Virginia, on March 12, 1999. Said Order also required that the Harrison County Commission give notice of the hearing to be held on March 12, 1999, to publishing a notice of hearing once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Harrison County.

The hearing was held as scheduled. The Harrison County Commission was represented by Larry Frye, Esquire. Commission Staff was represented by Staff Attorney Cassius H. Toon. No one appeared in protest to the Harrison County petition. Commission Staff introduced, as Staff Exhibit No. 1, its Final Joint Staff Memorandum in this case, recommending approval of the Order expanding the boundaries of the Short Line Public Service District, whereby this matter was submitted for a decision.

(Tr., pp. 5-6). Proper affidavits of publication were provided, which reflect publication in accordance with the Commission's requirements. (See, case file generally).

FINDINGS OF FACT

1. On October 16, 1998, the Harrison County Commission filed its Order of September 29, 1998, requesting to expand the boundaries of the Short Line Public Service District, in accordance with the provisions of West Virginia Code §16-13A-2. (See, Petition).

2. By Order dated February 25, 1999, this matter was set for hearing to be held in Clarksburg, West Virginia, on March 12, 1999. Said Order also required that the Harrison County Commission give notice of the hearing to be held on March 12, 1999, by publishing a Notice of Hearing, once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Harrison County. (See, Order dated February 25, 1999).

3. At the hearing held on March 12, 1999, no one appeared in protest to the Harrison County Commission's petition and the matter was submitted as an unopposed case. (Tr., p. 5).

4. Proper affidavits of publication were provided which reflect publication in accordance with the Commission's requirements. (See, case file generally).

CONCLUSION OF LAW

Since the Harrison County Commission gave proper notice of the hearing to be held in this matter on March 12, 1999, and no one appeared at the hearing in protest, and since Commission Staff recommended approval, the Harrison County Commission's Order of September 29, 1998, expanding the boundaries of the Short Line Public Service District, can be approved.

ORDER

IT IS, THEREFORE, ORDERED that the Harrison County Commission Order of September 29, 1998, filed on October 16, 1998, to expand the boundaries of the Short Line Public Service District, be, and the same hereby is, approved.

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

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

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

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



Robert W. Glass
Administrative Law Judge

RWG:dfs
961518AA.WPD

Thursday, June 19, 2003

The Commission sat pursuant to its adjournment on

Thursday, June 12, 2003

Present: Roger Diaz, President
Frank "Chuni" Angotti, Commissioner

County Commission

Minutes of June 12, 2003 Meeting
Approved



HARRISON COUNTY COURT HOUSE

Harrison County Commission

301 WEST MAIN STREET
CLARKSBURG, WEST VIRGINIA 26301
304-624-8500
FAX (304) 624-8673

Commissioners:
Roger Diaz
Frank Angotti
Ron Watson

COMMISSIONERS
THOMAS A. KEELEY
ROGER DIAZ
BETH TAYLOR

At the regular meeting of the County Commission of Harrison County held on Thursday, June 12, 2003, Commissioners Roger Diaz, Frank Angotti, and Ronald Watson were present. Also present were Jim Harris, County Administrator, Kathy Oliverio, Deputy County Clerk and Assistant Prosecuting Attorney Bob Andre. Sylvia Basile, County Clerk, was absent.

A sign-up sheet was available for anyone who wished to speak during the public comment period. Commission President, Roger Diaz opened the meeting with the Pledge of Allegiance to the Flag led by Commissioner Watson

1. Exonerations/Corrective Tickets/Joint Property Applications: Jim Harris stated that there are none
7:00 P.M.: AGENDA ITEM: Proclamation Lincoln High School Baseball Champions: Proclamation read by Commissioner Angotti proclaiming Thursday, June 13, as Lincoln High School Baseball Team West Virginia State Champion Day. The Proclamation was presented to Assistant Coach Jack Williams.

7:05 P.M.: AGENDA ITEM: Alley Abandonment hearing/ Jim Harris, Attorney: Jim Harris, Attorney with Waters, Warner & Harris, representing Mary C. Kesling, Herman Kesling, Jr and Marvis D. Kesling, appeared along with Mr. Herman Kesling to ask for alley abandonment. The alley runs between his and his mother's property and no other property would be involved. Mr. Harris stated that the proper filings have been done and notice was published as per State Statute (Publishers Certificate [Exhibit 1] and Acceptance of Service from City National Bank [Exhibit 2] and picture of alley and properties [Exhibit 3] accepted into the record) After some discussion, the Commission took the following action:

MOTION: Ron Watson moved to allow the abandonment of the alley and the property will be split between the two property owners

SECOND: Frank Angotti VOTE: Passed with Roger Diaz abstaining

Order will be revised by Attorney Harris and recorded Friday, June 13, 2003.

2. Purchase Orders/Payroll Changes/Consolidation of Land: Harris presented Purchase Orders and Payroll Changes for approval and state that there are no Consolidations of Land.

MOTION: Frank Angotti moved to approve Purchase Orders as presented with the understanding that the Commissioners reserve the right to pull any PO's for clarification or question

SECOND: Ron Watson VOTE: Roger Diaz making it unanimous

MOTION: Ron Watson moved to approve one Payroll Change as presented

SECOND: Frank Angotti VOTE: Motion Carried with Watson Abstaining

3. Nuisance Forms for referral to Planning Commission: Jim Harris presented

MOTION: Angotti moved to accept and refer Nuisance Forms to Public Nuisance Complaint Board for possible action

SECOND: Watson VOTE: Diaz making it unanimous

4. Minutes of previous meeting: Jim Harris presented

MOTION: Frank Angotti moved to approve Minutes of June 5, 2003, as presented

SECOND: Ron Watson VOTE: Roger Diaz making it unanimous

5. County Clerk's Fiduciary Report/March 2003: Harris presented

MOTION: Watson moved to accept as part of today's record

SECOND: Angotti VOTE: Diaz making it unanimous

6. Letter from Attorney Conrad RE: Hilary Heights Ltd.: Jim Harris presented and Diaz explained that Hilary Heights Ltd are wanting to make a claim for alleged damage to property as a result of work that was done on the County Parking lot. Diaz further stated that this has been turned over to the Insurance Co.

MOTION: Ron Watson moved to place this letter in the proper Insurance file

SECOND: Frank Angotti VOTE: Roger Diaz making it unanimous



7. **Worker's Compensation Correspondence:** Harris presented
MOTION: Angotti moved to place in appropriate employees' personnel files
SECOND: Watson **VOTE:** Diaz making it unanimous
8. **Community Corrections Grant letter RE: meeting 6/19:** Harris presented and Diaz stated that this is from Michael Cutlip concerning this meeting to be held Thursday, June 19, at the Division of Criminal Justice Service.
MOTION: Angotti moved to approve travel for Commissioner Watson to attend
SECOND: Diaz **VOTE:** MOTION PASSED
9. **Enlarged Hepzibah PSD monthly meeting minutes:** Harris presented
MOTION: Angotti moved to accept and place in the proper PSD file
SECOND: Watson **VOTE:** Diaz making it unanimous
10. **Letter from Greater Clarksburg 10K Run RE: Funding:** Jim Harris presented and Diaz explained that HCC has in the past provided funds for this event.
MOTION: Commissioner Angotti moved that the Commission continue to do this year what the Commission has done in the past to help support that race.
SECOND: Commissioner Watson **VOTE:** Commissioner Diaz making it unanimous
This will be payable from Contributions to other Entities Fund
11. **Letter from WVDO RE: Lighting Grant Program:** Harris presented and Diaz explained that WV Development Office will send in persons to do an audit on how electricity is being utilized and make recommendations that will possibly result in savings or they could also grant funds (to \$20,000.00) to help remediate problems that they might find.
MOTION: Watson moved to advise WV Development Office that we accept their offer and invite them to do the audit.
SECOND: Angotti **VOTE:** Diaz making it unanimous
12. **Sheriff Jack request for approval of travel/training:** Harris presented and Diaz stated that this would be at a total cost of \$150.00
MOTION: Angotti moved to approve travel/training as requested
SECOND: Watson **VOTE:** Diaz making it unanimous
13. **Letter from Rebecca Wade RE: Short Line PSD position:** Jim Harris presented and Diaz stated that she will be sent an Appointment Data Sheet.
MOTION: Watson moved to place in proper PSD file to be given proper consideration
SECOND: Angotti **VOTE:** Diaz making it unanimous
14. **Appointment Data Sheet/Donald Andrew Weikert RE: Shortline PSD:** Harris presented
MOTION: Watson moved to place in proper PSD file to be given consideration at a set date
SECOND: Angotti **VOTE:** Diaz making it unanimous
15. **Shortline PSD monthly meeting minutes:** Harris presented
MOTION: Angotti moved to place in proper minutes book
SECOND: Watson **VOTE:** Diaz making it unanimous
16. **Assessor Romano letter requesting to encumber funds:** Harris presented and Diaz explained that this has to do with carrying money from this year into next year.
MOTION: Watson moved to TABLE
SECOND: Angotti **VOTE:** Diaz making it unanimous
17. **Asst. PA Andre letter RE: Estate of Dorothea Moses:** Harris presented and Diaz recognized Asst. PA Andre who stated that his recommendation is to accept and confirm the Fiduciary Commissioner Weber's report as tendered. He further stated that this does not close this estate.
MOTION: Angotti moved to accept and confirm the report that was tendered by Tracy Weber and also to direct the parties to comply with the recommendations of W. T. Weber, who was a Special Fiduciary Commissioner assigned to that particular matter.
SECOND: Watson **VOTE:** Diaz making it unanimous
Asst. PA Andre to prepare the Order for the Commission to sign.
18. **Asst. PA Andre letter RE: Silk Stockings issue:** Harris presented and Diaz gave a brief explanation of this issue, that is, it is with regard to a Silk Stockings type establishment that is located in Meadowbrook. The Commission has received letters of complaint and even though Legislative Action prohibits Counties with Planning Commissions to take any kind of action in this matter, the matter was turned over to Legal. Again, Diaz recognized Asst. PA Andre.

Andre stated that absent the finding by the Commission that the establishment constitutes a public health nuisance, the County Commission is without authority to regulate this issue.

MOTION: Watson moved to accept the letter of Asst. PA Bob Andre into the record as an Answer so far as the question as to whether or not the Harrison County Commission has any jurisdiction in the location of strip bars, topless bars, etc.

SECOND: Angotti VOTE: Diaz making it unanimous

7:30 P.M.: AGENDA ITEM: Public Hearing/Water & Wastewater Grant: Terry Schulte appeared before the Commission to give an overview of this Grant application. Previously this application had been filed, but matching funds were not obtained. Now the required match has been obtained (\$1,170,000.00 from a Grant from the Rural Utility Service and a loan in the amount of \$2,630,000.00). The total project cost is \$5,330,000. This is for the extension of new service along Route 50 to the City of Salem, including the smaller communities off of Route 50. For the Grant purposes, this involves 194 new households. Terry then turned to Clay Riley to illustrate on a map the area that is involved.

At this time, the Commission recognized anyone present who wanted to speak either for or against this project. Those appearing:

Jim Reaser, Route 2, Box 100, Bristol, West Virginia: Spoke in favor of project
 Nancy Lawless, Route 2, Box 70, Bristol, West Virginia (Lake Floyd): Spoke in favor
 Amy Gaye, Route 2, Box 34A, Bristol, West Virginia (Lake Floyd): Spoke in favor
 Ron Turner, Lake Floyd, Bristol, West Virginia: Spoke in favor
 Robert Huffman, Route 5, Box 1072, Salem, West Virginia (Indian Run): Spoke in favor
 Emma Clevenger, Route 4, Box 654B, Clarkshurg, West Virginia appearing as Chairman of Sun Valley PSD: Spoke in favor

As no other person wanted to speak, Commissioner Diaz declared the Public Hearing Closed. He further stated that there were no persons coming forth with objections to the application of the Small Cities Block Grant

MOTION: Frank Angotti moved to allow the application to go forward for the Small Cities Block Grant for the Sun Valley water project.

SECOND: Ron Watson VOTE: Roger Diaz making it unanimous

7:45 P.M.: AGENDA ITEM: Sr. Barbara Fiedler RE: Dental Clinic Funding: Sr. Fiedler brought Dr. Dino Colombo, DDS, with her to explained the needs of the Dental Clinic in West Milford. This clinic is for the working poor, those who do not have insurance or are underinsured for dental work, but who are working. Both explained that people who have dental work done have a better self esteem and work production, in addition to avoiding medical problems that can arise from poor dental hygiene. The Commissioners applauded the efforts of the clinic and volunteers. The funds being asked for would be outfit an additional dental room in order to serve the number of patients. Commissioner Diaz stated that there are funds in Community Improvement Fund paid into by Mid-America Waste. Now moneys generated by this fund are retained by USA Waste who, then, utilize these funds for Community projects. He suggested that Ron Levine, USA Waste, might be interested in donating funds for this. He further stated that he would contact Mr. Levine regarding this.

MOTION: Angotti moved to give \$5,000.00 out of Community Improvement fund now and to revisit it again after our years end to see if our fund balance would enable us to allocate additional money to this project.

SECOND: Watson VOTE: Diaz making it unanimous

8:00 P.M.: AGENDA ITEM: Wakem Simon sworn in - Summit Park PSD: At this time, Mr. Wakem Simon was sworn in by Commission President, Roger Diaz, as member of the Summit Park PSD Board.

19. Letter from Harrison County Farm Bureau RE: Preservation: Jim Harris presented and Diaz noted for the record that the Farm Bureau is in favor of Farm Land Preservation.

MOTION: Angotti moved to make a part of today's record

SECOND: Watson VOTE: Diaz making it unanimous

20. Letter from Home Confinement RE: additional phone: Jim Harris presented and he stated that this was in anticipation of success in Charleston to get the funding to get another person hired.

MOTION: Angotti moved to TABLE

SECOND: Watson VOTE: Diaz making it unanimous

21. Parks & Recreation letter RE: encumbering funds: Harris presented and stated that P & R wants to encumber all balances from the General Services Levy Line Item Budget, all HCPR State Program Revenue Deposits and all 4-H revenue. Watson explained there was not much money involved.

MOTION: Watson moved to approve

- SECOND: Angotti VOTE: Diaz making it unanimous
 Letter to County Clerk RE: Salary increase (Tabled): Jim Harris and at the request of R. Watson
16. Assessor Romano letter requesting to encumber funds was brought forth from the TABLE:
 MOTION: Watson moved to treat Item #16 and Item #22 in the same manner as the
 Prosecuting Attorney's request and give Jim Harris the opportunity to look at
 what was done with the PA's request and treat these 2 items accordingly.
 SECOND: Angotti VOTE: Diaz making it unanimous
 DISCUSSION: The concept of rolling over funds into 2003-04 Fiscal Year.
 MOTION: Watson moved that Commission will allow money to be encumbered only if Elected
 Officials take the encumbered money, incorporate the 3% increase already approved, and
 then report salaries to the Clerk June 30.
 SECOND: Angotti VOTE: Diaz making it unanimous
 DISCUSSION: In both cases at hand, there is excess money left over in salaries -- what the County Clerk has chosen
 to do is to take the total and divide it evenly and in addition to that each employee would receive a 3% raise for the cost
 of living. It was further explained that there will be a reallocation to 2003-2004 budget and then on July 1, 2003, when
 a new budget starts the Elected Official will be able to use that money, in addition to the 3% cost of living. Harris
 asked for clarification - he is to contact the County Assessor that she can carry over what she asked to.
23. Letter from Gary Hamrick RE: personnel issue: Harris presented and Diaz explained that this deals with a
 claim against John Scott and this has been turned over to the Insurance Co.
 MOTION: Ron Watson moved to make a part of today's record
 SECOND: Frank Angotti VOTE: Roger Diaz making it unanimous
24. Letter from R. Seamon RE: Budget Revisions: Harris presented and stated that there is an additional revision
 that does not appear on the letter. He further elaborated on the revisions requested.
 MOTION: Angotti moved to authorize revisions as requested
 SECOND: Watson VOTE: Diaz making it unanimous
25. Parks & Recreation budget revision request: Harris presented
 MOTION: Watson moved to approve budget revision request as presented
 SECOND: Angotti VOTE: Diaz making it unanimous
26. Enlarged Hepzibah PSD monthly meeting minutes: Jim Harris presented
 MOTION: Angotti moved to place in appropriate file
 SECOND: Watson VOTE: Diaz making it unanimous
27. Appointment Data Sheet - Mr. DeMary CENTRA Bus: Harris presented and stated that this is a
 reappointment.
 MOTION: Watson moved to reappoint Mr. DeMary to CENTRA Board
 SECOND: Angotti VOTE: Diaz making it unanimous
28. Letter & Data Sheet RE: Vacancy on Shortline PSD: Harris presented
 MOTION: Watson moved to accept as part of today's record and place the appointment of
 an individual to replace Mr. Nay, Shortline PSD, on next agenda.
 SECOND: Angotti VOTE: Diaz making it unanimous
29. Appointment data sheet/Mary L. Hines (Shortline PSD): Harris presented and Diaz stated that this is a
 reappointment.
 MOTION: Angotti moved to reappointment Mary L. Hines to Shortline PSD
 SECOND: Watson VOTE: Diaz making it unanimous
30. Assessor Romano memo requesting budget transfers: Harris presented
 MOTION: Ron Watson moved to approve request for budget transfers
 SECOND: Frank Angotti VOTE: Diaz making it unanimous
31. Sheriff Jack letter requesting budget transfers: Jim Harris presented
 MOTION: Watson moved to approve request for budget transfer
 SECOND: Angotti VOTE: Diaz making it unanimous
32. Resolution RE: Small Cities Grant Application: Harris presented and stated that this was handled under 7:30
 P. M. Agenda Item.
33. F. Smart letter RE: Travel/training CERT Coordinator: Harris presented and Diaz stated that this was for Mr.
 Gimmel, who is the newly appointed Director of Homeland Security.
 MOTION: Commissioner Watson moved to approve travel
 SECOND: Commissioner Angotti VOTE: Commissioner Diaz making it unanimous

34. Registration forms - Annual In-Service training in August: Jim Harris presented and stated that this is mandatory training for County Commissioners and Assistants. He further stated that the 3 Commissioners, Jim Harris, Regina Seamon, Brian Bish may attend. Diaz stated that this is the Auditor's In-Service Training.

MOTION: Angotti moved to approve Commissioners and staff to attend. Jim Harris to take care of registrations.

SECOND: Watson VOTE: Diaz making it unanimous

35. ACS/Software Contract/Bookkeeping: Harris presented and Diaz explained that this is purchased so that the AS400 is supported.

MOTION: Watson moved to approve and authorize President to sign

SECOND: Angotti VOTE: Diaz making it unanimous

36. Letter from Prosecutor RE: Personnel Matter -- to be handled at end of meeting
37. Memo from Prosecutor RE: PEIA coverage for employee: Harris presented and explained that the PA is asking that credit be given to this person was employed by State Agency and in PEIA system.

MOTION: Angotti moved to approve request

SECOND: Watson VOTE: Diaz making it unanimous

38. Memo from PA RE: Transfer of monies FY 2002-2003: Harris presented and stated that this will be a transfer from Materials & Supplies to News and Subscriptions

MOTION: Watson moved to approve transfer as requested

SECOND: Angotti VOTE: Diaz making it unanimous

40. (taken out of sequence): PitneyBowes letter RE: Mailing system failure 12/31/2003: Jim Harris presented and stated that PitneyBowes is suggesting that the Commission look at a new machine vs maintenance and this could mean a possible savings. FYI - proposal to be forthcoming -- NO ACTION

39. Architect Agreement RE: Elevator upgrade/automation: Harris presented

MOTION: Watson moved to TABLE

SECOND: Angotti VOTE: Diaz making it unanimous

41. City Window Change Order - Law Enf. Windows order: Harris presented and stated that he had gone to Law Enforcement, as per instruction, to check on these windows and they do need replaced. Harris felt that it would be easiest to add this to the existing contract with City Window.

MOTION: Ron Watson moved to approve Change Order

SECOND: Frank Angotti VOTE: Roger Diaz making it unanimous

With no further business, other than the Executive Session matter, before the Commission . . .

MOTION: Angotti moved to recess for 5-10 minutes and come back to retire to executive session

SECOND: Watson VOTE: Diaz making it unanimous

MOTION: Angotti moved to return to regular session

SECOND: Watson VOTE: Diaz making it unanimous

MOTION: Angotti moved to go into Executive Session to discuss a Personnel matter

SECOND: Watson VOTE: Diaz making it unanimous

MOTION: Angotti moved to return to regular session

SECOND: Watson VOTE: Diaz making it unanimous

At this time, Commission President Diaz asked Jim Harris for his recommendation on special request for accommodation. Harris stated that he recommended that the request for reasonable accommodation under ADA be turned over to the ADA Coordinator, Terry Schulte, who along with himself will investigate and bring recommendation back to the Commission

MOTION: Watson moved that the request for reasonable accommodation under ADA be turned over to the ADA Coordinator, Terry Schulte, who along with himself will investigate and bring recommendation back to the Commission

SECOND: Angotti VOTE: Diaz making it unanimous

MOTION: Commissioner Watson moved to adjourn

SECOND: Commissioner Angotti VOTE: Commissioner Diaz making it unanimous


Roger Diaz, President

6-1903
Date

County Commission

Minutes of June 19 Meeting
Approved



HARRISON COUNTY COURT HOUSE

Harrison County Commission

301 WEST MAIN STREET
CLARKSBURG, WEST VIRGINIA 26301
304-624-8500
FAX (304) 624-8673

Commissioners:
Roger Diaz
Frank Angotti
Ron Watson

XXXXXXXXXX
XXXXXXXXXX
XXXXXXXXXX
XXXXXXXXXX

At the regular meeting of the County Commission of Harrison County held on Thursday, June 19, 2003, Commissioners Roger Diaz and Frank Angotti were present. Also present were Regina Seamon, Commission Secretary, Kathy Oliverio, Deputy County Clerk and Assistant Prosecuting Attorney Bob Andre. Commissioner Ron Watson, Sylvia Basile, County Clerk, and Jim Harris, County Administrator were absent.

A sign-up sheet was available for anyone who wished to speak during the public comment period. Commission President, Roger Diaz opened the meeting with the Pledge of Allegiance to the Flag led by Commissioner Angotti.

- 1. Exonerations/Corrective Tickets/Joint Property Applications: Regina Seamon stated that there are none
- 2. Purchase Orders/Payroll Changes/Consolidations of Land: Seamon presented

MOTION: Frank Angotti moved to approve Purchase Orders as presented with the understanding that the Commissioners reserve the right to pull any PO's for clarification or question
Roger Diaz VOTE: Motion Passed

- 3. Nuisance Forms for referral to Planning Commission: Regina Seamon presented 1 Nuisance Form

MOTION: Angotti moved to refer Nuisance Form to Planning Commission
Roger Diaz VOTE: Motion Passed

- 4. Minutes of Previous Meeting: Seamon presented

MOTION: Frank Angotti moved to approve Minutes of June 12, 2003
Roger Diaz VOTE: Motion Passed

9:00 A.M.: AGENDA ITEM: Ron Levine, Manager of Meadowfill Landfill and USA Waste/Check Presentation: Mr. Levin unable to be present. Commissioner Diaz spoke to those present with regard to the previous and ongoing generosity of Mr. Levine and the aforementioned companies. Today a check in the amount of \$20,000.00 was to be presented to Harrison County EMS to assist in the purchase of one of two new ambulances. Those present representing EMS: Director Rick Rock, Office Manager Angela Martino and Paramedic Matthew Abbott. Diaz further stated that Mr. Levine said that the check would be sent over later today. Additionally, Diaz stated that the official presentation would be held at a later date in order to recognize Mr. Levine and his Company for their contributions to the Community.

9:00 A.M.: AGENDA ITEM: Nutter Estate Hearing: J.A. Harris, Attorney: Attorney Jim Harris of Waters Warner & Harris Legal firm appeared before the Commission and stated that the parties involved in the process of resolving all the issues therefore it has been agreed to continue the hearing on the Petition for 60 days. He further stated that he has an Order continuing it from today until the Commission meeting on August 21, 2003 at 7:00 P.M. will be filed today, and requested a copy of same to be sent to him.

- 5. Appointment Data Sheet/D. Weikert RE: Shortline PSD
- 6. Appointment Data Sheet/L. Manear RE: Shortline PSD
- 7. Appointment Data Sheet/R. Wade RE: Shortline PSD: Regina Seamon presented all the Appointment Data Sheets and stated that she had received 2 more Appointment Data Sheets on 6/18/03. Seamon further stated that Item 18 also dealt with Commissioner Watson's recommendation of D. Weikert to serve on Shortline PSD.

MOTION: Angotti moved to approve, based on Commissioner Watson's recommendation, Don Weikert's appointment to Shortline PSD Board
Roger Diaz VOTE: Motion Passed

Discussion: Commissioner Diaz requested that Mr. Weikert be scheduled to be sworn in Angotti recommended and Diaz concurred that the remaining completed Data Sheets be placed in a file for future consideration for service on PSD and/or other Boards.



8. Letter from Home Confinement RE: new phone (TABLED): Seamon presented
 MOTION: Angotti moved to TABLE
 SECOND: Roger Diaz VOTE: Motion Passed
9. Architect Agreement RE: Elevator upgrade (TABLED):
 MOTION: Angotti moved to TABLE
 SECOND: Roger Diaz VOTE: Motion Passed
10. Letter from Paul Hamrick RE: Alternative Sewage Plan: Seamon presented and this will be handled later in Agenda
11. Letter from Emma Clevenger RE: Re-appt. Sun Valley PSD: Regina Seamon presented
 MOTION: Angotti moved to TABLE
 SECOND: Roger Diaz VOTE: Motion Passed
12. Workers Compensation Information:
 MOTION: Angotti moved to place in individual Worker's Compensation file
 SECOND: Roger Diaz VOTE: Motion Passed
13. Letter from WV Italian Heritage Festival RE: Pasta Cook-off: Regina Seamon presented and Commission President Diaz stated that this was merely an information item because there has been a change in time - 2:00 P.M. until 9:00 P.M. on Saturday, August 23, 2003. NO ACTION TAKEN
14. Letter from Acordia RE: Claim number/Hamrick complaint: Seamon presented
 MOTION: Angotti moved to place in appropriate Insurance file
 SECOND: Roger Diaz VOTE: Motion Passed
15. Letter from Secretary of State RE: Election meeting/Flatwoods: Seamon presented and Diaz recognized Sylvia Basile, County Clerk, request for travel and training
 MOTION: Angotti moved to approve travel to attend meeting in Flatwoods with regard to touch screen voting
 SECOND: Roger Diaz VOTE: Motion Passed
16. Letter to Donald Webster, Mayor of Nutter Fort, RE: Route 98-Route 50 connector: Regina Seamon presented and Diaz stated that this letter, which is addressed to the Governor, represents a show of support for the Rt 98-Rt50-Rt19 connector
 MOTION: Angotti moved to authorize signature and to send aforementioned letter
 SECOND: Roger Diaz VOTE: Motion Passed
17. Petition to remove a Co-Executor - set Hearing Date: Seamon presented and Diaz recognized Deputy County Clerk, Dorothy McCord, who explained the reason behind this Petition. Commissioner Diaz stated that the Hearing is to be set 45 days from this date, June 19, 2003. McCord stated that the Fiduciary Commissioner is aware of the situation.
 MOTION: Angotti moved that Ms. Seamon contact Attorney Marsha Broughton, representing the Petitioners, and inform her of the date as determined by the 45 days as set above and ascertain if this is convenient for them. If that date is not convenient, she was further instructed to set a date when the Commission is meeting anytime after the 45 day span as previously stated
 SECOND: Roger Diaz VOTE: Motion Passed
18. Memo from Commissioner Watson RE: Shortline PSD: Handled previously under Item 5.
 9:30 A.M. Bob Boylen CENTRA Bus RE: shelter at Courthouse: Mr. Boylen spoke with regard to the Commission's wishes with regard to new Bus Shelters being placed, once again, in front of the Courthouse. He stated that they now have a temporary shelter up by 4th Street due to construction being done in front of the Courthouse and this location is working out quite well, but are willing to relocate, once again, to the front of the Courthouse if that is the wish of the Commission. He further stated that long term plans include a downtown transfer station on Main Street similar to the one of Pike Street by the Library. He presented the Commission with a picture and dimensions of the proposed shelters. Both Commissioners stated that if it was possible and convenient for the public, that they would prefer at this time to leave the front of the Courthouse clear and keep the shelter where it is by 4th Street. Mr. Boylen did not feel that this would be a problem. Commissioner Diaz further stated that Mr. Boylen should work with Anthony Bellotte, City of Clarksburg, and Jim Harris, County Administrator on this project.
 Mr. Boylen then submitted for the County Commission's review an overall sight plan for construction renovations to keep Commission up-to-date on Centra's plans for a CENTRA facility located at the present garage. Diaz stated that this was part of the revitalization of the downtown area.
 AT THIS TIME, Commissioner Diaz recognized James LaRosa and asked him to address the Commission with regard to the Pete Dye Golf Club. Mr. LaRosa stated that the project is moving forward and they now

have a completed package to request TIF financing for this project. Mr. LaRosa requested that he be on the Agenda for the July 3rd meeting at 10:00 A.M.

11:00 A.M. AGENDA ITEM: Joe Murphy - Presentation RE: Funding Program: Mr. Murphy of the United Brotherhood of Carpenters and Joiners of America spoke regarding the Employee Real Estate Construction Trust, which was established in 1988 by the Carpenters Union. This money has been utilized in Ohio and Pennsylvania to fund projects, but not in West Virginia. This is a fund to help finance projects and if the Commission would have a project in mind he stated that he should be contacted and they will look into the project. All Union labor must be used if the funds are allocated for a project. Commissioner Angotti inquired whether there have been any public projects funded. Mr. Murphy stated that most of the projects are for private business. Commissioner Diaz asked for more information with regard to rates, who is eligible and what the length of time for payment in order to work out amortization.

FROM THE TABLE, Ms. Seamon brought forth an issue with regard to the Development Authority purchasing supplies through the County. Commissioner Diaz stated that Development Authority continue to purchase on their own.

FROM THE TABLE, Regina Seamon brought a request from Chris Bass, Treasurer of North View PTA, asking for permission to collect empty ink cartridges and toner cartridges as a fund raiser. The Commission decided to allow this on a year-to-year basis so that other schools to make this same request. She recommended that we allow this.

MOTION: Angotti moved that based on Regina Seamon's recommendation the County collect empty ink cartridges and toner cartridges for pick up by North View PTA. This will be on a year to year basis so that if any other charitable organization wants to do this that they be given an equal chance.

SECOND: Roger Diaz VOTE: Motion Passed

AT THIS TIME, Commissioner Diaz brought FROM THE TABLE the issue of the copier that was checked into for the County Commission Office. The bids previously received have been by Legal.

MOTION: Angotti moved to award the bid for new copier to the lowest bidder who met all the specifications of the bid.

SECOND: Roger Diaz VOTE: Motion Passed

MOTION: Angotti moved to recess for 10 minutes

SECOND: Roger Diaz VOTE: Motion Passed

MOTION: Frank Angotti moved to return to regular session

SECOND: Roger Diaz VOTE: Motion Passed

10:15 A.M. AGENDA ITEM: Mary Lee Hines sworn in RE: Short Line PSD: At this time, Commissioner Angotti administered the oath and swore in Mary Lee Hines.

10:30 A.M. AGENDA ITEM: Paul Hamrick RE: Alternative Sewage Plan: Mr. Hamrick appeared along with Glen Daniels (this item also includes #10) He asked if there is another entity other than Greater Harrison PSD to provide sewage for Glen Falls, Arlington, Dawmont and Gore communities. He presented the Alternative Sewage Plan. After much discussion, the Commissioner Diaz suggested that this subject be reopened with Greater Harrison PSD as this is the entity that is responsible for those areas without established PSD's. If this program is viable GHPSD should be contacted again to get a definite decision as to their cooperation. Mr. Hamrick stated that in order to protect the Grant already issued, they need more than a letter of intent. He was instructed to get on Greater Harrison PSD Agenda with all necessary information ready to present. Mr. Diaz stated that he will get with Attorney Tom Michael regarding this issue. If GHPSD does not accept the proposal, then the Commission will have to make a decision.

10:00 A.M. AGENDA ITEM: Carmen Montgomery Re: property issue/East View DID NOT SHOW

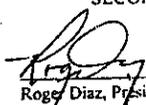
MOTION: Angotti moved to recess until 11:00 A.M.

SECOND: Roger Diaz VOTE: Motion Passed

11:00 A.M.: State Senators Joseph Minard and William Sharp came before the Commission to present a check for \$50,000.00 from the Governor's Contingency Fund. This money is to be used for the 4-H Center project.

MOTION: Angotti moved to adjourn

SECOND: Roger Diaz VOTE: Motion Passed


Roger Diaz, President

7-3-03

Date

Eugene Rogers

Re-Appointed Member -Short Line PSD

WHEREAS, the term of office of Eugene Rogers as a Member of the Short Line Public Service District expired on November 26, 2003, and;

WHEREAS, the County Commission reappointed said Eugene Rogers to said Board;

NOW BE IT THEREFORE ORDERED that said Eugene Rogers be and he is hereby reappointed a member of the Short Line Public Service District for a term of Six (6) years beginning November 26, 2003 and continuing until November 26, 2009.

Thereupon came said Eugene Rogers and accepted said office or trust and took the oath prescribed by law.

OATH OF OFFICE AND CERTIFICATE

STATE of WEST VIRGINIA)
)
Harrison County, to-wit)

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Member, Short Line Public Service District

to the best of my skill and judgement: **SO HELP ME GOD.**

Signature of Affiant Donald A Wikert
Donald A. Wikert

Subscribed and sworn to before me, in said County and State, this 3rd
 day of July 2003.

Roger Diaz
Roger Diaz, President

Frank T. Angotti
Frank "Chunki" Angotti, Member

Ronald R. Watson
Ronald R. Watson, Member

RULES OF PROCEDURE
SHORT LINE PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: SHORT LINE PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District will be located at Rt. 20, North, Wallace, Harrison County, West Virginia.

Section 3. The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Short Line 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 Harrison 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 third Thursday of each month, at such place and hour as the members shall determine from time to time. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the 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 Harrison 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 Harrison 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 specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

ARTICLE V

OFFICERS

Section 1. The officers of the Public Service Board shall be a Chairman, a Secretary and a Treasurer. The Chairman shall be elected from the members of the Public Service Board. The Secretary and Treasurer need not be members of the Public Service Board, and may be the same person.

Section 2. The officers of the Public Service Board shall be elected each year by the members at the first meeting held in such year. The officers so elected shall serve until the next annual election by the membership and until their successors are duly elected and qualified. Any vacancy occurring among the officers shall be filled by the members of the Public Service Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the following January meeting of the Board when their successors shall be elected hereinabove provided.

ARTICLE VI

DUTIES OF OFFICERS

Section 1. When present, the Chairman shall preside as Chairman at all meetings of the Public Service Board. The Chairman shall, together with the Secretary, sign the minutes of all meetings at which he or she shall preside. The Chairman shall attend generally to the executive business of the Board and exercise such powers as may be conferred by the Board, by these Rules of Procedure, or as prescribed by law. The Chairman shall execute, and if necessary, acknowledge for record, any deeds, deeds of trust, contracts, notes, bonds, agreements or other papers necessary, requisite, proper or convenient to be executed by or on behalf of the Board when and if directed by the members of the Board.

Section 2. The Secretary shall keep a record of all proceedings of the Board which shall be available for inspection as other public records. The Secretary shall, together with the Chairman, sign the minutes of the meetings at which he or she is present. The Secretary shall have charge of the minute book, be the custodian of the Common Seal of the District and all deeds and other writings and papers of the Board. The Secretary shall also perform such other duties as he or she may have under law by virtue of the office or as may be conferred from time to time by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 3. The Treasurer shall be the lawful custodian of all funds of the District and shall disburse funds of the District on orders authorized or approved by the Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him and shall prepare and submit such reports and statements of the financial condition of the Board as the members may from time to time prescribe. He shall perform such other duties as may be required of him by law or as may be conferred upon him by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 4. If the Chairman, Secretary or Treasurer is absent from any meeting, the remaining members of the Board shall select a temporary chairman, secretary

or treasurer, as necessary, who shall have all of the powers of the absent officer during such period of absence.

ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

These Rules of Procedure may be altered, changed, amended, repealed or added to at any regular or special meeting of the Board by a majority vote of the entire Board, or at any regular or special meeting of the members when a quorum is present in person and a majority of those present vote for the amendment; but no such change, alteration, amendment, repeal or addition shall be made at any special meeting unless notice of the intention to propose such change, alteration, amendment, repeal or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.

These Rules of Procedure shall replace any and all previous rules of procedure, bylaws or similar rules heretofore adopted by the District.

Adopted this 26th day of May, 2005.

PUBLISHER'S CERTIFICATE

STATE OF WEST VIRGINIA,
COUNTY OF HARRISON

I, SARA V. SHINGLETON

Classified Manager of THE EXPONENT-TELEGRAM, a newspaper
of general circulation published in the City of Clarksburg, County
and State aforesaid, do hereby certify that the annexed

PUBLIC SERVICE COMMISSION

was published in said THE EXPONENT-TELEGRAM one time on
the 20 day of May 2002

The publisher's fee for said publication is \$184.82

Given under my hand this 23 day of May
2002

Sara V. Shingleton

Classified Manager of The Exponent-Telegram

Subscribed and sworn to before me this 23 day of
May 2002

Shelley F. Riffle

Notary Public in and for Harrison County, WV

My commission expires on the 21 day of July 2009

Form CA-142

SEAL

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SHELLEY F. RIFFLE
Clarksburg Publishing Co.
PO Box 2000, 324 Howes Ave.
Clarksburg, WV 26302-2000
Commission Expires July 21, 2009

WETZEL CHRONICLE

New Martinsville, WV May 22, 2002

State of West Virginia, County of Wetzel:

Personally appeared before the undersigned, a Notary Public,

Michael A. Galluzzo who, being duly sworn,

states that he is the manager of the Wetzel Chronicle, a weekly newspaper of general circulation, published at New Martinsville,

County of Wetzel, State of West Virginia, and that a copy of the notice attached hereto was published for.....1..... successive

weeks in the Wetzel Chronicle, beginning on the 22nd day of May, 2002 and ending on the 24th day

of May, 2002.

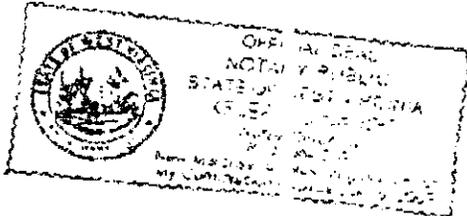
Michael A. Galluzzo
Manager, Wetzel Chronicle

Subscribed and sworn to before me, a Notary Public of said County, on this 22nd day of May, 2002.

Robert J. Darnold
Notary Public

My commission expires on the 31st day of December, 2002.

Printers Fee 180.92



WEST VIRGINIA CHRONICLE
MUNICIPAL SERVICE COMMISSION
OF WEST VIRGINIA
HARRISON

Entered by the Public Service Commission of West Virginia in the City of Charleston on the 21st day of May, 2002.

CASE NO. 01-0088-PWD CN

SHORT LINE PUBLIC SERVICE DISTRICT, a public utility.
 Application for a certificate of convenience and necessity to construct certain additions and improvements to the District's water and fire protection systems in Harrison County.

NOTICE OF FILING

WHEREAS, on May 8, 2002, Short Line Public Service District, a public utility, filed an application for a certificate of convenience and necessity to construct certain additions and improvements to the District's water and fire protection systems in Harrison County. 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 Short Line Public Service District, certifies that construction will cost approximately \$2,810,305.00. It is proposed that the construction will be financed as follows: West Virginia Industrial Development Job Development Council bond in an amount not to exceed \$1,878,451 and a grant in the amount not to exceed \$921,854, together with an Abandoned Mine Land Grant in the amount not to exceed \$1,041,729.

WHEREAS, Short Line Public Service District anticipates charging the following rates for its customers for the construction of the project:

TARIFF SCHEDULE 1

WATER RATES

APPLICABILITY
 Applicable in entire territory served, with the exception of Jones Run and newly served areas.

AVAILABILITY
 Available for general domestic, commercial and industrial service.

RATES PER MONTH
 First 3,000 gallons used/month @ \$0.82 per 1,000 gallons
 Next 3,000 gallons used/month @ \$0.58 per 1,000 gallons
 Next 4,000 gallons used/month @ \$0.72 per 1,000 gallons
 Next 15,000 gallons used/month @ \$0.88 per 1,000 gallons
 All over 25,000 gallons used/month @ \$4.83 per 1,000 gallons

MINIMUM CHARGE
 3/8 inch meter \$20.77 per month
 1/2 inch meter \$41.18 per month
 1 inch meter \$51.92 per month
 1 1/2 inch meter \$109.85 per month
 2 inch meter \$165.20 per month
 3 inch meter \$211.54 per month
 4 inch meter \$259.82 per month
 6 inch meter \$1,038.45 per month

DELAYED PAYMENT PENALTY
 The above tariff is due. On all accounts not paid in full within 20 days, ten percent (10%) will be added to the net amount shown. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION FEE
 \$15.00

SERVICE CONNECTION FEE (TAP FEE)
 \$250.00

TARIFF SCHEDULE 2

APPLICABILITY
 Applicable in the Jones Run and newly served areas.

RATES
 First 3,000 gallons used/month \$2.21 per thousand gallons
 Next 3,000 gallons used/month \$6.65 per thousand gallons
 Next 4,000 gallons used/month \$6.48 per thousand gallons
 Next 12,000 gallons used/month \$6.14 per thousand gallons
 All over 20,000 gallons used/month \$5.01 per thousand gallons

3/8 inch meter \$61.82 per month
 1/2 inch meter \$92.45 per month
 1 inch meter \$54.10 per month
 1 1/2 inch meter \$78.93 per month
 2 inch meter \$108.15 per month
 3 inch meter \$173.85 per month
 4 inch meter \$226.45 per month
 6 inch meter \$540.75 per month
 8 inch meter \$1,081.50 per month
 6 inch meter \$1,730.00 per month

DELAYED PAYMENT PENALTY
 The above tariff is due. On all accounts not paid in full within 20 days, ten percent (10%) will be added to the net amount shown. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION FEE
 \$15.00

TARIFF SCHEDULE 3

APPLICABILITY
 Applicable to all customers.

2% LOCAL UTILITY TAX TO ITS CUSTOMERS IN THE TOWN OF SMITHFIELD

There is hereby laid and imposed upon each and every public utility using the City, for the purpose of maintaining upon, over and under the same, any pipes, or pipe lines, any rails, wires, cables, poles, or conduits, or any other means of conveying and transporting any natural gas, water, telephone, electric power or energy or electric light or power service, or for furnishing any public utility service, a charge equal to two percent (2%) of the gross revenue derived by any and each such public utility from business done within the City. There shall be no credit allowed or allowable on such tax of two percent (2%).

RETURNED CHECKS FOR INSUFFICIENT FUNDS
 If a check is returned by the bank for any reason, the bank's charge to Short Line Public Service District shall be the District's charge to the customer for each such check, but such charge to the customer shall not exceed \$15.00.

INCREMENTAL COST OF WATER PURCHASED
 \$2.88 per 1,000 gallons. To be used when the bill reflects a water consumption which can be attributed to single housing or customer's side of the meter. This rate is used to calculate consumption above the customer's historical average usage.

These rates represent a project-related increase of 7.5% for certain residential, commercial and industrial service, excluding Jones Run and customers, whose rates will not increase.

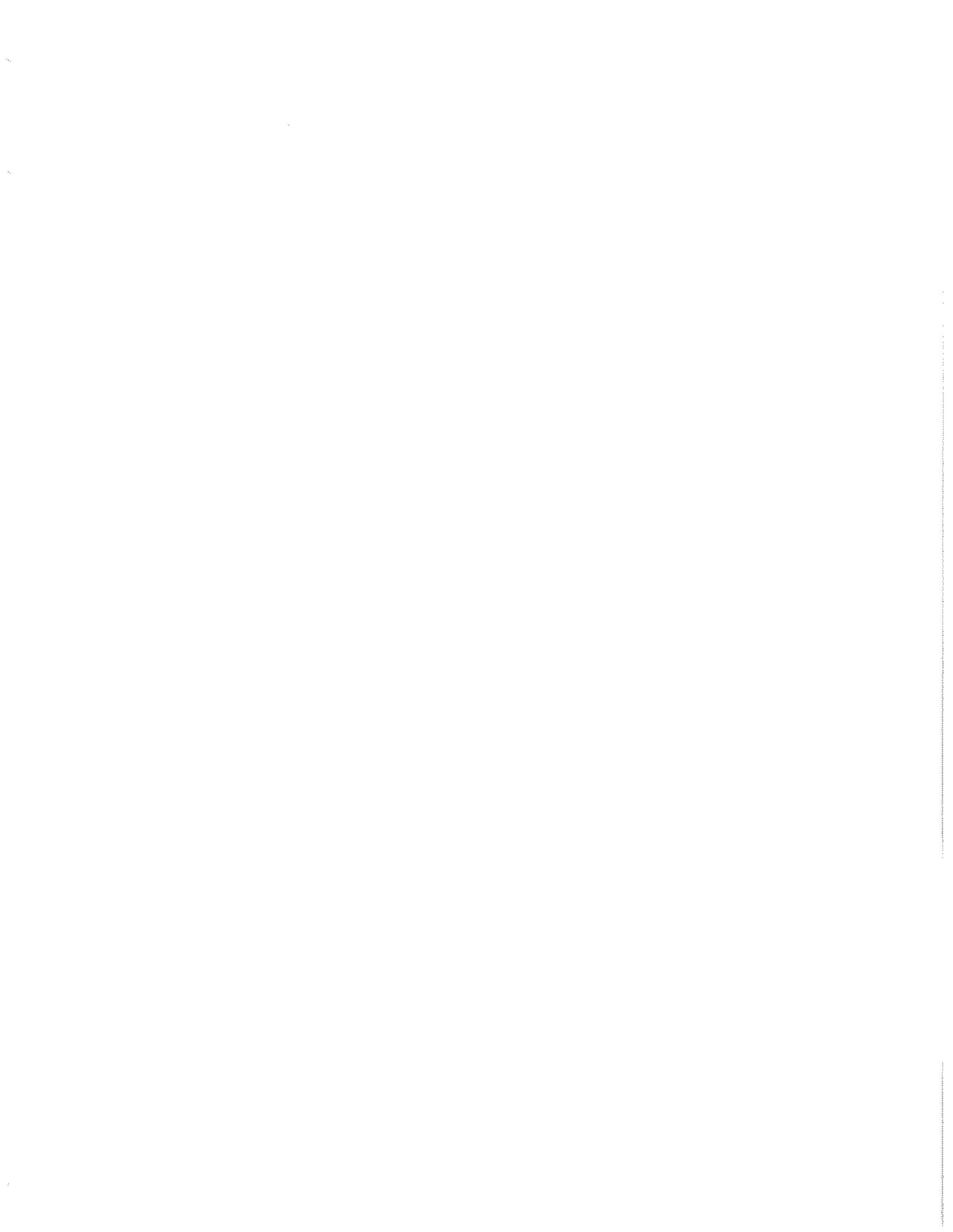
The proposed increase rates and charges will produce approximately \$26,580 annually in additional revenue, an increase of 7.5%.

The increases shown are based on averages of all customers in the increased class. Individual customers may receive increases that are greater or less than average. Furthermore, the proposed rates and charges are only a proposal and are subject to change (increase or decrease) by the Public Service Commission in its review of this filing.

Pursuant to 24-2-11 West Virginia Code, IT IS ORDERED that Short Line Public Service District, a public utility, 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 by the general circulation in Harrison County, making due return to the 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 and, including any associated rate advances or to participate in future proceedings. All protests or requests to intervene should timely state the reason for the protest or intervention. Requests to intervene must comply with the Commission's rules on interventions which shall be addressed within thirty (30) days after the publication of this notice, to Sandra Square, Executive Secretary, P. O. Box 874, Charleston, West Virginia 25303.

IT IS FURTHER ORDERED that if no protests are received within said 30-day period, the Commission may waive formal hearing and upon the application of the Short Line Public Service District, issue an order as requested submitted with said application and its review thereof.

FOR THE COMMISSION
 Sandra Square
 Executive Secretary



Short Line Public Service District

P. O. BOX 188
WALLACE, W. VA. 26448
TEL. 796-4667

DIRECTOR'S MEETING

May 26, 2005

Eugene W. Rogers, Chairman
Mary Lee Hines, Secretary
Donald A. Wikert, Treasurer

Patricia A. Bates, Office Mgr.
Lyle E. Swiger, Class I Opr.
Michael B. Dennison, Class I Opr.
Starla K. Bates, Part-Time Office

The May 26, 2005 Meeting of the SHORT LINE PUBLIC SERVICE DIST. Was called to order by Chairman Eugene W. Rogers. The April 27, 2005 Meeting minutes were read and approved. The Financial Report for the month of April, 2005 were reviewed and approved. The June, 2005 Director's Meeting was set for June 30, 2005. This June meeting will be a Special Meeting.

OLD BUSINESS:

1. The Bids for the 1984 Dodge Van were opened.

- | | |
|--------------------------|----------|
| 1. George L. Miller | \$250.00 |
| 2. Albert C. Hussell Jr. | \$105.00 |

George L. Miller is the new owner of the 1984 Dodge Van with the highest bid of \$250.00.

2. At our Special Meeting on June 30, 2005 a Public Hearing will be held to Execute all documents for the closing of the Water Line Extension Project (Reynoldsville, Wallace and Clarksburg, Harrison County). The closing date will be on July 11, 2005 in Charleston, WV.

3. The new RULES OF PROCEDURE were reviewed. These Rules of Procedure shall replace any and all previous rules of procedure, bylaws or similar rules heretofore adopted by the SHORT LINE PUBLIC SERVICE DIST. Chairman Eugene W. Rogers made a motion that we adopt these new Rules of Procedure as of this 26th day of May, 2005. Secretary Mary Lee Hines seconded the motion. Motion carried.

NEW BUSINESS:

1. A Sanitary Survey was conducted by the WV State Dept. of Health and Human Resources Bureau for Public Health, Office of Environmental Health Services on April 25, 2005. Larry L. Riggleman, E.T. and Craig R. Cobb, P.E., Supervising Dist. Engineer with the Environmental Engineering Division came to our office and conducted the survey. Larry and Craig reviewed our records in the office; and Ed took them both to inspect our Booster Station and Tanks. On May 6, 2005 we received a letter on the results of our survey. The letter of results show two significant deficiencies:

The two significant deficiencies are as follows:

1. Access roads to the Jay Farm and Brown Tanks are in very poor condition.
2. The Storage Tanks are not fenced.

The Directors reviewed the survey and discussed a letter of reply. We are presently in the process of applying for money to upgrade our tanks and access roads to the tanks. Also to install fence around all the tanks.

2. The Petition to Reopen Case No. 04-0451-PWD-PC was reviewed. This petition was for the approval for a supplemental loan from the Harrison County Commission. This supplemental loan was earmarked by the District to pay the increased costs associated with the Water Line Extension Project.

The County is now committing a total amount not to exceed \$100,000. This loan will have the same conditions that were approved in this Case No. 04-0451-PWD-PC and therefore, will not impact the District's rate schedule.

3. The Directors held their Organizational Meeting for the Calendar Year of 2005.

Mary Lee Hines, Secretary made a motion that we keep Eugene W. Rogers as our Chairman for the Calendar year of 2005. Donald A. Wikert, Treas. seconded the motion. Motion Carried.

Eugene W. Rogers, Chairman made a motion that we keep Donald A. Wikert as our Treasurer for the Calendar year of 2005. Mary Lee Hines, Sec. seconded the motion. Motion Carried.

Donald A. Wikert, Treasurer made a motion that we keep Mary Lee Hines as our Secretary for the Calendar year of 2005. Eugene W. Rogers, Chairman, seconded the motion. Motion Carried.

The Board of Directors for the Calendar Year of 2005 are:

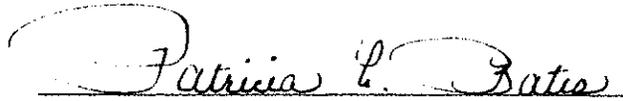
Eugene W. Rogers, Chairman.
Mary Lee Hines, Secretary.
Donald A. Wikert, Treasurer.

<u>WATER LOSS:</u>			<u>GALLONS:</u>
04/27/05	Leak	3/4" CTS Service line under road Church	50,000
04/29/05	Leak	Rinehart 3/4" CTS 29-R Wilderson	1,000
04/29/05	Leak	Lower Wallace 3/4" 195-M Service Line	5,000
05/11/05	Leak	Lambert"s Run 2" PVC	2,000

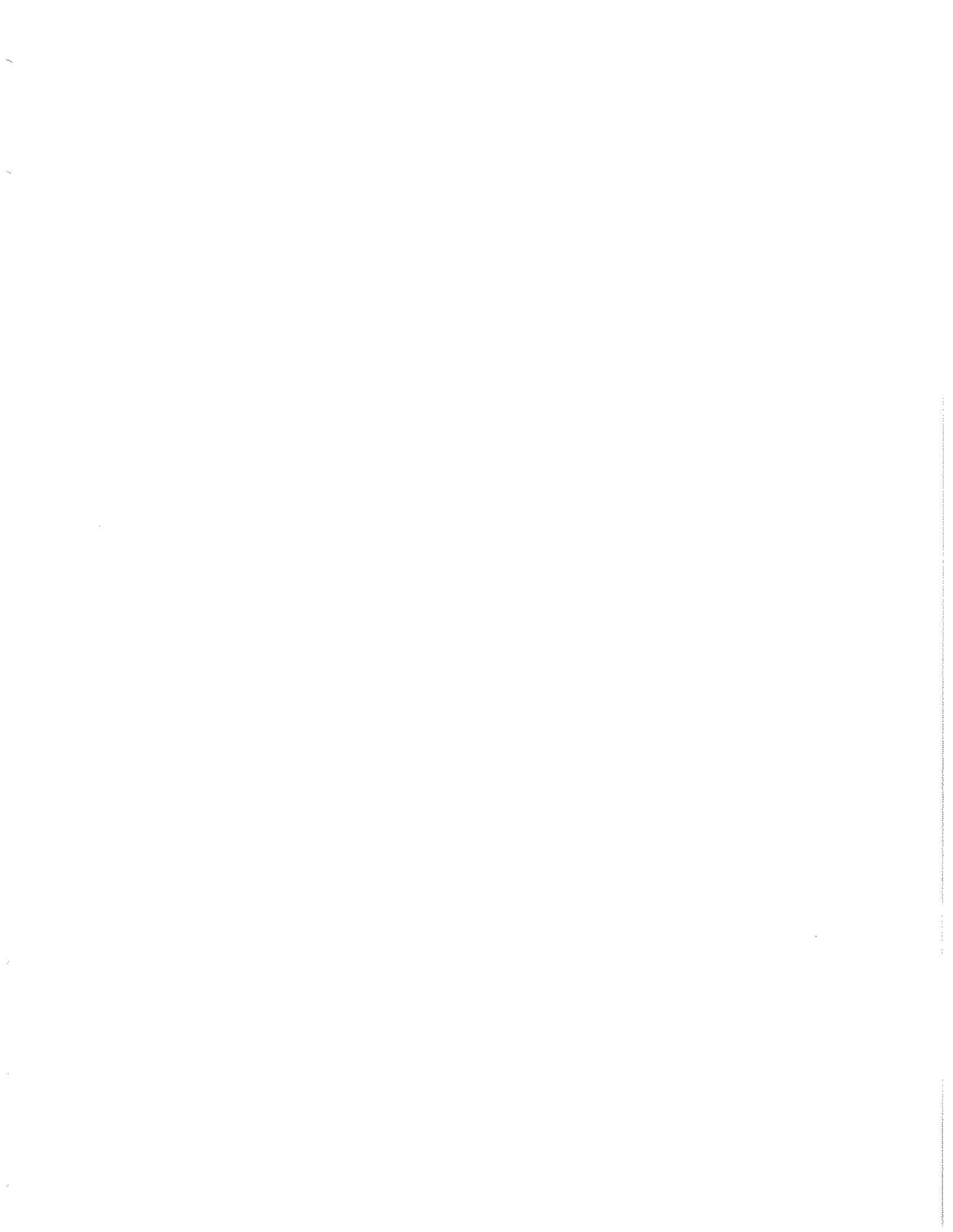
Eugene W. Rogers, Chairman, declared the meeting of the Short Line P.S.D. adjourned.

Page 3.
Short Line Public Service Dist.
Director's Meeting of May 26, 2005

Minutes taken and written by:

A handwritten signature in cursive script that reads "Patricia A. Bates". The signature is written in dark ink and is positioned above a horizontal line.

Patricia A. Bates, Office Mgr.



SHORT LINE PUBLIC SERVICE DISTRICT

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

MINUTES ON ADOPTION OF SUPPLEMENTAL RESOLUTION

On this 16th day of August, 2005, the undersigned SECRETARY of the Public Service Board of Short Line Public Service District, hereby certifies that the following is a true and correct copy of the minutes of a special meeting of the said Public Service Board:

The Public Service Board of Short Line Public Service District met in special session, pursuant to notice duly posted, on the 16th day of August, 2005, in Wallace, West Virginia, at the hour of 7:00 p.m.

PRESENT:	Chairman	-	Eugene Rogers
	Secretary	-	Mary Lee Hines
	Treasurer	-	Donald A. Wikert
	Office Manager	-	Patricia A. Bates

ABSENT: None.

Eugene Rogers, Chairman, presided, and Mary Lee Hines acted as Secretary. The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

Next, 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 THE WATER REVENUE BONDS, SERIES 2005 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF SHORT LINE PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH

PRINCIPAL AMOUNT OF \$100,000; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Mr. Rogers and seconded by Mr. Wikert, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

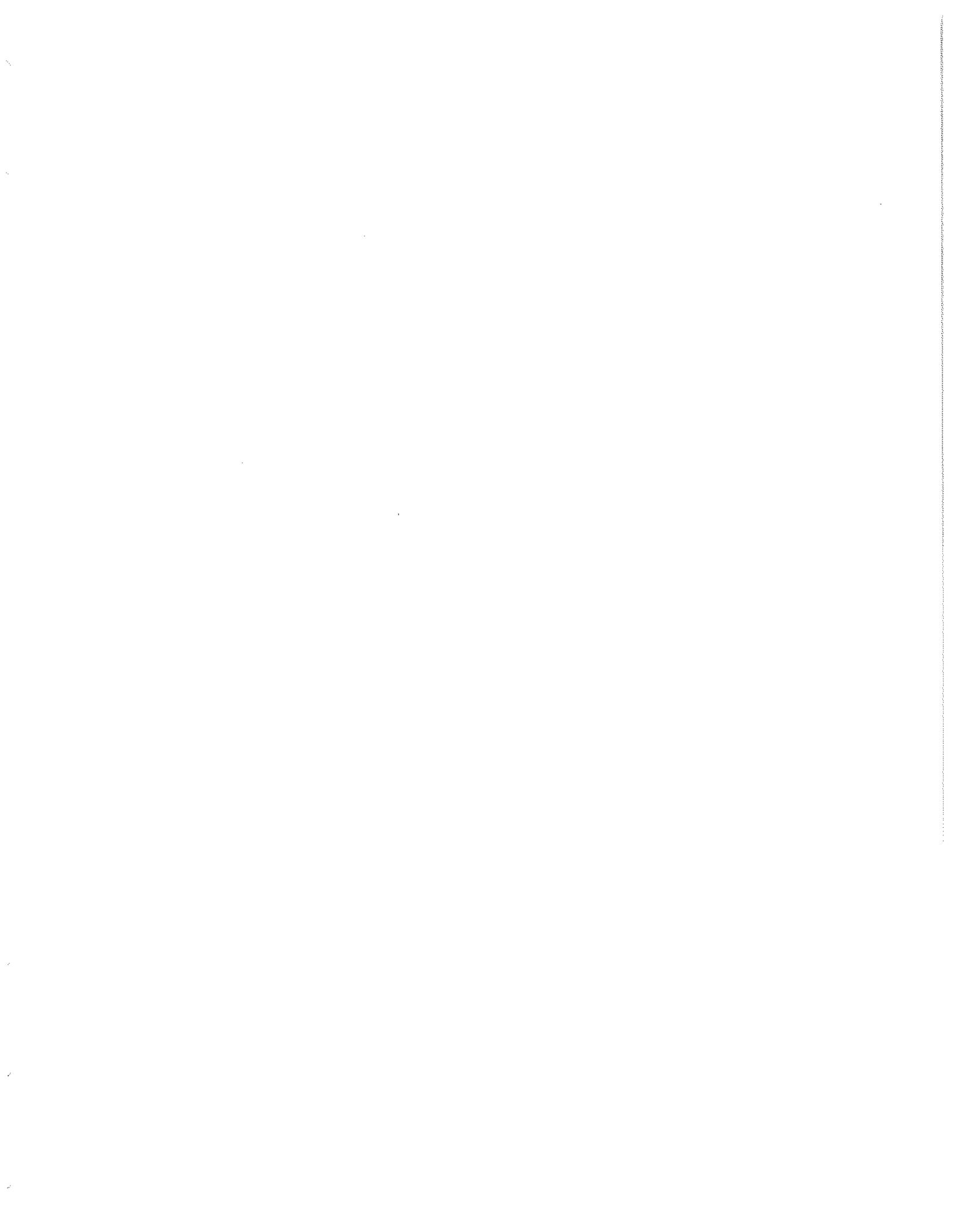
CERTIFICATION

I hereby certify that the foregoing action of Short Line Public Service District remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature as of the date first written above.


Secretary

08/10/05
820440.97001



WV MUNICIPAL BOND COMMISSION
8 Capitol Street
Suite 500
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: August 24, 2005

(See Reverse for Instructions)

ISSUE: Short Line Public Service District Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund)

ADDRESS: Post Office Box 188 Wallace, West Virginia 26448-0188 COUNTY: Harrison and Wetzel Counties

PURPOSE OF ISSUE: New Money: X
Refunding:

REFUNDS ISSUE(S) DATED: _____

ISSUE DATE: August 24, 2005

CLOSING DATE: August 24, 2005

ISSUE AMOUNT: \$1,274,183

RATE: 0%

1ST DEBT SERVICE DUE: June 1, 2007

1ST PRINCIPAL DUE: June 1, 2007

1ST DEBT SERVICE AMOUNT: \$ 8,328

PAYING AGENT: Municipal Bond Commission

BOND

COUNSEL: Steptoe & Johnson PLLC
Contact Person: John C. Stump, Esquire
Phone: 304.353.8196

UNDERWRITERS

COUNSEL: Jackson Kelly PLLC
Contact Person: Samme L. Gee, Esquire
Phone: 304.340.1318

CLOSING BANK: The Huntington National Bank
Contact Person: Margaret Byrd
Phone: 304. 623.7100

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Eugene Rogers

Position: Chairman
Phone: 304.796.4667

OTHER: WV Infrastructure Jobs Development Council
Contact Person: Katy Mallory
Function: Executive Director
Phone: 304.558.4607

DEPOSITS TO MBC AT CLOSE: _____
By: _____ Wire _____
_____ Check _____
Accrued Interest: \$ _____
Capitalized Interest: \$ _____
Reserve Account: \$ _____
Other: _____ \$ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: _____ Wire _____
_____ Check _____
_____ IGT _____
To Escrow Trustee: \$ _____
To Issuer: \$ _____
To Cons. Invest. Fund: \$ _____
To Other: _____ \$ _____

NOTES: The Series 2005 A Bonds Reserve Account will be funded over 10 years

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

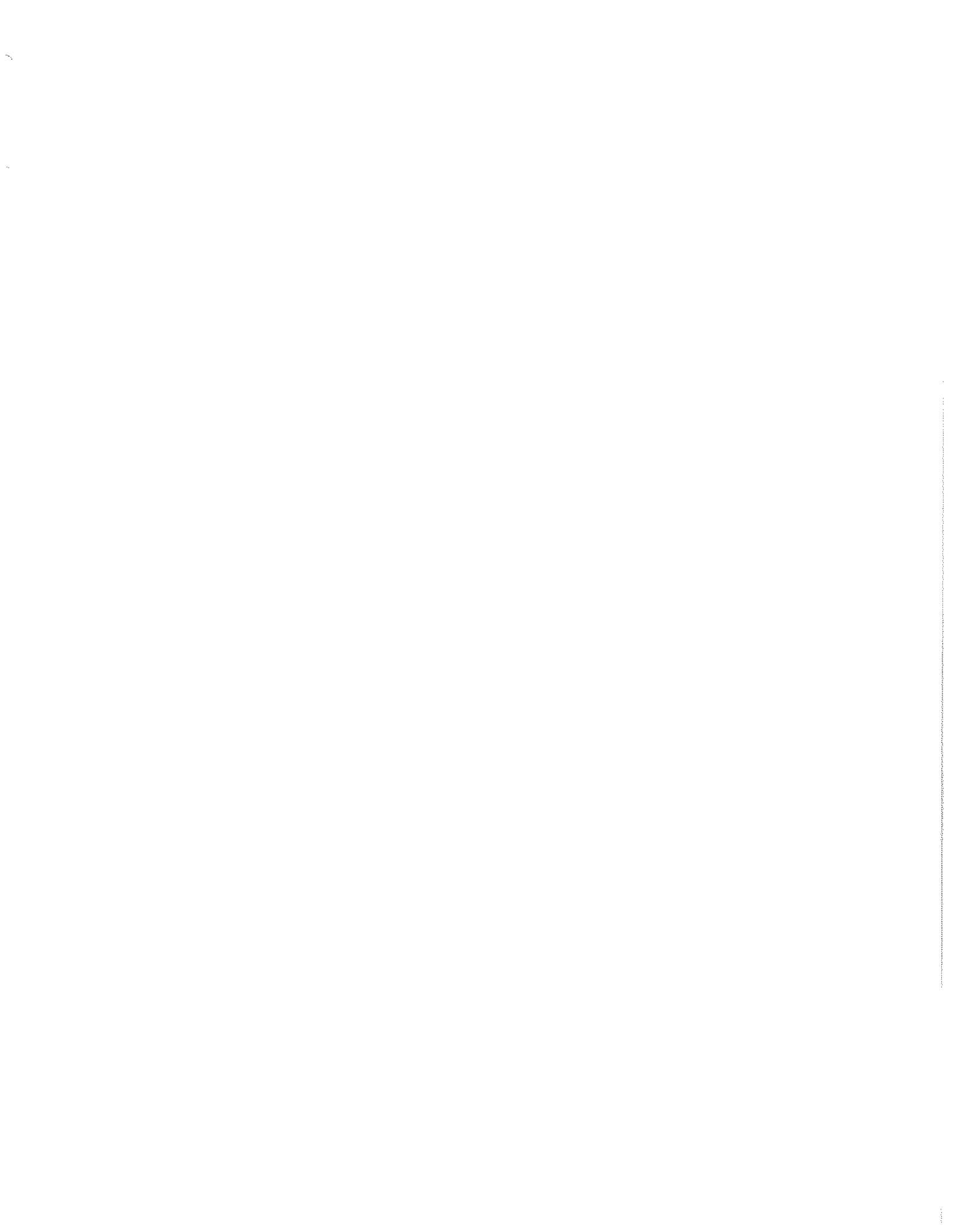
1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.



SHORT LINE PUBLIC SERVICE DISTRICT

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

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

The Huntington National Bank, Clarksburg, West Virginia, hereby accepts appointment as Depository Bank in connection with the Bond Resolution of Short Line Public Service District (the "Issuer") adopted July 19, 2005, and the Supplemental Resolution of the Issuer adopted August 16, 2005 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated August 24, 2005, issued in the principal amount of \$1,274,183 (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 24th day of August, 2005.

THE HUNTINGTON NATIONAL BANK

By: Margaret M. Byrd
Its: Authorized Officer

SHORT LINE PUBLIC SERVICE DISTRICT

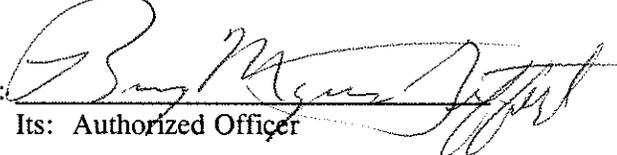
Water Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

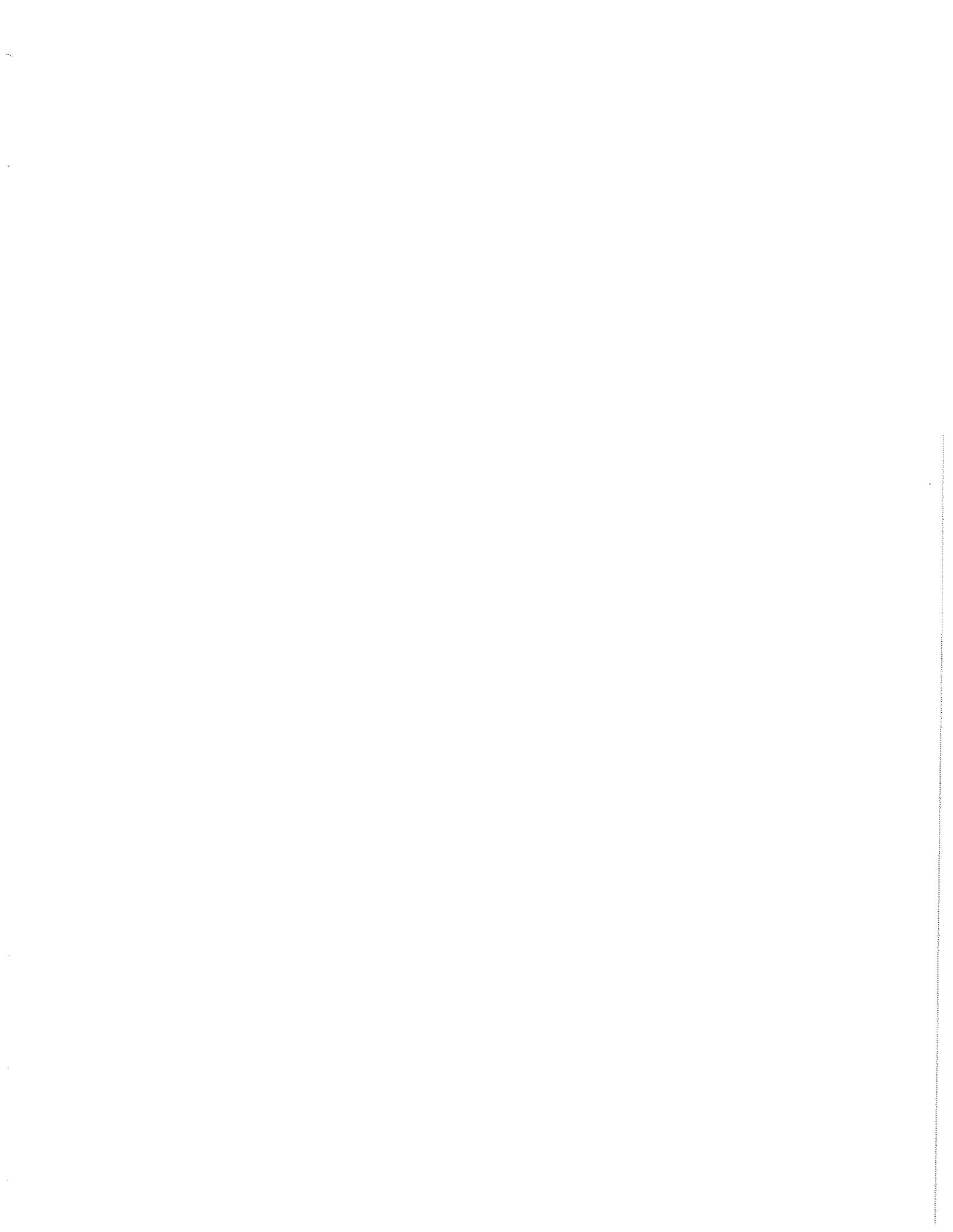
THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Short Line Public Service District Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated August 24, 2005, issued in the principal amount of \$1,274,183 (the "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 24th day of August, 2005.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

08/24/05
820440.97001



SHORT LINE PUBLIC SERVICE DISTRICT

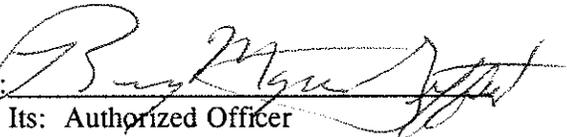
Water Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF BONDS

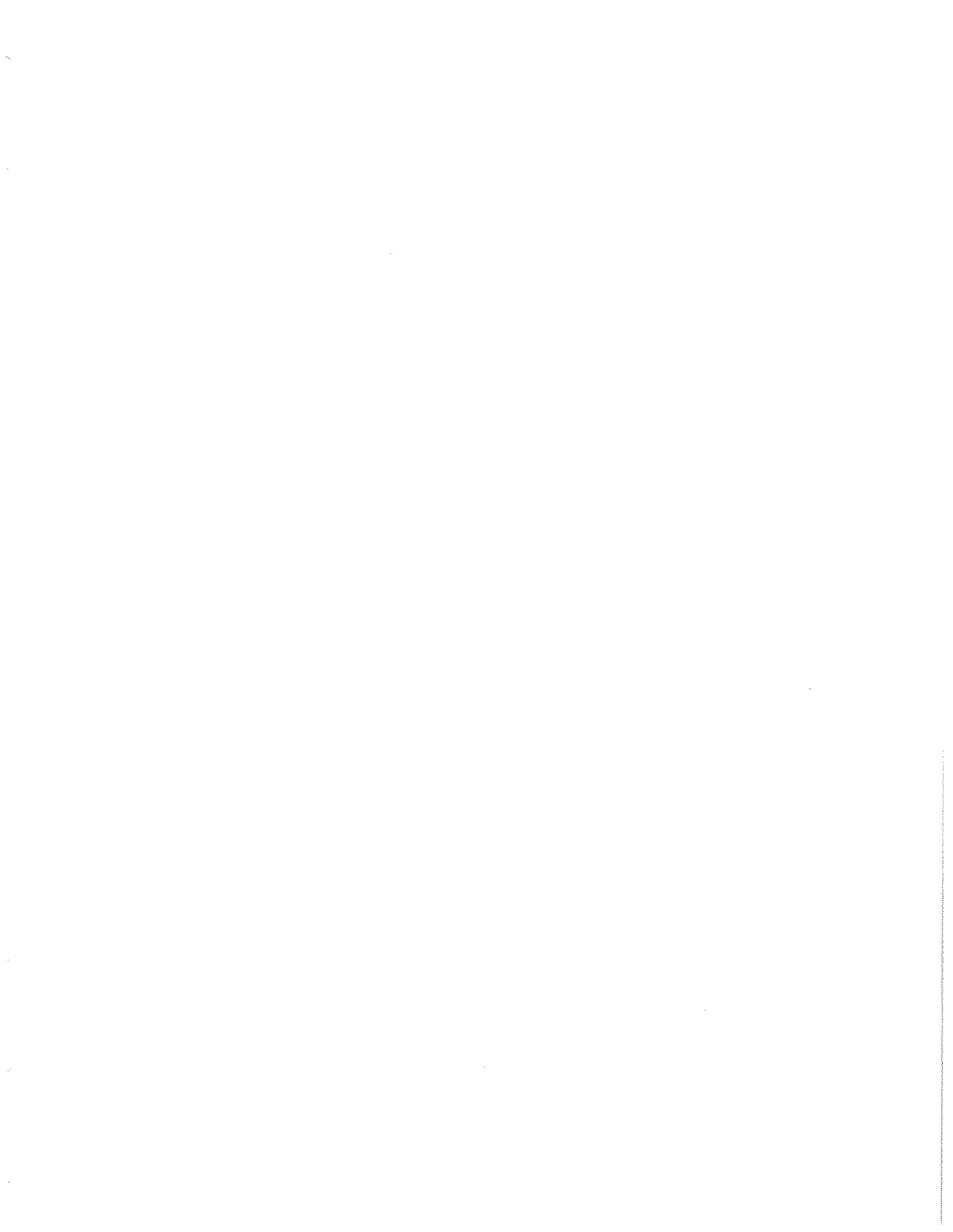
THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of Short Line Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Water Revenue Bond, Series 2005 A (West Virginia Infrastructure Fund), of the Issuer, dated August 24, 2005, in the principal amount of \$1,274,183, numbered AR-1, was registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 24th day of August, 2005.

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

08/10/05
820440.97001



SHORT LINE PUBLIC SERVICE DISTRICT

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

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 24th day of August, 2005, by and between SHORT LINE PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$1,274,183 Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), dated August 24, 2005, in fully registered form (the "Bonds"), pursuant to the Bond Resolution of the Issuer duly adopted July 19, 2005, and the Supplemental Resolution of the Issuer duly adopted July 19, 2005 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: Short Line Public Service District
Post Office Box 188
Wallace, West Virginia 26448-0188
Attn: Chairman

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

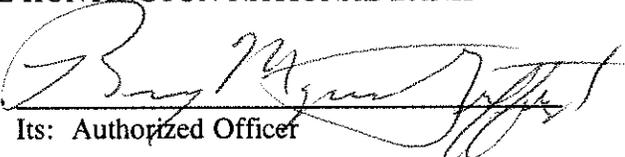
8. The Registrar is hereby requested and authorized to authenticate, register and deliver the Bonds in accordance with the Bond Legislation.

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.

SHORT LINE PUBLIC SERVICE DISTRICT

By: 
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By: 
Its: Authorized Officer

08/10/05
820440.97001

EXHIBIT A

Bond Legislation included in bond transcript as Documents Nos. 1 and 2.

SCHEDULE OF COMPENSATION

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

(Water)
PROJECT: Marshville, Olive and Catfish Hollow Water Line Extensions PERMIT NO.: 16,573
LOCATION: Marshville, Olive and Catfish Hollow COUNTY: Harrison DATE: 6-6-2005

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

Short Line Public Service District
Post Office Box 188
Wallace, West Virginia 26448-0188

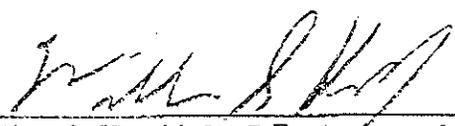
is hereby granted approval to: amend and modify Permit No. 13,774, issued July 21, 1998; Permit No. 14,611, issued August 28, 2000; and Permit No. 15,798, issued October 1, 2003. Major modification will be the extension of the permits to June 6, 2007.

NOTE: All unchanged conditions and requirements of Permit Nos. 13,774, 14,611 and 15,798 remain in effect.

The Environmental Engineering Division of the Philippi District Office, telephone 304-457-2296, is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR


William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:snr

pc: GAI Consultants, Inc.
James W. Ellars, P.E., PSC-Engineering Division
Amy Swann, PSC
Harrison-Clarksburg Health Department
OEHS-EED Philippi District Office

**Reynoldsville, Wallace and Clarksburg
Waterline Extension Project
Harrison County**

MEMORANDUM OF UNDERSTANDING

between

**WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION
DIVISION OF LAND RESTORATION
OFFICE OF ABANDONED MINE LANDS & RECLAMATION**

and

**SHORTLINE PUBLIC SERVICE DISTRICT
HARRISON COUNTY**

WHEREAS, the West Virginia Department of Environmental Protection (WVDEP), Division of Land Restoration (DLS), Office of Abandoned Mine Lands and Reclamation (AML) is charged with the reclamation of lands and water affected by the adverse affects of coal mining activities which took place prior to August 3, 1977, pursuant to Title IV of Public Law 95-87, as amended, and West Virginia Code § 22-3-1 et seq.; and

WHEREAS, it has been determined that the degradation of the water supply in the Reynoldsville Wallace Community in Harrison County, West Virginia has been caused in part by coal mining activities which took place prior to August 3, 1977; and

WHEREAS, WVDEP is desirous of abating said effects by partially funding certain water supply line extension facilities to serve approximately 83 residences in the affected area; and

WHEREAS, the Shortline Public Service District – Harrison County (SPSD) operates and maintains a public water supply system and agrees to extend service to the Reynoldsville Wallace Community in Harrison County, West Virginia, and

WHEREAS, WVDEP and SPSD believes that providing for the construction and operation of water distribution systems within unserved areas of Harrison County furthers the statutory purposes, for which WVDEP and SPSD were created; and

WHEREAS, SPSD has agreed to construct, own, operate and maintain and replace said water distribution facilities; and

WHEREAS, WVDEP and SPSD have funds available to assist in the construction, operation and maintenance of such water supply line facilities; and

WHEREAS, WVDEP and SPSD are willing to cooperate in completing a project entitled "Reynoldsville Wallace Water Main Extension" which will bring domestic water service to the Reynoldsville Wallace area of Harrison County;

NOW, THEREFORE WVDEP and SPSD enter into this Memorandum of Understanding (MOU) this 6th day of April, 2005, setting forth the terms and conditions under which such project shall be accomplished, which it is agreed shall be as follows:

SECTION I PROJECT LOCATION

The project area is located in the eastern part of Harrison County. The study area is situated within the Wolf Summit, West Virginia, 7.5 minute United States Geological Survey (USGS) topographic quadrangle. The area will begin along County Route 22 near the intersection with County Route 7 in Sardis to Catfish Hollow whereupon the line will branch up Catfish Hollow (County Route 22/4). The line will continue along County Route 22 to the intersection with County Route 5 whereupon the line will branch south on County Route 5 to Marshville (where it will branch for short distances on County Routes 7/2 and 7/6) and north on County Route 5 to Olive. At Olive the line will branch up Little Rock Camp Run (County Route 14) and continue along County Route 5 up Rock Camp Run. A copy of the map of the eligible project area is attached as Attachment "A".

SECTION II NEED FOR THE PROJECT

The primary source of water for domestic use in the residences in the Reynoldsville Wallace project area is groundwater, the quality of which is very poor. Another source is abandoned coal mines; this source is often unreliable. Coal seams in the area have been extensively surface and deep mined. There has been an observed and measured adverse affect on the quality and quantity of groundwater that is consistent with coal mining. The water supply for the area poses a health hazard to the residents. Many residents in this area are compelled to buy and haul water.

GAI Consultants, Inc., Charleston, West Virginia conducted an extensive study for WVDEP-AML to assess the pre-law mining impacts of the groundwater resources, determine the most cost-effective replacement of the water supply, and establish the eligibility for WVDEP/AML funding.

SECTION III SCOPE OF WORK

1. The work will generally consist of the extension of Shortline Public Service District lines. The work will include the construction and installation of approximately 50,500 feet of waterline, 85 service connections, 27 fire hydrants, and one water tank.

2. All construction plans and specifications shall be subject to the review and approval of WVDEP. Those plans and specifications are incorporated by reference into this MOU.

SECTION IV CONTRACTING

1. SPSD shall be the contracting authority and shall follow all state and federal laws regarding such contracting. SPSD agrees to include bid documents as required by the West Virginia State Purchasing Division. WVDEP agrees to be responsible for design of the project and assisting SPSD in contract bidding and awarding of the contract for the project. It is understood and agreed that contract bidding shall not be commenced until WVDEP notifies SPSD to initiate such bidding.

2. SPSD agrees to pay for and obtain the Certificate of Convenience and Necessity for the project through the Public Service Commission of West Virginia, and all other necessary permits required by law, except those which are required to be obtained by the Contractor in the project specifications. SPSD further agrees that all permits, authorizations and other necessary approvals will be obtained to satisfy federal laws and regulations and copies of the same furnished to WVDEP.

3. SPSD shall require of the Contractor(s) it hires Performance and Labor and Materials Payment Bonds, Liability and Property Insurance, and Workers Compensation coverage in amounts deemed sufficient by WVDEP to ensure Contractor's faithful fulfillment of all reclamation work specified herein. Performance Bonds shall be made payable to SPSD and WVDEP jointly in an amount that accurately reflects the percentage of each party's contribution to project funding.

- 4.
- a. Prior to performing any work under this Contract, Contractor will deliver to WVDEP and SPSD copies of the Performance Bonds, Liability and Property Insurance, and Workers Compensation Insurance it has obtained. In addition, Contractor shall be required to provide to SPSD and WVDEP certificates issued by the insurance company or companies issuing insurance policies that are required by this MOU. The certificates shall show the type, amounts, class of operations covered, effective dates, and dates of expiration of such policies. Such certificates shall provide that written notice shall be given to WVDEP and SPSD prior to expiration, cancellation, or modification of any such policy, and such certificates shall contain substantially the following representation: "The insurance

covered by this certificate will not be cancelled, or materially modified or altered, except after thirty (30) days written notice of such cancellation or modification has been verified as received by the West Virginia Department of Environmental Protection (or its successor in interest) and the Shortline Public Service District.”

- b. Bonds supplied by the Contractor shall be in the form of a surety, letter of credit, cash, CD or other form of acceptable Bond Instrument described in West Virginia Code of State Rules §38-2-11.3. If the bond is from a surety, the surety must be acceptable to WVDEP. Contractor will pay for all necessary bonds and insurance.
 - c. Attorneys-in-Fact who execute a surety bond satisfying the requirements of this Section must provide with each surety bond a certified and properly executed Power of Attorney.
 - d. In the event Contractor’s liability insurer becomes insolvent, is placed in the hands of a receiver, or has its right to do business in West Virginia revoked, Contractor will be required to fully replace the insurance offered by that insurer within 30 days following the insurer’s insolvency, placement into receivership, or revocation of license.
 - e. In the event that the surety on any letter of credit or bond given by Contractor becomes insolvent, is placed in the hands of a receiver, or has its right to do business in West Virginia revoked, Contractor will be required to fully replace the bond issued by that surety within 30 days following the surety’s insolvency, placement into receivership, or the revocation of his license to do business in West Virginia or any other state. The failure of Contractor to replace a bond it holds with an incapacitated surety within this 30-day period shall constitute a breach of Contract.
- 5.
- a. No later than the end of the scheduled performance period (or a longer time period if mutually agreed to by WVDEP and SPSD), SPSD shall inspect the relevant project area to determine if Contractor has fully performed all work contemplated by this Contract. If Contractor has not completed all such work by the end of the performance period, SPSD shall provide Contractor with written notice of the deficiency and upon failure by Contractor to remedy such deficiency within thirty (30) days of the date upon which SPSD notifies Contractor of the deficiency, SPSD or WVDEP may declare Contractor to be in breach of the Contract and proceed immediately with contract termination, declaration of bond forfeiture, and collection of bond.

- b. If Contractor has successfully completed its project activities by the end of the specified performance period, Contractor shall, at its own expense, monitor, maintain, and warrant all aspects of the project for a period of 12 months from the date that SPSD certifies that all monitoring requirements of the project have been met. The maintenance of all seeded areas may include, as necessary, refilling, re-fertilizing, re-liming, re-seeding, and re-mulching all erosion gullies and bare areas.
- c. Contractor shall be required to promptly correct, at its own expense, all defects in material, workmanship, and project work (including reclamation work) and all non-conformances with the Contract documents, as all of those things are identified by SPSD or WVDEP. Contractor shall correct all non-conformance and defects identified regardless of whether the non-conformance or the defects are observed before or after final Contract completion. All defective or non-conforming work shall be removed from the site if necessary and Contractor shall, at its sole expense, correct the unacceptable work in a fashion that allows for the terms of the Contract to be fully complied with.
- d. If Contractor fails to properly monitor, maintain, and warrant the site for 12 months from the date that SPSD certifies that the all non-reclamation monitoring requirements of the project have been met, SPSD and/or WVDEP may declare Contractor to be in breach of the Contract.
- e. Upon completion of project work, Contractor will be required to notify WVDEP and SPSD of the need to inspect the site to determine whether Contractor has fulfilled his contractual responsibilities. Upon their determination that the work has been completed according to the project's plans and specifications, WVDEP and SPSD will jointly execute and issue to Contractor a certificate of completion. Upon issuance of this certificate to Contractor, Contractor shall be released from its bonding obligations, Contractor's bond(s) shall be returned to it, and Contractor will be deemed to forever waive any claims it may have against SPSD and WVDEP relative to the performance of this MOU. Notwithstanding the foregoing, WVDEP's and SPSD's final acceptance of Contractor's performance shall not relieve Contractor of responsibility for its own negligence or provision of faulty materials.

6. Contractor shall be required to take all reasonable precautions for the safety of, and shall provide all reasonable protection, preventing damage, injury, or loss to: (a) all employees on the work, and all other persons who may be affected thereby, (b) other property on the site or adjacent thereto, including, but not limited to, paving, roadways, structures, utilities, and permanent property boundaries, monuments or markers not designated for removal, or relocation, or replacement in the course of construction, and (c) WVDEP and SPSD's employees and agents. WVDEP and SPSD may require Contractor to fix any damage to items it may cause; such repair must be

accomplished at Contractor's own expense and to the satisfaction of WVDEP and SPSD. Contractor shall be required to comply with all laws, ordinances, rules, orders and regulations relating to the performance of the work, and the protection of adjacent property.

7. Contractor shall be required to indemnify and hold harmless WVDEP and SPSD for all liability for personal injury, including death resulting there-from, and against all liability for property damage sustained by any person or persons, including persons employed by Contractor and/or its subcontractor(s), which is caused in whole or in part by an act or omission, negligent or otherwise, of such Contractor and/or its agents, servants, or employees. Contractor shall assume the defense of any action brought by such persons against WVDEP or SPSD to recover damages, and shall pay all costs and expenses, including attorney's fees, incurred by WVDEP as result of the aforementioned actions. Notwithstanding the other provisions of this paragraph, SPSD or its subcontractors shall not be liable for damages caused to WVDEP's employees solely by the negligence of those employees, WVDEP, or a party other than a subcontractor or Contractor.

8. Contractor shall be required to give all notices and comply with all applicable laws, ordinances, rules, regulations, and lawful orders of any public authority that bear on the safety of persons or property and their protection from damage, injury, or loss. In fulfilling these duties, Contractor shall post danger signs and provide other warnings as required against hazards and dangers to persons and property and shall maintain passageways, guard fences or other protective devices in a fashion to prevent potential trespassers from entering onto the project area and/or being injured.

SECTION V CONSTRUCTION MONITORING

1. It is understood and agreed that the Notice to Proceed shall not be issued until WVDEP notifies SPSD in writing to initiate the project.

2. SPSD and WVDEP agrees to provide inspection expertise on and of the project as necessary to maintain sufficient surveillance of the construction operations and will be responsible for monitoring quantities, reviewing submitted construction invoices, as well as overseeing the initiation and processing of change orders (if accepted by WVDEP) in accordance with established WVDEP procedures. It is understood that WVDEP shall be contacted in advance of construction activity and shall have the right to oversee inspections of construction at WVDEP's convenience.

3. WVDEP and SPSD shall work together to ensure that the project is constructed according to the approved design plans and specifications, and in accordance with the costs agreed to by the bidder awarded the project. SPSD and WVDEP shall jointly review and approve minor field changes in the work to the extent that such field changes do not constitute a change in the scope of work. WVDEP shall be furnished for its review a copy of proposed change orders that would substantially increase

construction costs or performance period. WVDEP must approve those proposed change orders before they may take effect.

4. Copies of all Contract Documents, Performance Reports, Shop Drawings, Plans and Specifications as well as other such construction related documents shall be provided in a timely fashion to WVDEP. Performance Reports shall be electronic in either Microsoft Word or Excel format. These reports should be received by the Office of AML monthly and should show detail of quantities used and work performed. Requests for construction cost reimbursement shall be on forms approved by WVDEP.

SECTION VI MAINTENANCE OF SITE

1. Ground water or impounded water may be encountered at various locations within the proposed work areas. All water that emanates from the project site shall meet effluent limits and shall not violate state water quality standards. If necessary, Contractor shall be required to install and maintain treatment systems, at his own cost, that ensure that all water emanating from the site meets state water quality standards. It is the Contractor's responsibility to ensure that water quality standards are met through the duration of this MOU, although nothing in this MOU shall be deemed to make Contractor responsible for, or to treat beyond the term of this MOU, any surface or ground water discharges or seeps that do not meet applicable state water quality standards and which pre-existed the effective date of this MOU.

2. Contractor shall be responsible for the operation and maintenance of any required diversion or pumping facilities for removing ground water or impounded water from work areas during progress of the work under this Contract.

3. Contractor at all times shall keep the construction site free of accumulations of waste materials and rubbish caused by its operations. Periodically during the progress of the work, and also when directed to do so by WVDEP or SPSD, Contractor shall be required to remove, or cause to be removed, accumulated waste materials, rubbish, and debris. Contractor shall be required to leave the project area in good order upon its completion of the project.

4. Contractor shall not put or spill materials into any drainage system that would pollute area streams or waterways. Contractor shall be liable for any stream pollution caused directly or indirectly by its own employees or those of its subcontractors.

5. Contractor shall be required to provide and pay for adequate temporary toilet facilities for personnel during the project construction period. Toilets shall be of types approved by WVDEP and the State Division of Health and shall be situated only in approved locations. Contractor shall be responsible for operation and sanitary maintenance of the temporary toilets and shall have them removed upon project completion.

SECTION VII FUNDING

1. WVDEP agrees to pay the SPSD eligible construction costs, on the condition that all other parts of this MOU are complied with, based upon a total estimated eligible construction cost of \$1,995,640.00. WVDEP shall pay 56% as its actual contribution toward said eligible construction costs associated with this project.

2. SPSD agrees to pay the remainder of the costs of the eligible construction costs, based upon a total estimated eligible construction cost of \$1,995,640.00. The SPSD shall pay 44% as its actual contribution toward said eligible construction costs associated with this project

3. In the event it appears the total costs of the construction will exceed the total estimated construction costs, the SPSD shall notify WVDEP, and WVDEP will pay for such excess construction costs provided that prior to such excess costs being incurred, WVDEP approves such excess costs and law may pay such costs paid with AML monies. SPSD shall be responsible for paying for construction costs that WVDEP cannot or will not pay for such as touch or radio read meter-reading devices. WVDEP and SPSD agree to pay for all actual construction costs if less than, equal to, or greater than the estimated construction costs in the percentages as follows: WVDEP share shall be 56% of actual, eligible AML construction costs; the SPSD shall be responsible for all other costs.

4. SPSD agrees to acquire and pay for all temporary construction easements, rights of way, and permanent easements associated with project in accordance with procedures established by federal, state and local laws. SPSD or Contractor will provide a copy of the terms of all rights of entry and easements to WVDEP prior to Contractor's commencement of project work.

5. Costs that WVDEP assumes as a result of having to defend against citations and/or fines issued against SPSD or Contractor shall be borne by the responsible party to the satisfaction of WVDEP. Nothing herein, however, shall prevent either SPSD or Contractor from challenging in any appropriate forum the validity of any such citation or fine that may be issued against it.

SECTION VIII PAYMENTS AND INVOICING

Contractor shall submit invoices to SPSD. Once the SPSD is satisfied that the invoice is correct, they will pay the Contractor their portion and invoice the WVDEP their portion. Once WVDEP has reviewed and approved the invoice and has the proper supporting documentation, WVDEP will pay SPSD based off of the awarded Purchase Order to SPSD for the AML eligible area and as shown on the attached Bid Schedule labeled as "Attachment B". SPSD will then pay the Contractor for the WVDEP portion of the work. WVDEP will pay 56% of the approved Contractor invoices and the SPSD will pay 44% of the approved Contractor invoices. These Contractor invoices will be for

eligible construction costs incurred and materials stored on site (as per Section V, Paragraphs 1,2 and 3 above). Payment requests shall be made on forms approved by WVDEP. Invoices provided shall include performance reports as specified by WVDEP.

SECTION IX OWNERSHIP AND MAINTENANCE

Ownership and maintenance of the subject Reynoldsville Wallace Water Line Extension, constructed pursuant to this MOU, is the sole responsibility of SPSD. The Shortline PSD shall operate and maintain said facilities under separate existing agreement and in accordance with Water Rules and Tariffs filed with the Public Service Commission of West Virginia by SPSD.

SECTION X EXTENSION AND TERMINATION

1. This MOU is entered into and is effective for the period beginning at the date of issuance of the purchase order and subsequent Notice to Proceed to be issued by the WVDEP. This agreement shall be in effect for a period of one fiscal year, subject to annual renewal for any additional period of time needed to complete all phases of the project, each of which annual renewal periods shall be limited to one fiscal year. Contractor shall complete all contract work, including the twelve-month monitoring period spoken of elsewhere herein, within the effective dates of the of the contract purchase order. This MOU may be extended upon prior written approval of both parties, or may be terminated prior to commencement of construction, upon thirty (30) days prior written notice to the other parties.

2. This MOU and the Contractor's Contract may be terminated in whole or in part in writing by WVDEP without prejudice to any other right or remedy it may have in the event that SPSD or Contractor is declared bankrupt, makes a general assignment for the benefit of its creditors, or a receiver is appointed on account of SPSD's or Contractor's insolvency.

3. Contractor has full responsibility for ensuring its compliance and its subcontractors' compliance with the terms of its Contract. SPSD and WVDEP have full responsibility for their compliance with this MOU. Should Contractor, its subcontractors, SPSD, or WVDEP fail to comply with the terms of this MOU or the Contractor's Contract and any properly approved modifications those documents, the nonbreaching party may provide the breaching party with a written notice of default and should the breaching party fail to remedy the default within 30 days, the appropriate party may terminate its participation in this MOU or the Contract. Failure to comply with the terms of MOU or Contract performance shall not operate to extend the effective time period of this MOU or the Contract.

4. If the Contract is terminated and Contractor has not finished his work on the site, WVDEP and/or SPSD may declare bond forfeiture and proceed to collect their respective share of the appropriate bond posted by Contractor. These actions shall not

operate to prejudice any other right or remedy WVDEP may have against Contractor, its subcontractors.

5. Upon receipt of notice of whole or partial MOU or Contract termination, the party whose conduct or omission caused the termination shall promptly discontinue all affected work (unless the notice of termination directs otherwise), and shall deliver or otherwise make available to the other parties all data, drawings, specifications, reports, estimates, summaries, and other such information and materials as may have been accumulated by SPSD or Contractor in performing this Contract regardless of whether the records containing such information are complete or in progress.

6. Pursuant to West Virginia Code § 8-23-3(5), requiring provision for the disposition of project property upon termination of the agreement:

“If any party terminates this agreement in whole or in part, all work completed and uncompleted on this project will become the property of the Shortline PSD and the disposition or completion of uncompleted work on the project will become the responsibility of the Shortline PSD.”

7. This project is subject to the approval of the Public Service Commission of West Virginia.

SECTION XI CHOICE OF LAWS AND VENUE

This agreement shall be interpreted under the laws of the State of West Virginia. If any disputes arise concerning this MOU, this MOU shall be deemed to have been entered into in Kanawha County, West Virginia. Legal disputes concerning the MOU shall be brought in the Circuit Court of Kanawha County.

SECTION XII AUTHORITY TO BIND

Each person executing this agreement on behalf of the respective party he represents has the authority to so bind his principle. This agreement represents the full agreement of the parties hereto and it may not be supplemented or modified except by documents specifically identified by the agreement.

(signatures and witnesses on following pages)

WITNESS THE FOLLOWING SIGNATURES:

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION

By: Charles J. Miller

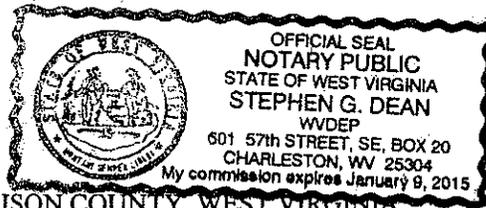
Its: Assistant Director

STATE OF WEST VIRGINIA,
COUNTY OF KANAWHA, TO WIT

I, the undersigned Notary Public do certify that Charles J. Miller, for the West Virginia Department of Environmental Protection, an official agency of the State of West Virginia, has this day in my said county, before me, acknowledged the said writing to be the act and deed of said agency.

Given under my hand this the 6th day of April, 2005.
My commission expires: JAN 9, 2015.

Stephen G. Dean
Notary Public



SHORTLINE PUBLIC SERVICE DISTRICT - HARRISON COUNTY, WEST VIRGINIA

By: E. Rogers By: Mary Lee Hines By: Donald A Wikert

Its: Chairman Its: Secretary Its: Treasurer

STATE OF WEST VIRGINIA,
COUNTY OF HARRISON, TO WIT

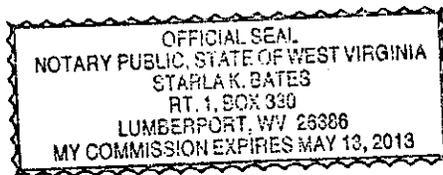
Eugene W. Rogers
Mary Lee Hines

I, the undersigned Notary Public do certify that Donald A Wikert, for the Shortline Public Service District, has this day in my said county, before me, acknowledged the said writing to be the act and deed of said body.

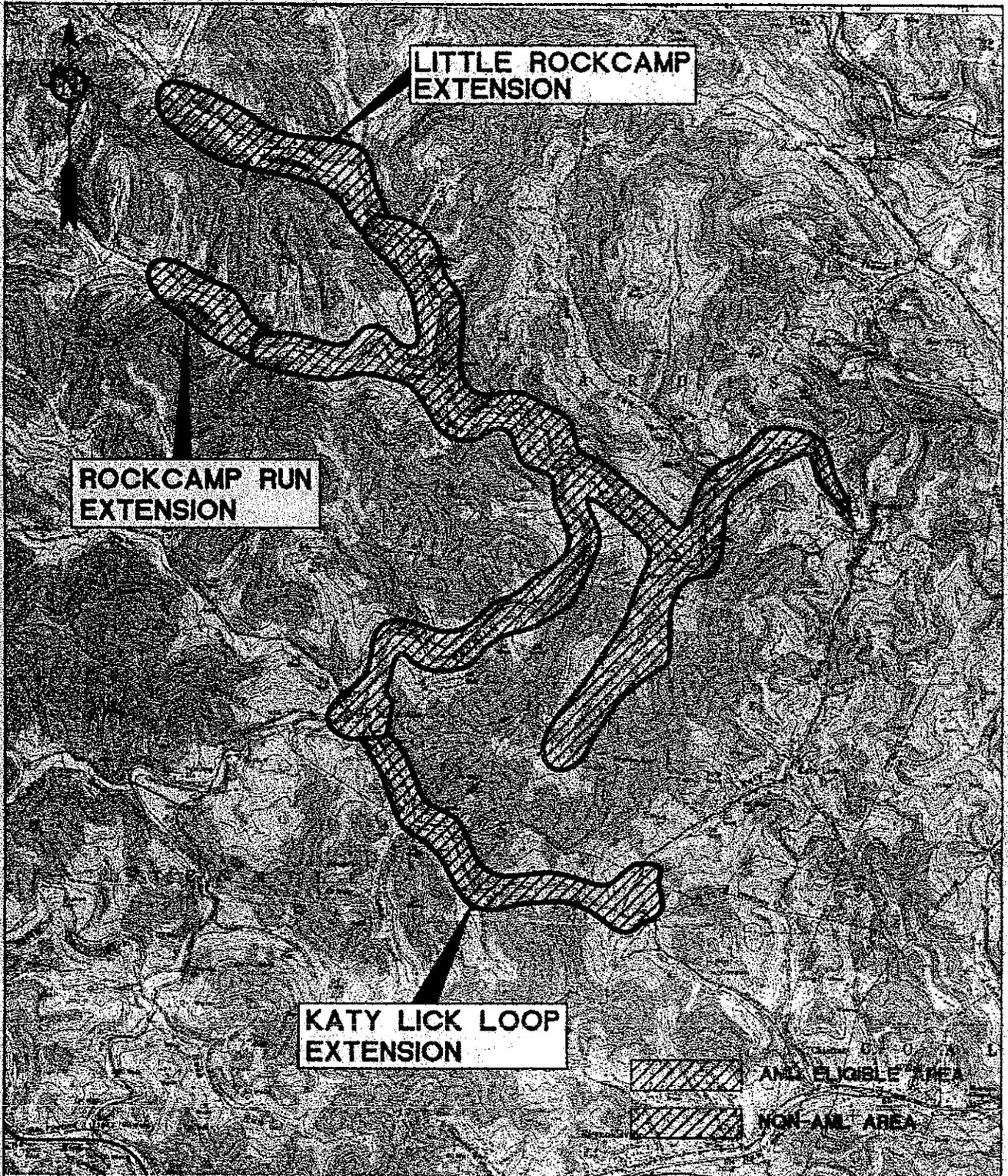
Given under my hand this the 24 day of March, 2005.

My commission expires: May 13, 2013.

Starla K Bates
Notary Public



CAL CAD FILE: DWG



MAPPING REFERENCE:
 WOLF SUMMIT, WEST VIRGINIA
 U.S.G.S. 7.5 MINUTE QUADRANGLE
 1960 (PHOTOREVISED 1976).

ATTACHMENT "A"

LOCATION MAP
 REYNOLDSVILLE/WALLACE/CLARKSBURG WATERLINE
 HARRISON COUNTY, WEST VIRGINIA

DWN. ETC	DATE 06/08/04
APPD. BDG	CHKD. BDG
XX TASK NO.	

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION
 OFFICE OF ABANDONED MINE LANDS AND RECLAMATION
 NITRO, WEST VIRGINIA

1996-554-03
 PROJECT NO./DASH NO.
 E-A1
 SCALE: 1"=4000' DRAWING NO. REV



Attachment B

**Shortline Public Service District
Harrison County Planning Commission
WYDEP Abandoned Mine Lands and Reclamation**

Page:

Req. or P.O. No.:

Vendor: Engineer's Cost Estimate - 3/21/05

Item No.	Quantity	Description	Unit Price	Amount	SEPSD Amount (44%)	AML Amount (56%)
REYNOLDSVILLE, WALLACE, AND CLARKSBURG						
WATER SUPPLY EXTENSION PROJECT						
18.1		8-inch Pipe (per linear foot):				
A.	7,300	PVC, C900, DR 14	\$25.00	\$ 182,500.00	\$ 80,300.00	\$ 102,200.00
B.	1,100	PVC, Restrained Joint, Class 200	\$30.00	\$ 33,000.00	\$ 14,520.00	\$ 18,480.00
18.2		6-inch Pipe (per linear foot):				
A.	33,900	PVC, C900, DR 14	\$23.00	\$ 779,700.00	\$ 343,068.00	\$ 436,632.00
B.	1,900	PVC, Restrained Joint, Class 250	\$27.00	\$ 51,300.00	\$ 22,572.00	\$ 28,728.00
18.4		2-inch Pipe (per linear foot):				
A.	6,300	PVC, SDR 17	\$15.00	\$ 94,500.00	\$ 41,580.00	\$ 52,920.00
18.5		Utility Open-Cut Highway Crossing Casing Pipe (per linear foot)				
A.	120	Casing Pipe for 8-inch Carrier Pipe	\$48.00	\$ 5,760.00	\$ 2,534.40	\$ 3,225.60
B.	700	Casing Pipe for 6-inch Carrier Pipe	\$43.00	\$ 30,100.00	\$ 13,244.00	\$ 16,856.00
C.	20	Casing Pipe for 2-inch Carrier Pipe	\$31.00	\$ 620.00	\$ 272.80	\$ 347.20
18.6		Bore and Jack Casing Pipe for Highway Crossing (per linear foot)				
A.	30	Casing Pipe for 8-inch Carrier Pipe	\$140.00	\$ 4,200.00	\$ 1,848.00	\$ 2,352.00
B.	220	Casing Pipe for 6-inch Carrier Pipe	\$110.00	\$ 24,200.00	\$ 10,648.00	\$ 13,552.00
C.	70	Casing Pipe for 2-inch Carrier Pipe	\$85.00	\$ 5,950.00	\$ 2,618.00	\$ 3,332.00
18.7		Highway Service Crossing (per linear foot)				
A.	110	1-inch Service Line	\$35.00	\$ 3,850.00	\$ 1,694.00	\$ 2,156.00
B.	390	3/4-inch Service Line	\$30.00	\$ 11,700.00	\$ 5,148.00	\$ 6,552.00
18.8		Stream Crossing (per linear foot)				
A.	70	8-inch Main Line	\$160.00	\$ 11,200.00	\$ 4,928.00	\$ 6,272.00
B.	740	6-inch Main Line	\$140.00	\$ 103,600.00	\$ 45,584.00	\$ 58,016.00
C.	100	2-inch Main Line	\$55.00	\$ 5,500.00	\$ 2,420.00	\$ 3,080.00
D.	70	1-inch Service Line	\$35.00	\$ 2,450.00	\$ 1,078.00	\$ 1,372.00
E.	250	3/4-inch Service Line	\$30.00	\$ 7,500.00	\$ 3,300.00	\$ 4,200.00
18.9		Concrete Encasement (per linear foot)				
A.	50	8-inch Main Line	\$26.00	\$ 1,300.00	\$ 572.00	\$ 728.00
B.	90	6-inch Main Line	\$22.00	\$ 1,980.00	\$ 871.20	\$ 1,108.80
C.	250	2-inch Main Line	\$14.00	\$ 3,500.00	\$ 1,540.00	\$ 1,960.00
18.10	7	1-inch Service Connection (per each)	\$200.00	\$ 1,400.00	\$ 616.00	\$ 784.00
18.11	76	3/4-inch Service Connection (per each)	\$200.00	\$ 15,200.00	\$ 6,688.00	\$ 8,512.00
18.12	390	1-inch Service Line (per linear foot)	\$12.00	\$ 4,680.00	\$ 2,059.20	\$ 2,620.80
18.13	1,800	3/4-inch Service Line (per linear foot)	\$12.00	\$ 21,600.00	\$ 9,504.00	\$ 12,096.00
18.14	12	8-inch Gate Valve (per each)	\$790.00	\$ 9,480.00	\$ 4,171.20	\$ 5,308.80
18.15	58	6-inch Gate Valve (per each)	\$620.00	\$ 35,960.00	\$ 15,822.40	\$ 20,137.60
18.17	9	2-inch Gate Valve (per each)	\$450.00	\$ 4,050.00	\$ 1,782.00	\$ 2,268.00
18.18	14	Blow-Off Valve Assembly (per each)	\$775.00	\$ 10,850.00	\$ 4,774.00	\$ 6,076.00
18.19	8	Air Relief Valve Assembly (per each)	\$770.00	\$ 6,160.00	\$ 2,710.40	\$ 3,449.60
18.20	27	Fire Hydrant Assembly (per each)	\$2,200.00	\$ 59,400.00	\$ 26,136.00	\$ 33,264.00
18.21	85	5/8" x 3/4" Meter Assembly with Regulator (per each)	\$420.00	\$ 35,700.00	\$ 15,708.00	\$ 19,992.00
18.22	1	Connection to Existing System (per lump sum)	\$4,500.00	\$ 4,500.00	\$ 1,980.00	\$ 2,520.00
18.23	7,200	Pavement Restoration (per square yard)	\$25.00	\$ 180,000.00	\$ 79,200.00	\$ 100,800.00
18.24	20,000	Dumped Rock Gutter (per linear foot)	\$1.50	\$ 30,000.00	\$ 13,200.00	\$ 16,800.00
19.1	1	Water Storage Tank (per lump sum)	\$120,000.00	\$ 120,000.00	\$ 52,800.00	\$ 67,200.00
19.2	850	French Drain (per linear foot)	\$25.00	\$ 21,250.00	\$ 9,350.00	\$ 11,900.00
19.3	7,000	Unclassified Excavation (per cubic yard)	\$8.00	\$ 56,000.00	\$ 24,640.00	\$ 31,360.00
20	1	Telemetry System (per lump sum)	\$15,000.00	\$ 15,000.00	\$ 6,600.00	\$ 8,400.00
Total Amount Bid				\$ 1,995,640.00	\$ 878,081.60	\$ 1,117,558.40

* Note: Additional areas within project limits are 0% AML Eligible and thus are not included on this form

IC-2
(7/30/01)

GRANT AGREEMENT

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council") and SHORT LINE PUBLIC SERVICE DISTRICT (the "Governmental Agency").

RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed \$431,453 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit A attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

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

TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

4. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit A.

5. The Governmental Agency shall comply with and is bound by the Council's rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.

6. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

7. The Governmental Agency shall list the Grant provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

8. This Grant Agreement shall be governed by the laws of the State of West Virginia.

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

SHORTLINE PUBLIC SERVICE DISTRICT

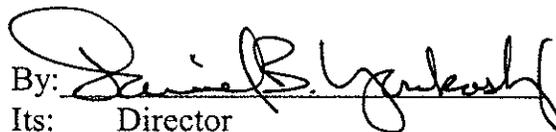
By: 
Its: Chairperson
Date: July 11, 2005

(SEAL)

Attest:


Its: Secretary

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By: 
Its: Director
Date: July 11, 2005

(SEAL)

Attest:


Its: Secretary-Treasurer

000832/00466
05/17/05

Exhibit A

Project Description

The Project consists of 8-inch, 6-inch and 4-inch water lines, one storage tank to service approximately 120 customers in the Marshville, Olive and Catfish Hollow areas of Shortline PSD.

**PROMISSORY NOTE
SHORTLINE PUBLIC SERVICE DISTRICT**

\$100,000.00

Date: August 23, 2005

FOR VALUE RECEIVED, SHORTLINE PUBLIC SERVICE DISTRICT (herein, called "Borrower") promises to pay to the order of the HARRISON COUNTY COMMISSION (the "Lender"), at Clarksburg, West Virginia, or at such other place as the Lender may hereafter designate in writing, the principal sum of, One Hundred Thousand Dollars (\$100,000.00). The repayment of principal and interest, if any, shall be deferred until one year after completion of the Project. At that time, the Harrison County Commission and the Shortline Public Service District shall determine if repayment should begin. If it is determined that repayment cannot, begin, the Harrison County Commission and the Shortline Public Service District shall jointly determine the repayment, if any, on an annual basis. When it is determined that repayment shall begin, the Harrison County Commission and Shortline Public Service District shall also determine the term of the loan and the interest rate. The loan shall be submitted to the West Virginia Public Service Commission for consent and approval. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

Prepayment of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments shall be applied to the installments last to become due under this Note and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

Any amount advanced or expended by the Lender for the collection hereof or to preserve or protect any security here for, or otherwise under the terms of any security or other instrument executed in connection with the Loan evidenced hereby, at the option of the Lender shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Lender without demand. Borrower agrees to use the Loan evidenced hereby solely for purposes authorized by the Lender.

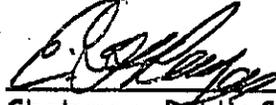
The Note has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13 A of the West Virginia Code, as amended (the "Act"), and a Resolution of the Borrower authorizing execution of this Note (the "Resolution").

This Note is payable solely from the Surplus Revenues . as such term is defined in the Resolution to be derived from the operation of the System This Note does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation.

This Note is given as evidence of a LOAN to Borrower made by the HARRISON COUNTY COMMISSION.

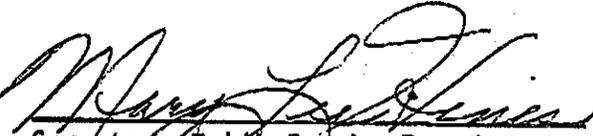
IN WITNESS WHEREOF, SHORTLINE PUBLIC SERVICE DISTRICT has caused this Note to be signed by the Chairman of its Public Service Board and its corporate seal to be hereunto affixed and attested by the Secretary of its Public Service Board, and has caused this Note to be dated August 23, 2005.

(SEAL)

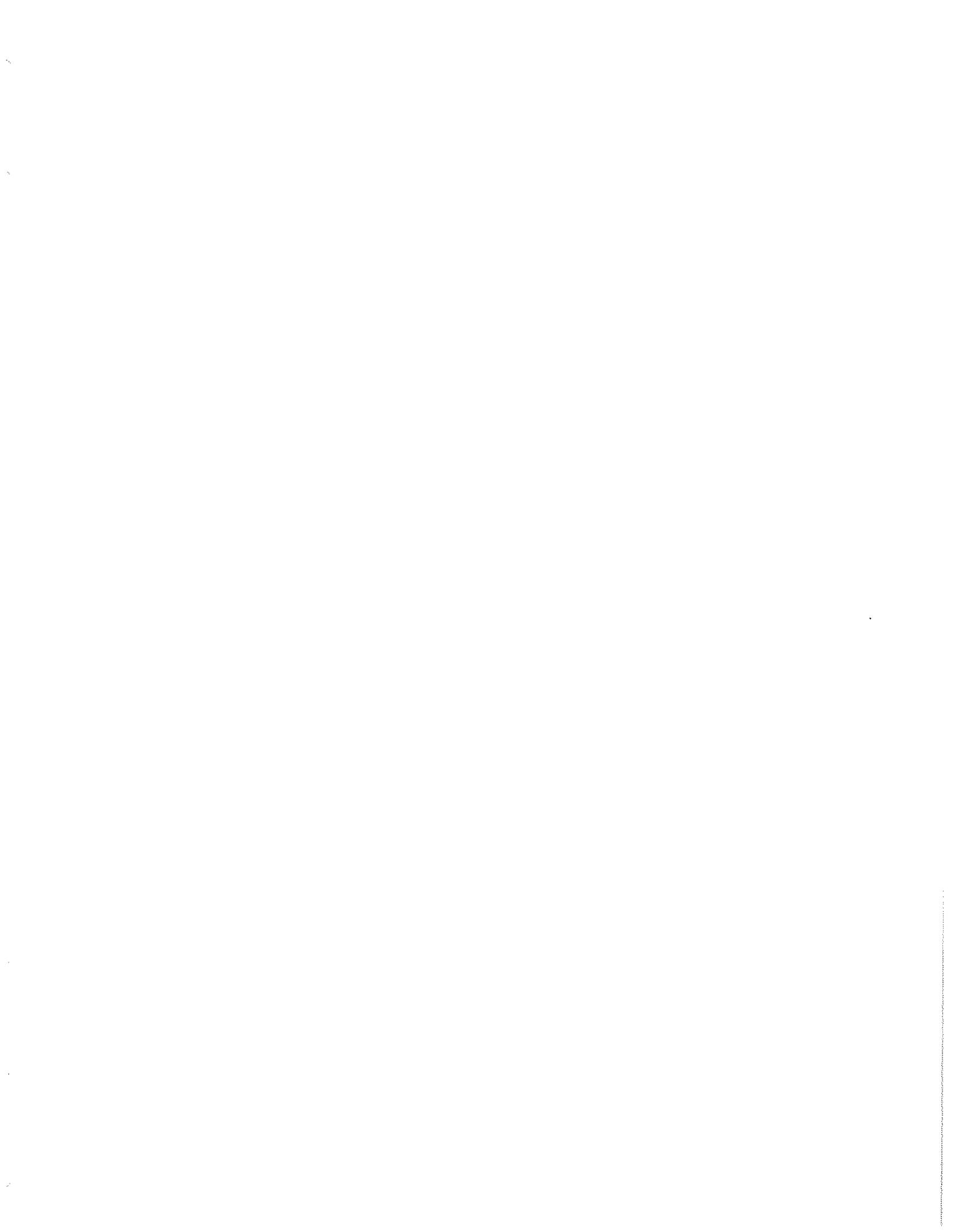


Chairman, Public Service Board

ATTEST:



Secretary, Public Service Board





ERIE
INSURANCE
GROUP

100 Erie Ins. Pl
Erie, PA 16530

RENEWAL CERTIFICATE

ERIE INS PROP/CAS CO
ULTRAFLEX POLICY

AGENT

ITEM 2. POLICY PERIOD

POLICY NUMBER

EE1255 UNITED SECURITY AGY INC

01/01/05 TO 01/01/06

Q37 5150071 W

ITEM 1. NAMED INSURED AND ADDRESS

ITEM 3. OTHER INTEREST

SHORTLINE PUBLIC SERVICE
DISTRICT
P O BOX 188
WALLACE WV 26448-0188

POLICY PERIOD BEGINS AND ENDS AT 12.01 A.M. STANDARD TIME AT THE STATED ADDRESS OF THE NAMED INSURED.

THE INSURANCE APPLIES TO THOSE PREMISES DESCRIBED AS PER THE ATTACHED SUPPLEMENTAL DECLARATIONS. THIS IS SUBJECT TO ALL APPLICABLE TERMS OF THE POLICY AND ATTACHED FORMS AND ENDORSEMENTS

DEDUCTIBLE (PROPERTY PROTECTION ONLY)- \$ 200.

COVERAGES: (THEFT) - \$ 200.

PROPERTY PROTECTION - AS PER THE ATTACHED SUPPLEMENTAL DECLARATIONS

1. BUILDINGS

2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS

3. INCOME PROTECTION

4. GLASS AND LETTERING

5. SIGNS, LIGHTS AND CLOCKS

DEPOSIT
PREMIUM

\$ INCL

\$ INCL

\$

\$

\$

LIMITS OF INSURANCE

\$ INCL

PREMIUM BASIS - COSTS, PAYROLL

EACH OCCURRENCE LIMIT \$ 1,000,000

DAMAGE TO PREMISES

RENTED TO YOU LIMIT \$ 1,000,000 ANY ONE PREMISES

MEDICAL EXPENSE LIMIT \$ 5,000 ANY ONE PERSON

PERSONAL & ADVERTISING INJURY LIMIT \$ 1,000,000 ANY ONE PERSON OR ORGANIZATION

GENERAL AGGREGATE LIMIT \$ 2,000,000

PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT \$ 2,000,000

OPTIONAL COVERAGES

THEFT DISAPPEARANCE AND DESTRUCTION

\$ INCL

EMPLOYERS LIABILITY - STOP GAP

\$ INCL

BODILY INJURY BY ACCIDENT - \$1,000,000 EACH ACCIDENT

BODILY INJURY BY DISEASE - \$1,000,000 POLICY LIMIT

BODILY INJURY BY DISEASE - \$1,000,000 EACH EMPLOYEE

EMPLOYEE DISHONESTY - INCREASED COVERAGE

\$ INCL

\$ 50,000 - 5 EMPLOYEES

SURCHARGE IMPOSED BY THE ST OF WV

\$ 32.63

TOTAL DEPOSIT PREMIUM - - - -

\$ 3,295.63

APPLICABLE FORMS - SEE SCHEDULE OF FORMS

SUPPLEMENTAL DECLARATIONS

LOCATION 1, BUILDING 1

LOCATION OF PREMISES

OCCUPANCY/OPERATIONS

W/S RT 20, WALLACE,
HARRISON CO, WV 26448

OFFICE

INTEREST OF NAMED INSURED IN SUCH PREMISES - OWNER

PROPERTY PROTECTION

COVERAGES	CO-INS %	AMOUNT OF INSURANCE
1. BUILDINGS	90	\$ 69,500
2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS	90	\$ 20,000
3. INCOME PROTECTION		

OCCURRENCE

POLICYHOLDER RENEWAL SERVICE -
BUILDING AMOUNT INCREASED BY - 7 PERCENT COMMERCIAL STRUCTURE



ERIE
INSURANCE
GROUP

100 Erie Ins. Pl
Erie, PA 16530

RENEWAL CERTIFICATE

**ERIE INS PROP/CAS CO
ULTRAFLEX POLICY**

AGENT		ITEM 2. POLICY PERIOD	POLICY NUMBER
EE1255 UNITED SECURITY AGY INC		01/01/05 TO 01/01/06	Q37 5150071 W
ITEM 1. NAMED INSURED AND ADDRESS		ITEM 3. OTHER INTEREST	
SHORTLINE PUBLIC SERVICE DISTRICT P O BOX 188 WALLACE WV 26448-0188			

SUPPLEMENTAL DECLARATIONS
LOCATION 1, BUILDING 2

LOCATION OF PREMISES

OCCUPANCY/OPERATIONS

W/S RT 20, WALLACE,
HARRISON CO, WV 26448

STORAGE & GARAGE

INTEREST OF NAMED INSURED IN SUCH PREMISES - OWNER

PROPERTY PROTECTION

COVERAGES	CO-INS %	AMOUNT OF INSURANCE
1. BUILDINGS	90	\$ 20,600
2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS	90	\$ 15,000
3. INCOME PROTECTION		

OCCURRENCE

**POLICYHOLDER RENEWAL SERVICE -
BUILDING AMOUNT INCREASED BY - 7 PERCENT COMMERCIAL STRUCTURE**

SUPPLEMENTAL DECLARATIONS

LOCATION 1, BUILDING 3

LOCATION OF PREMISES

OCCUPANCY/OPERATIONS

W/S RT 20, WALLACE,
HARRISON CO, WV 26448

LESSOR'S RISK - BEAUTY SHOP

INTEREST OF NAMED INSURED IN SUCH PREMISES - OWNER

PROPERTY PROTECTION

COVERAGES	CO-INS %	AMOUNT OF INSURANCE
1. BUILDINGS	90	\$ 20,600
2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS		
3. INCOME PROTECTION		

OCCURRENCE

OPTIONAL COVERAGES - PROPERTY PROTECTION

POLICYHOLDER RENEWAL SERVICE -
BUILDING AMOUNT INCREASED BY - 7 PERCENT COMMERCIAL STRUCTURE

LOCATION 1

CRIME COVERAGES

AMOUNT OF INSURANCE

THEFT, DISAPPEARANCE & DESTRUCTION OF MONEY & SECURITIES
\$ 200 DEDUCTIBLE
INSIDE THE PREMISES
OUTSIDE THE PREMISES, MESSENGER #1

\$ 5,000
\$ 5,000



ERIE
INSURANCE
GROUP
100 Erie Ins. Pl
Erie, PA 16530

ERIE INS PROP/CAS CO
ULTRAFLEX POLICY

RENEWAL CERTIFICATE

AGENT	ITEM 2. POLICY PERIOD	POLICY NUMBER
EE1255 UNITED SECURITY AGY INC	01/01/05 TO 01/01/06	Q37 5150071 W
ITEM 1. NAMED INSURED AND ADDRESS		ITEM 3. OTHER INTEREST
SHORTLINE PUBLIC SERVICE DISTRICT P O BOX 188 WALLACE WV 26448-0188		

SUPPLEMENTAL DECLARATIONS

LOCATION OF PREMISES	LOCATION 2, BUILDING 1
-----	OCCUPANCY/OPERATIONS
W/S RT 20, WALLACE, HARRISON CO, WV 26448	BOOSTER STATION

INTEREST OF NAMED INSURED IN SUCH PREMISES - OWNER

COVERAGES	PROPERTY PROTECTION	CO-INS %	AMOUNT OF INSURANCE
1. BUILDINGS 2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS		90	\$ 55,000
3. INCOME PROTECTION	OCCURRENCE		

POLICYHOLDER RENEWAL SERVICE -
BUILDING AMOUNT INCREASED BY - 7 PERCENT COMMERCIAL STRUCTURE

SUPPLEMENTAL DECLARATIONS

LOCATION 3, BUILDING 1

LOCATION OF PREMISES

OCCUPANCY/OPERATIONS

RT 20, WALLACE,
WETZEL CO, WV 26448
(R/A HARRISON CO)

WATER TANKS (3)

INTEREST OF NAMED INSURED IN SUCH PREMISES - OWNER

COVERAGES	PROPERTY PROTECTION	CO-INS %	AMOUNT OF INSURANCE
1. BUILDINGS		90	\$ 400,500
2. BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS			
3. INCOME PROTECTION	OCCURRENCE		

POLICYHOLDER RENEWAL SERVICE -
BUILDING AMOUNT INCREASED BY - 7 PERCENT COMMERCIAL STRUCTURE



ERIE
INSURANCE
GROUP

100 Erie Ins. Pl
Erie, PA 16530

RENEWAL CERTIFICATE

ERIE INS PROP/CAS CO
ULTRAFLEX POLICY

AGENT

ITEM 2. POLICY PERIOD

POLICY NUMBER

EE1255 UNITED SECURITY AGY INC

01/01/05 TO 01/01/06

Q37 5150071 W

ITEM 1. NAMED INSURED AND ADDRESS

ITEM 3. OTHER INTEREST

SHORTLINE PUBLIC SERVICE
DISTRICT
P O BOX 188
WALLACE WV 26448-0188

SUPPLEMENTAL DECLARATIONS

LOCATION 4, BUILDING 1

OCCUPANCY/OPERATIONS

LOCATION OF PREMISES

JAY-FARM HILL, WALLACE,
HARRISON CO, WV 26448

WATER TANK (1)

INTEREST OF NAMED INSURED IN SUCH PREMISES - OWNER

PROPERTY PROTECTION

COVERAGES

CO-INS %
90

AMOUNT OF INSURANCE
\$ 201,500

- 1. BUILDINGS
- 2. BUSINESS PERSONAL PROPERTY AND
PERSONAL PROPERTY OF OTHERS
- 3. INCOME PROTECTION

OCCURRENCE

POLICYHOLDER RENEWAL SERVICE -

BUILDING AMOUNT INCREASED BY - 7 PERCENT COMMERCIAL STRUCTURE



ERIE
INSURANCE
GROUP

100 Erie Ins. Pl
Erie, PA 16530

RENEWAL CERTIFICATE

ERIE INS PROP/CAS CO
ULTRAFLEX POLICY

AGENT		ITEM 2. POLICY PERIOD	POLICY NUMBER
EE1255 UNITED SECURITY AGY INC		01/01/05 TO 01/01/06	Q37 5150071 W
ITEM 1. NAMED INSURED AND ADDRESS		ITEM 3. OTHER INTEREST	
SHORTLINE PUBLIC SERVICE DISTRICT P O BOX 188 WALLACE WV 26448-0188			

SCHEDULE OF FORMS (CONTINUED)

FORM NUMBER	EDITION DATE	DESCRIPTION
UF4070*	02/03	POLICYHOLDER DISCLOSURE NOTICE TERRORISM INSURANCE COVERAGE
UF4110	02/03	IMPORTANT NOTICE TO POLICYHOLDERS - TERRORISM COVERAGE - PROPERTY
ULBL	01/05 *	THEFT, DISAPPEARANCE AND DESTRUCTION
ULDIWV	06/02	EMPLOYERS LIABILITY - STOP GAP COVERAGE
ULKD	02/02	EMPLOYEE DISHONESTY - INCREASED COVERAGE
ULOW	03/01	COVERAGE FOR PUNITIVE DAMAGES
GU32	03/01	EXCLUSION - LEAD LIABILITY
CG0001	10/01	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
ULQN	01/05 *	EXCLUSION - PROFESSIONAL LIABILITY
FX0003	01/05 *	ULTRAFLEX EXTRA LIABILITY COVERAGES
CG0099	11/85	CHANGES IN GENERAL LIABILITY FORMS FOR COMMERCIAL PACKAGE POLICIES
CG2147	07/98	EMPLOYMENT - RELATED PRACTICES EXCLUSION
IL0021	07/02	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)
CG2662	09/02	WEST VIRGINIA CHANGES - BINDING ARBITRATION
CG2167	04/02	FUNGI OR BACTERIA EXCLUSION
CG0062	12/02	WAR LIABILITY EXCLUSION
CG2170	11/02	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

ON FILE WITH ISSUER



**United States Department of Agriculture
Rural Development
West Virginia State Office**

Short Line Public Service District
Water Revenue Bonds, Series 2005 A
(West Virginia Infrastructure Fund)

CONSENT TO ISSUANCE OF PARITY BONDS

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 (1) consents to the issuance of the Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund), in the original aggregate principal amount of \$1,274,183 (the "Bonds"), by Short Line Public Service District (the "Issuer"), under the terms of the bond resolution authorizing the issuance of the Bonds (the "Series 2005 A Resolution"), on parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding (i) Water Revenue Bonds Series 1990, dated May 9, 1991, issued in the original principal amount of \$120,000; (ii) Water System Revenue Bonds, Series 1974, dated September 12, 1974, issued in the original principal of \$33,500; (iii) Water System Revenue Bonds, Series 1973, dated November 6, 1973, issued in the original principal amount of \$500,000; and (iv) Water System Revenue Bonds, Series 1973, dated November 6, 1973, issued in the original amount of \$137,000 (collectively, the "Prior Bonds"); (2) waives any requirements imposed by the Prior Bonds or the resolutions authorizing the Prior Bonds (the "Prior Resolutions"), regarding the issuance of parity bonds which are not met by the Bonds or the Series 2005 A Resolution; and (3) hereby approves the change to the Prior Resolution authorizing the Prior Bonds set forth in Section 2.03 of the Series 2005 A Resolution.

WITNESS my signature on this 24th day of August, 2005.

A handwritten signature in black ink, consisting of a series of loops and flourishes, positioned above a horizontal line.

Authorized Representative

75 High Street Federal Building • Suite 320 • Morgantown, WV 26505-7500
Phone: (304) 284-4860 • Fax: (304) 284-4893 • TDD: (304) 284-4836 • Web: <http://www.rurdev.usda.gov/wv>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."

To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

THIS WATER PURCHASE CONTRACT, made this 22nd day of August, 1988, by and between the WATER BOARD OF THE CITY OF CLARKSBURG, a municipal corporation, with principal offices in the City of Clarksburg, Harrison County, West Virginia, hereinafter sometimes called WATER BOARD, party of the first part, and SHORT LINE PUBLIC SERVICE DISTRICT, a statutory organization, organized in accordance with the provisions of the West Virginia Code, Chapter 16, Article 13A, hereinafter sometimes called DISTRICT, party of the second part.

WHEREAS, the DISTRICT is organized and established for the purpose of constructing and operating a water supply distribution system serving water users within the area as described in the Engineering Report of Hornor Brothers Engineers, and to accomplish this purpose, the DISTRICT will require a supply of treated water; and,

WHEREAS, WATER BOARD owns and operates a water supply distribution and fire protection system with a capacity currently capable of serving its present customers and the estimated number of water users to be served by the DISTRICT, as shown by said Engineering Report.

NOW, THEREFORE, in consideration of the agreements hereinafter stated to be kept and performed, it is agreed as follows:

1. WATER BOARD will supply treated water of the same quality and potability as supplied to users within the limits of Clarksburg, West Virginia, to the DISTRICT at a point of delivery on the eight (8) inch WATER BOARD water main at or near Edgewood Addition in said City, or at such place or places as the parties hereto may agree, at such pressures and volumes as may prevail from time to time at the point of connection of the DISTRICT water main with that of WATER BOARD in such quantity as may be required by the DISTRICT,

but not to exceed seven million (7,000,000) gallons per month unless or until the approval of WATER BOARD is first had and obtained. Provided, however, that the WATER BOARD does not guarantee delivery of any quantity of water or pressure at any point along the water system owned by the DISTRICT.

During the term hereof, if an unforeseen circumstance occurs and the DISTRICT, as the result thereof, requires more than the total gallons per month provided to be supplied in any one (1) month for a limited time, upon reasonable notice thereof to the WATER BOARD, such additional supply of water will, subject to the other terms hereof, be supplied at such time and upon such conditions as the WATER BOARD fixes, and the DISTRICT will pay for such additional water at the tariff applicable. If foreseeable circumstances occur and the DISTRICT, as the result thereof, will require additional water per month, then, upon not less than sixty (60) days notice, in writing, to the WATER BOARD, stating the circumstances so changed and the required increased consumption anticipated to be necessary to meet the situation, the WATER BOARD may, subject to the other provisions hereof, supply such increased amount of water upon such terms and conditions as the WATER BOARD may fix.

Water supplied to DISTRICT shall be for residential and existing commercial and industrial customers only, and written permission shall be obtained from WATER BOARD by DISTRICT before any service is provided for any commercial or industrial customers not in existence at the date of this agreement.

2. The DISTRICT will furnish and install at point of delivery, at its own expense, the necessary metering equipment, including a meter house or pit, and required devices

of standard type for properly measuring the quantity of water delivered to the DISTRICT.

3. WATER BOARD shall supply to the DISTRICT such treated water as is supplied to other users of WATER BOARD for a period of forty (40) years, or for such period as any indebtedness incurred by the DISTRICT to construct said water system and guaranteed or underwritten by the Farmers Home Administration or any other governmental agency remains unpaid.

4. WATER BOARD will supply the DISTRICT water as measured at the point of delivery, at the rates fixed by the Public Service Commission of the State of West Virginia in the published tariff rates of the WATER BOARD, and at such other rates or charges as may hereafter be approved by the Public Service Commission of the State of West Virginia.

The DISTRICT agrees that it will pay to WATER BOARD for such water, the charges billed hereunder, promptly upon such billing, and according to the rules and regulations of WATER BOARD and the said Public Service Commission.

5. WATER BOARD shall not be liable for any damage to or from failure of the line or lines of the water system to be constructed and installed by the DISTRICT, or to or of any line extending from said system to properties of those persons obtaining water from the DISTRICT.

6. It is understood and agreed that the WATER BOARD has a primary obligation to supply residential water service and fire protection to consumers and properties within the limits of the City of Clarksburg and such primary obligation shall always have priority over any obligations hereunder.

7. When requested by DISTRICT, WATER BOARD will make available to the DISTRICT'S contractor at the point of

delivery, or other point reasonably close thereto, water sufficient for testing, flushing and trench filling the DISTRICT'S water system during construction, at a charge to be paid by the contractor or, on his failure to pay, by the DISTRICT and which charge shall be calculated at the rate herein provided.

9. The DISTRICT shall not assign this contract in whole or in part without first obtaining the written permission from WATER BOARD so to do; provided, however, that WATER BOARD does hereby consent to the assignment of this contract to the Department of Agriculture of the United States of America, acting through the Farmers Home Administration, its successors or assigns, or the agency, person, firm or corporation owning and holding any bonds issued by the DISTRICT, should default occur in the payment of any indebtedness incurred by the DISTRICT with said Farmers Home Administration, or any other organization, firm, corporation, or agency in the construction of said water system; Provided, further, however, that in the event of any occurrence rendering the DISTRICT incapable of performing under this contract, any successor of the DISTRICT, whether the result of legal process, assignment, or otherwise, shall succeed to the rights, duties and obligations of the DISTRICT hereunder.

9. It is understood and agreed that the construction of the water supply distribution system by the DISTRICT is being financed by a loan made or insured by, and/or a grant from the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the

DISTRICT are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

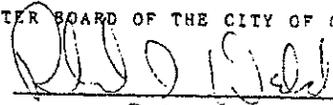
10. This Water Purchase Contract shall become effective upon approval or consent by the Public Service Commission of the State of West Virginia.

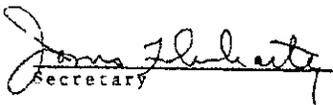
11. Upon becoming effective, this Water Purchase Contract shall supercede and render null, void and of no further legal effect that certain Water Purchase Contract dated the 28th day of September, 1971, heretofore entered into between the instant parties.

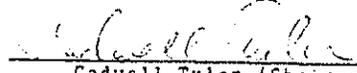
IN WITNESS WHEREOF, the said WATER BOARD OF THE CITY OF CLARKSBURG, a municipal corporation, and the said SHORT LINE PUBLIC SERVICE DISTRICT, acting under the authority of their respective governing bodies, have caused this Water Purchase Contract to be duly executed in five (5) counterparts, each of which shall be deemed an original.

ATTEST:

Secretary

WATER BOARD OF THE CITY OF CLARKSBURG
By 
PRESIDENT

ATTEST:

Secretary

SHORT LINE PUBLIC SERVICE DISTRICT
By 
Cadwell Tyler, Chairman
of its Public Service District.

This Contract is approved on behalf of the Farmers Home Administration of the United States of America, this 13TH day of NOVEMBER, 1979.

By 
FOR THE State Director,
State of West Virginia

MEMORANDUM

To: Financing Team
From: John C. Stump, Esquire
Date: August 24, 2005
Re: Short Line Public Service District
Water Revenue Bonds, Series 2005 A (West Virginia Infrastructure Fund)

DISBURSEMENTS TO DISTRICT:

Payor: West Virginia Infrastructure and Jobs Development Council
Amount: \$127,454
Form: Wire Transfer
Bank: The Huntington National Bank, Clarksburg
ABA No.: 0515-0121-5
Acct. No.: 01521118302
Contact: Margaret Byrd (304.623.7100)
Account: Series 2005 A Bonds Construction Trust Fund

State of West Virginia
WATER DEVELOPMENT AUTHORITY
 180 Association Drive, Charleston, WV 25311-1217
 (304) 558-3612 - (304) 558-0299 (Fax)
 Internet: www.wvda.org - Email: contact@wvda.org

BOND CLOSING ATTENDANCE LIST

Date August 24, 2005 Time 9:00 a.m. LGA Short Line PSD Program IF

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Franki Parsons	Jackson Kelly PLLC	340-7283	340-1272	franki@jacksonkelly.com
Barbara B Meadows	Water Development Authority	558-3612	558-0299	bmeadows@wvda.org
Langdon A. O'Leary	Water Development Authority	558-3612	558-0299	leddy@wvda.org
John Stump	Stephan Johnson-PLC	353-8196	353-8181	stumpj@stephanjohnson.com

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 Eugene Rogers, Chairman Telephone 304.796.4667 E-Mail N/A

Address Post Office Box 188 Wallace West Virginia 26448-0188

REMINDER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the Non-Arbitrage 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.