SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

Closing Date: July 13, 2010

TRANSCRIPT OF PROCEEDINGS

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State of West Virginia

Certificate

I, Natalie E. Tennant, Secretary of State of the State of West Virginia, hereby certify that

THIS IS A TRUE COPY OF CHAPTER 16, ARTICLE 13A OF THE WEST VIRGINIA CODE, AND CHAPTER 16, ARTICLE 13A OF THE 2009 SUPPLEMENT TO THE WEST VIRGINIA CODE, AS INDICATED BY THE RECORDS OF THIS OFFICE, AND SENATE BILL 465, PASSED MARCH 13, 2010, AND EFFECTIVE JUNE 11, 2010.

Given under my hand and the Great Seal of the State of West Virginia on
July 9, 2010

Natalie E Tennant

Secretary of State

ARTICLE 13A

PUBLIC SERVICE DISTRICTS

Section

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§ 16-13A-1. Legislative findings

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

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

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

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

Cross References

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

Administrative Code References

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

Library References

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

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

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

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

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

7. Creation and enforcement of liens

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

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

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

8. Admissibility of evidence

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

9. Costs

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

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

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

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

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

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

Acts 1986, c. 81.

Library References

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

Cross References

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

Library References

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

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

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

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

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

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

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

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

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

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

Library References

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

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

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1. Validity

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

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

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

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

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

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

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

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

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

Law Review and Journal Commentaries

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

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

Library References

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

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

Notes of Decisions

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1. In general

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

Library References

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

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

Notes of Decisions

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1. Criminal responsibility of members

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

2. Ministerial officers, generally

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

3. Sufficiency of evidence

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

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

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

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

(b) Salaries of the board members are:

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

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

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

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

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

Library References

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

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

Notes of Decisions

In general 1

1. In general

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

§ 16–13A–5. General manager of board

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

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

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

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

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

Library References

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

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

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

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

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

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

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

2. In general

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

3. Eminent domain powers

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

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

4. Valuation of property

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

5. Environmental assessment

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

6. Connections with sewers or drains

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

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

7. Public corporation

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

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

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

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

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

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

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

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

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

Law Review and Journal Commentaries

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

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

Library References

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

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

Notes of Decisions

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

1. **Validity**

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

2. **Takings**

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

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

Acts 1982, c. 74.

Library References

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

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

§ 16–13A–10. Budget

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

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

Library References

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

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

Notes of Decisions

In general 1

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1. In general

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

§ 16–13A–11. Accounts; audit

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

§ 16–13A–13. Revenue bonds

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

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

Library References

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

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

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

Acts 1953, c. 147.

Library References

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

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

United States Code Annotated

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

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

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

Acts 1953, c. 147.

Library References

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

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

Notes of Decisions

In general 1

1. In general

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

§ 16–13A–18. Operating contracts

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

Acts 1953, c. 147.

Library References

Counties ⚷114.
Municipal Corporations ⚷328.
Westlaw Topic Nos. 104, 268.

C.J.S. Counties § 161.
C.J.S. Municipal Corporations §§ 1027 to 1029.

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

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

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

Acts 1953, c. 147.

Library References

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

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

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

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

Library References

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

Notes of Decisions

In general 2
Validity 1

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1. Validity

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

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

Library References

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

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

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

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

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

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

Library References

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

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

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

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

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

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

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

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

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

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

Library References

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

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

Research References

ALR Library

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

Notes of Decisions

In general 1
Certificate of public convenience and necessity 2

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1. In general

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

2. Certificate of public convenience and necessity

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

West's

Annotated Code of West Virginia

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

Chapter 16

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Protection or the Environmental Quality Board and the authority provided herein to establish, maintain and collect rates, fees or charges is an additional and alternative method of financing such works and matters, and is independent of any other provision of this article insofar as the article provides for or requires the issuance of revenue bonds or the imposition of rates, fees and charges in connection with the bonds: *Provided*, That except for the method of financing such works and matters, the construction, acquisition, improvement, equipment, custody, operation, repair and maintenance of any plants, machinery or works in compliance with an order of the Secretary of the Department of Environmental Protection or the Environmental Quality Board and the rights, powers and duties of the municipality and the respective officers and departments thereof, including the sanitary board, are governed by the provisions of this article.

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

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

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

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

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

ARTICLE 13A

PUBLIC SERVICE DISTRICTS

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

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

(a)(1) The board may make, enact and enforce all needful rules in connection with the acquisition, construction, improvement, extension, management, maintenance, operation, care, protection and the use of any public service properties owned or controlled by the district.

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

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

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

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

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

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

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

(b) In the event that any publicly or privately owned utility, city, incorporated town, other municipal corporation or other public service district included within the district owns and operates separately water facilities, sewer facilities or stormwater facilities and the district owns and operates another kind of facility either water or sewer, or both, as the case may be, then the district and the publicly or privately owned utility, city, incorporated town or other municipal corporation or other public service district shall covenant and contract with each other to shut off and discontinue the supplying of water service for the nonpayment of sewer

or stormwater service fees and charges: *Provided,* That any contracts entered into by a public service district pursuant to this section shall be submitted to the Public Service Commission for approval. Any public service district which provides water and sewer service, water and stormwater service or water, sewer and stormwater service has the right to terminate water service for delinquency in payment of water, sewer or stormwater bills. Where one public service district is providing sewer service and another public service district or a municipality included within the boundaries of the sewer or stormwater district is providing water service and the district providing sewer or stormwater service experiences a delinquency in payment, the district or the municipality included within the boundaries of the sewer or stormwater district that is providing water service, upon the request of the district providing sewer or stormwater service to the delinquent account, shall terminate its water service to the customer having the delinquent sewer or stormwater account: *Provided, however,* That any termination of water service must comply with all rules and orders of the Public Service Commission.

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

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

(e) The owner, tenant or occupant of any real property may be determined and declared to be served by a stormwater system only after each of the following conditions is met: (1) The district has been designated by the Environmental Protection Agency as an entity to serve a West Virginia Separate Storm Sewer System community, as defined in 40 C.F.R. § 122.26; (2) the district's authority has been properly expanded to operate and maintain a stormwater system; (3) the district has made available a stormwater system where stormwater from the real property affects or drains into the stormwater system; and (4) the real property is

located in the Municipal Separate Storm Sewer System's designated service area. It is further hereby found, determined and declared that the mandatory use of the stormwater system is necessary and essential for the health and welfare of the inhabitants and residents of the district and of the state. The district may charge and the owner, tenant or occupant shall pay the rates, fees and charges for stormwater services established under this article only after thirty-day notice of the availability of the stormwater system has been received by the owner. An entity providing stormwater service shall provide a tenant a report of the stormwater fee charged for the entire property and, if appropriate, that portion of the fee to be assessed to the tenant.

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

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

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

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

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

United States Code Annotated

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

ARTICLE 13D

REGIONAL WATER AND WASTEWATER AUTHORITY ACT

§ 16–13D–11. Bonds may be secured by trust indenture

United States Code Annotated

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

Section
16–14–1 to 16–14–3. Rep

§§ 16–14–1 to 16–14

The repealed sections, and cosmetologists, were
Acts 1951, c. 155.
Acts 1959, c. 139.

§ 16–15–1. Definiti

American Dream Dow U.S.C.A. § 12821.
Farm housing, see 42 U.
Helping Hands for Hon U.S.C.A. §§ 1472, 12805.

§ 16–18–1. Short tit

Slum clearance and u U.S.C.A. § 1441 et seq.

Section
16–19–1. Short title.
16–19–2. Applicability.
16–19–3. Definitions.
16–19–4. Who may make donor's death.
16–19–5. Manner of maki fore donor's d
16–19–6. Amending or re before donor's
16–19–7. Refusal to make of refusal.
16–19–8. Preclusive effec amendment, o
16–19–9. Who may make cedent's body

SB 465

FILED
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OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE

SEVENTY-NINTH LEGISLATURE

REGULAR SESSION, 2010

ENROLLED

COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 465

(SENATORS KESSLER, EDGELL
AND CHAFIN, *original sponsors*)

[Passed March 13, 2010; in effect ninety days from passage.]

138 contained within the rules of the Public Service Commis-
139 sion shall be deemed to require any agents or employees of
140 the municipality or governing body to accept payment at
141 the customer's premises in lieu of discontinuing service for
142 a delinquent bill.

ARTICLE 13A. PUBLIC SERVICE DISTRICTS.

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

1 (a) (1) The board may make, enact and enforce all
2 needful rules in connection with the acquisition, construc-
3 tion, improvement, extension, management, maintenance,
4 operation, care, protection and the use of any public
5 service properties owned or controlled by the district. The
6 board shall establish rates, fees and charges for the
7 services and facilities it furnishes, which shall be suffi-
8 cient at all times, notwithstanding the provisions of any
9 other law or laws, to pay the cost of maintenance, opera-
10 tion and depreciation of the public service properties and
11 principal of and interest on all bonds issued, other obliga-
12 tions incurred under the provisions of this article and all
13 reserve or other payments provided for in the proceedings
14 which authorized the issuance of any bonds under this
15 article. The schedule of the rates, fees and charges may be
16 based upon:

17 (A) The consumption of water or gas on premises con-
18 nected with the facilities, taking into consideration
19 domestic, commercial, industrial and public use of water
20 and gas;

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

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

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

another deposit equal to the greater of a sum equal to two twelfths of the average usage for the applicant's specific customer class or $50 has been remitted to the district. After twelve months of prompt payment history, the district shall return the deposit to the customer or credit the customer's account at a rate as the Public Service Commission may prescribe: *Provided,* That where the customer is a tenant, the district is not required to return the deposit until the time the tenant discontinues service with the district. Whenever any rates, fees, rentals or charges for services or facilities furnished remain unpaid for a period of twenty days after the same become due and payable, the user of the services and facilities provided is delinquent and the user is liable at law until all rates, fees and charges are fully paid. The board may, under reasonable rules promulgated by the Public Service Commission, shut off and discontinue water or gas services to all delinquent users of either water or gas facilities, or both, ten days after the water or gas services become delinquent. *Provided, however,* That nothing contained within the rules of the Public Service Commission shall be deemed to require any agents or employees of the board to accept payment at the customer's premises in lieu of discontinuing service for a delinquent bill.

(b) In the event that any publicly or privately owned utility, city, incorporated town, other municipal corporation or other public service district included within the district owns and operates separately water facilities, sewer facilities or stormwater facilities and the district owns and operates another kind of facility either water or sewer, or both, as the case may be, then the district and the publicly or privately owned utility, city, incorporated town or other municipal corporation or other public service district shall covenant and contract with each other to shut off and discontinue the supplying of water service for the nonpayment of sewer or stormwater service

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

(d) Whenever any district has made available sewer facilities to any owner, tenant or occupant of any house, dwelling or building located near the sewer facility and

provide a tenant a report of the stormwater fee charged for the entire property and, if appropriate, that portion of the fee to be assessed to the tenant.

(f) All delinquent fees, rates and charges of the district for either water facilities, sewer facilities, gas facilities or stormwater systems or stormwater management programs are liens on the premises served of equal dignity, rank and priority with the lien on the premises of state, county, school and municipal taxes. Nothing contained within the rules of the Public Service Commission shall be deemed to require any agents or employees of the Public Service Districts to accept payment at the customer's premises in lieu of discontinuing service for a delinquent bill. In addition to the other remedies provided in this section, public service districts are granted a deferral of filing fees or other fees and costs incidental to the bringing and maintenance of an action in magistrate court for the collection of delinquent water, sewer, stormwater or gas bills. If the district collects the delinquent account, plus reasonable costs, from its customer or other responsible party, the district shall pay to the magistrate the normal filing fee and reasonable costs which were previously deferred. In addition, each public service district may exchange with other public service districts a list of delinquent accounts: *Provided,* That an owner of real property may not be held liable for the delinquent rates or charges for services or facilities of a tenant, nor may any lien attach to real property for the reason of delinquent rates or charges for services or facilities of a tenant of the real property, unless the owner has contracted directly with the public service district to purchase the services or facilities.

(g) Anything in this section to the contrary notwithstanding, any establishment, as defined in section three, article eleven, chapter twenty-two of this code, now or hereafter operating its own sewage disposal system

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

.....
Chairman Senate Committee

Danny Wells
.....
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

Darrell Holmes
.....
Clerk of the Senate

Gregg M. Sy
.....
Clerk of the House of Delegates

Earl Ray Tomblin
.....
President of the Senate

.....
Speaker House of Delegates

The within is approved this the 2nd

Day of April, 2010.

Joe Manchin III
.....
Governor

® GCIU 326-C

this day proceeded to examine and consider the said proposed budget and after due consideration, it is ordered that the sum of twelve thousand ($12,000.00) dollars be, and the same is hereby appropriated from the general county fund for the expenses of operating the Harrison-Upshur-Lewis Regional Library, for the fiscal year ending June 30th, 1963, contingent on funds available for this fiscal year.

It is ordered that this Court be now adjourned until to-morrow morning at 10:00 o'clock.

Brent Rittenhouse, President.

Wednesday, March 28th, 1962.

The Court sat pursuant to its adjournment on yesterday.

Present: Brent Rittenhouse, President.
Belknap, and
Benjamin B. Stout, Associate Commissioners.

SUN VALLEY PUBLIC SERVICE DISTRICT
Clark District

At a regular term of the County Court of Harrison County, continued and held at the courthouse of said County, Brent Rittenhouse, Benjamin B. Stout and Dewey Belknap being present thereat, on the 28th day of March, 1962, being the date fixed by prior action of the County Court for conducting the public hearing on the creation of the proposed Sun Valley Public Service District, as contemplated and provided for in a resolution and order adopted by the County Court on March 7, 1962, the President announced that due publication of notice of such public hearing, in accordance with said order, had been made in The Clarksburg Telegram on March 6, 1962, as appears from a certificate of publication tendered to the County Court and now filed herein, such notice stating that all persons residing in or owning or having any interest in property in such proposed Public Service District desiring to be heard for or against the creation of said District would be heard. All such interested persons desiring to be heard were given full opportunity at the hearing held on this date, and a number of such persons testified in favor of such creation, and non in opposition thereto.

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
Sun Valley Public Service
District in Clark, Coal and
Tenmile Districts in Harrison
County, West Virginia.

WHEREAS, the County Court of Harrison County, West Virginia, did heretofore, by resolution and order adopted March 7, 1962, fix a date for a public hearing on the creation of the proposed Sun Valley Public Service District for supplying water and sewerage services and in and by said resolution and order provide that all persons residing in or owning or having any interest in property in the proposed Sun Valley Public Service District

might appear before the County Court at this meeting and have the opportunity to be heard for and against the creation of said District; and,

WHEREAS, notice of this hearing was duly given in the manner provided and required by said resolution and order and by Article 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;

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 Clark, Coal and Tenmile Districts of Harrison County, West Virginia, is hereby created, and said District shall have the following boundaries:

Beginning at a point at the corporate limits of the City of Clarksburg, County of Harrison, State of West Virginia, 300 feet in a southerly direction from the point where the southerly edge of United States Route No. 50 intersects the westerly corporate limits of said City of Clarksburg, near or at the junction of United States Routes Nos. 50 and 19, and running thence generally in a westerly direction along a line 300 feet in a southerly direction from said Route No. 50 and parallel with said Route No. 50 to a point 300 feet west of West Virginia Route No. 33 and 300 feet south of said Route No. 50; thence in a northerly direction 600 feet on a line perpendicular to said Route No. 50 to a point; thence with a line 300 feet in a northerly direction from West Virginia Route No. 11 and parallel with said Route No. 11 to a point where said Route No. 11 takes an abrupt turn eastward, which point is about 1/4 mile in a northeasterly direction from the intersection of Simpson Fork by said Route No. 50, near the present warehouse of Hope Natural Gas Company; thence with the northerly edge of the right-of-way of said Route No. 11 and with the corporate limits of the City of Clarksburg to the place of beginning, all situate in Clark, Coal and Tenmile Districts of said Harrison County and including within said described boundaries the unincorporated Communities of Sun Valley, Wolf Summit, Reynoldsville and Wilsonburg, as shown upon a plat made by Hornor Bros. Engineers entitled "Plat of Sun Valley Public Service District, Tenmile, Clark and Coal Districts, Harrison Co., W. Va." which plat has been inspected by the Court and is now ordered filed herein, but excluding the warehouse and shop properties of Hope Natural Gas Company at or near the place in Clark District where said Route No. 50 is intersected by said Route No. 11.

II.

Said Public Service District shall have the name and corporate title of "Sun Valley 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 included within said District, the County Court hereby appoints the following three persons residing within said District as members of the Public Service Board of said District for the terms shown after their names:

Louis E. Barnes	Six Years;
George A. Garrett	Four Years;
Pete Gallo	Two Years;

such terms to run from the 28th day of March, 1962, 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 in writing, and shall thereafter meet as said Board and organize, pursuant to the provisions of said statute.

Charles W. Brown — Qualified as Notary Public

Charles W. Brown, who was on the 16th day of March, 1962, appointed a Notary Public in and for Harrison County, State of West Virginia, by the Governor of the said State, this day appeared before the Court and accepted said office, and together with E. W. James, as his surety, (who qualified as to his sufficiency), entered into and acknowledged a bond in the penalty of two hundred fifty ($250.00) dollars, conditioned according to law, and the said Charles W. Brown took the oath prescribed by law as such Notary Public aforesaid.

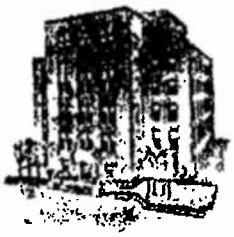
ORDERS — Commissioners Harrison County, W. Va.

Session Held THURSDAY, January 25, 20 07

CARTO & HARRIS, INC., SPENCER, W. VA. RE-ORDER NO. 19[illegible]

County Commission

Minutes of January 18, 2007
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 "CHUNKI" ANGOTTI
RONALD R. WATSON

At the regular meeting of the County Commission of Harrison County held on Thursday, January 18, 2007, Commissioners Ron Watson, Frank Angotti and Bernie Fazzini were present. Also present were Susan Thomas, County Clerk, James McMurtry, County Administrator. Commissioner Watson opened the meeting and Greg Dale led those present in the Pledge of Allegiance to the Flag. Anyone wishing to speak during Public Comment may do so at end of Agenda items.

1. Action on Consent Agenda: Angotti moved to approve Consent Agenda and Motion carried.
2. Minutes of the previous meeting: Angotti moved the Minutes of previous meeting be approved as presented and Motion carried.
3. Payroll Change Notices: Angotti moved to approve Payroll Change Notice as presented. and Commission concurred.
4. Exonerations/Corrective Tickets/Joint Property Applications: Angotti moved to approve the Exonerations as presented and Commission concurred.
5. Purchase Orders: Angotti moved to approve Purchase Orders as presented and Commission concurred.
6. Consolidations of Land/Segregations of Land: NONE
7. Memo from Prosecutor RE: Buy-in for insurance/new Asst. PA: Angotti moved to approve if request falls within guidelines. Commission concurred.
8. Letter from Sun Valley PSD RE: Consideration of re-appointment of Greg Dale: Fazzini moved to approve re-appointment of Greg Dale and Commission concurred.
9. Letter from Circuit Clerk & 2 deputies RE: Request to travel/WVACo Annual Meeting/February 11-13, 2007/Charleston Marriott: Angotti moved to approve and Commission concurred.
10. Letter from Fred Smart RE: Resignation: Angotti moved to make part of record and Commission agreed unanimously.
11. Letter from HCDA RE: Request for recommendation/Industrial Access Road funds/to WV Economic Development Office for consideration: Angotti moved to approve request and Commission concurred.
12. Appointment data sheet/James L. Scudere/Greater Harrison PSD: Fazzini moved to approve appointment of James Scudere to Greater Harrison PSD and Commission concurred.
13. Close out/Marshville Community Center: This is a completion of the project and requires signatures. Fazzini moved to authorize signature and close out this project. Commission concurred.

STATE OF WEST VIRGINIA,

In the presence of the Clerk of the Harrison County Commission

In vacation of the Commission, FRIDAY, NOVEMBER 9, 2007:

NO BUSINESS WAS TRANSACTED BY THE CLERK.

Attest: Clerk

STATE OF WEST VIRGINIA,

In the presence of the Clerk of the Harrison County Commission

In vacation of the Commission, TUESDAY, NOVEMBER 13, 2007

NO BUSINESS WAS TRANSACTED BY THE CLERK.

Attest: Clerk

STATE OF WEST VIRGINIA,

In the presence of the Clerk of the Harrison County Commission

In vacation of the Commission, WEDNESDAY, NOVEMBER 14, 2007:

NO BUSINESS WAS TRANSACTED BY THE CLERK.

Attest: Clerk

THURSDAY, NOVEMBER 15, 2007

The Commission sat pursuant to its adjournment on

Thursday, November 8, 2007

Present: Ronald Watson, President
Frank "Chunki" Angotti, Commissioner
Bernie Fazzini, Commissioner

Sandra J. Patterson — Re-Appointed Member Sun Valley Public Service Dist.

This day came Sandra J. Patterson, who had been reappointed as member of the Sun Valley Public Service District for a term beginning September 24, 2007 and continuing until September 24, 2013, and accepted said office or trust and took the oath prescribed by law.

Session Held FRIDAY, OCTOBER 23, 20 09

CASTO & HARRIS, WO., SPENCER, W. VA. AB-ORDER NO. 20018-08

STATE OF WEST VIRGINIA,

In the presence of the Clerk of the Harrison County Commission

In vacation of the Commission, FRIDAY, OCTOBER 23, 2009:

NO BUSINESS WAS TRANSACTED BY THE CLERK.

Attest: Clerk

STATE OF WEST VIRGINIA,

In the presence of the Clerk of the Harrison County Commission

In vacation of the Commission, MONDAY, OCTOBER 26, 2009:

NO BUSINESS WAS TRANSACTED BY THE CLERK.

Attest: Clerk

STATE OF WEST VIRGINIA,

In the presence of the Clerk of the Harrison County Commission

In vacation of the Commission, TUESDAY, OCTOBER 27, 2009:

Ronald Michael — Re-Appointed Member of Sun Valley Public Service District Board

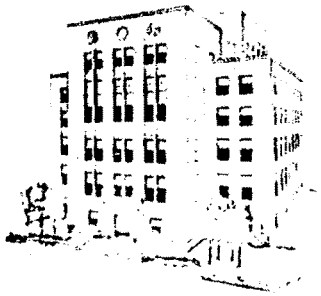
On the 16th day of October, 2009, came Ronald Michael, who was heretofore re-appointed as a Member of the Sun Valley Public Service District Board and accepted said office or trust and took the oath prescribed for a term beginning October 16, 2009 and continuing until October 16, 2015.

Donald A. Wikert — Re-Appointed Member of Short Line Public Service District Board

On the 23rd day of October, 2009, came Donald A. Wickert, who was re-appointed as a memberof the Short Line Public Service District Board and accepted said office or trust and took the oath prescribed by law for a term beginning October 23, 2009 and continuing until October 23, 2015.

Attest: Clerk

Susan J Thomas
HARRISON County 03:49:42 PM
Instrument No 200900035317
Date Recorded 10/27/2009
Document Type GOR
Book-Page 78-633



HARRISON COUNTY COURT HOUSE

Harrison County Commission

301 WEST MAIN STREET
CLARKSBURG, WEST VIRGINIA 26301
304-624-8500
FAX (304) 624-8673

COMMISSIONERS
FRANK "CHUNKI" ANGOTTI
BERNIE FAZZINI
RONALD R. WATSON

October 27, 2009

OCT 28 2009

Sun Valley Public Service District
Attn: Chairperson
Post Office Box 95
Reynoldsville West Virginia 26422-0095

Dear Chairperson:

This letter is to advise you that the County Commission unanimously approved the re-appointment of Ronald E. Michael to the Sun Valley Public Service District, please continue to send all future correspondence, i.e.; minutes, meeting notices, etc., directly to Mr. Michael at the following address:

Ronald E. Michael
Route 6 Box 511
Clarksburg West Virginia 26301

Also, please make note that Mr. Michael's term of office begins on October 16, 2009 and expires on October 16, 2015.

Thank you for your attention in this matter and if additional information is needed please feel free to contact me at 304-624-8503.

Sincerely,

Regina A. Seamon, Administrative Assistant
Harrison County Commission

/ras
xc: Ronald E. Michael

Instrument Book Page Type
200700001263 35 162 OATH

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, Sun Valley Public Service District

to the best of my skill and judgement: SO HELP ME GOD.

Signature of Affiant
R. Gregg Dale

Subscribed and sworn to before me, in said County and State, this 23rd day of January, 2007.

Ron Watson, President

Frank "Gambit" Angotti, Member

Bernie Bazzini, Member

Requested By: sjb 11/30/2007

Instrument 200700019786 Book 36 Page 272

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, Sun Valley Public Service District

to the best of my skill and judgement: SO HELP ME GOD.

Signature of Affiant Sandra L. Patterson
Sandra Patterson

Subscribed and sworn to before me, in said County and State, this 15th day of November, 2007.

Ron Watson
Ron Watson, President

Frank T. Angotti Jr.
Frank "Chunki" Angotti, Member

Bernie Fazzini, Member

OCT 28 2009

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, Sun Valley Public Service District

to the best of my skill and judgment: SO HELP ME GOD.

Signature of Affiant Ronald Wallace

Subscribed and sworn to before me, in said County and State, this 16th day of October, 2009.

Ron Watson

BOARD MEMBERS

Richard G. Dale, Chairman
Rt. 6 Box 169
Clarksburg, WV 26301
Ph. 622-1344 Cell 476-4606

Appointment: 01/19/01 – 01/19/07
(07/07/03)
Reappointed: 01/23/07 – 01/23/13

Sandra J. Patterson, Secretary
Rt. 4 Box 225
Salem, WV 26426
Ph. 623-2634

Appointment: 09/24/01 – 09/24/07

Reappointed: 11/15/~~07 – 11~~/15/13 rtet...
09/~~24/07 – 9/24/13~~

Ronald E. Michael, Treasurer
Rt. 6 Box 511
Clarksburg, WV 26301-9583
Ph. 623-4786
Cell 304-476-0930

Appointment: 08/11/03 – 8/11/09

Reappointed: 10/16/09 – 10/16/15

RULES OF PROCEDURE

SUN VALLEY PUBLIC SERVICE DISTRICT

ARTICLE I

NAMES AND PLACES OF BUSINESS

Section 1. Name: SUN VALLEY PUBLIC SERVICE DISTRICT

Section 2. The principal office of this Public Service District will be located at Post Office Box 95, Old Route 50 West , Reynoldsville , West Virginia.

Section 3. The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Sun Valley Public Service District, and in the center "seal" as follows: SEAL

Section 4. The fiscal year of the District shall begin the 1st day of July in each year and shall end the following June 30th.

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 (the "County Commission"), or otherwise appointed pursuant to the Act, who shall serve for such terms as may be specified in the order of the County Commission or otherwise.

Section 2. Should any member of the Public Service Board resign or otherwise become legally disqualified to serve as a member of the Public Service Board, the Secretary shall immediately notify the County Commission or other entity provided under the Act and request the appointment of a qualified person to fill such vacancy. Prior to the end of the term of any member of the Public Service Board, the Secretary shall notify the County Commission of 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 regularly monthly meetings on the 2nd and 4th Tuesday of each month at 5:00 PM at the Sun Valley Public Service District's office, unless otherwise stated in notices for meetings. If the day stated shall fall on a legal holiday, the meeting shall be moved to a date that the Public Service Board approves. 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 waived, notice to members by letter or telephone shall be required for regular meetings. Unless otherwise waived, notice to members by letter or telephone shall be required for special meetings at lease three days before the date fixed for such meeting. The notice of any special meeting shall state briefly the purpose of such meeting and the nature of business to be transacted thereat.

PUBLIC NOTICE OF MEETINGS

Section 4. Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended, notice of the time and place of all regularly scheduled sessions of such Public Service Board, and the time, place and purpose of all special sessions of such Public Service Board, shall be made available, in advance, to the public and news media as follows:

A. A notice shall be posted by the Secretary of the Public Service Board of the Public Service District on the Notice Board near the front door of the Harrison County Courthouse and on the Notice Board near the front door of the of the place fixed for the regular meetings of the Public Service Board (The Public Service District's office) of the time and place fixed and entered of record by the Public Service Board for holding of regularly scheduled sessions. If a particular regularly scheduled session is cancelled or postponed, a notice of such cancellation or postponement shall be posted on the Notice Board near the front door of the Courthouse and the meeting place as soon as feasible after such cancellation or postponement has been determined upon.

B. A notice shall be posted by the Secretary of the Public Service Board on the notice Board near the front door of the Harrison County Courthouse and on the Notice Board near the front door of the place fixed for the regular meetings of the Public Service Board at least 48 hours before a special session is to be held, stating the time, place and purpose for which such special session shall be held. If the special session is cancelled, a notice

of such cancellation shall be posted on the Notice Board near the front door of the Courthouse and the meeting place as soon as feasible after such cancellation has been determined upon.

C. The form of notice for posting as to a special session may be generally as follows:

SUN VALLEY PUBLIC SERVICE DISTIRCT

NOTICE OF SPECIAL SESSION

The Public Service Board of Sun Valley Public Service District will meet in special session on _____, at _____ .m. prevailing time at _____, West Virginia, for the following purposes:

1. To consider and act upon

2.

_____
Secretary

Date: _____

ARTICLE V

OFFICERS

Section 1. The officers of the Public Service Board shall be a Chairman, Secretary and 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 the month of January of 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 elected 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. He shall, together with the Secretary, sign the minutes of all meetings at which he shall preside. He shall attend generally to the executive business of the Board and exercise such powers as may be conferred upon him by the board, by these Rules of Procedure, or prescribed by law. He 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. If the Chairman is absent from any meeting, the remaining members of the Board shall select a temporary chairman.

Section 3. The Secretary shall keep a record of all proceedings of the Board which shall be available for inspection as other public records. He shall, together with the Chairman, sign the minutes of the meetings at which he is present. The Secretary shall have charge of the minute book, be the custodian of deeds and other writings and papers of the Board. He shall also perform such other duties as he may have under law by virtue of his office or as may be conferred upon him from time to time by the members of the Board.

Section 4. The Treasurer shall be the lawful custodian of all funds of the District and shall pay same out on orders authorized or approved by the Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him 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.

ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

These Rules of Procedure may be altered, changed, amended 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 or addition shall be made at any special meeting unless notice of the intention to propose such change, alteration, amendment or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.

Sun Valley Public Service District

Pre-Loan Closing – Water Project
Regular Board Meeting
Tuesday, January 12, 2010
9:45 AM

With due notice published and a quorum present, Chairman Dale called the meeting to order:

Pre-Loan Closing Conference
Present

Sun Valley Public Service District

Gregg Dale – Chairman
Ron Michael – Treasurer
Sandra Patterson - Secretary
Kevin Short – General Manager
Cathy Sparks – Office Assistant

Also Present

Please see attached Sign In Sheet for a list of those present.

Minutes

1. **Election of Officers**
   Sandra Patterson made a motion that we keep our Chairman, Richard Dale, in place. Ron Michael seconded the motion. All in favor, none opposed, none abstained.
   Sandra Patterson made a motion that we keep our Treasurer, Ronald Michael, in place. Ron Michael seconded the motion. All in favor, none opposed, none abstained.
   Ron Michael made a motion to nominate Sandra Patterson for Secretary. Sandra Patterson seconded the motion. All in favor, none opposed, none abstained.

2. **Water Revenue Bond Resolutions**
   A. Camden Siegrist stated that we would do this in three different motions because there is a Bond Resolution for the Series 2010A Bonds, which is for the $2,200,000 USDA/RUS loan, a Bond Resolution for the Series 2010B, which is for the $300,000 WV DWTRF loan, and the Series 2010C, which is for the $1,773,000 WV DWTRF ARRA loan, and a Supplemental Resolution that goes with the DWTRF loan.
   B. Cam explained the resolution for the Series 2010A Bonds to the Board. Ron Michael made a motion to approve the Series 2010A Bond Resolution as outlined by counsel. Sandra Patterson seconded the motion. All in favor, none opposed, none abstained.

C. Cam explained the resolution for the Series 2010B and Series 2010C Bonds to the Board. Ron Michael made a motion to approve the Series 2010B and Series 2010C Bond Resolutions as outlined by counsel. Sandra Patterson seconded the motion. All in favor, none opposed, none abstained.

D. Cam explained the Supplemental Resolution for the Series 2010B and Series 2010C Bonds to the Board. Ron Michael made a motion to approve the Series 2010B and Series 2010C Supplemental Bond Resolution as outlined by counsel. Sandra Patterson seconded the motion. All in favor, none opposed, none abstained.

E. Cam informed the Board that the loans will actually close and fund on January 14, 2010.

F. Cam suggested that once the Board reconvenes this evening at our office they should ratify and approve what was just done.

Pre-Construction Conference

Sun Valley Public Service District

Gregg Dale – Chairman
Ron Michael – Treasurer
Kevin Short – General Manager
Cathy Sparks – Office Assistant

Also Present

Please see attached Sign In Sheets for a list of those present.

1. **Conference**
   Clay Riley went over the pre-construction conference items.

2. **Recess**
   Gregg Dale thanked everyone and recessed the meeting until 5:00 PM tonight at the Sun Valley PSD's office.

Regular Board Meeting
5:00 PM

With due notice published and a quorum present, Chairman Dale called the meeting to order:

ROLL CALL

Present	**Employees**	**Also Present**
Richard Dale	Kevin Short	Dan Ferrell
Sandra Patterson		
Ronald Michael		

1. **Reconvene**

Gregg Dale reconvened the meeting. He stated that the first part of this meeting was at Thrasher Engineering's offices earlier today and that the election of officers was done at that time.

2. **Ratify & Approve Earlier Motions**

A. Ron Michael made a motion that that we reauthorize the Bond Resolution authorizing the issuance of the Sun Valley Public Service District Water Revenue Bond Series 2010A (United States Department of Agriculture) in the principal amount of $2,200,00. Sandra Patterson seconded the motion. All in favor, none opposed, none abstained.

B. Ron Michael made a motion that we reauthorize the Bond Resolution and related Supplemental Resolution authorizing the issuance of $300,000 in principal amount for the Sun Valley Public Service District Water Revenue Bond Series 2010B (West Virginia DWTRF Program). Sandra Patterson seconded the motion. All in favor, none opposed, none abstained.

C. Ron Michael made a motion that we reauthorize the issuance of $1,773,000 in principal amount for the Sun Valley Public Service District Water Revenue Bonds Series 2010C (West Virginia DWTRF Program ARRA) the proceeds of which will be used to finance a portion of the costs of the improvements to the water distribution system of the District. Sandra Patterson seconded the motion. All in favor, none opposed, none abstained.

3. **Phase II Sewer Project**

A. Kevin and the Board discussed the Certificate Case for the project. Kevin provided the Board with copies of the letter from Dave Glover to the PSC dated January 12, 2010 in response to the Staff' Further Joint Staff Memorandum. We should have the final order on this in 30 – 40 days.

B. Kevin and Dan discussed the DEP SAP Checklist and the RUS Checklist with the Board.

C. Kevin and Dan discussed the DOH permit with the Board.

D. Kevin and Dan discussed the Rails-to-Trails permit with the Board. Dan said he has to make sure the notes are on the plans that correspond to the requirements for the Rails-to-Trails permits.

E. Dan informed the Board that Mike Warwick told him there may be some stimulus money coming back to the state from states that have not used their money. Mike Johnson is supposed to be making a list February 1, 2010.

F. Kevin informed the Board that Dave Glover has the preliminary title opinion ready.

G. Taunja Willis-Miller hopes to have the Bond Counsel information to us by this Friday.

H. General discussion about other aspects of the sewer project between Dan, Kevin and the Board.

I. Dan said he will check the plat at the RD Wilson pump station, check with Joe about the 90 day close, send a letter to Steve Poe and have Dave call Kevin about the two ROW issues.

4. **Approval of Minutes**

Sandra Patterson made a motion to approve the minutes from the Special Board Meeting on Wednesday, January 28, 2009 and the Special Board Meeting on Tuesday, August 25, 2009 as written. Ron Michael seconded the motion. All in favor, none opposed, none abstained.

5. **Signing of Checks**
Sandra Patterson made a motion to approve the Checks Signed Document dated 12/28/09 thru 1/12/10. Ron Michael seconded the motion. All in favor, none opposed, none abstained.

6. **Route 50 West Water Project**
   A. Kevin provided the Board with copies of the Final Order dated January 2, 2010 for the Water Certificate Case. Kevin and the Board discussed this.
   B. Kevin provided the Board with copies of the letter from Thrasher Engineering to Stonegate Construction dated January 5, 2010 concerning the 1st Change Order. This is where the tank site was moved from Geneva Headley's property back to Barry Hurst's property.
   C. Kevin provided the Board with copies of the letter from Thrasher Engineering dated January 8, 2010 requesting approval for Bonita Ketzel as an inspector.
   D. Kevin provided the Board with copies of the letter he sent to Ralph Sapp of the DOH requesting that DOH provide the DOH inspection services for this project.
   E. General discussion about other aspects of water project between Clay, Kevin and the Board.

7. **Manager's Report**
   A. Kevin and the Board discussed possible sewer overflows at the tie-in point with Clarksburg and trying to get overflow permits from DEP because we are not permitted to overflow at this time. Clarksburg has a Combined System Overflow (CSO) program.
   B. Kevin informed the Board that we had to estimate our residential customers in December due to the weather conditions. We did read all of our commercial accounts.
   C. Kevin provided the Board with copies of the monthly bank reconciliations and income statements that Nicole has completed through December 2009.
   D. Kevin provided the Board with copies of the Water Loss Reports for this fiscal year through December 2009.
   E. Kevin provided the Board with copies of the delinquency report he created for them showing July – December 2009.
   F. Kevin informed the Board that we had two leaks during the cold spell.
   G. Kevin informed the Board that he had to get new tires for the F-250 (Unit 1). Appalachian Tire wanted $1,082, Bridgeport Tire wanted $878, Expert Tire wanted $899 and Wholesale tire wanted $825. Kevin got the ones from Bridgeport Tire because they had them in stock and Wholesale Tire was going to have to order them.
   H. Kevin informed the Board that we are being charged service frees on 5 of our bank accounts.

8. **Next Board Meeting**
Sandra Patterson announced the next meeting would be held Tuesday, January 26, 2010.

9. **Adjournment**
There being no further business, Sandra Patterson made a motion to adjourn the meeting. Ron Michael seconded the motion. All in favor, none opposed, none abstained.

Chairman

Treasurer

Secretary

cls

Sign In To Speak During Public Comment Time

January 12, 2010

Regular Board Meeting

Pre-Loan Closing

Please Print

	Name	Agency	Phone #	E-Mail Address
1.	Nancy M. Taylor	USDA Rural Development	304-636-2158	Nancy.Taylor@wv.usda.gov
2.	Terry L. Schulte	HC Planning Commission	304-624-8690	tschulte@harrisoncounty.wv
3.	Linda Cross	" "	" "	LCross@harrisoncounty.wv
4.	Steven Poe	USDA Rural Development	304-366-2921 X216	Steven.poe@wv.usda.gov
5.	Joe Crickenberger	USDA " "	304-636-2158	Joe.Crickenberger@wv.usda
6.	Kevin D. Betler	USDA " "	" " "	Kevin.Betler@wv.usda.gov
7.	[illegible]	TEI	304 624-4108	
#8.	Cam Siegrist	Bowles Rice McDavid Graff & Love LLP	304-347-1129	csiegrist@bowlesrice.com
#9.	Sandra Patterson	Sun Valley PSD	304-622-7761	cl wvz
10.	Nova Kerns	TEI	304-624-4108	nKerns@thrasherengr
11.	Cathy Sparks	SVPSD - Office Assistant	304-623-9609	svpsd@juno.com
12.	Kevin Short	SVPSD - General Manager	304-623-9609	svpsd@juno.com
13.	Norm Farley	West & Jones	304-624-5501	law@westandjones.com
14.	RON Michael	SVPSD	623-9609	
15.	Gregg Dale	SVPSD	623-9609	

Everyone on this list except Cam Siegrist + Sandra Patterson stayed for the Pre-Construction Conference as well.

Sign In To Speak During Public Comment Time

January 12, 2010

Regular Board Meeting

Pre-Construction Conference

Please Print

	Name	Agency	Phone #	E-Mail Address
1.	Jillian Harris	BPH	304-558-6755	jillian.n.harris@wv.gov
2.	Larry Morris	Mid Atlantic	740·335·2019	larry@midatlanticstorage
3.	Jerry Morris	"	"	Jerry@ " " "
4.	GARRY W. BROWN	ALLEGHENY POWER	304 626-1234	GBROWN2@ALLEGHENYPOWER
5.	BRYAN HUCKENS	THRASHER	304 288-3733	N/A
6.	Mark Dickey	WVBPH	(304) 457-2296	Mark.T.Dickey@wv.gov
7.	RICK FOX	HARRISON REA	304 677-3394	
8.	Alan Shingleton	Sun Valley PSD	623 9609	
9.	Anthony P Rome	DEPT OF HIGHWAYS	304-838-0928	
10.	Bernie Dunlap	Stonegate Const.	740-423-9170	bdunlap@hughes.net
11.	Roger D. Coffmill	WV Dept of Highways	304 842-1505	
12.	HARRY E. TAYLOR	USDA - RURAL DEVELOPMENT	304-784-4887	
13.	Pete Amodio	TIME WARNER CABLE	304-844-6184	

Sun Valley Public Service District

Regular Board Meeting
Wednesday, January 11, 2006

With due notice published and a quorum present, Chairman Dale called the meeting to order:

ROLL CALL

Present	**Staff**	**Also Present**
Richard Dale	Kevin Short	Joe Crickenberger
Sandra Patterson		Emma Clevenger

1. **Approval of Minutes**
   Sandra Patterson made a motion to table the minutes from the December 7, 2005 Regular Board Meeting until the next scheduled Board Meeting. Richard Dale seconded the motion. All in favor, none opposed, none abstained.

2. **Phase II Sewer Project**
   Joe Crickenberger of RUS presented the Board with the Letter of Conditions and attachments for the loan of $1,000,000 and the grant of $1,850,400 from Rural Development for the Phase II Sewer Project. He also provided copies for the accountant, the attorney, the bond council, the engineer, the Infrastructure and Jobs Development Council and the Environmental Protection Agency. Mr. Crickenberger discussed the Letter of conditions with the Board. The $1,000,000 loan is a 40 year loan. The first 24 months are set up as interest only so the amortization rate for repayment is 38 years. The interest rate on this loan is 4.25% fixed if the interest rate drops before we have the closing they will give us the lower interest rate. The payment for interest and principal is $4,430 a month. RUS does require that we establish a debt service account that will be specified in our bond documents. We will need to put $443 a month into this debt service account until we have accumulated enough for one year worth of payments. Sandra Patterson made a motion to adopt and execute the forms listed in Item 18 of the Letter of Conditions. Item 18 includes the following forms: Form RD 1940-1; RUS Bulletin 1780-12; RUS Bulletin 1780-27; Form RD 400-1; Form RD 400-4; Form AD 1047; Form AD 1049; Form RD 1910-11; FmHA Instruction 1940-Q, Exhibit A-1; Standard Form LLL; Certification of Compliance; and Form RD 1942-46. Richard Dale seconded the motion. All in favor, none opposed, none abstained.

3. **Election of Officers**
   Sandra Patterson announced that as this is the first meeting of January we are to elect officers. She also noted that Treasurer Ronald Michael is not present at this meeting. Sandra Patterson made a motion to leave our officers for 2006 as they were for 2005; Richard Dale being President, Ronald Michael being Treasurer, Sandra Patterson being Secretary. Richard Dale seconded the motion. All in favor, none opposed, none abstained.

4. **Manager's Report**
   - **A.** Kevin provided the Board members with a copy of the letter our attorney Randy Light sent to Mr. George Blum of Cerrone & Associates dated January 4, 2006 concerning a previous motion made by Ronald Michael that was accepted and approved stating that we terminate our working relationship with Cerrone & Associates. Kevin also provided the Board with a copy of the letter Mr. Blum sent in response to the letter he received from Randy Light.
   - **B.** Kevin provided the Board with a brief overview and status of the projects.
   - **C.** Kevin provided the Board with information from Brickstreet Mutual Insurance, our new Worker's Compensation Insurance provider, concerning their time-line, some new legislation that passed concerning worker's compensation and our new policy number and insurance premium.
   - **D.** Kevin provided the Board with copies of November's bank reconciliation provided by Nicole of Tetrick & Bartlett. Nicole will be here January 16, 2006 to do December's bank reconciliation.
   - **E.** Kevin provided the Board with Appalachian Software's new address and phone number.
   - **F.** Kevin provided the Board with a letter from Central West Virginia Head Start Association requesting that we donate our two used computers to them. Sandra Patterson made a motion that we donate our two used computers to Central West Virginia Head Start Association in Clarksburg, West Virginia for the use of the children. Richard Dale seconded the motion. All in favor, none opposed, none abstained.
   - **G.** Steve Lore of Doddridge Controls was here Monday, January 9, 2006. He wired the new batteries in Lift Station # 2 and converted it from 6 volt to 12 volt. He also looked over the electric box in the shop and ordered the parts we need to install the new electric box.
   - **H.** Kevin is to meet with Denny Davison Monday, January16, 2006. Mr. Davisson bought the old Chiefton Mines property and wants to build three houses. He wants to meet with Kevin concerning our providing water service to this property.
   - **I.** Clay Riley of Thrasher Engineering would like to be put on the agenda for the Board Meeting on January 25, 2006 to discuss the water project.
   - **J.** Kevin informed the Board that the field personnel have the ceiling up in the new building and are working on the wiring.

5. **Backflow Prevention Program**

   Kevin provided the Board with copies of information highlighting what backflow and a cross-connection is and some key issues of a Backflow Prevention Program. The 1976 cross-connection control and backflow prevention regulations and certification of backflow prevention assembly tester regulations were reviewed, revisited and adopted March 13, 2004. This law has been on the books since 1931 and was revised in 1976 but it was not enforced. Now that they have implemented a program to certify people to test these devices, they are going to start checking that systems have adopted a program and are diligently seeking to prevent any backflow and cross-connection problems. The Public Service Commission and the Health Department do not want someone who works on a system to test that system.

6. **New Electric Pole**
   Sandra Patterson made a motion to have Allegheny Power install a power pole and a dusk to dawn light at the Sun Valley Public Service District's office building. Richard Dale seconded the motion. All in favor, none opposed, none abstained.

7. **Signing of Checks**
   Sandra Patterson made a motion to accept the Checks Signed document attached to the minutes. Richard Dale seconded the motion. All in favor, none opposed, none abstained.

8. **Next Board Meeting**
   Sandra Patterson announced the next Board Meeting would be held January 25, 2006.

9. **Adjournment**
   There being no further business, Sandra Patterson made a motion to adjourn the meeting. Richard Dale seconded the motion. All in favor, none opposed, none abstained.

Chairman

Secretary

Treasurer

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 8th day of March 2010.

CASE NO. 09-0642-PSD-SCN

SUN VALLEY PUBLIC SERVICE DISTRICT,
a public utility, Reynoldsville, Harrison County.

Application for a certificate of convenience and necessity for authority to extend its sanitary sewer collection system into the Sun Valley, Wolf Summit and Reynoldsville areas of Harrison County, West Virginia to serve approximately 420 customers.

COMMISSION ORDER

This Order approves (i) revised funding and (ii) rates and charges.

BACKGROUND

On April 27, 2009, Sun Valley Public Service District (District) filed an Application for a Certificate of Convenience and Necessity to extend its sanitary sewer collection system into the Sun Valley, Wolf Summit, and Reynoldsville areas of Harrison County, West Virginia to serve approximately 420 new customers. The District estimated that construction will cost approximately $8,379,000. A portion of the proposed funding was in the form of a loan from the West Virginia Infrastructure and Jobs Development Council (WVIJDC) in the amount of $3,200,000. The District anticipated that it would need a rate increase of approximately 13%. After the application was filed the District learned that it was eligible for funds provided by the American Recovery and Reinvestment Act of 2009 (ARRA). Because the WVIJDC loan originally proposed was to be replaced with ARRA funds the rate increase requested by the District was no longer necessary.

On September 11, 2009, (Final October 1, 2009) the Administrative Law Judge (ALJ) issued an order approving, among other things, the project and its funding without a rate increase. It was further ordered that if the project scope changes, if project costs or financing require a rate increase, or if, ultimately, the District does not receive any ARRA funding, the District petition the Commission for approval of such change(s) prior to commencing construction.

On December 2, 2009, the District filed a Petition to reopen and for approval of revised funding and rates. The District stated that (i) it will not receive ARRA funds for the project and instead will require the WVIJDC loan of $3,200,000, and (ii) it will be necessary to implement the 13% rate increase in support of the WVIJDC loan. The District attached the following documents to its petition: (i) a letter from its accountant certifying that the originally requested rate increase of 13% is now necessary, and (ii) a letter from the District engineer stating that the District will no longer need additional field personnel or an office assistant. The District stated that it previously provided notice of the requested rate increase and no protests were filed. Thus, no hearing on the petition is necessary and the revised funding and rate increase are ripe for approval. The District requested expedited treatment of its Petition.

On December 16, 2009, Commission Staff filed an Initial and Final Joint Staff Memorandum asserting that the 13% increase requested by the District was unnecessary. Staff recommended the Commission authorize a 5% increase over current rates and charges, resulting in a surplus of $15,829 and a 115.53% debt service coverage. Staff also recommended approval of the District revised funding in the form of an WVIJDC loan in the amount of $3,200,000 at 0% interest for a term of thirty-eight years.

On December 23, 2009, the District filed a response to the memorandum. The District contested the Staff recommended 5% increase.

On January 6, 2010, Staff filed its Further Final Joint Staff Memorandum. After further review of its bill analysis the Staff recommended (i) a rate increase of 9% over current rates and charges with a minimum bill of $23.52, resulting in a surplus of $14,333 and bond coverage of 115.64%, and (ii) revised funding in the form of a WVIJDC loan in the amount of $3,200,000 at 0% interest for a term of thirty-eight years.

On January 12, 2010, the District filed a letter stating agreement with the revised Staff recommendation.

DISCUSSION

The Commission appreciates the District and the Staff cooperating to resolve the inconsistencies in their respective calculations and reaching an agreement on rates for the District. The Commission has reviewed the filings and concludes that the $14,333 surplus and 115.64% bond coverage afforded by a 9% increase reflect just and reasonable rates for use by the District.

The Commission will approve (i) the Staff recommended rates, and (ii) the revised funding in the form of a WVIJDC loan in the amount of $3,200,000 at 0% interest for a term of thirty-eight years. Because a higher increase was previously published and no protests were filed further notice is not necessary. See the Affidavit of Publication filed June 2, 2009 from *The Exponent Telegram*.

FINDINGS OF FACT

1. Because the District was not able to obtain ARRA funding for this project the District requested approval of the 13% rate increase and WVIJDC funding.

2. A 9% increase will result in (i) a minimum bill of $23.52, (ii) a surplus of $14,333, and (iii) bond coverage of 115.64%.

CONCLUSIONS OF LAW

1. The 9% increase recommended by Staff constitutes just and reasonable rates for use by the District.

2. It is reasonable to approve the revised funding in the form of a WVIJDC loan in the amount of $3,200,000 at 0% interest for a term of thirty-eight years.

3. Further notice is not necessary.

ORDER

IT IS THEREFORE ORDERED that the revised financing for the project, comprised of a WVIJDC loan in the amount of $3,200,000 at 0% interest for a term of thirty-eight years is approved. This loan replaces the ARRA funding previously approved in this case. The remainder of the funding approved by the September 11, 2009 Recommended Decision (Final October 1, 2009) remains unchanged.

IT IS FURTHER ORDERED that the rates and charges attached as Appendix A are approved for all service rendered by the Sun Valley Public Service District on and after the date that the District files the engineer certificate of substantial completion for the project with the Commission.

IT IS FURTHER ORDERED that the District file with the Commission a revised tariff and at least five copies within thirty days of the date the District files its certificate of substantial completion for the project approved in this case.

IT IS FURTHER ORDERED that the September 11, 2009 (Final October 1, 2009) Recommended Decision remains in effect except as modified herein.

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

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

A True Copy, Teste: Sandra Squire

Sandra Squire
Executive Secretary

JJW/slc
090642ca.wpd

SUN VALLEY PUBLIC SERVICE DISTRICT
CASE NO. 09-40642-PSD-SCN
APPROVED TARIFF

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY

Available for general domestic, commercial, and industrial service.

(I) RATES

$11.88 per thousand gallons of water used per month.

(I) FLAT RATE CHARGE

Equivalent of 4,500 gallons of water usage - $53.46 per month.

(I) MINIMUM CHARGE

No bill will be rendered for less than $23.52 per month.

The above minimum charge is subject to an additional $0.12 per 1,000 gallons of water used per month.

RETURNED CHECK CHARGE

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

DISCONNECT/RECONNECT/ADMINISTRATIVE FEES

Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with the City of Clarksburg, a disconnection fee of $20.00 shall be charged; or in the event a delinquent sewer bill is collected by the water company, an administrative fee of $20.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for non-payment of a sewer bill in conjunction with a water service termination agreement with the City of Clarksburg, is reconnected, a reconnection fee of $20.00 shall be charged.

DELAYED PAYMENT PENALTY

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

TAP FEE

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

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

LEAK ADJUSTMENT

$5.24 per thousand gallons of water is to be used when a bill reflects unusual water consumption which can be attributed to eligible leakage on customer's side of meter. This rate shall be applied to all such consumption above the customer's historical average usage.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
10/1/2009

Entered: September 11, 2009

CASE NO. 09-0642-PSD-SCN

SUN VALLEY PUBLIC SERVICE DISTRICT,
a public utility, Reynoldsville, Harrison County
Application for a certificate of convenience and necessity for authority to extend its sanitary sewer collection system into the Sun Valley, Wolf Summit and Reynoldsville areas of Harrison County, West Virginia, to serve approximately 420 customers.

RECOMMENDED DECISION

PROCEDURE

On April 27, 2009, the Sun Valley Public Service District (District) filed an application for a certificate of public convenience and necessity with the Public Service Commission, pursuant to W. Va. Code §24-2-11, for approval to extent its sanitary sewer collection system into the Sun Valley, Wolf Summit and Reynoldsville areas of Harrison County, West Virginia, to serve approximately 420 customers. The District anticipated that the extension will cost approximately $8,379,000 and would be financed through an Environmental Protection Agency/STAG Grant of $1,928,600; a USDA - Rural Development Grant of $1,850,400; a USDA - Rural Development Loan in the amount of $1,000,000, at 4.25% interest for 38 years; a West Virginia Infrastructure and Jobs Development Council (IJDC) Loan in the amount of $3,200,000, at 0% interest for 38 years; and a contribution from the Harrison County Board of Education in the amount of $400,000. The District anticipated that it would need a rate increase of approximately 13%.

Along with the application, the District filed a Rule 42 Exhibit to support the proposed rate increase; commitment letters for the IJDC and the Harrison County Board of Education funding; certain letters and permits from various state and federal agencies regarding the construction of the Project; IJDC documentation; a preliminary engineering report; design manuals; contract documents; and construction plans and specifications.

By Notice of Filing Order entered on April 28, 2009, the Commission required the District to provide notice of the filing of the application by publishing the Notice of Filing in a qualified newspaper, published and of general circulation in Harrison County, making due return to the

Commission of proper certification of publication immediately thereafter. Anyone desiring to protest or intervene in the matter was permitted to do so within thirty (30) days from the date of publication. The Notice of Filing further provided that, if no protests were received within the 30-day period, the Commission could waive formal hearing and grant the application based upon the evidence submitted with the application and the Commission's review thereof.

On May 1, 2009, the Commission issued an Amended Notice of Filing, which the District was to publish in lieu of the original Notice of Filing.

By Commission Referral Order issued on May 6, 2009, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before July 6, 2009, if Commission Staff did not file a data request within ten (10) days of the filing date, or on or before July 27, 2009, if Commission Staff did file a data request within ten (10) days of the filing date.

On May 6, 2009, Commission Staff filed its first set of interrogatories and data requests to the District.

On May 7, 2009, Staff Attorney Cassius H. Toon filed the Initial Joint Staff Memorandum in this proceeding, attached to which was the Initial Staff Internal Memorandum prepared by Utilities Analyst Karen L. Buckley of the Water and Wastewater Division and Technical Analyst Sylvie Steranka of the Engineering Division. Commission Staff related the additional information it needed in order to complete its review. That information was the subject of the Staff data request served upon the District on May 6, 2009.

On June 2, 2009, the District filed its response to Commission Staff's data request. Among other things, the District submitted a list of the permits required for the Project and the status of each; a letter from the City of Clarksburg to the District, informing the District that the Clarksburg Sanitary Board has determined that its system has sufficient capacity to accept and treat the additional flows resulting from the proposed Project; a letter from the Harrison-Clarksburg Health Department, indicating that the Department was in support of the proposed Project, stating that on-site sewage disposal has been an ongoing problem in that area for the last 31 years, and that some type of public sewage treatment is the only way to overcome the various sewage disposal problems throughout that area; a funding letter from the West Virginia Department of Environmental Protection (DEP) informing the District that it appeared to be eligible to be considered for a $3,200,000 loan, with 100% debt forgiveness and no annual fee, using funds provided by The American Recovery and Reinvestment Act of 2009 (ARRA); a funding commitment letter dated December 19, 2005, from the USDA, for both the loan and the grant; and other information requested by Commission Staff.

Also on June 2, 2009, the District filed an affidavit of publication for the Amended Notice of Filing, reflecting that the Notice was published in The Exponent Telegram, a qualified newspaper published and generally circulated in Harrison County, indicating that the Notice was published on May 23, 2009. The 30-day protest period expired on June 22,

2009, with no protests having been filed in response to the Notice either by that date or as of the date of this Order.

On June 4, 2009, the District filed a Revised Rule 42 Exhibit and a revised design manual for the Project.

On June 10, 2009, Staff Attorney Toon filed Commission Staff's second set of interrogatories and data requests to the District.

On June 22, 2009, the District filed a letter from its project engineer providing further information to Commission Staff regarding certain engineering questions and the status of the required permits.

On June 24, 2009, Commission Staff filed motions with the Public Service Commission and the Administrative Law Judge to extend the Administrative Law Judge's decision due date and the Staff report due date. The motions related that, as of the date of those motions, information sufficient for Commission Staff to make a final recommendation in the case had not been received. Therefore, Staff moved the Commission to process the case under the normal guidelines of IJDC-approved projects, rather than with the shortened time frame permitted for stimulus funding cases.

Also on June 24, 2009, Staff Attorney Toon filed an Interim Joint Staff Memorandum, attached to which was an Interim Memorandum prepared by Ms. Buckley and Ms. Steranka, relating the same information contained in the Staff motions.

By Commission Order entered on July 22, 2009, the Administrative Law Judge's decision due date was extended until September 22, 2009.

On September 4, 2009, Staff Attorney Toon filed the Final Joint Staff Memorandum in this proceeding, attached to which was the Final Internal Memorandum prepared by Ms. Buckley and Ms. Steranka. The engineering review explained that the Project consists of the extension of the District's sewer collection system into the Sun Valley, Wolf Summit and Reynoldsville areas of Harrison County. The Project is divided into two contracts, with Contract One designed to serve Liberty High School, Mountaineer Middle School and approximately 120 customers in the Sun Valley and Route 98 areas, while Contract Two is designed to serve approximately 300 customers in the Wolf Summit, Reynoldsville and Route 11 areas. All wastewater will be collected and transferred to the City of Clarksburg for treatment. The Clarksburg Sanitary Board has sufficient capacity to treat the additional wastewater resulting from the Project.

The engineering and surveying costs represent 14% of the total cost and 19% of the construction cost. Commission Staff is of the opinion that those costs are reasonable. Operation and maintenance expenses are expected to increase by $145,858 per year, due to additional pumping, electrical costs, maintenance, transportation expenses, supplies, additional labor and additional treatment expense.

The District has increased the size of its pumps to accommodate the additional flows, and Clarksburg is willing to treat the additional wastewater. The District is in the process of obtaining permits from the

DEP, the Public Land Corporation, the Department of Highways, the U.S. Army Corps of Engineers and CSX Transportation, Inc. Staff noted that all permits have to be submitted to the Commission as soon as received. The District also is in the process of acquiring the necessary rights-of-way. So far, only a small number of the necessary rights-of-way have been obtained.

On a total project basis, the project density is 26 customers per mile, with a cost of $19,950 per customer. The cost per foot on a total project basis is $97. Contract One has a significantly higher cost per customer and a lower project density than does Contract Two. However, Staff noted that Contract One also serves Liberty High School and Mountaineer Middle School, which are not accounted for in the project density calculation. Commission Staff believes the overall project density is acceptable. Staff did note that the cost per customer was high and the Project would not be very economically feasible without the grant money.

Staff's review of the plans and specifications did not reveal any conflicts with the Commission's Rules and Regulations for the Government of Sewer Utilities (Sewer Rules). Commission Staff also referenced the letter from the Harrison-Clarksburg Health Department, indicating that the Project was needed because of significant on-site sewage disposal system problems. According to Commission Staff, the customers will be responsible for decommissioning their on-site septic systems. Staff believes that the work is convenient and necessary to reduce environmental pollution and eliminate public hazards resulting from inadequate sewage disposal. Staff also noted that DEP had reviewed the Project plans and specifications and had approved the design documents. Therefore, Staff recommended approval of the Project, without specifically approving the Project plans and specifications.

The financial review indicated that, initially, the funding package included a $3,200,000 loan from the IJDC. However, that loan has been eliminated in favor of the ARRA funding in the amount of $3,200,000, with 100% debt forgiveness. The original Rule 42 Exhibit requested a 13% rate increase. When the District received its ARRA funding commitment, it filed a Revised Rule 42 Exhibit that proposed to increase rates by 6%. Commission Staff has reviewed the projected expenses and revenues upon Project completion and has determined that a rate increase will not be needed, since the District will be adding 420 new customers and those customers will generate revenue sufficient to cover the Project-related costs. After making certain adjustments to the District's cash flow analysis, Commission Staff has concluded that the District should have a surplus of $14,567, upon Project completion, with debt service coverage of 120.62%. Financial Staff determined that the Project is financially feasible and should be approved. Financial Staff also recalculated the District's leak adjustment rate to be $5.24 per thousand gallons.

In summary, Commission Staff recommended that the certificate be granted; that the proposed financing package be approved; and that various other conditions be approved.

By letter dated September 4, 2009, the Final Joint Staff Memorandum and attachment were served upon the District by the Commission's Executive Secretary. The letter provided the District with five (5) days

in which to respond, in writing, to the Staff recommendations. The District has filed no response or objection to the Staff recommendations.

DISCUSSION

The Project at issue herein, in and of itself, is not remarkable and appears to be well-justified. There is more than ample proof of need to support the conclusion that the public convenience and necessity require the Project and that the Project appears to be economically and financially viable, based upon the proposed ARRA funding and the District's current sewer rates and charges. This Project is remarkable because it is one of the SCN applications created by the Public Service Commission in General Order No. 182.09, issued on April 16, 2009. In that General Order, the Commission discussed the process to be followed for water and sewer certificate projects that are to be funded with stimulus funds under the ARRA.[1] The Commission noted that the State Bureau for Public Health will have approximately 19.5 million dollars in federal stimulus funds for water projects, while the DEP will have approximately 61 million dollars for sewer projects. Originally, those projects had to be bid by August 2009 and the contracts awarded by October 2009, although it now appears that the projects have to be bid by October 2009. The economic stimulus projects are made more complicated by the fact that the funding agencies overseeing the distribution of economic stimulus funds will not be finally awarding those funds through a traditional commitment letter until approximately August or September of 2009. Economic stimulus money is awarded on a "first come, first served" basis and there is no guarantee that any project which received a letter from either DEP or the Bureau for Public Health, indicating that a project was eligible for certain level of ARRA funding, will actually receive the originally specified level of ARRA funding, or any ARRA funding at all.

Traditionally, orders granting certificates of convenience and necessity to public utilities have specifically approved the funding package proposed for the water or sewer project and have required that the public utility file a petition to reopen the proceeding to obtain Commission approval of any changes to project financing only in the event that project costs change and rates are affected, either requiring increases or decreases. That process is being retained in large part for projects using ARRA funds, since that process provides a reasonable, and streamlined, means of addressing the timing problems associated with ARRA projects, i.e., the financing will not be finally committed until sometime in August or September of 2009 and contracts must be awarded soon after. The biggest difference is the approval of project financing that has not been committed. To further accommodate the timing constraints of ARRA, essentially, the determination is being made in advance that any funding package that includes ARRA funds is reasonable,

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[1]While the availability of ARRA funding has generated a flurry of SCN certificate filings with accelerated timelines, there has been no statutory change in the West Virginia Code to accommodate the ARRA funding. For the purposes of W. Va. Code § 24-2-11, ARRA funding is no different from any other funding.

so that changes to an ARRA funding package do not require additional review, unless rates have to be increased.

Despite the ARRA constraints, the Public Service Commission has an obligation with regard to any certificate application, whether it is filed by a private utility, a public service district or a municipality, to insure that the project is economically feasible and financially viable, which includes guaranteeing that there is adequate financing to fund the proposed project. See, Town of Man and Man Water Works, Inc., Case No. 81-433-W-PC, Order Affirming Hearing Examiner's Decision, April 16, 1982, 69 ARPSCWV 1893; Ohio County Public Service District, Case No. 82-482-S-CN, Order Affirming Hearing Examiner's Decision Without Prejudice, April 8, 1983, 70 ARPSCWV 2049. See also, Sexton v. Public Service Commission, 188 W. Va. 305, 423 S.E.2d 914, (1992). Accordingly, the District must reopen this proceeding for Commission review and approval of project changes which generate rate changes, with the clarification that this requirement will apply only to rate increases. Further, it is reasonable to include an ordering paragraph prohibiting the public utility from commencing construction, unless it has secured adequate funding to cover all project costs, as those costs have been determined upon the conclusion of the bidding process and after bids have been awarded for all of the construction contracts associated with the project, and to file that information with the Commission. The District will be required to file with the Commission a letter detailing the final funding package for this project upon that information being known, along with the bid tabulations for each construction contract to be awarded for the project. Those filings should be made as closed entries and should not be treated as petitions to reopen.

In the event that, after the filing of the letter by the public utility providing the details of the finalized funding package for the certificated project, Commission Staff concludes, based upon its own independent analysis, that either the specified funding package or the utility rates are insufficient to cover all project costs, it will be the obligation of Commission Staff to petition the Public Service Commission to reopen the certificate proceeding for the purpose of reviewing the financial viability of the certificated project.

As with all certificate applications filed with the Commission, in the event that the project scope changes, or changes in project cost and/or financing require a further rate increase, or if the District ultimately receives no ARRA funding, the District will be required to file a petition to reopen this matter, to allow the Commission to assess the nature of the project changes, both to determine if they are adequately funded and to determine if those changes are appropriate and not in conflict with any state laws or Commission rules, and to insure that funding package and associated rates support the economic feasibility and financial viability of the project.

FINDINGS OF FACT

1. On April 27, 2009, the Sun Valley Public Service District filed an application with the Public Service Commission for a certificate of public convenience and necessity to extend its sanitary sewer collection system into the Sun Valley, Wolf Summit and Reynoldsville areas of

Harrison County to serve approximately 420 new customers. (See, application filed April 27, 2009; Final Joint Staff Memorandum and attachment filed September 4, 2009).

2. By Amended Notice of Filing Order entered on May 1, 2009, the Sun Valley Public Service District was required to publish a Notice of Filing one time in a newspaper, published and generally circulated in Harrison County, providing anyone affected by the application thirty (30) days in which to file written protests with the Public Service Commission. No protests were filed within the thirty-day protest period or as of the date of this Order. (See, Amended Notice of Filing Order entered May 1, 2009; affidavit of publication filed June 2, 2009; case file generally).

3. The District has received a letter from the West Virginia Department of Environmental Protection, informing it that the Project is eligible to be considered for an award of economic stimulus funds, under The American Recovery and Reinvestment Act of 2009, with said funding to be in the form of a $3,200,000 loan, with 100% debt forgiveness and no annual administrative fee. The District also has received funding commitments in the form of an EPA/STAG Grant in the amount of $1,928,600; a USDA - Rural Development Grant of $1,850,400; a USDA - Rural Development Loan of $1,000,000, at 4.25% interest for 38 years; and a Harrison County Board of Education contribution of $400,000. (See, application filed April 27, 2009; DEP letter dated May 13, 2009, and USDA letter dated December 19, 2005, both filed June 2, 2009).

4. DEP has reviewed and approved the plans and specifications for the Project. (See, Final Joint Staff Memorandum and attachment filed September 4, 2009).

5. The Project will not require a rate increase. Based upon the District's current rates, and with adjustment by Commission Staff for different expenses, the District should experience a cash flow surplus of $14,567, with debt service coverage of 120.62%. (See, Final Joint Staff Memorandum and attachment filed September 4, 2009).

6. Commission Technical Staff has reviewed the original plans and specifications for the Project and has concluded that there are no conflicts with the Commission's Sewer Rules concerning engineering requirements. (See, Final Joint Staff Memorandum and attachment filed September 4, 2009).

7. The proposed project will provide sanitary sewer service to customers who currently use septic tanks, home aeration units or direct discharge into local streams. Many of the on-site sewage disposal systems are failing due to inadequate lot size, the water table, poor soil or topography. The proposed project will serve approximately 420 new customers who do not have access to adequate sewage treatment and should reduce environmental pollution and public health hazards. (See, appliation filed April 27, 2009; Final Joint Staff Memorandum and attachment filed September 4, 2009).

8. After concluding its review, Commission Staff recommended that a certificate of convenience and necessity be granted to the Sun Valley Public Service District, that the proposed ARRA financing be approved and

that various other conditions with regard to certification of the project be adopted. (See, Final Joint Staff Memorandum and attachment filed September 4, 2009).

CONCLUSIONS OF LAW

1. The Public Service Commission is empowered to require all public utilities, including municipally-operated public utilities, to demonstrate that a proposed water or sewer project is economically feasible and financially viable by demonstrating that they have secured adequate funding to cover all project costs, as those project costs are determined to be at the conclusion of the bidding process, and that the resulting rates are just, reasonable, applied without unjust discrimination or preference and based primarily on the cost of providing service. See, W. Va. Code §24-2-4b; State ex. rel. Public Service Commission v. Town of Fayetteville, 212 W. Va. 427, 573 S.E.2d 338 (2002); Town of Man and Man Water Works, Inc., Case No. 81-433-W-PC, Order Affirming Hearing Examiner's Decision, April 16, 1982, 69 ARPSCWV 1893; Ohio County Public Service Commission, Case No. 82-482-S-CN, Order Affirming Hearing Examiner's Decision Without Prejudice, April 8, 1983, 70 ARPSCWV 2049. See also, Sexton v. Public Service Commission, 188 W. Va. 305, 423 S.E.2d 914, (1992).

2. In order to accommodate the unique timing issues involving the economic stimulus funds provided under The American Recovery and Reinvestment Act of 2009, and recognizing that these funds are available for a short period on a one-time only basis, it is reasonable to modify some of the Commission's traditional requirements regarding certificate applications, as set forth in the ordering paragraphs of this decision.

3. The public convenience and necessity require the proposed project.

4. The current rates and charges of the Sun Valley Public Service District appear to be sufficient to cover all project-related costs, as well as the District's going-level operation and maintenance expenses.

5. The proposed funding package for the project, consisting of the DEP loan of ARRA funds in the amount of $3,200,000, with 100% debt forgiveness and no annual administrative fee; a $1,928,600 Environmental Protection Agency STAG Grant; a USDA - Rural Development Grant of $1,850,400; a USDA - Rural Development Loan in the amount of $1,000,000, at 4.25% interest for 38 years; and a Harrison County Board of Education contribution of $400,000, is reasonable and is sufficient to cover the cost of the project, at its current cost estimates.

6. Because ARRA funds represent an additional one-time infusion of capital for West Virginia water and sewer projects, with extremely favorable terms, it is reasonable to conclude that any funding package which includes ARRA funds is convenient to the public, without further review, as long as rates do not have to be increased to support funding revisions made after a certificate is granted.

7. A certificate of convenience and necessity should be granted to the Sun Valley Public Service District for the project specified herein, without specifically approving the project's plans and specifications.

ORDER

IT IS, THEREFORE, ORDERED that the application filed by the Sun Valley Public Service District on April 27, 2009, for a certificate of convenience and necessity to extend its sewage collection system into the Sun Valley, Wolf Summit and Reynoldsville areas of Harrison County to serve approximately 420 new customers, all as more particularly described in the plans and specifications filed with the application, at a total cost of approximately $8,379,000, be, and it hereby is, granted, without specifically approving the plans and specifications filed herein.

IT IS FURTHER ORDERED that the proposed project financing package, consisting of a loan in the amount of $3,200,000 from the Department of Environmental Protection, with 100% debt forgiveness and no annual administrative fee, using funds provided by The American Recovery and Reinvestment Act of 2009; a $1,928,600 Environmental Protection Agency STAG Grant; a USDA - Rural Development Grant of $1,850,400; a USDA - Rural Development Loan in the amount of $1,000,000, at 4.25% interest for 38 years; and a Harrison County Board of Education contribution of $400,000, be, and it hereby is, approved. Upon finalization of the funding package, the Sun Valley Public Service District shall file a letter with the Commission detailing the specifics of that funding package, including the terms and conditions of any loans awarded. If the funding package is revised, but still includes ARRA funds, the District is not required to petition the Commission for approval of that revised project financing, as long as the revised ARRA funding package does not require an additional rate increase. It will be sufficient for the District to file the revised funding commitment documentation, along with a certification from its certified public accountant or bond counsel that the revised funding package is adequate to cover all project costs and will not require any additional rate increase.

IT IS FURTHER ORDERED that, if the project scope changes, if project costs or financing require a rate increase, or if, ultimately, the Sun Valley Public Service District does not receive any ARRA funding, the Sun Valley Public Service District petition the Commission for approval of such change(s) prior to commencing construction.

IT IS FURTHER ORDERED that the Sun Valley Public Service District cannot proceed to construction unless and until it has received all required federal, state and local permits, and unless the finally-awarded ARRA funding package is adequate to cover all project costs, as determined at the conclusion of the bidding process with a bid awarded for each construction contract or vendor contract for the project.

IT IS FURTHER ORDERED that the Sun Valley Public Service District provide a copy of the engineer's certified tabulation of bids, within ten (10) days of the bid opening date, for each construction contract or vendor contract to be awarded for this project.

IT IS FURTHER ORDERED that the Sun Valley Public Service District provide a copy of the certification of substantial completion for each contract associated with this project, within ten (10) days of issuance.

IT IS FURTHER ORDERED that, if this project requires the use of Division of Highways' rights-of-way, the Sun Valley Public Service District comply with all rules and regulations of the Division of Highways regarding the use of those rights-of-way.

IT IS FURTHER ORDERED that the Staff-recommended leak adjustment rate of $5.24 per thousand gallons be, and it hereby is, approved, to become effective for all service rendered upon substantial completion of the project. The District shall file a revised tariff sheet reflecting the increased leak adjustment within thirty (30) days of the project being certified as substantially complete.

IT IS FURTHER ORDERED that this matter 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.

Melissa K. Marland
Chief Administrative Law Judge

MKM:cdk
090642a.wpd

-RUS Copy

United States Department of Agriculture
Rural Development
West Virginia State Office

December 19, 2005

Richard G. Dale, Chairman
Sun Valley Public Service District
P.O. Box 95
Reynoldsville, WV 26422

Dear Mr. Dale:

This letter, with Attachments 1 through 13 and enclosures, establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

The docket may be completed on the basis of an RUS loan in the amount of $1,000,000, an RUS grant in the amount of $1,850,400, and other funding in the amount of $4,028,600, for a total project cost of $6,879,000. The other funding is planned in the form of grants from the State of West Virginia and the U.S. Environmental Protection Agency's STAG program.

The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. The enclosures and attachments listed below are attached to the copies as noted. Enclosed are the following:

Attachment No. 1 - Project Construction Budget (All Copies)
Attachment No. 2 - Water and Waste Processing Checklist for Sun Valley PSD (All Copies)
Attachment No. 3 - RUS Instruction 1780, Subparts A and B (Applicant Copy)
Attachment No. 4 - RUS Instruction 1780, Subpart C (Engineer Copy)
Attachment No. 5 - RUS Instruction 1780, Subpart D (Attorney and Bond Counsel Copies)
Attachment No. 6 - RUS Supplemental General Conditions (Engineer Copy)

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).

02/04/2010 16:01 FAX 3043837027 USDA SERVICE CENTER 002/023

Attachment No. 7 - RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Project with RUS Financial Assistance"
Attachment No. 8 - Government Auditing Standards (Revision 1994) (Accountant Copy)
Attachment No. 9 - RUS Bulletin 1780-30, "Water Programs Audit Guide and Compliance Supplement"
Attachment No. 10 - RUS Bulletin 1780-31, "Water Programs Compliance Supplement for OMB Circular A-133 Audits"
Attachment No. 11 - Sample Credit Agreement (Applicant Copy)
Attachment No. 12 -- RUS Policy regarding Use of Remaining Funds
Attachment No. 13 - Various other RD Forms as identified on Attachment No. 2

The conditions referred to above are as follows:

1. Loan Repayment - The loan will be scheduled for repayment over a period of 40 years. The payments due the first 24 months will consist of interest only. Payments for the remaining 456 months will be equal amortized monthly installments. For planning purposes use a 4.25% interest rate and a monthly amortization factor of .00443, which provides for a monthly payment of $4,430. You have the option of participating in the PREAUTHORIZED DEBIT (PAD) payment process. It will allow for your payment to be electronically debited from your account on the day your payment is due. Your authority must establish and fund monthly a debt service reserve account, which equals 10% of your monthly payment each month until you accumulate the equivalent of one annual installment on your loan.

   $443/mo

   You are reminded that your authority may be required to refinance (graduate) the unpaid balance of its RUS loan, in whole or in part, upon the request of RUS if at any time it shall be determined the authority is able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time.

2. Security - The loan must be secured by a statutory lien of equal priority, a pledge of the system's revenues and other agreements between you and RUS as set forth in the bond resolution which must be properly adopted and executed by the appropriate officials of your organization. Additional security requirements are contained in RUS Bulletin 1780-12 and RUS Bulletin 1780-27 which are mentioned later.

3. Users - This conditional commitment is based upon you providing evidence that you will have at least 862 bona fide users on the proposed system when it has been completed and is placed in operation. This evidence will consist of a signed certification from you that identifies and attests to the number of users actually connected to and using the PSD's existing sewer system, which is to be partially

replaced by the new system, at the time you request authorization to advertise the proposed project for construction bids. The 510 proposed new users on the system will be required by statute (mandatory hook-up provision) to connect to and utilize the system. The PSD must provide a written certification that it will enforce the state statute.

4. Bond Counsel Services - The services of a recognized bond counsel are required. The bond counsel will prepare the form of resolution to be used, in accordance with Subpart D of RUS Instruction 1780. You should immediately provide your bond counsel with a copy of this letter of conditions, its attachments and enclosures.

5. Engineering Services - It will be necessary for you to obtain the services of an engineer. EJCDC No. 1910-1-FA, "Standard Form of Agreement between Owner and Engineer for Professional Services" (Funding Agency Edition) should be used to obtain the services of an engineer. The EJCDC document is issued under copyright and cannot be provided by RUS.

6. Legal Services – It will be necessary for you to obtain the services of a local attorney. For your convenience RUS Bulletin 1780-7, "Legal Services Agreement" is enclosed for your use.

7. Accounting Services – It will be necessary for you to obtain the services of a qualified accountant. The accountant must agree to develop and provide the following:

   a. All necessary accounting material required by the Public Service Commission of West Virginia (Rule 42 Exhibit).

   b. Prior to loan/grant closing, your accountant must certify that the accounts and records as required by your bond resolution have been established and are operational.

   The Accountant's Agreement should be submitted to RUS for review. Compensation in the contract should include only those services identified above and not include payment for construction management services from the accountant unless RUS concurrence is obtained.

   RUS regulations (Attachment No. 3) outline requirements for the submission of management reports and audits. Appropriate state statutes place certain audit requirements on your PSD. The attached booklets, "Government Auditing Standards (Revised 2003)" (Attachment No. 8), and RUS Bulletins 1780-30 1780-31 (Attachment Nos. 9 and 10) outline audit requirements.

   You are reminded that certain provisions of the Office of Management and Budget Circular A-133 are applicable to any public body or nonprofit association that expends $300,000 or more in federal funds in any one fiscal year. You must enter

into an agreement annually with an accountant (or the State Tax Department) to perform the audit. The agreement must be in accordance with the requirements of the State Tax Commissioner of West Virginia. Compensation for preparation of the A-133 audit or your annual audit are not included in project funds and should be paid from the operational revenues generated from your system operation.

8. Facility Control - Prior to advertisement for construction bids, you must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights needed for the project. Such evidence must be in the following form:

   a. A right-of-way map showing clearly the location of all lands and rights needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.

   b. A copy of deeds, contracts or options for any lands needed other than rights-of-way, along with a preliminary title opinion covering such lands. Form RD 1927-9, "Preliminary Title Opinion" may be used. In the case of your existing system or where the PSD already acquired real property (land or facilities), a preliminary title opinion(s) concerning all such property(s) will be provided.

   c. A narrative opinion from your attorney concerning all permits, certifications and other items necessary to show that all legal requirements can be met and stating how they will be met. This narrative should also identify any condemnation proceedings that are anticipated and state how they will be handled.

   d. A certification and legal opinion relative to title to rights-of-way and easements. Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way," may be used. This form may contain a few exceptions such as properties that must be condemned; however, prior to the start of construction or loan closing, whichever occurs first, a new Form RD 442-22, must be provided which does not provide for any exceptions. The attorney's legal opinion should include a certification that all requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and West Virginia State Code Chapter 54 have been met in the acquisition of both real property and rights-of-way. Such requirements may include, but are not limited to, distributing informational material to all affected property owners, and completing appraisals of the affected properties.

   e. On the day of loan closing, the PSD's attorney must furnish final title opinions on all land(s) being acquired. Form RD 1927-10, "Final Title Opinion" may be used. In the case of your existing system or where the PSD has already acquired real property(s) (land or facilities), the PSD's attorney will provide a separate final title opinion(s) covering such property(s) on

the day of loan closing.

9. Permits - Copies of all permits needed for the project must be provided for review prior to advertisement for construction bids. Such permits will include but are not limited to the following:

   - West Virginia Department of Highways
   - Railroads
   - State Department of Health
   - Department of Environmental Protection
   - Corps of Engineers
   - Public Land Corporation

10. Public Service Commission Approvals - You must obtain the following from the West Virginia Public Service Commission:

    a. A Certificate of Convenience and Necessity.

    b. Approval of user charges that are acceptable to you and the Rural Utilities Service.

    c. Approval of financing for the project's proposed financing arrangements.

    The "Rule 42" Exhibit to be attached to the Public Service Commission application must contain at least the information shown in Attachment No. 1. A copy of the Public Service Commission application and its "Rule 42" Exhibit must be provided for review.

11. Insurance and Bonding Requirements - Prior to preliminary loan closing, you must acquire the following insurance and bond coverage:

    a. Liability Insurance - Personal Liability - $500,000; Property Damage - $200,000 - $200,000. The limits of liability coverage noted herein should be considered as suggested amounts only. RUS recommends that you consider analyzing your actual needs in detail before you obtain coverage in a specific amount.

    b. Workers' Compensation - In accordance with appropriate State laws.

    c. Position Fidelity Bond(s) - All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. As a good business practice you will probably wish to have each position bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. (Next three sentences are only for projects that do not have property insurance through the West Virginia State Board of Risk) During the construction phase of your project, this maximum amount will be much

greater than normal; therefore, it is our recommendation that you temporarily increase your coverage to the estimated highest monthly construction drawdown. Once construction is complete, you may decrease the amount of your coverage. Please note that the cost of the temporary increase in coverage is an eligible project cost.

The minimum coverage acceptable to RUS once your project is in operation will be for each position to be bonded for an amount at least equal to one annual installment on your loan(s).

d. National Flood Insurance - In addition to meeting the requirements for the type of assistance requested, the following requirements must be met for financial assistance for acquisition and/or construction in designated special flood or mudslide prone areas:

(1) If flood insurance is available, you must purchase a flood insurance policy at the time of loan closing.

(2) Applicants whose buildings, machinery or equipment are to be located in a community which has been notified as having special flood or mudslide prone areas will not receive financial assistance where flood insurance is not available.

e. Real Property Insurance - Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all above-ground structures, to include machinery and equipment housed therein. This does not apply to water reservoirs, standpipes, elevated tanks or noncombustible materials used in treatment plants, clearwells, filters and the like.

12. Contract Documents, Final Plans and Specifications -

a. The contract documents should consist of the following:

(1) EJCDC Document No. 1910-8-A-1-FA, 1997 Edition, "Standard Form of Agreement between Owner and Contractor on the Basis of Stipulated Price" and EJCDC Document No. 1910-8-FA, "Standard General Conditions of the Construction Contract – Funding Agency Edition" and Attachments. The EJCDC document is issued under copyright and cannot be provided by RUS.

(2) "RUS Supplemental General Conditions."

RUS Bulletin 1780-26, "Guidance for the Use of EJCDC Standard Documents on Water and Waste Projects with RUS Financial Assistance," is enclosed for use by your engineer in the preparation of the contract documents (Attachment No. 7).

b. The contract documents must provide, as a minimum, the following insurance:

(1) Liability Insurance - Personal Liability - $500,000; Property Damage - $200,000 - $200,000. This coverage must include indemnification of the PSD and its engineer. RUS Bulletin 1780-13, Attachment 9, suggests certain limits of liability for insurance coverage. Those limits should be considered as minimum requirements only. It is recommended you consider increasing the given limits of liability after analyzing your specific needs.

(2) Builder's Risk Insurance - On all structures and mechanical and electrical equipment in place or stored on the site to the full insurable value thereof.

(3) Workers' Compensation - In accordance with applicable State laws.

c. The contract documents and final plans and specifications must be submitted to RUS for approval.

d. The project must be designed in compliance with Section 504 of the Rehabilitation Act of 1973.

13. State Prevailing Wage Law - You should ensure that all requirements of Article 5A of the West Virginia State Prevailing Wage Law, "Wages for Construction of Public Improvements" are met during construction of the project.

14. Interim Financing - Interim financing will be used for the RUS loan if it is available at reasonable rates and terms. You must provide RUS with a copy of the tentative agreement reached in connection with interim financing. A copy of the proposed agreement should be provided for RUS review. A Sample Credit Agreement is attached for your use in meeting this requirement (Attachment No. 11).

15. Disbursement of Funds - The RUS funds will be advanced as they are needed in the amount(s) necessary to cover the RUS proportionate share of any disbursements required of your PSD, over 30 day periods.

Any grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account.

Public Bodies – Interest earned on grant funds in excess of $100 per year will be submitted to RUS at least quarterly as required in 7 CFR 3016.

The PSD will establish a separate fund, to be known and hereafter referred to as the Construction Account, with a lending institution insured by the Federal Deposit Corporation. The account shall be used solely for the purpose of paying the costs of

the project as outlined in the construction budget. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the Construction Account. All deposits in excess of $100,000 will be secured by a collateral pledge in accordance with Treasury Circular Number 176.

The PSD must assure that all project funds are expended only for the eligible items included in the final project budget or as may be later approved by RUS.

16. Sewage Treatment Contract - You propose to purchase sewage treatment from the City of Clarksburg; therefore, you must enter into a Sewage Treatment Contract. Form RD 442-30, "Water Purchase Contract" may be used as a guide.

17. Other Project Funds - Prior to advertisement for construction bids, you must provide evidence showing the approval of any other project funds. This evidence should include a copy of the funding award. Prior to award of the contract(s) to the contractor(s), you must provide evidence that the other project funds are available for expenditure. This evidence should consist of at least a letter from the funding agency stating the funds are available for expenditure.

18. At a properly called meeting, you must adopt and properly execute the following forms, and minutes showing the adoption must be provided:

Form RD 1940-1 - "Request for Obligation of Funds" Previously Obligated
RUS Bulletin 1780-12 - "Water or Waste System Grant Agreement"
RUS Bulletin 1780-27 - "Loan Resolution (Public Bodies)"
Form RD 400-1 - "Equal Opportunity Agreement"
Form RD 400-4 - "Assurance Agreement"
Form AD 1047 - "Certification Regarding Debarment - Primary"
Form AD 1049 - "Certification Regarding Drug-Free Workplace"
Form RD 1910-11 - "Applicant Certification, Federal Collection Policies"
FmHA Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans"
Standard Form LLL - "Disclosure of Lobbying Activities" (If Applicable)
Certification of Compliance
Form RD 1942-46, "Letter of Intent to Meet Conditions"

19. The enclosed Water and Waste Processing Checklist (Attachment No. 2) outlines the items needed to complete the loan and grant docket. All the items listed must be included in the loan and grant docket when it is forwarded to the USDA - Rural Development State Office with a request for loan closing instructions to be issued.

20. Upon receipt of the loan and grant docket, which contains all the items required above, RUS may authorize you to advertise the project for construction bids.

Such advertisement must be in accordance with appropriate State statutes. Immediately after bid opening you must provide RUS with (a) a bid tabulation, (b) recommendations from you and your engineer as to the acceptability of the bids received, and (c) your recommendations for contract awards. If all parties then agree the construction bids received are acceptable, it is determined that adequate funds are available to cover the total facility costs, and that all the administrative conditions of loan approval have been satisfied, loan closing instructions will be issued. The closing instructions, a copy of which will be forwarded to you, will set forth any further requirements that must be met before the loan can be closed. When all parties agree that the closing requirements can be met, a mutually acceptable date for the loan closing will be scheduled.

The "RUS Policy Regarding Use of Remaining Funds" is attached for your information and use (Attachment No. 12). This policy should be adhered to when addressing the use of bid underrun funds, as well as any funds remaining after project construction is complete.

Any applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining RUS project funds will be considered to be RUS grant funds and refunded to RUS. If the amount of unused RUS project funds exceeds the RUS grant, that part would be RUS loan funds.

If the conditions set forth in this letter are not met within twelve (12) months from the date hereof, RUS reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of loan closing within the twelve-month period and it is determined the authority still wishes to proceed, it will be necessary that the proposed budget be reviewed again in detail. If during that review, it is determined the budget is no longer current and/or adequate, RUS reserves the right to require that it be revised or replaced.

We believe the information herein clearly sets forth the actions which must be taken; however, if you have any questions, please do not hesitate to contact me.

Sincerely yours,

ROBERT M. STEPTOE, III
State Director

Enclosures

cc: Rural Development Specialist
Elkins, WV

Tetrick & Bartlett, CPAs
P.O. Box 1916
Clarksburg, WV 26302

Steptoe & Johnson, PLLC
Randall C. Light, Esquire
P.O. Box 2190
Clarksburg, WV 26302-2190

WV Infrastructure & Jobs Development Council
Katy Mallory, Executive Secretary
300 Summers Street, Suite 980
Charleston, WV 25301

U.S. Environmental Protection Agency
Bruce Smith, Project Manager
Philadelphia, PA

Cerrone Associates, Inc.
Manning Frymier, P.E.
401 Main Street

Steptoe & Johnson, PLLC
John C. Stump, Esquire
P.O. Box 1588
Charleston, WV 25326-1588

Attachment No. 1 to Letter of Conditions
For: Sun Valley PSD (Phase II Sewer)
Date: December 19, 2005

Project Construction Budget

PROJECT COST	WVIJDC LOAN	EPA/STAG GRANT	RUS GRANT	RUS LOAN	TOTAL
CONSTRUCTION	$ 1,406,600	$ 1,913,600	$ 1,239,600	$ 615,200	$ 5,175,000
CONST. CONTINGENCY	$ 166,100		$ 146,300	$ 72,600	$ 385,000
LAND & RIGHTS	$ 32,400		$ 28,500	$ 14,100	$ 75,000
LEGAL FEES	$ 38,800		$ 34,200	$ 17,000	$ 90,000
BOND COUNSEL	$ 15,100		$ 13,300	$ 6,600	$ 35,000
ACCOUNTING	$ 2,200		$ 1,900	$ 900	$ 5,000
ARCHEOLOGICAL STUDY	$ 2,500		$ 2,200	$ 1,100	$ 5,800
ENGINEERING FEES	$ 335,175		$ 295,300	$ 146,400	$ 776,875
Basic - $353,000 (139,500 pd.)					
Insp. - $368,000					
Add. Servcs. - $195,375					
INTEREST - (2 yrs @ 4.25%)				$ 85,000	$ 85,000
ADMINISTRATION		$ 15,000			$ 15,000
PERMITS	$ 2,200		$ 1,900	$ 900	$ 5,000
EQUIPMENT	$ 21,600		$ 19,000	$ 9,400	$ 50,000
ELECTRIC SRVC EXTENSION	$ 12,900		$ 11,400	$ 5,700	$ 30,000
SOILS TESTING	$ 6,500		$ 5,700	$ 2,800	$ 15,000
PROJECT CONTG.	$ 57,925		$ 51,100	$ 22,300	$ 131,325
TOTAL	**$ 2,100,000**	**$ 1,928,600**	**$ 1,850,400**	**$ 1,000,000**	**$ 6,879,000**

Rates

Available for general domestic, commercial, and industrial service.

First	2,000	gallons @	$	9.80	per M gallons
Over	2,000	gallons @	$	9.80	per M gallons

Minimum Charge

No bill shall be rendered for less than the following amounts according to the size of meter installed.

5/8" x 3/4"	meter	$	19.60	per month
3/4"	meter	$	29.40	per month
1"	meter	$	49.00	per month
1 1/2"	meter	$	98.00	per month
2"	meter	$	156.80	per month
3"	meter	$	294.00	per month
4"	meter	$	490.00	per month
6"	meter	$	980.00	per month
8"	meter	$	1,568.00	per month

Minimum Monthly Bill $19.60 for 2,000 gallons

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Delayed Payment Penalty

The above tariff is net. On all accounts not paid in full within twenty (20) days of date of bill, ten percent (10%) will be added to net amount shown.

If any bill is not paid within sixty (60) days after date, water service to the customer will be discontinued. Water service will not be restored until all past due sewer bills have been paid in full and all accrued penalties plus a reconnection charge have been paid.

Connection Charge

Prior to Construction - $300.00

After the start of construction, there shall be a charge of $300.00 for connection to the system.

Reconnection Charge

$20.00

Use and Income Analysis - See Attached

Cash Flow Analysis - See Attached

Attachment No. 1 to Letter of Conditions
For: Sun Valley PSD - Phase II Sewer
Date: December 19, 2005

SUN VALLEY PSD
USE AND INCOME ANALYSIS
EXISTING SYSTEM - PROPOSED RATES

Blocking	Cust.	M Gal/ Mo.	Unmetered Bills	Minimum Bills	First 2,000	Over 2,000	TOTAL REVENUE
Users	352	1,451.60	0		704	747.6	
Monthly Total	352.00	1,451.60	0.00	0.00	704.00	747.6	
Proposed Rates			$ 44.04	$ 19.60	$ 9.80	$ 9.80	
Monthly Revenues			$ -	$ -	$ 6,899.20	$ 7,326.48	$ 14,225.68
Annual Revenues			$ -	$ -	$ 82,790.40	$ 87,917.76	$ 170,708.16

Annual Revenue (Rounded) = $170,708.00

SUN VALLEY PSD
USE AND INCOME ANALYSIS
PROPOSED USERS - PROPOSED RATES

Blocking	Cust.	M Gal/ Mo.	Unmetered Bills	Minimum Bills	First 2,000	OVER	TOTAL REVENUE
Unmetered	13	0	13				
0 - 2,000	156	0		156			
> 2,000	341	1823			682	1141	
Monthly Total	510	1823	13	156	682	1141	
Proposed Rates			$ 44.04	$ 19.60	$ 9.80	$ 9.80	
Monthly Revenues			$ 572.52	$ 3,057.60	$ 6,683.60	$ 11,181.80	$ 21,495.52
Annual Revenues			$ 6,870.24	$ 36,691.20	$ 80,203.20	$ 134,181.60	$ 257,946.24

Annual Revenue (Rounded) = $257,946.00

SUN VALLEY PUBLIC SERVICE DISTRICT
OPERATING BUDGET

OPERATING INCOME			
Metered Sales	$428,654		
Forfeited Discounts	$ 4,573		
Other Income			
Reconnect Fees			
TOTAL OPERATING INCOME			$ 433,227
NON OPERATING INCOME			
Interest Income	$ 1,755		
TOTAL NON OPERATING INCOME			$ 1,755
TOTAL INCOME			$ 434,982
EXPENSES			
O & M	$247,898		
Taxes			
TOTAL EXPENSES			$ 247,898
INCOME AVAILABLE FOR D/S (A)			$ 187,084
DEBT SERVICE			
Existing Bonds P & I (B)	$ 51,368		
Proposed IJDC Bond P & I (B)	$ 55,264	($2,100,000 @ 0% for 38 years)	
Proposed RUS Bond P & I (B)	$ 53,160	($1,000,000 @ 4.25% for 38 years)	
TOTAL DEBT SERVICE			$ 159,792
DEBT SERVICE RESERVE			
Existing Debt Service Reserve	$ 6,137		
Proposed IJDC Debt Service Reserve	$ 5,527		
Proposed RUS Debt Service Reserve	$ 5,316		
Renewal & Replacement Reserve	$ 10,829		
TOTAL DEBT SERVICE RESERVE			$ 26,809
SURPLUS (DEFICIT)			$ 483
DEBT COVERAGE (A/B)			$ 1.17

~~Rate Increase Needed~~ ~~(0.76)~~

Total Project Funding = EPA/STAG Grant - $1,928,600; IJDC Loan - $2,100,000 @ 0% for 38 years
RUS Grant - $1,850,400; RUS Loan - $1,000,000 @ 4.25% for 38 years

Attachment No. 2 to Letter of Conditions
For: Sun Valley PSD (Phase II Sewer)
Date: December 19, 2005

Work Copy 11-17-09

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE
Water and Waste Processing Checklist

862 users including 518 new users

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
SF 424.2	Application for Federal Assistance	3	1780.31(b)	Applicant		HAVE	3
	DUNS Number	1		Applicant		HAVE	3
	CAIVRS Number	1		RUS		HAVE	CPAP Form
	Public Notice of Intent to File App./ Env. Notice	3	1780.19(a) 1794	Applicant		HAVE	3
Bulletin 1780-22	Applicant Eligibility Certification/ Other Credit Certification	1	1780.33(d)	Applicant		HAVE	3
	Bond Ordn. or Resol. On Outstanding Debts	1	1780.33(e)	Applicant/ Attorney		N/A	5
	Bonds or Notes Outstanding Debt	1	1780.33(e)	Applicant/ Attorney		HAVE	2
	Audit for last year of operation	1	1780.33(e)	Applicant/ Accountant		HAVE	1
	Staff Review Financial Statements	1	S.I. 1780.2	RUS		HAVE	1
EJCDC No. 1910-1-FA	Agreement between Owner & Engineer	3	1780.39(b)	Applicant/ Engineer		None	6

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
Bulletin 1780-7 or other approved	Legal Services Agreement with Local Attorney	3	1780.39 (b)(2)	Applicant/ Attorney		Have sent. Have w/lawyer	5
	Site Visit		S.I. 1780-2	RUS		HAVE	3
	Processing Conference	1	1780.39(a)	RUS		HAVE	3
	Environmental Report	2	1794	Applicant		HAVE	3
	Environmental Assessment	2	1794	RUS/ Engineer		HAVE	3
	Adoption of Environ. Review by other Fed. Agency	2	1794 Case Record	RUS		N/A	3
	FONSI/ Evidence of Publication	1	Exhibit 1 RUS 1794 News Ad	RUS/ Applicant		HAVE	3
Bulletins 1780-2 1780-3	Preliminary Engineering Report	2	1780.33(c)	Engineer		HAVE	6
	Staff Engineer PER Review	1	1780.33(c)	RUS		HAVE	3
	Bill Analysis for existing system(s)	2	1780.33(c)	Applicant/ Engineer		HAVE	8
	Projected Bill Analysis for New Users	2	1780.33(c)	Applicant/ Engineer		HAVE	8
	Statement reporting the total number of potential users		1780.33(c)	Applicant/ Engineer		HAVE	8

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Rate Tariff	2	1780.33	Applicant		HAVE 12/6/04	8
	Applicant's IRS Tax Number(TIN)	1	1780.33(g)	Applicant		HAVE	3
	Agency Determination on the Availability of "Other Credit" with Documentation	1	1780.7(d)	RUS		HAVE	3
	Documentation on Service Area	1	1780.11	RUS		Have	3
Bulletin 1780-1	Project Selection Criteria	2	1780.17	RUS		HAVE	1
	Letter of Conditions	7	1780.41 (a)(5)	RUS		Have	3
AD 1049	Certification Regarding Drug-Free Workplace	1	1780.33(h)	Applicant		Have	5
	Minutes Adopting Drug-Free Workplace Program	1	LOC	Applicant	approved 1/26/05	have employee handbook.	5
Exhibit A / A-1	Certifications Regarding Lobbying	2	1780.33(h)	Applicant		Have	2
CPAP Form	Project Summary	3	1780.41(a)	RUS		Have	1
RD 1940-1	Request for Obligation of Funds	4	1780.41(a)	RUS/ Applicant		Have.	2
Bulletin 1780-12	Association Water or Sewer System Grant Agreement	2	1780.45(c)	RUS/ Applicant		Have	2

1/11/05

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
RD 1942-46	Letter of Intent to Meet Conditions	2	1780.41 (a)(6)	Applicant		have	3
AD 1047	Certification Regarding Debarment (Primary)	1	1780.33(h)	Applicant		have	5
	Relationships/ Associations with Agency Employees	1	1780.1(f)	RUS			3
RD 1910-11	Applicant Certification, Federal Collect-ion Policies	1	1780.33(h)	Applicant		have	3
Bulletin 1780-27	Loan Resolution	1	1780.45 (a)(2)	Applicant		have	5
RD 400-1	Equal Opportunity Agreement	1	1901-E	Applicant		have	6
RD 400-4	Assurance Agreement	1	1901-E	Applicant		have	3
	Legal Services Agreement with Bond Counsel	1	1780.39 (b)(3)	Applicant/ Bond Counsel		have new.	5
	Agreement for Accounting Services	1	1780.39 (b)(2)	Applicant/ Accountant		have	5
	Sewer Users Agreement or State Health Dept. Mandatory Hook-Up Com-mitment Ltr.	1	1780.39 (c)(3)	Applicant		have	5

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position	
	Certification Relative to Existing Users	1	LOC	Applicant		have	5	
	Sewer Treatment Contract	1	1780.62/ 1780.63	Applicant/ Attorney/ RUS	1996	have.	5	have old version
	Accountant's Certification	1	LOC	Applicant/ Accountant	9/18/09	have	3	
	RUS Review of Accounting Records	1	S.I. 1780-4 (1)(ii)	RUS	9/22/09	have	3	
	Copy of PSC Rule 42 Exhibit	1	State	Attorney/ Accountant		HAVE	3	
	DOH Permit	1	1780.15(d)	Applicant			6	
	Railroad Permit	1	1780.15(d)	Applicant			6	
	Public Land Corp. Permit	1	1780.15(d)	Applicant			6	
	Corps of Engineers Permit	1	1780.15(d)	Applicant			6	
	Dept. of Health Approval	1	1780.15(d)	Engineer			6	
	Dept. of Environmental Protection Permit	1	1780.15(d)	Engineer			6	
	Contract Documents, Plans & Specifications	2	1780.61(a)	Engineer		have	Separate File	
	Agency Determination on Procurement	1	1780.70(d)	RUS		have	6	

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	Preliminary Bond Transcript Documents w/o Defeasance Provisions	2	1780.83	Bond Counsel			5
	Right-of-Way Map	1	1780.44(g)	Engineer			Separate File
	Deeds and/or Options		1780.44.(g)	Applicant/ Attorney			5
RD 1927-9	Preliminary Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Narrative Opinion from Attorney	1	1780.44(g)	Attorney			5
	Waiver of Title Defects Letter	1	1780.44(g)	RUS			5
RD 442-22	Opinion of Counsel Relative to R/Ways		1780.44 (g)(1)	Attorney			5
	Review of Outstanding Judgment	1	1780.7(g)	RUS/ Attorney			3
	Operation and Maintenance Agreement	1	1780.39 (b)(4)	Applicant		N/A	5
	Evidence of "Other Funds"	1	1780.44(f)	Applicant		have	2
SF 3881	Electronic Funds Transfer Payment Enrollment Form	1	31 CFR 208	Applicant/ Financial Institution			2
	Documenta-tion Relative to Health or Sanitary Hazards	1	1780.1 (c)(1) 1780.13 (b)(1)	RUS/State Health Department		N/A	2

Form Number	Document or Action	Number Needed	Procedure Reference	Provided By	Target Date	Date Received	File Position
	PSC Approval	1	1780.15(b)	Applicant/ Attorney		Have	6
	Bid Tabulation	1	1780.61(b)	Engineer			6
	OGC Closing Instructions	1	1780.44(h)	RUS			5
	S/O Closing Instructions	1	1780.44(h)	RUS			5
RD 1927-10	Final Title Opinion	1	1780.44 (g)(2)	Applicant/ Attorney			5
	Bond Transcript Documents w/o Defeasance Provisions	3	1780.83	Bond Counsel			Separate File
RD 400-8	Compliance Review	1	1780.44(c)	RUS			5
	Liability Insurance	1	1780.39(g)	Applicant			7
	Workers' Compensation Certificate	1	1780.39(g)	Applicant			7
	Flood Insurance Policy	1	1780.39(g)	Applicant			7
440-24	Fidelity Bond	1	1780.39(g)	Applicant			7
1924-16	Record of Pre-Construction Conference	1	1780.76(a)	RUS/ Engineer			6
AD 1048	Certification Regarding Debarment (Contractor)	1 each	1780.33(h)	All Appropriate Vendors			5
	OGC Final Opinion	1	1780.45(g)	RUS			5

United States Department of Agriculture
Rural Development
White Hall Office

FAX

DATE: 2/4/10

TO:	FROM:
Carla Williams	STEVEN POE USDA RURAL DEVELOPMENT LOAN SPECIALIST 7009 MOUNTAIN PARK DRIVE WHITE HALL, WV 26554 (304) 366-2921 EXT. 216 FAX: (304) 363-7027 STEVEN.POE@WV.USDA.GOV
RE: Sun Valley PSD Sewer Project	
FAX: 304-284-4141	
Pages: 23 (Including Cover Sheet)	

CHECK:

___ Per Phone Call	___ For Approval	___ Returned	___ For Your File
___ As Requested	___ For Correction	___ For Comment	___ Please Initial
___ For Information	___ For Completion	___ Note & Return	___ Also Mailed
___ For Follow-up	___ For Signature	___ Recommendation	___ _____

REMARKS:

Here is the Letter of Conditions and attachments, per your request. I used a working copy of attachment #2.

Sorry about the large fax. We are not scanner equipped here.

Feel free to contact me if you have any question.

7009 Mt. Park Drive, White Hall, West Virginia 26554
Phone: (304) 366-2921 1-800-295-8228 • Fax: (304) 363-7027 • 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).

RU BULLETIN 1780-27
(Automated 8-97)

FORM APPROVED
OMB. No. 0575-0015

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE **Board of Directors**

OF THE **Sun Valley PSD**

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS **Sewer Extension Phase II**

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO

WHEREAS, it is necessary for the **Sun Valley PSD**
(Public Body)
(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

ONE MILLION AND XX / 100 DOLLARS ($1,000,000.00)

pursuant to the provisions of **Chapter 16, Article 13A, West Virginia Code** ; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning. financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of $10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legally permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB No. 0575-0015), Washington, DC 20503.

11. To acquire and maintain such rance and fidelity bond coverage as may be require y the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities, and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed **$ 1,850,400.00**

    under the terms offered by the Government; that **Chairperson**

    and _____ of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

Yeas 2 Nays Ø Absent 1

IN WITNESS WHEREOF, the **Board of Directors** of the

Sun Valley PSD has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this 11 day of June, 2006

Sun Valley PSD

(SEAL)

By

Attest:

Title Chairman

Title Secretary

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as Chairperson of the **Sun Valley PSD**

hereby certify that the **Board of Directors** of such Association is composed of

3 members, of whom 3 constituting a quorum, were present at a meeting thereof duly called and

held on the 9 day of July, 2010 ; and that the foregoing resolution was adopted at such meeting

by the vote shown above, I further certify that as of July 13, 2010,
the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this 13th day of July, 2010

Title Chairman

SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

EXCERPT OF MINUTES ON
ADOPTION OF BONDS RESOLUTION AND SUPPLEMENTAL RESOLUTION

I, Sandra J. Patterson, Secretary of Sun Valley Public Service District (the "District"), hereby certify that the following is a true and correct excerpt of the minutes of a meeting of the Public Service Board of the District:

The Public Service Board met in a special session on the 9th day of July, 2010, at the offices of Thrasher Engineering, Inc., at 30 Columbia Boulevard, Clarksburg, West Virginia, at 9:30 a.m., prevailing time.

Present: Richard Dale, Chairman
Ronald Michael, Treasurer
Sandra Patterson, Secretary
Kevin Short, General Manager

Also present were Taunja Willis-Miller and Carla Williams of Jackson Kelly PLLC as Bond Counsel, Dave Glover, Dan Ferrell, Steve Poe, and Joe Crickenberger.

Carla Williams presented the Resolution in writing entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWER FACILITIES OF SUN VALLEY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

There were no comments from those people present and no written protests. Thereupon, on motion of Ronald Michael, seconded by Sandra Patterson, it was unanimously ordered that said Resolution be adopted.

Carla Williams then presented a Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE SUN VALLEY PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE); DESIGNATING A DEPOSITORY BANK AND MAKING OTHER PROVISIONS AS TO THE BONDS.

There were no comments from those present and no written protests. Thereupon, on motion of Ronald Michael, seconded by Sandra Patterson, it was unanimously ordered that said Supplemental Resolution be adopted.

Carla Williams then presented a Resolution in writing entitled:

SUN VALLEY PUBLIC SERVICE DISTRICT RESOLUTION OF THE BOARD OF THE SUN VALLEY PUBLIC SERVICE DISTRICT APPROVING INVOICES RELATING TO ACQUISTION AND CONSTRUCTION OF CERTAIN EXTENSIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWAGE SYSTEM AND AUTHORIZING PAYMENT THEREOF, WVIJDC 3 94S-005.

There were no comments from those present and no written protests. Thereupon, on motion of Ronald Michael, seconded by Sandra Patterson, it was unanimously ordered that said Resolution be adopted.

Carla Williams then presented a Sweep Resolution in writing entitled "RESOLUTION" authorizing the monthly debt service payments on the Bonds be made to the West Virginia Municipal Bond Commission by electronic transfer by the State Treasurer from certain accounts set forth in said Sweep Resolution.

There were no comments from those present and no written protests. Thereupon, on motion of Ronald Michael, seconded by Sandra Patterson, it was unanimously ordered that said Sweep Resolution be adopted.

The Board then considered a resolution in writing entitled "LOAN RESOLUTION" authorizing and providing for the incurrence of indebtedness to the United States Department of Agriculture by the issuance of bonds in the principal amount of $1,000,000, for the purpose of providing portion of the cost of acquiring, constructing, enlarging, improving, and/or extending its Sewer Extension Phase II.

There were no comments from those people present and no written protests. Thereupon, on motion of Ronald Michael, seconded by Sandra Patterson, it was unanimously ordered that said Loan Resolution be adopted.

Carla Williams then presented minutes for the said meeting substantially in the form hereof. Thereupon, on motion of Ronald Michael, seconded by Sandra Patterson, the Board unanimously approved these minutes of the special meeting.

[Remainder of Page Intentionally Left Blank]

I hereby certify that the foregoing action of the District remains in full force and effect and has not been amended or appealed.

WITNESS my signature on this 13th day of July, 2010.

Secretary

[SEAL]

SUN VALLEY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWER FACILITIES OF SUN VALLEY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF SUN VALLEY PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

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

"Bond Registrar" means the Issuer, which shall so serve by the Secretary of the Issuer.

"Bonds" means the Series 2010 A Bonds, the Series 2010 B Bonds, the Prior Bonds and any Parity Bonds hereafter issued within the terms, restrictions and conditions contained in this Resolution.

"Chairperson" means the Chairperson of the Governing Body of the Issuer or any temporary Acting Chairperson duly elected by the Governing Body.

"Closing Date" means the date upon which there is an exchange of the Series 2010 A Bonds for all or a portion of the proceeds of the Series 2010 A Bonds.

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

"Consulting Engineers" means Thrasher Engineering, Clarksburg, West Virginia, or any engineer or firm of engineers, licensed by the State, which shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System in accordance with Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended.

"Costs" or "Costs of the Project" means those costs described in Section 1.03F hereof to be a part of the cost of acquisition and construction of the Project.

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

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

"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 is now or may hereafter be constituted.

"Government" means the United States of America, United States Department of Agriculture, Rural Utilities Service, which is expected to be the original purchaser of the Series 2010 A Bonds.

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

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

"IJDC Resolution" means the bond resolution authorizing the Series 2010 B Bonds.

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

"Issuer" means Sun Valley Public Service District, a public service district, public corporation and political subdivision of the State in Harrison County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Government dated August 1, 2006, and all amendments thereto.

"Net Revenues" means Gross Revenues less Operating Expenses.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System as hereinafter defined and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, fees and expenses of fiscal agents, depository banks, registrars, paying agents and trustees, 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 Series 2010 A Bonds, Series 2010 B Bonds, Prior Bonds, and/or Parity Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond canceled by the Bond Registrar at or prior to said date; (ii) any such Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any such Bond deemed to have been paid as provided in Section 10.01 hereof; and (iv) for purposes of consents, notices or other action by a specified percentage of Registered Owners, any such Bonds registered to the Issuer.

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

"Prior Bonds" means, collectively, Issuer's (1) Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund) dated April 10, 1997, issued in the original aggregate principal amount of $853,000, and (2) Sewer Refunding Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund) dated October 18, 2001, issued in the original aggregate principal amount of $1,073,405.

"Prior Resolutions" means, collectively, the resolutions adopted by the Issuer, authorizing the Prior Bonds.

"Project" means the acquisition and construction of certain extensions, additions, betterments and improvements to the System, a description of which is attached hereto as Exhibit A and incorporated herein by reference.

"PSC" means the Public Service Commission of West Virginia and any successor to the functions thereof.

"PSC Order" means, collectively, the final order or orders of the PSC, granting the Issuer a certificate of convenience and necessity to construct the Project and approving the financing for the Project and the rates of the System.

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

(a) Government Obligations;

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

certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

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

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

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

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

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

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

(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; and

(j) Advanced-Refunded Municipal Bonds.

"Registered Owner" or any similar term whenever used herein with respect to an outstanding Series 2010A Bond or Bonds, means the person in whose name such bond is registered.

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

"Reserve Accounts" means, collectively, the respective reserve accounts of the Series 2010 A Bonds, the Series 2010 B Bonds, and the Prior Bonds.

"Reserve Requirements" means, collectively, the respective reserve requirements of the Series 2010 A Bonds, the Series 2010 B Bonds, and the Prior Bonds.

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

"Revenue Fund" means the Revenue Fund established by the Prior Resolutions and continued by Section 5.01 hereof.

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

"Series 2010 A Bonds" means the Sewer Revenue Bonds, Series 2010 A (United States Department of Agriculture) of the Issuer, issued in the original aggregate principal amount of $1,000,000, authorized by this Resolution.

"Series 2010 A Bonds Construction Trust Fund" means the construction trust fund established by Section 5.01 hereof.

"Series 2010 A Bonds Reserve Account" means the Series 2010 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2010 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2010 A Bonds in the then current or any succeeding year.

"Series 2010 A Bonds Sinking Fund" means the Series 2010 A Bonds Sinking Fund established by Section 5.03A(2) hereof.

"Series 2010 B Bonds" means the Sewer Revenue Bonds, Series 2010 B (West Virginia Infrastructure Fund) of the Issuer, issued in the original aggregate principal amount of $3,200,000, authorized to be issued simultaneously with the Series 2010 A Bonds by the IJDC Resolution.

"Sinking Funds" means, collectively, the respective sinking funds of the Series 2010 A Bonds, the Series 2010 B Bonds, and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the Supplemental Resolution authorizing the sale of the Series 2010 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2010 A Bonds and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Resolution, the IJDC Resolution or the Prior Resolutions to be set aside and held for the payment of or security for the Series 2010 A Bonds, the Series 2010 B Bonds, and the Prior Bonds, including the Sinking Funds, the Reserve Accounts, and the Renewal and Replacement Fund.

"System" means the complete public service properties of the Issuer for the collection, treatment, purification or disposal of liquid or solid wastes, sewage, or industrial waste as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired for the System from any sources whatsoever.

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

Additional terms and phrases are defined in this Resolution as they are used. Words importing singular number shall include the plural number in each case and vice

versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the Series 2010 A Bonds or any certificate or other document by the Chairperson or the Secretary shall mean that the Series 2010 A Bonds, certificate or other document may be executed or attested by an Acting Chairperson or Acting Secretary.

Section 1.02. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. It is hereby found, determined and declared as follows:

A. The Issuer is a public service district, public corporation and political subdivision of the State in Harrison County of said State. The Issuer presently owns and operates a public sewer system. However, the Issuer deems it necessary and desirable for the health, welfare and safety of the inhabitants of the Issuer that there be acquired and constructed the Project, in accordance with the plans and specifications prepared by the Consulting Engineer, which plans and specifications have been approved by the Government and the Issuer.

B. The Issuer intends to permanently finance a portion of the cost of acquisition and construction of the Project through the issuance of its revenue bonds to the Government.

C. Simultaneously herewith, the Issuer is issuing its Sewer Revenue Bonds, Series 2010 B (West Virginia Infrastructure Fund) to be authorized by the IJDC Resolution, in the aggregate principal amount of $3,200,000, to pay a portion of the remainder of the cost of the Project. The Series 2010 B Bonds will be purchased by the West Virginia Water Development Authority on behalf of the West Virginia Infrastructure and Jobs Development Council.

D. The estimated maximum cost of acquisition and construction of the Project is $8,379,000, of which $1,000,000 will be obtained from the loan proceeds of the Series 2010 A Bonds; $3,200,000 will be obtained from the loan proceeds of the Series 2010 B Bonds; $1,928,600 will be obtained from an Environmental Protection Agency STAG Grant; $1,850,400 will be obtained from a USDA – Rural Development Grant; and $400,000 will be obtained as a contribution from the Harrison County Board of Education.

E. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all Operating Expenses

of the System, the principal of and interest on the Prior Bonds, the Series 2010 A Bonds, the Series 2010 B Bonds, and to make payments into all funds and accounts provided for in this Resolution, the Prior Resolutions and the IJDC Resolution.

F. It is deemed necessary for the Issuer to issue the Series 2010 A Bonds in the aggregate principal amount of not more than $1,000,000, to permanently finance a portion of the costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of acquisition or construction of any public service properties and any improvements and extensions thereto, the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest on the Series 2010 A Bonds prior to and during acquisition or construction and for six months after completion of acquisition or construction of the Project; 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 and such other expenses as may be necessary or incident to the financing herein authorized, the acquisition or construction of the Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof.

G. The Series 2010 A Bonds shall be issued on a parity with the Prior Bonds and the Series 2010 B Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has met the parity and coverage requirements of the Prior Resolutions. Prior to the issuance of the Series 2010 A Bonds, the Issuer will obtain (1) the certificate of an Independent Certified Public Accountant stating that the parity and coverage tests of the Prior Bonds have been met; and (2) the written consent of the Registered Owners of the Prior Bonds to the issuance of the Series 2010 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System; provided, however, the Series 2010 B Bonds are being issued contemporaneously with the Series 2010 A Bonds.

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

I. It is in the best interests of the Issuer that the Series 2010 A Bonds be sold to the Government pursuant to the terms and provisions of the Letter of Conditions.

J. The Issuer has complied with all requirements of West Virginia law and the Letter of Conditions relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2010 A Bonds, or will

have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the United States Department of Agriculture and the obtaining of the PSC Order, the time for rehearing and appeal of which has expired or will have been waived prior to the issuance of the Series 2010 A Bonds.

Section 1.04. Resolution Constitutes Contract. In consideration of the acceptance of the Series 2010 A Bonds by those who shall be the Registered Owners of the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2010 A Bonds, all of which shall be of equal rank and without preference, priority or distinction among them by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF PROJECT

Section 2.01. Authorization of Acquisition and Construction of Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed $8,379,000 in accordance with the plans and specifications prepared by the Consulting Engineers, approved by the Government and the Issuer and heretofore filed in the office of the Governing Body. The proceeds of the Series 2010 A Bonds shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, which are in an amount and otherwise compatible with the financing plan submitted to the Government.

The cost of the Project is estimated to be $8,379,000, of which $1,000,000 will be obtained from the loan proceeds of the Series 2010 A Bonds; $3,200,000 will be obtained from the loan proceeds of the Series 2010 B Bonds; $1,928,600 will be obtained from an Environmental Protection Agency STAG Grant; $1,850,400 will be obtained from a USDA – Rural Development Grant; and $400,000 will be obtained as a contribution from the Harrison County Board of Education.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS

Section 3.01. Authorization of Bonds. For the purposes of paying a portion of the costs of the Project and paying the costs of issuance of the Series 2010 A Bonds and related costs, there shall be and hereby are authorized to be issued negotiable Series 2010 A Bonds of the Issuer. The Series 2010 A Bonds shall be issued in one series, as a single bond, designated respectively as "Sewer Revenue Bonds, Series 2010 A (United States Department of Agriculture)," in the aggregate principal amount of not more than $1,000,000, and shall have such terms as are set forth hereinafter or in the Supplemental Resolution.

Section 3.02. Terms of Bonds. The Series 2010 A Bonds shall be issued in such principal amounts; shall bear interest at such rate or rates, not exceeding the legal maximum rate, payable monthly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in the Supplemental Resolution or as specifically provided in the Series 2010 A Bonds.

The Series 2010 A Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, shall be payable as provided in the respective Bond form hereinafter set forth, and shall have such other terms not inconsistent with this Resolution, as shall be set forth in the Supplemental Resolution and such Bond form.

Section 3.03. Execution of Bonds. The Series 2010 A Bonds shall be executed in the name of the Issuer by the manual or facsimile signature of the Chairperson, and the seal of the Issuer shall be impressed thereon and attested by the manual or facsimile signature of the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Series 2010 A Bonds shall cease to be such officer of the Issuer before the Series 2010 A Bonds so signed and sealed have been actually sold and delivered, such Series 2010 A Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2010 A Bonds had not ceased to hold such office. Any Series 2010 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 Series 2010 A Bonds shall hold the proper office in the Issuer, although at the date of such Series 2010 A Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Negotiability, Transfer and Registration. The Series 2010 A Bonds shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, but the Series 2010 A Bonds, and the right to principal of and stated interest on the Series 2010 A Bonds, may only be transferred by transfer of the registration thereof upon the books of the Bond Registrar, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Series 2010 A Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Series 2010 A Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Series 2010 A Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No registration of transfer of the Series 2010 A Bonds shall be permitted to be made after the 15th day next preceding any installment payment date on such Series 2010 A Bonds.

The Issuer shall be the Bond Registrar and will keep, or cause to be kept by its agent, at its office, books for the registration and transfer of the Series 2010 A Bonds and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register the Series 2010 A Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Series 2010 A Bonds as hereinbefore provided.

The Bond Registrar shall accept the Series 2010 A Bonds for registration or transfer only if ownership thereof is to be registered in the name of the Government, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust and the federal employer identification number and date of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law. The Series 2010 A Bonds shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Series 2010 A Bonds shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be National Finance Office, 1520 Market Street, St. Louis, Missouri 63103, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2010 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver a new bond of the same series and of like tenor as the bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated bond, upon surrender and cancellation of such mutilated bond, or in lieu of and substitution for the bond destroyed, stolen or lost, and upon the Registered Owner's furnishing the Issuer proof of ownership and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. All bonds so surrendered shall be canceled 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, as if such bond be lost, stolen or destroyed, without surrender thereof.

Section 3.06. Bonds not to be Indebtedness of the Issuer. The Series 2010 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System, as herein provided. No Registered Owner of the Series 2010 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2010 A Bonds or the interest thereon.

Section 3.07. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2010 A Bonds shall be secured by a first lien on the Net Revenues on a parity with the lien on the Net Revenues in favor of the Registered Owners of the Prior Bonds and the Series 2010 B Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2010 A Bonds, the Prior Bonds, and the Series 2010 B Bonds and to make the payments into all funds and accounts provided for in this Resolution, the IJDC Resolution, and the Prior Resolutions, are hereby irrevocably pledged to such payments as they become due.

Section 3.08. Form of Bonds. The text of each series of the Series 2010 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 2010 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

No. AR-1 $1,000,000

FOR VALUE RECEIVED, on this 13th day of July, 2010, SUN VALLEY 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"), promises to pay to the order of the UNITED STATES OF AMERICA (the "Government"), at its National Finance Office, 1520 Market Street, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, and in the manner provided below, the principal sum of ONE MILLION DOLLARS ($1,000,000), or such lesser amount as is set forth on the Record of Advances attached hereto and incorporated herein by reference, plus interest on the unpaid principal balance at the rate of 4.0% per annum.

The principal of and interest on this Bond shall be paid in the following installments on the following dates: Monthly installments of interest only on the amounts advanced hereunder, commencing 30 days following the date of delivery of this Bond and continuing on the corresponding day of each month thereafter for the first 24 months after the date hereof, and thereafter, on the corresponding day of each month in installments of principal and interest in the aggregate amount of $4,270, except that the final installment shall be paid at the end of 40 years from the date of this Bond in the sum of the unpaid principal and interest due on the date thereof and except that prepayments may be made as provided below. This consideration shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to the Issuer as requested by the Issuer and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer. Extra payments, as defined in the regulations of the Government, shall, after payment of interest, be applied to the installment last to come due under this Bond and shall not affect the obligation of the Issuer to pay the remaining installments as scheduled herein.

Any amount advanced or expended by the Government for the collection hereof, or to preserve or to protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government, shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by the Issuer to the Government without demand. The Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Government. The Issuer has granted to the Government a lien on the proceeds of this Bond until such proceeds are expended for authorized purposes.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public sewer facilities of the Issuer, the Project and any further improvements and 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 of the Code of West Virginia, 1931, as amended (the "Act"), a Bond Resolution duly adopted by the Issuer on July 98, 2010, and a Supplemental Resolution duly adopted by the Issuer on July 9, 2010 (collectively, the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S (1) SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA INFRASTRUCTURE FUND) DATED APRIL 10, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $853,000; (2) SEWER REFUNDING REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND) DATED OCTOBER 18, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,073,405 (ITEMS (1) AND (2) COLLECTIVELY, THE "PRIOR

BONDS"); AND (3) SEWER REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 13, 2010, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,200,000 (THE "SERIES 2010 B BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds and the Series 2010 B Bonds, and from moneys in the reserve account created under the Resolution for this Bond (the "Series 2010 A Bonds Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2010 A Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to 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 required in any year for payment of principal of and interest on this Bond and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds and the Series 2010 B Bonds; provided however, that so long as there exists in the Series 2010 A Bonds Reserve Account, an amount equal to the maximum amount of principal and interest which will become due on this Bond in any year, and in the respective reserve accounts for any other obligations outstanding on a parity with this Bond, including the Prior Bonds and the Series 2010 B Bonds, an amount equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner of this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owner of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements in the Resolution, this Bond is transferable, as provided in the Resolution, only upon the books of the Secretary of the Issuer, as registrar (the "Registrar"), which shall be kept for that purpose at the office of the Registrar, by the Registered Owner or by its attorney or legal representative duly authorized in writing, upon surrender of this Bond, together with a written instrument of transfer

satisfactory to the Registrar, duly executed by the Registered Owner or its attorney or legal representative duly authorized in writing.

Subject to the registration requirements in the Resolution, 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 Resolution, shall be applied solely to payment of the costs of acquisition and construction of the Project and the costs of issuance hereof as described in the Resolution, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

The Issuer hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for such purposes and periods of time.

If at any time it so appears to the Government that the Issuer may be able to obtain a loan from a responsible cooperative or private creditor at reasonable rates and terms for loans for such purposes and period of time, the Issuer will at the Government's request apply for and accept such loan in sufficient amount to repay the Government.

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

This Bond is given as evidence of a loan to the Issuer made or insured by the Government pursuant to the Rural Development Act of 1972. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

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

has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

All provisions of the Resolution, 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, SUN VALLEY PUBLIC SERVICE DISTRICT has caused this Bond to be signed by its Chairperson and its corporate seal to be hereunto affixed and attested by its Secretary, and has caused this Bond to be dated as of the date first written above.

_____
Chairperson

[SEAL]

ATTEST:

_____
Secretary

(Form of)

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			

(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 said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.09. Sale of Bonds. The Series 2010 A Bonds shall be sold to the Government pursuant to the terms and conditions of the Letter of Conditions. The Letter of Conditions is hereby approved and the provisions of the Letter of Conditions are specifically incorporated in this Resolution.

ARTICLE IV

[RESERVED]

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (established by the Prior Resolutions);

(2) Renewal and Replacement Fund (established by the Prior Resolutions); and

(3) Series 2010 A Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special accounts are created with and shall be held by the Commission:

(1) Series 2010 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. Funds in the Revenue Fund shall be disposed of only in the following manner and order of priorities and as provided in the Prior Resolutions.

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

(2) The Issuer shall next, each month, from the moneys in the Revenue Fund, (i) make the interest payments on the Prior Bonds in the amounts and on the dates required by the Prior Resolutions; and (ii) commencing on the day which is 30 days following the date of delivery of the Series 2010 A Bonds and continuing on the corresponding day of each month, remit to the National Finance Office for deposit in the Series 2010 A Bonds Sinking Fund hereby established at the National Finance Office, the amount of interest set forth in the Series 2010 A Bonds.

(3) The Issuer shall next, each month, from the moneys in the Revenue Fund, (i) make the principal payments of the Prior Bonds in the amounts and on the dates required by the Prior Resolutions; (ii) make the principal payments of the Series 2010 B Bonds in the amounts and on the dates required by the IJDC Resolution; and (iii) commencing on the day which is 24 months following the date of delivery of the Series 2010 A Bonds and continuing on the corresponding day of each month, remit to the National Finance Office for deposit in the Series 2010 A Bonds Sinking Fund, the amount of principal set forth in the Series 2010 A Bonds.

The deposits into the Series 2010 A Bonds Sinking Fund provided in this paragraph and in Section 5.03A (2) above, constitute actual payments of principal of and interest on the Series 2010 A Bonds to the Government.

(4) The Issuer shall next, each month, from the moneys in the Revenue Fund, (i) make the reserve account payments into the Reserve Accounts of the Prior Bonds in the amounts and on the dates required by the Prior Resolutions; (ii) make the reserve account payments into the Reserve Account of the Series 2010 B Bonds in the amounts and on the dates required by the IJDC Resolution; and (iii) commencing on the day which is 24 months following the date of delivery of the Series 2010 A Bonds and continuing on the corresponding day of each month, remit to the Commission for deposit in the Series 2010 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2010 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2010 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 2010 A Bonds Reserve Requirement.

(5) The Issuer shall next, each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Resolutions and as may be set forth in the IJDC Resolution, and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(6) If all of the above required payments are then current, the Issuer may use any moneys remaining in the Revenue Fund for the following purposes: (a) for prepayment of the amount, or any part thereof, of the Bonds Outstanding in accordance with the terms thereof, (b) additions, betterments, improvements, or extensions to the System which the Consulting Engineers certify are needed and/or (c) payments of principal and interest on subordinate sewer revenue bonds, or other obligations which may hereafter be issued by the Issuer on account of the System.

Moneys in the Series 2010 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2010 A Bonds as the same shall become due. Moneys in the Series 2010 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest on the Series 2010 A Bonds as the same shall come due, when other moneys in the respective Sinking Funds are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2010 A Bonds Reserve Account (if fully funded) shall be transferred, not less than once each year, to the Series 2010 A Bonds Construction Trust Fund during construction of the Project and thereafter, to the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2010 A Bonds and then to the next ensuing principal payment due thereon on a pro rata basis.

Any withdrawals from the Series 2010 A Bonds Reserve Account which result in a reduction in the balance therein to below the respective 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 2010 A Bonds are issued, including without limitation the Series 2010 B Bonds being issued contemporaneously with the Series 2010 A Bonds, provision shall be made for additional payments into the respective sinking funds sufficient to pay any interest on such Series 2010 B Bonds or other Parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

Interest, principal, or reserve account payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2010 A Bonds, the Series 2010 B 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 2010 A Bonds Reserve Account created hereunder, and all amounts required for such account shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Government, the Issuer shall make the necessary arrangements whereby required payments into the Series 2010 A Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates hereunder.

Moneys in the Series 2010 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2010 A Bonds Sinking Fund and the Series 2010 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2010 A Bonds under the conditions and restrictions set forth herein.

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

C. The Issuer shall remit from the Revenue Fund to the 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 the fees then due. If required by the Government, the Issuer shall make the necessary arrangements whereby payments to the Commission under this paragraph shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

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

E. If, on any monthly payment date, the revenues are insufficient to place the required amount in any of the funds and accounts as herein above provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, that all deposits, including on account of deficiencies, shall be made in the order of priority set forth in Section 5.03A hereof, and no payment of lower

priority shall be made if there exists a deficiency in a fund or account of higher priority. For purposes of clarity, the order of priority is established by the numerals (1) through (6) in Subsection 5.03(A); any payments on account of the Prior Bonds, the Series 2010 A Bonds, the Series 2010 B Bonds and any Parity Bonds shall be on a pro rata basis within each priority.

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

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

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds. All moneys received from time to time from the sale of the Series 2010 A Bonds shall be deposited in the Series 2010 A Bonds Construction Trust Fund and shall be used solely to pay costs of the Project and until so expended, are hereby pledged as additional security for the Series 2010 A Bonds.

Section 6.02. Disbursements from Bond Construction Trust Fund. The Series 2010 A Bonds Construction Trust Fund shall be kept separate and apart from all other funds of the Issuer, and shall be drawn out, used and applied by the Issuer solely for the payment of the costs of the Project and purposes incidental thereto, including payment of any borrowings by the Issuer made for the purpose of temporarily financing a portion of the costs of the Project and payment of interest on the Series 2010 A Bonds prior to and during construction and for a period up to six months after completion of construction and for no other purposes whatsoever. If approved by the Government, the moneys in said fund shall be secured at all times by Government Obligations having a fair market value at least equal to the balance in said fund in excess of the amount insured by the FDIC. If for any reason the amounts on deposit in the Series 2010 A Bonds Construction Trust Fund are not necessary for, or are not applied to, such purposes, then such unapplied amounts shall be deposited by the Issuer as determined by the rules and regulations of the Government. All such proceeds shall constitute a trust fund for such purposes, and there is hereby created a lien upon such moneys, until so applied, in favor of the Registered Owners of the Series 2010 A Bonds.

Expenditures or disbursements from the Series 2010 A Bonds Construction Trust Fund shall be made only after such expenditures or disbursements have been approved in writing by the Governing Body, the Consulting Engineers and the Government.

The Issuer shall coordinate with the Government on the monthly payment of the costs of the Project and shall submit invoices and requisitions as directed by the Government.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Registered Owner of the Series 2010 A Bonds. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Registered Owner of the Series 2010 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 the Series 2010 A Bonds or the interest thereon are Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2010 A Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Resolution. No Registered Owner of the Series 2010 A Bonds shall ever have the right to compel the exercise of the taxing power, if any, of the Issuer to pay the Series 2010 A Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2010 A Bonds shall be secured by a first lien on the Net Revenues on a parity with the lien on the Net Revenues in favor of the registered owners of the Prior Bonds and the Series 2010 B Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Prior Bonds, the Series 2010 A Bonds, and the Series 2010 B Bonds and to make the payments into all funds and accounts and all other payments provided for in this Resolution, the IJDC Resolution and the Prior Resolutions are hereby irrevocably pledged, in the manner provided herein and therein, to such payments as the same become due, and for the other purposes provided in this Resolution, the IJDC Resolution and the Prior Resolutions.

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 this Resolution and the Prior Resolutions. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved in the PSC Order and such rates are hereby adopted.

So long as the Series 2010 A Bonds are Outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Resolution. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2010 A Bonds shall prove to be insufficient to produce the required sums set forth in this Resolution, 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 Resolution.

Section 7.05. Sale of the System. So long as the Prior Bonds and the Series 2010 B Bonds are Outstanding, the System may not be sold, transferred, mortgaged, leased or otherwise disposed of, except in accordance with the terms of the Prior Resolutions and the IJDC Resolution, respectively. So long as the Series 2010 A Bonds are Outstanding and except as otherwise required by law or with the written consent of the Government, the System may not be sold, transferred, 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 Series 2010 A Bonds Outstanding in accordance with Section 10.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2010 A Bonds, immediately be remitted to the Government for payment of principal of and interest on the Series 2010 A Bonds. Any balance, remaining after the payment of principal of and interest on the Series 2010 A Bonds, shall be remitted to the Issuer unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund with respect to the Series 2010 A Bonds Outstanding. 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, in writing, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it

be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall, upon receipt of approval of the Registered Owners, if needed, be remitted by the Issuer to the Government and the Commission for deposit in the Renewal and Replacement Fund with respect to the Series 2010 A Bonds Outstanding. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said fund by other provisions of this Resolution. 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 or redeem prior to maturity all Series 2010 A Bonds then Outstanding without the prior approval and consent in writing of the Registered Owners of the Series 2010 A Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Registered Owners of the Series 2010 A 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. So long as the Series 2010 A Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2010 A Bonds; provided, however, that Parity Bonds may be issued as provided for in Section 7.07 hereof and in the Prior Resolutions (so long as the Prior Bonds are Outstanding). All obligations hereafter issued by the Issuer payable from the revenues of the System, except such Parity Bonds and Series 2010 B 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 2010 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 and in the Prior Resolutions have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, including with respect to the Series 2010 B Bonds,, 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 liens of the Series 2010 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2010 A Bonds and the interest thereon in this Resolution, or upon the System or any part thereof.

Section 7.07. Parity Bonds. So long as the Prior Bonds and the Series 2010 B Bonds are Outstanding, no Parity Bonds shall be issued except in accordance with the terms of the Prior Resolutions and the IJDC Resolution. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Series 2010 A Bonds pursuant to this Resolution, except under the conditions and in the manner provided herein and with the prior written consent of the Government.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Prior Bonds, the Series 2010 A Bonds, and the Series 2010 B Bonds.

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

So long as the Series 2010 A Bonds are Outstanding, no Parity Bonds shall be issued at any time, unless there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The foregoing limitation may be waived or modified by the written consent of the Registered Owners of the Series 2010 A Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived, the following parity requirement shall be met:

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

and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

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

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

All covenants and other provisions of this Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Registered Owners of the Series 2010 A Bonds and the Registered Owners of any Parity Bonds issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their respective liens on the revenues of the System and their respective source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of another series on a parity therewith. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Resolution required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Outstanding Bonds on such revenues. The Issuer shall not

issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2010 A Bonds.

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

Section 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 Government and its 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 Issuer shall submit to the Government such documents and information as it may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any State and federal grants or other sources of financing for the Project.

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

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Registered Owner of the Series 2010 A Bonds issued pursuant to this Resolution 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 in accordance with the rules and regulations of the PSC and the Act. 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 Issuer shall provide the Government each year or any Registered Owner of the Series 2010 A Bonds requesting the same, with 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 Resolution and the status of all said funds and accounts.

(C) The amount of any Bonds or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required) in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Registered Owner of the Series 2010 A Bonds and shall submit said report to the Government. Such audit report submitted to the Government shall include a statement that the Issuer is in compliance with the terms and provisions of the Act and this Resolution and that the Gross Revenues are adequate to meet the Operating Expenses and debt service and reserve requirements.

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

Section 7.09. Rates. Prior to issuance of the Series 2010 A Bonds, approvals of equitable rates or charges for the use of and service rendered by the System shall have been obtained 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 reductions 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 and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2010 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 A Bonds, including the Prior Bonds and the Series 2010 B Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Series 2010 A Bonds Reserve Account and the Reserve Accounts for obligations on a parity with the Series 2010 A Bonds, including the Prior Bonds and the Series 2010 B Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2010 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2010 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget. The Issuer shall annually, at least 30 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Government within 30 days of the 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 Government and to any Registered Owner of the Series 2010 A Bonds who shall file his address with the Issuer 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 Government and any Registered Owner of the Series 2010 A Bonds or anyone acting for and on behalf of such Registered Owner.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain the certificate of the Consulting Engineers, certifying that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Government, the Project will be adequate for the purposes for which it was designed, the funding plan as submitted to the Government is sufficient to pay the costs of the 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 Government, covering the supervision and inspection of the development and construction of the Project. The Issuer shall employ qualified operating personnel properly certified by the State to operate the System so long as the Series 2010 A Bonds are Outstanding.

Section 7.12. No Competing Franchise. To the extent allowable by law, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation or 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 PSC and other laws of the State.

Whenever any fees, rates, rentals or other charges for the services or facilities of the System shall remain unpaid for a period of 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the PSC, fees, 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 of the PSC, discontinue and shut off the services of the System to all delinquent users of the services of the System, and will not restore such services of the System until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid, and shall take all further actions to enforce collections to the maximum extent permitted by law.

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

Section 7.15. Insurance and Construction Bonds. The Issuer hereby covenants and agrees that, so long as the Series 2010 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(A) Fire, Lightning, Vandalism, Malicious Mischief and Extended Coverage Insurance, to be procured prior to acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground insurable portions of the System, including machinery and equipment housed therein, in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

(B) Public Liability Insurance, with limits of not less than $1,000,000 for personal liability to protect the Issuer from claims for bodily injury and/or death and not less than $500,000 from claims for damage to property of others which may arise from the operation of the System.

(C) Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated for the benefit of the Issuer, with limits of not less than $1,000,000 for personal liability to protect the Issuer from claims for bodily injury and/or

death and not less than $500,000 from claims for damage to property of others which may arise from such operation of vehicles.

(D) Workers' Compensation Coverage for All Employees of the System Eligible Therefor and Performance and Payment Bonds, such bonds to be in the amounts of 100% of the construction contract, will be required of each contractor dealing directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with Chapter 38, Article 2, Section 39 of the Code of West Virginia, 1931, as amended.

(E) Fidelity Bonds will be provided as to every member, officer and employee of the Issuer having custody of the Revenue Fund or of any other funds or property of the System in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount required by the Government and to be increased thereafter as necessary to cover the maximum amount of funds under control of that position at any one time.

(F) Flood Insurance will be obtained by the Issuer if available; however, if the System is located in a community which has been notified as having special flood or mudslide prone areas, flood insurance must be obtained.

(G) Construction Bonds. 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. The Issuer shall verify such insurance prior to commencement of construction.

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the PSC, 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 shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by state and federal laws for the acquisition and construction of the Project, all orders and approvals from the PSC and other state agencies necessary for the acquisition and construction of the Project and the operation of the System and all approvals for the issuance of the Series 2010 A Bonds required by state law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Statutory Mortgage Lien. For the further protection of the Registered Owners of the Series 2010 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, and shall take effect immediately upon delivery of the Series 2010 A Bonds; provided however, that the statutory mortgage lien in favor of the Registered Owners of the Series 2010 A Bonds shall be on a parity with the statutory mortgage lien in favor of the Registered Owners of the Prior Bonds and the Series 2010 B Bonds.

Section 7.19. Compliance with Letter of Conditions and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Letter of Conditions, this Resolution and the Act. The Issuer shall also comply with all applicable laws, rules and regulations issued by the Government or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

Section 7.20. Contracts. The Issuer shall, simultaneously with the delivery of the Series 2010 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2010 A Bonds are Outstanding.

Notwithstanding the foregoing, any investments made pursuant to this Resolution shall comply with the guidelines of the Government.

ARTICLE IX

DEFAULTS AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2010 A Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Series 2010 A Bonds; or

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2010 A Bonds set forth in this Resolution, any Supplemental Resolution or the Series 2010 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 Government, the Depository Bank, the Bond Registrar, any Paying Agent or a Registered Owner of a 2010 A Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of the Series 2010 A Bonds may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and this Resolution relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2010 A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2010 A Bonds, and (v) by action at law or bill in equity enjoin any acts in violation of the Resolution with respect to the Series 2010 A Bonds, or the rights of such Registered Owners; provided however, that all rights and remedies of the Registered Owners of the Series 2010 A Bonds shall be on a parity with those of the Registered Owners of the Prior Bonds and the Series 2010 B Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of the Series 2010 A Bonds may, by proper legal action, compel the performance of the duties of the Issuer under this Resolution and the Act, including, the completion of the Project, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default, with respect to the 2010 A Bonds, the Registered Owner 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, or both, 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 2010 A Bonds and any interest thereon and the deposits into the funds and accounts herein provided and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Resolution and the Act.

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

Whenever all that is due upon the 2010 A Bonds and interest thereon and under any covenants of this Resolution for any 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 Resolution shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent Event of Default, any Registered Owner of the 2010 A Bonds issued pursuant to this Resolution shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers herein above conferred upon him, 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 2010 A Bonds issued pursuant to this Resolution and the owners of the Series 2010 B Bonds, the Prior Bonds and any Parity Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging

or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the Issuer and Registered Owners, and the curing and making good of any default under the provisions of this Resolution, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage, or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of the Series 2010 A Bonds, the principal of and interest due thereon, at the times and in the manner stipulated therein and in this Resolution, then this Resolution and the pledge of Net Revenues and other moneys and securities pledged under this Resolution and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2010 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Except through such direct payment to the Holder of the Series 2010 A Bonds, the Issuer may not defease the Series 2010 A Bonds or otherwise provide for payment thereof by escrow or like manner.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Modification or Amendment of Resolution. Prior to the issuance of the Series 2010 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2010 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 2010 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2010 A Bonds then Outstanding; provided, that no change shall be made in the maturity of any 2010 A Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2010 A Bonds required for consent to the above-permitted amendments or modifications.

Section 11.02. Resolution Constitutes Contract. The provisions of this Resolution shall constitute a contract between the Issuer and the Registered Owners of the Series 2010 A Bonds and no change, variation or alteration of any kind of the provisions of the Resolution shall be made in any manner, except as in this Resolution provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Resolution, any Supplemental Resolution or the Series 2010 A Bonds.

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

Section 11.05. Conflicting Provisions Repealed; Prior Resolutions. Except for the Prior Resolutions, all orders or resolutions and 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 the 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. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and

in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairperson, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred, and are, duly in office and duly qualified for such office.

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

Adopted this 9th day of July, 2010.

Chairperson

Member

Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of Sun Valley Public Service District on the 9th day of July, 2010.

Dated this 13th day of July, 2010.

[SEAL]

Secretary

{M0619846.7}

EXHIBIT A

PROJECT DESCRIPTION

The Project consists of the acquisition and construction of certain improvements and extensions to the existing public sewer facilities of Sun Valley Public Service District into the Sun Valley, Wolf Summit and Reynoldsville areas of Harrison County, West Virginia, to serve approximately 420 customers.

SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

BOND RESOLUTION

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EXHIBIT A - PROJECT DESCRIPTION

SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE SUN VALLEY PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE); DESIGNATING A DEPOSITORY BANK AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Sun Valley Public Service District (the "Issuer") has duly and officially adopted a Bond Resolution on July 9, 2010 (the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWER FACILITIES OF SUN VALLEY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Resolution provides for the issuance of the Sewer Revenue Bonds, Series 2010 A (United States Department of Agriculture) of the Issuer, in the aggregate principal amount not to exceed $1,000,000 (the "Bonds"), in accordance with Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the "Act"), and in the Resolution it is provided that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds should be established by a supplemental resolution, and that other matters relating to the Bonds be therein provided for;

WHEREAS, the Bonds are proposed to be purchased by the Government; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF SUN VALLEY PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the following bonds of the Issuer:

Sewer Revenue Bonds, Series 2010 A (United States Department of Agriculture), of the Issuer, in the original aggregate principal amount of $1,000,000. The Bonds shall be issued in the form of one Bond, shall be dated the date of delivery, shall mature forty years from the date thereof and shall be numbered AR-1, and the principal amount advanced under the Bonds shall bear interest at the rate of 4.0% per annum. Monthly installments of interest only on the amounts advanced under the Bonds are payable 30 days following the date of delivery of the Bonds and on the corresponding day of each month thereafter for the first 24 months after the date of delivery of the Bonds, and thereafter, monthly installments of principal of and interest on the Bonds, in the aggregate amount of $4,270, are payable on the corresponding day of each month, except that the final installment on the Bonds shall be paid at the end of 40 years from the date of the Bonds in the sum of the unpaid principal and interest due on the date thereof. The Bonds are subject to prepayment as set forth in the Resolution and the Bonds. All principal and interest payments on the

Bonds will be paid by the Issuer directly to the order of the United States of America at its National Finance Office, 1520 Market Street, St. Louis, Missouri 63103.

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

Section 3. The Issuer hereby approves and accepts the Letter of Conditions and all amendments thereto, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer hereby appoints and designates JPMorgan Chase Bank, NA, Clarksburg, West Virginia, to serve as the Depository Bank under the Resolution.

Section 5. The proceeds of the Bonds, as advanced from time to time, shall be deposited in the Series 2010 A Bonds Construction Trust Fund for payment of the costs of the Project and the costs of issuance of the Bonds and related costs.

Section 6. The Chairperson and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Resolution approved and provided for, to the end that the Bonds may be delivered to the Government on or about July 13, 2010.

Section 7. 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 8. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Resolution held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and, therefore, the Issuer hereby directs the Depository Bank to invest all moneys in such money market accounts until further directed in writing by the Issuer. Moneys in the Series 2010 A Bonds Reserve Account shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 9. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

Section 10. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project and the Chairperson is hereby authorized and directed to execute and deliver all such contracts.

Section 11. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 9th day of July, 2010.

Chairperson

Member

Member

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Sun Valley Public Service District on the 9th day of July, 2010.

Dated this 13th day of July, 2010.

[SEAL]

Secretary

{M0628644.3}

COPY

SUN VALLEY PUBLIC SERVICE DISTRICT
RESOLUTION OF THE BOARD OF THE SUN VALLEY PUBLIC SERVICE DISTRICT APPROVING INVOICES RELATING TO ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWAGE SYSTEM AND AUTHORIZING PAYMENT THEREOF

WVIJDC 3 94S-005

WHEREAS, the Sun Valley Public Service District (the "Issuer") has reviewed the invoices attached hereto and incorporated herein by reference relating to the acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewage system of the Issuer (the "Project"), to be funded by its Sewer Revenue Bonds, Series 2010 A (United States Department of Agriculture) (the "Series 2010 A Bonds") and its Sewer Revenue Bonds, Series 2010 B (West Virginia Infrastructure Fund) (the "Series 2010 B Bonds" and, together with the Series 2010 A Bonds, the "Bonds"), and other sources, and finds as follows: There is hereby authorized and directed the payment of the attached invoices in relation to the project as follows:

a) None of the items for which payment is proposed to be made has formed the basis for any disbursement theretofore made.
b) Each item for which 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 due and owing.

NOW, THEREFORE, BE IT RESOLVED by the Sun Valley Public Service District as follows: Payment Request #1 (see attached summary of expenditures with supporting documentation)

VENDOR	TOTAL	IJDC LOAN	EPA/STAG GRANT	RUS LOAN	RUS GRANT	HARRISON CO. BOARD OF ED. GRANT
SMITH, MC MUNN & GLOVER	49,878.47	49,878.47	0	0	0	0
JACKSON KELLY PLLC	40,000.00	40,000.00	0	0	0	0
UNITED BANK INC	500.00	500.00	0	0	0	0
TETRICK & BARTLETT PLLC	10,000.00	10,000.00	0	0	0	0
THRASHER ENGINEERING INC	525,821.65	303,680.65	0	222,141.00	0	0
SUN VALLEY PSD	95,279.30	70,279.30	0	25,000.00	0	0
CERRONE & ASSOCIATES	30,000.00	0	0	30,000.00	0	0
C. MORGAN HAYMOND	14,925.00	14,925.00	0	0	0	0
TOTAL	766,404.42	489,263.42	0	277,141.00	0	0

ADOPTED AND RATIFIED this 9th day of July, 2010.

Chairperson and Member

Member

Member

USDA.RD.

Expend Schedules
Sun Valley Public Service District
WV IJDC # 94S-005
Request for Payment #1

IJDC Loan	Per Schedule B	Adjustments	Revised Budget	Paid Prior to This Draw	Requested This Draw	Requested to Date	Remaining
Contract 1 Mendon Pipeline	$967,606.00	$0.00	$967,606.00	$0.00	$0.00	$0.00	$967,606.00
Contract 2 Dave Sugar Exc.	$1,011,700.00	$0.00	$1,011,700.00	$0.00	$0.00	$0.00	$1,011,700.00
Construction Contingency	$158,129.00	$0.00	$158,129.00	$0.00	$0.00	$0.00	$158,129.00
Land + rights	$104,320.70	$0.00	$104,320.70	$0.00	$53,444.00	$53,444.00	$50,876.70
Legal Fees	$110,000.00	$0.00	$110,000.00	$0.00	$49,878.47	$49,878.47	$60,121.53
Bond Counsel	$40,000.00	$0.00	$40,000.00	$0.00	$40,000.00	$40,000.00	$0.00
Accounting	$10,000.00	$0.00	$10,000.00	$0.00	$10,000.00	$10,000.00	$0.00
Archeological Study	$5,745.50	$0.00	$5,745.50	$0.00	$5,745.50	$5,745.50	$0.00
Engineering Fees	$687,859.00	$0.00	$687,859.00	$0.00	$303,680.65	$303,680.65	$384,178.35
Study Phase - $30,000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Basic - $505,000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Insp - $445,00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Additonal Services - $140,000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Interest (2 yrs @ 4.125%)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Administration	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Permits	$26,264.80	$0.00	$26,264.80	$0.00	$26,014.80	$26,014.80	$250.00
Equipment Improvements	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Electrical Service Extension	$30,000.00	$0.00	$30,000.00	$0.00	$0.00	$0.00	$30,000.00
Soil Testing	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Previous Consulting (Cerrone)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Bank Registrar Fee	$500.00	$0.00	$500.00	$0.00	$500.00	$500.00	$0.00
Project contingency	$47,875.00	$0.00	$47,875.00	$0.00	$0.00	$0.00	$47,875.00
Total	$3,200,000.00	$0.00	$3,200,000.00	$0.00	$489,263.42	$489,263.42	$2,710,736.58

EPA/STAG GRANT	Per Schedule B	Adjustments	Revised Budget	Paid Prior to This Draw	Requested This Draw	Requested to Date	Remaining
Contract 1 Mendon Pipeline	$928,600.00	$0.00	$928,600.00	$0.00	$0.00	$0.00	$928,600.00
Contract 2 Dave Sugar Exc.	$1,000,000.00	$0.00	$1,000,000.00	$0.00	$0.00	$0.00	$1,000,000.00
Construction Contingency	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Land + rights	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Legal Fees	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Bond Counsel	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Accounting	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Archeological Study	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Engineering Fees	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Study Phase - $30,000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Basic - $505,000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Insp - $445,00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Additonal Services - $140,000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Interest (2 yrs @ 4.125%)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Administration	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Permits	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Equipment Improvements	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Electrical Service Extension	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Soil Testing	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Previous Consulting (Cerrone)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Bank Registrar Fee	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Project contingency	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total	$1,928,600.00	$0.00	$1,928,600.00	$0.00	$0.00	$0.00	$1,928,600.00

Expenditure Schedules
Sun Valley PSD
WV IJDC # 94S-005
Request for Payment #1

RUS LOAN	Per Schedule B	Adjustments	Revised Budget	Paid Prior to This Draw	Requested This Draw	Requested to Date	Remaining
Contract 1 Mendon Pipeline	$148,794.00	$0.00	$148,794.00	$0.00	$0.00	$0.00	$148,794.00
Contract 2 Dave Sugar Exc.	$278,060.00	$0.00	$278,060.00	$0.00	$0.00	$0.00	$278,060.00
Construction Contingency	$158,129.00	$0.00	$158,129.00	$0.00	$0.00	$0.00	$158,129.00
Land + rights	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Legal Fees	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Bond Counsel	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Accounting	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Archeological Study	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Engineering Fees	$222,141.00	$0.00	$222,141.00	$0.00	$222,141.00	$222,141.00	$0.00
Study Phase - $30,000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Basic - $505,000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Insp - $445,00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Additonal Services - $140,000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Interest (2 yrs @ 4.125%)	$85,000.00	$0.00	$85,000.00	$0.00	$0.00	$0.00	$85,000.00
Administration	$5,000.00	$0.00	$5,000.00	$0.00	$0.00	$0.00	$5,000.00
Permits	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Equipment Improvements	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Electrical Service Extension	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Soil Testing	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Previous Consulting (Cerrone)	$55,000.00	$0.00	$55,000.00	$0.00	$55,000.00	$55,000.00	$0.00
Bank Registrar Fee	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Project contingency	$47,876.00	$0.00	$47,876.00	$0.00	$0.00	$0.00	$47,876.00
Total	$1,000,000.00	$0.00	$1,000,000.00	$0.00	$277,141.00	$277,141.00	$722,859.00

RUS GRANT	Per Schedule B	Adjustments	Revised Budget	Paid Prior to This Draw	Requested This Draw	Requested to Date	Remaining
Contract 1 Mendon Pipeline	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Contract 2 Dave Sugar Exc.	$1,590,400.00	$0.00	$1,590,400.00	$0.00	$0.00	$0.00	$1,590,400.00
Construction Contingency	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Land + rights	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Legal Fees	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Bond Counsel	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Accounting	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Archeological Study	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Engineering Fees	$210,000.00	$0.00	$210,000.00	$0.00	$0.00	$0.00	$210,000.00
Study Phase - $30,000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Basic - $505,000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Insp - $445,00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Additonal Services - $140,000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Interest (2 yrs @ 4.125%)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Administration	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Permits	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Equipment Improvements	$50,000.00	$0.00	$50,000.00	$0.00	$0.00	$0.00	$50,000.00
Electrical Service Extension	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Soil Testing	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Previous Consulting (Cerrone)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Bank Registrar Fee	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Project contingency	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total	$1,850,400.00	$0.00	$1,850,400.00	$0.00	$0.00	$0.00	$1,850,400.00

Expenditure Schedules
Sun Valley PSD
WV IJDC # 94S-005
Request for payment #1

HARRISON COUNTY BOARD OF ED. GRANT	Per Schedule B	Adjustments	Revised Budget	Paid Prior to This Draw	Requested This Draw	Requested to Date	Remaining
Contract 1 Mendon Pipeline	$400,000.00	$0.00	$400,000.00	$0.00	$0.00	$0.00	$400,000.00
Contract 2 Dave Sugar Exc.	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Construction Contingency	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Land + rights	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Legal Fees	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Bond Counsel	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Accounting	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Archeological Study	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Engineering Fees	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Study Phase - $30,000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Basic - $505,000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Insp - $445,000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Additonal Services - $140,000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Interest (2 yrs @ 4.125%)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Administration	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Permits	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Equipment Improvements	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Electrical Service Extension	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Soil Testing	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Previous Consulting (Cerrone)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Bank Registrar Fee	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Project contingency	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total	$400,000.00	$0.00	$400,000.00	$0.00	$0.00	$0.00	$400,000.00

Sun Valley Public Service District Phase II Sewer
Summary of Expenditures – Request for Payment #1 WJIDC #945-005

Vendor	Line Item	Total	IJDC	EPA STA	RUS Loan	RUS Grant	Harrison County Board of Education	Purpose
Smith, McMunn & Glover	Legal	$49,878.47	$49,878.47					Project legal fees, acquisition
Jackson Kelley	Bond Counsel	$40,000	$40,000					Bond Counsel
United Bank	Bank Fees	$500.00	$500.00					Bank Registrar
Tetrick & Bartlett	Accounting	$10,000	$10,000					Accounting services, PSC, Rule 42
Thrasher Engineering	A/E services	$525,821.65	$303,680.65		$222,141.00			$1650 Reimbursable, Permitting fees, $525,821. 65 A/E fee
Sun Valley PSD	Reimbursement—See purpose	$95,279.30	$70,279.30		$25,000.00			See attached Schedule of Reimbursements
Cerrone& Associates	Previous Consulting Fees	$30,000.00			$30,000.00			Final Payment on $55,000.00 settlement
C. Morgan Haymond	Land and ROW	$14,925.50	$14,925.00$					Final Payment—ROW agent
	TOTALS	$766,404.42	$489,263.42	0	$277,141.00	0	0	

SCHEDULE OF REIMBURSEMENTS – SUN VALLEY PHASE II SEWER PAYMENT REQUEST #1

Line Item	Amount	IJDC	RUS Loan	Reimbursement to Thrasher	Reimbursement to Sun Valley
Arch. Study	5,745.50	5,745.50			5,745.50
Previous Consulting Fees	25,000.00		25,000.00		25,000.00
Land & ROW's (see attached ROW schedule)	32,519.00	32,519.00			32,519.00
Land & ROW's					
C.Morgan Haymond-ROW Agent	6,000.00	6,000.00			6,000.00
Subtotal Land & ROW	38,519.00	38,519.00			
Permits					
NPDES	1,650.00	1,650.00		1,650.00	
Highway Permit Bond	500.00	500.00			500.00
DOH Permit	22,776.00	22,776.00			22,776.00
DOH Permit	88.80	88.80			88.80
WVDEP-NPDES	1,000.00	1,000.00			1,000.00
Subtotal Permits	26,014.80	26,014.80			
Total	95,279.30	70,279.30	25,000.00	1,650.00	93,629.30

Schedule of Rights-of-Way
ROW & Option Totals
6/15/10

Name	Contract #	ROW #	Paid	Still Owe	Grand Total
Frederick & Brenda Ware	1	7		$ 1,000.00	**$32,519.00**
Stephen Graham	1	22		$ 300.00	
James & Catherine Walker	1	31		$ 300.00	
Donald Claypool, II	1	37		$ 800.00	
John Williams	1	53		$ 300.00	
John Gallo	1	61 & 62		$ 2,500.00	
Jenny Nutter	1	63		$ 3,500.00	
Mark Frum	1	64		$ 150.00	
Susie Gain Est	1	89		$ 2,100.00	
Kevin & Kimberly Sears	1			$ 2,500.00	
CLJ Properties (Chris Jarom)	1	97		$ 2,000.00	
H. Dotson Cather, Trustee	1	98		$ 2,719.00	
Herman Lodge	1	119		$ 300.00	
George & Marvelene Wilt	1	123	$ 150.00	$ 1,350.00	
Tom & Rita Swift	2	3		$ 3,500.00	
John Jr. & Mary Wright	2	43 & 44		$ 1,000.00	
John & Nancy Corathers	2	150		$ 50.00	
Michael & Ruth Gonzalez	2	196		$ 500.00	
David Davis	2	210		$ 1,000.00	
Kirk Boyce	2	216		$ 1,000.00	
Jeffrey Benninger	2	217 & 218		$ 500.00	
H. Dotson Cather Trustee Lift Station Property Purchase				$ 5,000.00	
Total			**$ 150.00**	**$32,369.00**	

Smith, McMunn & Glover, PLLC
Attorneys at Law

G. Thomas Smith
D. Andrew McMunn
David C. Glover

516 West Main Street
Clarksburg, WV 26301

Telephone: (304) 326-6000
Facsimile: (304) 326-4000
Writer's Email: davidcglover@aol.com

June 28, 2010

Kevin Short
Sun Valley Public Service Commission
P.O. Box 95
Reynoldsville, West Virginia 26422-0095

RE: Sun Valley Public Service District

STATEMENT FOR SERVICES RENDERED AND EXPENSES AS OF 3/31/2010

Services Rendered:

Hourly time spent	380 X $125 .00 per hour =	**$ 47,500.00**

Expenses:

Expenses:		
File Fees	2,291.00	
Publish Fee	73.97	
Copy Fee	13.50	
Total Expenses		**2,378.47**
Total Amount Due		**$ 49,878.47**

JACKSONKELLY
ATTORNEYS AT LAW PLLC
150 CLAY STREET • SUITE 500 • P.O. BOX 619 • MORGANTOWN, WEST VIRGINIA 26507 • TELEPHONE: 304-284-4100 • TELECOPIER: 304-284-4140
www.jacksonkelly.com

INVOICE

EMPLOYER I.D. NO. 550394215

June 22, 2010

Kevin Short, General Manager
Sun Valley Public Service District
P.O. Box 95
Reynoldsville, WV 26422-0095

Re: Sun Valley Public Service District Sewer Revenue Bonds
Series 2010 A (United States Department of Agriculture)
Series 2010 B (West Virginia Infrastructure Fund)

For fees and expenses incurred serving as Bond Counsel with respect to the above-referenced bond issue.

TOTAL STATEMENT $40,000.00

Wiring Instructions:

Jackson Kelly PLLC
1600 Laidley Tower
500 Lee Street
P.O. Box 553
Charleston, WV 25301

Bank Name	Branch Banking & Trust
ABA Number	051503394
Account Number	5172879588
Reference Information:	22470/301

UNITED BANK
WEST VIRGINIA'S BANK

INVOICE

Date: July 13, 2010

To: Sun Valley Public Service District
P. O. Box 95
Reynoldsville, WV 26422
Attention: Chairperson

Re: Sun Valley Public Service District
Sewer Revenue Bonds, Series 2010 B
(West Virginia Infrastructure Fund)

Amount Due: $ 500.00

Acceptance Fee	$ 500.00

Please remit to United Bank
Corporate Trust Department
P. O. Box 393
Charleston, WV

Tetrick & Bartlett, PLLC
Certified Public Accountants
Consultants

122 N. Oak St. • PO Box 1916 • Clarksburg, WV 26302-1916 • (304) 624-5564 • Fax: (304) 624-5582 • E-mail: TBCPA@tetrickbartlett.com

June 4, 2010

Sun Valley Public Service District Sewer Division
P O Box 95
Reynoldsville, West Virginia 26422

Client ID: 26724

Professional services rendered from project inception through June 4, 2010 in connection with sewer system expansion project including multiple Rule 42 filings and revisions, meetings with engineers and Management regarding various project issues including rate analysis under various funding assumptions, discussions with Public Service Commission representatives regarding rate matters, and attention to other expansion project matters as required.

$10,000.00

Terms: Payment is due on receipt of invoice. A finance charge of 1½% per month (18% annual) will be added on accounts not paid within 30 days from the end of the month for which bills were rendered.

THRASHER ENGINEERING, INC.

P.O. Box 1532
30 Columbia Blvd.
Clarksburg, WV 26301
(304) 624-4108

May 19, 2010

Project: **Sun Valley PSD**
Sanitary Sewer Project Phase II
Project # 101-020-0944

Pay Requisition # 1

CHECK NO.	PAYEE		AMOUNT
_____	**Thrasher Engineering, Inc.** Permit (Reimbursable)		$ 1,650.00
_____	**Thrasher Engineering, Inc.**		
	Study & Report Phase	$ 30,000.00	
	Engineering Services	404,000.00	
	Special Services	91,821.65	
			525,821.65
TOTAL DISBURSEMENTS			$ 527,471.65

APPROVED BY:

_____ 7-9-10
Sun Valley PSD **Date**

_____ 5/19/10
Thrasher Engineering, Inc. **Date**

THRASHER ENGINEERING, INC.
P.O. BOX 1532
CLARKSBURG, WV 26301
(304) 624-4108

INVOICE

SUN VALLEY PSD
P.O. BOX 95
REYNOLDSVILLE, WV 26422

Invoice number 1041521
Date 5/19/2010

Contract: 101-020-0944
SUN VALLEY/PHASE II SEWER
Scope of Work: REIMBURSABLE - PERMITS

Client ID: 01SUN001

PROFESSIONAL SERVICES - NET 30

Reimbursable

Activity / Vendor	Date	Amount
PERMITS		
WV DEPT OF ENVIRON PROTECTI	10/10/2009	1,400.00
	10/8/2009	250.00
PERMITS subtotal		1,650.00
Reimbursable subtotal		1,650.00
Invoice total		1,650.00

THRASHER ENGINEERING, INC.
P.O. BOX 1532
CLARKSBURG, WV 26301
(304) 624-4108

INVOICE

SUN VALLEY PSD
P.O. BOX 95
REYNOLDSVILLE, WV 26422

Invoice number 1041522
Date 5/19/2010

Client ID: 01SUN001

Contract: 101-020-0944
SUN VALLEY/PHASE II SEWER
Scope of Work: PHASE II SANITARY SEWER PROJECT
STUDY AND REPORT PHASE

PROFESSIONAL SERVICES - NET 30

Total fee	30,000.00	
Percent complete	100.00	
Total fee billed	30,000.00	
Fee previously billed	0.00	
Current fee billing		30,000.00
Invoice total		30,000.00

THRASHER ENGINEERING, INC.
P.O. BOX 1532
CLARKSBURG, WV 26301
(304) 624-4108

INVOICE

SUN VALLEY PSD
P.O. BOX 95
REYNOLDSVILLE, WV 26422

Invoice number 1041524
Date 5/19/2010

Contract: 101-020-0944
SUN VALLEY PSD
Scope of Work: PHASE II SANITARY SEWER PROJECT
DESIGN SERVICES

PROFESSIONAL SERVICES - NET 30

ITEM	BUDGET AMOUNT	PREVIOUS % COMPLETE	CURRENT % COMPLETE	AMOUNT COMPLETE
PRELIMINARY DESIGN PHASE	101,000.00	0%	100%	101,000.00
FINAL DESIGN PHASE	252,500.00	0%	100%	252,500.00
BIDDING & NEGOTIATING	50,500.00	0%	100%	50,500.00
CONSTRUCTION PHASE	75,750.00	0%	0%	0.00
POST CONSTRUCTION PHASE	25,250.00	0%	0%	0.00
	505,000.00		TOTAL	404,000.00
			LESS PREVIOUS INVOICES	0.00
			CURRENT INVOICE TOTAL	404,000.00

THRASHER ENGINEERING, INC.
P.O. BOX 1532
CLARKSBURG, WV 26301
(304) 624-4108

INVOICE

SUN VALLEY PSD
P.O. BOX 95
REYNOLDSVILLE, WV 26422

Invoice number 1041523
Date 5/19/2010

Contract: 101-020-0944
SUN VALLEY/PHASE II SEWER
Scope of Work: PHASE II SEWER PROJECT
ADDITIONAL SERVICES

Client ID: 01SUN001

PROFESSIONAL SERVICES - NET 30

Labor

Activity / Employee	Date	Hours	Rate	Amount
MEETINGS				
DAVID LANE WATSON	4/20/2009	2.00	92.88	185.76
	5/28/2009	2.50	92.88	232.20
	6/1/2009	3.00	92.88	278.64
	6/8/2009	3.00	92.88	278.64
	8/12/2009	1.00	94.74	94.74
	8/13/2009	1.00	94.74	94.74
	8/14/2009	3.00	94.74	284.22
	8/20/2009	1.50	94.74	142.11
	4/21/2010	2.50	94.74	236.85
	5/5/2010	1.00	94.74	94.74
MEETINGS subtotal		20.50		1,922.64
PLANS OR SPECIFICATIONS				
JEFFERY W. BONAVENTURA	2/24/2009	1.25	41.86	52.34
	3/2/2009	1.50	41.86	62.79
	3/3/2009	0.25	41.86	10.48
	3/4/2009	4.00	41.86	167.44
	3/5/2009	2.50	41.86	104.65
	3/9/2009	4.50	41.86	188.37
	3/10/2009	7.50	41.86	313.95
	3/24/2009	2.00	41.86	83.72
	3/25/2009	7.50	41.86	313.95
	3/26/2009	2.50	41.86	104.65
	3/30/2009	3.00	41.86	125.58
	3/31/2009	5.50	41.86	230.23
	4/1/2009	2.50	41.86	104.65
	4/2/2009	0.50	41.86	20.93
DAVID LANE WATSON	4/14/2009	3.00	92.88	278.64
	4/17/2009	1.00	92.88	92.88

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Invoice number 1041523
Date 5/19/2010

Client ID: 01SUN001

Contract: 101-020-0944
SUN VALLEY/PHASE II SEWER

Labor

Activity / Employee	Date	Hours	Rate	Amount
DAVID LANE WATSON	4/23/2009	2.00	92.88	185.76
	4/28/2009	1.00	92.88	92.88
	4/30/2009	1.00	92.88	92.88
	6/22/2009	2.00	92.88	185.76
	6/23/2009	1.50	92.88	139.32
	8/3/2009	2.50	94.74	236.85
	8/6/2009	2.00	94.74	189.48
	8/20/2009	0.50	94.74	47.37
	8/24/2009	2.00	94.74	189.48
	8/25/2009	3.50	94.74	331.59
	8/26/2009	1.00	94.74	94.74
	8/27/2009	1.00	94.74	94.74
	9/1/2009	2.00	94.74	189.48
	9/2/2009	2.00	94.74	189.48
	9/3/2009	2.00	94.74	189.48
	10/5/2009	2.00	94.74	189.48
	10/7/2009	2.50	94.74	236.85
	10/7/2009	0.50	94.74	47.37
	10/8/2009	2.50	94.74	236.85
	10/9/2009	1.00	94.74	94.74
	10/20/2009	2.00	94.74	189.48
	12/14/2009	3.00	94.74	284.22
	3/16/2010	2.00	94.74	189.48
	5/3/2010	2.00	94.74	189.48
	5/7/2010	1.00	94.74	94.74
PLANS & SPECIFICATIONS subtotal		93.50		6,457.24
CADD				
CHRIS IRVINE	11/5/2008	2.00	69.23	138.46
	11/10/2008	3.00	69.23	207.69
	11/12/2008	1.00	69.23	69.23
	11/26/2008	2.00	69.23	138.46
	12/1/2008	3.00	69.23	207.69

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SUN VALLEY/PHASE II SEWER

Labor

Activity / Employee	Date	Hours	Rate	Amount
CHRIS IRVINE	12/2/2008	5.00	69.23	346.15
	12/3/2008	7.00	69.23	484.61
	12/4/2008	6.00	69.23	415.38
	12/5/2008	5.00	69.23	346.15
	12/8/2008	5.00	69.23	346.15
	12/9/2008	5.00	69.23	346.15
	12/9/2008	1.00	69.23	69.23
	12/10/2008	4.00	69.23	276.92
	12/11/2008	3.00	69.23	207.69
	12/15/2008	7.00	69.23	484.61
	12/16/2008	4.00	69.23	276.92
	12/17/2008	2.00	69.23	138.46
	12/18/2008	2.00	69.23	138.46
	1/2/2009	1.00	69.23	69.23
	1/5/2009	3.00	69.23	207.69
	1/8/2009	8.00	69.23	553.84
	1/9/2009	6.00	69.23	415.38
	1/12/2009	1.00	69.23	69.23
	1/12/2009	3.00	69.23	207.69
	1/13/2009	4.00	69.23	276.92
	1/13/2009	4.00	69.23	276.92
	1/14/2009	2.00	69.23	138.46
	1/14/2009	2.50	69.23	173.08
	1/19/2009	2.00	69.23	138.46
	1/19/2009	1.00	69.23	69.23
	1/20/2009	3.00	69.23	207.69
	1/20/2009	3.00	69.23	207.69
	1/21/2009	2.00	69.23	138.46
	1/22/2009	2.00	69.23	138.46
	1/22/2009	3.00	69.23	207.69
	1/23/2009	2.00	69.23	138.46
	1/23/2009	1.00	69.23	69.23

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SUN VALLEY/PHASE II SEWER

Labor

Activity / Employee	Date	Hours	Rate	Amount
CHRIS IRVINE	1/26/2009	3.00	69.23	207.69
	1/27/2009	4.00	69.23	276.92
	2/2/2009	1.00	69.23	69.23
	2/3/2009	4.00	69.23	276.92
	2/4/2009	3.00	69.23	207.69
	2/6/2009	3.00	69.23	207.69
	2/9/2009	1.00	69.23	69.23
	2/10/2009	3.00	69.23	207.69
	2/12/2009	3.00	69.23	207.69
APRIL D. SWENTZEL	2/13/2009	3.50	37.84	132.44
CHRIS IRVINE	2/19/2009	2.00	69.23	138.46
	2/20/2009	2.00	69.23	138.46
APRIL D. SWENTZEL	2/20/2009	4.00	37.84	151.36
CHRIS IRVINE	2/23/2009	2.50	69.23	173.08
APRIL D. SWENTZEL	2/23/2009	3.50	37.84	132.44
CHRIS IRVINE	2/25/2009	3.00	69.23	207.69
	2/27/2009	1.50	69.23	103.85
	3/3/2009	3.00	69.23	207.69
APRIL D. SWENTZEL	3/3/2009	7.00	37.84	264.88
	3/4/2009	7.00	37.84	264.88
CHRIS IRVINE	3/5/2009	4.00	69.23	276.92
APRIL D. SWENTZEL	3/5/2009	6.00	37.84	227.04
CHRIS IRVINE	3/6/2009	3.00	69.23	207.69
JEFFERY W. BONAVENTURA	3/6/2009	9.00	62.79	565.11
DAVID B. STUTLER	3/6/2009	0.50	33.81	16.91
CHRIS IRVINE	3/9/2009	3.00	69.23	207.69
	3/10/2009	4.00	69.23	276.92
DAVID B. STUTLER	3/10/2009	2.00	33.81	67.62
CHRIS IRVINE	3/11/2009	3.00	69.23	207.69
DAVID B. STUTLER	3/11/2009	0.50	33.81	16.91
CHRIS IRVINE	3/12/2009	3.00	69.23	207.69
APRIL D. SWENTZEL	3/12/2009	1.00	37.84	37.84

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Labor

Activity / Employee	Date	Hours	Rate	Amount
CHRIS IRVINE	3/13/2009	2.00	69.23	138.46
APRIL D. SWENTZEL	3/13/2009	2.00	37.84	75.68
CHRIS IRVINE	4/1/2009	4.00	69.23	276.92
	4/2/2009	4.00	69.23	276.92
	4/3/2009	4.00	69.23	276.92
	4/6/2009	7.00	69.23	484.61
	4/7/2009	3.00	69.23	207.69
	4/9/2009	1.00	69.23	69.23
	4/13/2009	2.00	69.23	138.46
	4/14/2009	1.00	69.23	69.23
	4/15/2009	1.00	69.23	69.23
	4/17/2009	2.00	69.23	138.46
	4/24/2009	3.00	69.23	207.69
	4/27/2009	1.00	69.23	69.23
	5/18/2009	1.00	69.23	69.23
	5/20/2009	3.00	69.23	207.69
JOSHUA A. DYE	5/21/2009	2.00	41.06	82.12
CHRIS IRVINE	6/1/2009	2.00	69.23	138.46
JOSHUA A. DYE	6/19/2009	5.00	41.06	205.30
DAVID B. STUTLER	6/22/2009	2.00	33.81	67.62
CHRIS IRVINE	7/15/2009	3.00	70.61	211.83
	7/16/2009	3.00	70.61	211.83
	8/13/2009	4.00	70.61	282.44
	8/24/2009	4.00	70.61	282.44
	8/25/2009	6.00	70.61	423.66
	8/27/2009	2.00	70.61	141.22
	8/28/2009	2.00	70.61	141.22
	9/8/2009	4.00	70.61	282.44
GEORGE R. WATSON	9/8/2009	3.00	62.40	187.20
KENNETH E. SIMMONS, JR.	9/8/2009	1.50	52.55	78.83
CHRIS IRVINE	9/9/2009	2.00	70.61	141.22
	9/11/2009	2.00	70.61	141.22

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Labor

Activity / Employee	Date	Hours	Rate	Amount
CHRIS IRVINE	9/15/2009	1.00	70.61	70.61
	9/16/2009	1.00	70.61	70.61
	9/17/2009	1.00	70.61	70.61
	9/18/2009	1.00	70.61	70.61
	9/18/2009	2.00	70.61	141.22
	9/21/2009	2.00	70.61	141.22
	9/22/2009	2.00	70.61	141.22
	9/25/2009	2.00	70.61	141.22
	9/28/2009	2.00	70.61	141.22
	9/29/2009	2.00	70.61	141.22
	10/9/2009	1.00	70.61	70.61
	12/2/2009	3.00	70.61	211.83
	12/2/2009	3.00	70.61	211.83
	12/3/2009	3.00	70.61	211.83
	12/3/2009	3.00	70.61	211.83
	12/7/2009	3.00	70.61	211.83
	12/8/2009	2.00	70.61	141.22
	12/9/2009	1.00	70.61	70.61
	12/10/2009	1.00	70.61	70.61
	12/14/2009	2.00	70.61	141.22
	12/15/2009	2.00	70.61	141.22
	12/17/2009	1.00	70.61	70.61
	12/18/2009	2.00	70.61	141.22
	12/28/2009	2.00	70.61	141.22
	1/27/2010	3.00	70.61	211.83
	2/5/2010	1.00	70.61	70.61
TRUDY L. HEIL	3/24/2010	1.75	48.30	84.53
	3/25/2010	0.50	48.30	24.15
CHRIS IRVINE	4/6/2010	1.00	70.61	70.61
	5/5/2010	1.00	70.61	70.61
CADD subtotal		365.25		23,808.72

GENERAL PROJECT PERMITTING

THRASHER ENGINEERING, INC.
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SUN VALLEY/PHASE II SEWER

Client ID: 01SUN001

Labor

Activity / Employee	Date	Hours	Rate	Amount
DAVID LANE WATSON	5/27/2009	2.00	92.88	185.76
	5/28/2009	0.50	92.88	46.44
	5/28/2009	1.00	92.88	92.88
	5/29/2009	1.00	92.88	92.88
	6/18/2009	3.00	92.88	278.64
	6/19/2009	3.00	92.88	278.64
	6/22/2009	3.00	92.88	278.64
	6/23/2009	3.00	92.88	278.64
	6/26/2009	3.00	92.88	278.64
ERIC S SHERRARD	6/30/2009	0.50	46.69	23.35
DAVID LANE WATSON	7/1/2009	1.00	92.88	92.88
	7/2/2009	1.50	92.88	139.32
	10/6/2009	3.00	94.74	284.22
	10/7/2009	2.00	94.74	189.48
	10/9/2009	1.00	94.74	94.74
	10/12/2009	4.00	94.74	378.96
	10/13/2009	2.00	94.74	189.48
	10/19/2009	3.00	94.74	284.22
	12/16/2009	6.00	94.74	568.44
	4/21/2010	1.00	94.74	94.74
	5/5/2010	0.50	94.74	47.37
	5/5/2010	4.00	94.74	378.96
	5/7/2010	1.00	94.74	94.74
GENERAL PROJECT PERMITTING subtotal		50.00		4,672.07
FLOW METERING				
DONALD K. BROWN, JR.	1/21/2008	2.00	70.84	141.68
JOHN D. SANDY	1/21/2008	2.00	28.98	57.96
DONALD K. BROWN, JR.	2/11/2008	2.00	70.84	141.68
JOHN D. SANDY	2/11/2008	2.00	28.98	57.96
	2/15/2008	1.00	28.98	28.98
FLOW METERING subtotal		9.00		428.26
1 PERSON SURVEY CREW				

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Labor

Activity / Employee	Date	Hours	Rate	Amount
MICHAEL R. HYMAN	2/13/2008	2.00	57.96	115.92
KURT L. NEWBROUGH	2/19/2008	1.00	162.55	162.55
	2/21/2008	2.00	162.55	325.10
MICHAEL R. HYMAN	4/21/2008	1.50	57.96	86.94
	4/22/2008	4.00	57.96	231.84
GEORGE R. WATSON	10/16/2008	5.00	61.18	305.90
	10/17/2008	3.50	61.18	214.13
	10/22/2008	1.00	61.18	61.18
	10/24/2008	1.00	91.77	91.77
KURT L. NEWBROUGH	11/5/2008	2.00	178.03	356.06
	11/7/2008	1.00	178.03	178.03
	11/12/2008	2.00	178.03	356.06
GEORGE R. WATSON	11/13/2008	1.00	61.18	61.18
	11/14/2008	1.00	61.18	61.18
	11/17/2008	1.00	61.18	61.18
JOSHUA NATHAN HAUSER	11/24/2008	4.00	56.35	225.40
GEORGE R. WATSON	11/26/2008	0.50	61.18	30.59
JOSHUA NATHAN HAUSER	11/26/2008	1.00	56.35	56.35
STEVE C. MUNSTER	12/4/2008	4.00	64.40	257.60
GEORGE R. WATSON	12/5/2008	3.00	61.18	183.54
	12/8/2008	2.00	61.18	122.36
STEVE C. MUNSTER	12/10/2008	6.00	64.40	386.40
GEORGE R. WATSON	12/10/2008	1.00	61.18	61.18
KURT L. NEWBROUGH	12/11/2008	3.00	178.03	534.09
STEVE C. MUNSTER	12/11/2008	8.00	64.40	515.20
GEORGE R. WATSON	12/11/2008	1.00	61.18	61.18
JOSHUA NATHAN HAUSER	12/11/2008	2.00	56.35	112.70
GEORGE R. WATSON	12/12/2008	1.00	61.18	61.18
JOSHUA NATHAN HAUSER	12/12/2008	1.50	56.35	84.53
GEORGE R. WATSON	12/19/2008	1.00	61.18	61.18
	12/22/2008	6.00	61.18	367.08
	12/24/2008	2.00	61.18	122.36

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Labor

Activity / Employee	Date	Hours	Rate	Amount
GEORGE R. WATSON	1/5/2009	1.00	61.18	61.18
	1/5/2009	1.00	61.18	61.18
	1/6/2009	1.00	61.18	61.18
	1/7/2009	1.00	61.18	61.18
	1/7/2009	3.50	61.18	214.13
JOSHUA NATHAN HAUSER	1/7/2009	2.00	56.35	112.70
GEORGE R. WATSON	1/8/2009	5.50	61.18	336.49
	1/9/2009	8.00	61.18	489.44
	1/12/2009	6.00	61.18	367.08
	1/13/2009	1.00	61.18	61.18
	1/13/2009	1.50	61.18	91.77
	1/14/2009	1.50	61.18	91.77
	1/14/2009	1.00	61.18	61.18
	1/15/2009	1.00	61.18	61.18
	1/15/2009	3.00	61.18	183.54
	1/16/2009	8.00	61.18	489.44
	1/19/2009	2.50	61.18	152.95
	1/21/2009	2.00	61.18	122.36
	1/21/2009	2.00	61.18	122.36
	1/22/2009	2.00	61.18	122.36
	1/22/2009	2.00	61.18	122.36
	1/23/2009	1.00	61.18	61.18
	1/23/2009	1.00	61.18	61.18
	1/26/2009	0.50	61.18	30.59
	1/26/2009	2.50	61.18	152.95
	1/27/2009	2.00	61.18	122.36
	1/27/2009	1.00	61.18	61.18
	1/28/2009	2.00	61.18	122.36
	1/28/2009	2.50	61.18	152.95
	1/29/2009	1.50	61.18	91.77
	1/29/2009	1.50	61.18	91.77
SCOTT A. SHAVER	1/29/2009	4.00	51.52	206.08

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Contract: 101-020-0944
SUN VALLEY/PHASE II SEWER

Labor

Activity / Employee	Date	Hours	Rate	Amount
JOSHUA NATHAN HAUSER	1/30/2009	3.00	56.35	169.05
GEORGE R. WATSON	2/2/2009	1.00	61.18	61.18
	2/2/2009	1.50	61.18	91.77
	2/3/2009	1.00	61.18	61.18
	2/3/2009	1.00	61.18	61.18
JOSHUA NATHAN HAUSER	2/3/2009	3.00	56.35	169.05
GEORGE R. WATSON	2/4/2009	1.00	61.18	61.18
	2/5/2009	1.00	61.18	61.18
	2/6/2009	0.50	61.18	30.59
	2/6/2009	0.50	61.18	30.59
JOSHUA NATHAN HAUSER	2/6/2009	2.00	56.35	112.70
CHRIS IRVINE	2/9/2009	2.50	69.23	173.08
GEORGE R. WATSON	2/9/2009	2.50	61.18	152.95
	2/10/2009	3.00	61.18	183.54
	2/10/2009	1.00	61.18	61.18
	2/11/2009	2.00	61.18	122.36
	2/12/2009	2.00	61.18	122.36
	2/13/2009	2.00	91.77	183.54
	2/16/2009	2.50	61.18	152.95
	2/17/2009	4.50	61.18	275.31
	2/18/2009	2.00	61.18	122.36
	2/19/2009	5.00	61.18	305.90
	2/19/2009	1.50	61.18	91.77
	2/23/2009	3.50	61.18	214.13
	2/24/2009	2.00	61.18	122.36
	2/25/2009	2.00	61.18	122.36
	2/25/2009	2.50	61.18	152.95
	2/26/2009	1.50	61.18	91.77
	2/26/2009	1.00	61.18	61.18
	2/27/2009	0.50	61.18	30.59
	3/2/2009	0.50	61.18	30.59
	3/3/2009	1.50	61.18	91.77

THRASHER ENGINEERING, INC.

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(304) 624-4108

INVOICE

SUN VALLEY PSD
P.O. BOX 95
REYNOLDSVILLE, WV 26422

Invoice number 1041523
Date 5/19/2010

Client ID: 01SUN001

Contract: 101-020-0944
SUN VALLEY/PHASE II SEWER

Labor

Activity / Employee	Date	Hours	Rate	Amount
GEORGE R. WATSON	3/4/2009	1.00	61.18	61.18
	3/5/2009	3.00	61.18	183.54
	3/9/2009	1.50	61.18	91.77
	3/10/2009	3.00	61.18	183.54
	3/11/2009	8.50	61.18	520.03
	3/12/2009	2.00	61.18	122.36
	3/13/2009	3.50	61.18	214.13
	3/17/2009	6.50	61.18	397.67
	3/18/2009	3.00	61.18	183.54
	3/19/2009	2.00	61.18	122.36
	3/31/2009	3.50	61.18	214.13
	4/1/2009	1.50	61.18	91.77
	4/3/2009	0.50	61.18	30.59
	4/6/2009	5.50	61.18	336.49
	4/7/2009	1.00	61.18	61.18
	4/9/2009	1.50	61.18	91.77
	4/13/2009	1.00	61.18	61.18
	4/15/2009	1.00	61.18	61.18
	5/5/2009	2.50	61.18	152.95
	5/6/2009	1.00	61.18	61.18
	5/7/2009	1.00	61.18	61.18
	5/8/2009	2.00	61.18	122.36
	5/11/2009	1.00	61.18	61.18
KURT L. NEWBROUGH	5/13/2009	2.00	178.03	356.06
GEORGE R. WATSON	6/1/2009	1.50	61.18	91.77
	6/12/2009	2.00	61.18	122.36
	6/16/2009	1.50	61.18	91.77
	6/17/2009	5.00	61.18	305.90
	6/18/2009	3.00	61.18	183.54
	6/19/2009	2.00	91.77	183.54
	6/19/2009	6.00	61.18	367.08
	6/22/2009	1.50	61.18	91.77

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Labor

Activity / Employee	Date	Hours	Rate	Amount
GEORGE R. WATSON	6/23/2009	5.50	61.18	336.49
	6/24/2009	0.50	61.18	30.59
	7/14/2009	1.00	62.40	62.40
KURT L. NEWBROUGH	7/15/2009	2.00	185.77	371.54
GEORGE R. WATSON	7/15/2009	2.00	62.40	124.80
KURT L. NEWBROUGH	7/16/2009	1.00	185.77	185.77
GEORGE R. WATSON	7/20/2009	1.00	62.40	62.40
	8/24/2009	3.00	62.40	187.20
	8/25/2009	1.50	62.40	93.60
	8/26/2009	1.50	62.40	93.60
	8/27/2009	2.00	62.40	124.80
	8/28/2009	1.00	93.61	93.61
	8/28/2009	4.00	62.40	249.60
	9/22/2009	0.50	62.40	31.20
KURT L. NEWBROUGH	9/28/2009	2.00	185.77	371.54
GEORGE R. WATSON	9/29/2009	1.00	62.40	62.40
KURT L. NEWBROUGH	10/16/2009	2.00	185.77	371.54
	10/23/2009	2.00	185.77	371.54
	11/3/2009	3.00	185.77	557.31
GEORGE R. WATSON	11/18/2009	0.50	62.40	31.20
	11/19/2009	3.00	62.40	187.20
	11/20/2009	0.50	62.40	31.20
KURT L. NEWBROUGH	11/30/2009	1.00	185.77	185.77
GEORGE R. WATSON	11/30/2009	1.50	62.40	93.60
KURT L. NEWBROUGH	12/1/2009	2.00	185.77	371.54
GEORGE R. WATSON	12/2/2009	1.00	62.40	62.40
	12/3/2009	3.00	62.40	187.20
	12/7/2009	0.50	62.40	31.20
	12/8/2009	1.00	62.40	62.40
	12/10/2009	0.50	62.40	31.20
	12/21/2009	1.00	62.40	62.40
	1/27/2010	1.00	62.40	62.40

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Labor

Activity / Employee	Date	Hours	Rate	Amount
GEORGE R. WATSON	2/10/2010	0.50	62.40	31.20
	2/12/2010	1.00	62.40	62.40
	2/15/2010	2.50	62.40	156.00
	2/16/2010	0.50	62.40	31.20
KURT L. NEWBROUGH	2/26/2010	2.00	185.77	371.54
GEORGE R. WATSON	3/17/2010	2.00	62.40	124.80
	3/18/2010	0.50	62.40	31.20
	3/19/2010	1.00	62.40	62.40
	3/26/2010	1.00	62.40	62.40
	3/29/2010	1.50	62.40	93.60
	4/1/2010	1.00	62.40	62.40
	4/5/2010	2.00	62.40	124.80
KURT L. NEWBROUGH	4/29/2010	3.00	185.77	557.31
	5/7/2010	2.00	185.77	371.54
1 PERSON SURVEY CREW subtotal		368.00		26,893.45
2 PERSON SURVEY CREW				
STEVE C. MUNSTER	11/20/2008	2.50	64.40	161.00
COLE D. DODD	11/20/2008	2.50	32.20	80.50
STEVE C. MUNSTER	11/21/2008	3.50	96.60	338.10
	11/21/2008	6.50	64.40	418.60
COLE D. DODD	11/21/2008	2.50	48.30	120.75
	11/21/2008	7.50	32.20	241.50
RICHARD B. BUSDEKER	11/25/2008	6.00	45.08	270.48
COLE D. DODD	11/25/2008	6.00	32.20	193.20
RICHARD B. BUSDEKER	12/1/2008	8.50	45.08	383.18
SCOTT D. COTTRILL	12/1/2008	8.50	35.42	301.07
STEVE C. MUNSTER	12/2/2008	5.50	64.40	354.20
RICHARD B. BUSDEKER	12/2/2008	9.00	45.08	405.72
SCOTT D. COTTRILL	12/2/2008	9.00	35.42	318.78
DAVID B. STUTLER	12/2/2008	2.50	33.81	84.53
GEORGE R. WATSON	12/4/2008	9.00	61.18	550.62
RICHARD B. BUSDEKER	12/4/2008	9.00	45.08	405.72

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Client ID: 01SUN001

Labor

Activity / Employee	Date	Hours	Rate	Amount
RICHARD B. BUSDEKER	12/6/2008	4.00	67.62	270.48
ANDREW J. KELLEY	12/6/2008	4.00	43.47	173.88
RICHARD B. BUSDEKER	12/8/2008	8.50	45.08	383.18
JUSTIN C. HICKMAN	12/8/2008	8.50	29.79	253.22
RICHARD B. BUSDEKER	12/10/2008	7.50	45.08	338.10
JUSTIN C. HICKMAN	12/10/2008	7.50	29.79	223.43
RICHARD B. BUSDEKER	12/15/2008	8.00	45.08	360.64
JUSTIN C. HICKMAN	12/15/2008	8.00	29.79	238.32
STEVE C. MUNSTER	12/16/2008	7.00	64.40	450.80
JUSTIN C. HICKMAN	12/16/2008	7.00	29.79	208.53
CURTIS B. NUZUM	1/6/2009	8.50	49.91	424.24
RICHARD B. BUSDEKER	1/6/2009	8.50	45.08	383.18
	1/15/2009	4.00	45.08	180.32
	1/15/2009	4.00	45.08	180.32
BRIAN C. REED	1/15/2009	4.00	30.59	122.36
	1/15/2009	4.00	30.59	122.36
CURTIS B. NUZUM	1/20/2009	4.00	49.91	199.64
JOSHUA A. DYE	1/20/2009	4.00	41.06	164.24
SCOTT A. SHAVER	1/29/2009	4.50	51.52	231.84
CURTIS B. NUZUM	1/29/2009	4.50	49.91	224.60
RICHARD B. BUSDEKER	1/29/2009	4.00	45.08	180.32
JOSHUA A. DYE	1/29/2009	4.00	41.06	164.24
RICHARD B. BUSDEKER	1/30/2009	8.00	45.08	360.64
JOSHUA A. DYE	1/30/2009	8.00	41.06	328.48
RICHARD B. BUSDEKER	2/2/2009	8.50	45.08	383.18
JOSHUA A. DYE	2/2/2009	8.50	41.06	349.01
ANDREW L. SCHRADER	2/11/2009	5.50	45.08	247.94
ELI J. GAIN	2/11/2009	5.50	41.86	230.23
DAVID D. PERKINS	2/24/2009	3.50	61.18	214.13
RICHARD B. BUSDEKER	2/24/2009	3.50	45.08	157.78
ROBIN L. LYNCH	6/17/2009	1.50	57.96	86.94
	6/17/2009	1.50	57.96	86.94

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SUN VALLEY/PHASE II SEWER

Labor

Activity / Employee	Date	Hours	Rate	Amount
LORA M. HAUGHT	6/17/2009	1.50	32.20	48.30
	6/17/2009	1.50	32.20	48.30
ROBIN L. LYNCH	9/17/2009	2.50	59.12	147.80
ANDREW L. SCHRADER	9/17/2009	2.50	45.98	114.95
ROBIN L. LYNCH	11/30/2009	8.00	59.12	472.96
LORA M. HAUGHT	11/30/2009	8.00	32.84	262.72
ROBIN L. LYNCH	12/1/2009	2.00	59.12	118.24
TRAVIS J. MARKLEY	12/1/2009	2.00	48.30	96.60
ANDREW L. SCHRADER	12/1/2009	8.50	45.98	390.83
CHRISTOPHER T. SHOCKEY	12/1/2009	8.50	30.59	260.02
ANDREW L. SCHRADER	12/2/2009	4.00	45.98	183.92
CHRISTOPHER T. SHOCKEY	12/2/2009	4.00	30.59	122.36
DAVID D. PERKINS	2/16/2010	4.00	62.40	249.60
RICHARD B. BUSDEKER	2/16/2010	4.00	45.98	183.92
ROBIN L. LYNCH	3/22/2010	6.00	59.12	354.72
BRANDON L. NEWBROUGH	3/22/2010	6.00	29.79	178.74
DAVID D. PERKINS	4/1/2010	3.00	62.40	187.20
BRANDON L. NEWBROUGH	4/1/2010	3.00	29.79	89.37
2 PERSON SURVEY CREW subtotal		359.00		16,062.01
3 PERSON SURVEY CREW				
RICHARD B. BUSDEKER	11/24/2008	5.50	45.08	247.94
COLE D. DODD	11/24/2008	5.50	32.20	177.10
DAVID W. WALLACE	11/24/2008	5.50	28.98	159.39
RICHARD B. BUSDEKER	11/25/2008	3.00	45.08	135.24
COLE D. DODD	11/25/2008	3.00	32.20	96.60
JUSTIN C. HICKMAN	11/25/2008	3.00	29.79	89.37
ANDREW L. SCHRADER	11/26/2008	5.00	45.08	225.40
RICHARD B. BUSDEKER	11/26/2008	6.00	45.08	270.48
SCOTT D. COTTRILL	11/26/2008	6.00	35.42	212.52
LORA M. HAUGHT	11/26/2008	6.00	32.20	193.20
JUSTIN C. HICKMAN	11/26/2008	5.00	29.79	148.95
ANDREW J. KELLEY	11/26/2008	5.00	28.98	144.90

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SUN VALLEY/PHASE II SEWER

Labor

Activity / Employee	Date	Hours	Rate	Amount
GEORGE R. WATSON	12/3/2008	9.00	61.18	550.62
RICHARD B. BUSDEKER	12/3/2008	9.00	45.08	405.72
CHRISTOPHER T. SHOCKEY	12/3/2008	9.00	28.98	260.82
RICHARD B. BUSDEKER	12/11/2008	8.00	45.08	360.64
SCOTT D. COTTRILL	12/11/2008	8.00	35.42	283.36
JUSTIN C. HICKMAN	12/11/2008	8.00	29.79	238.32
RICHARD B. BUSDEKER	12/12/2008	1.00	67.62	67.62
	12/12/2008	7.00	45.08	315.56
JUSTIN C. HICKMAN	12/12/2008	1.00	44.68	44.68
SCOTT D. COTTRILL	12/12/2008	8.00	35.42	283.36
JUSTIN C. HICKMAN	12/12/2008	7.00	29.79	208.53
CURTIS B. NUZUM	1/28/2009	6.50	49.91	324.42
RICHARD B. BUSDEKER	1/28/2009	6.50	45.08	293.02
JOSEPH D. MCCONNELL	1/28/2009	6.50	40.25	261.63
RICHARD B. BUSDEKER	1/29/2009	4.50	45.08	202.86
ELI J. GAIN	1/29/2009	4.50	41.86	188.37
JOSHUA A. DYE	1/29/2009	4.50	41.06	184.77
CURTIS B. NUZUM	2/3/2009	8.00	49.91	399.28
RICHARD B. BUSDEKER	2/3/2009	8.00	45.08	360.64
JOSHUA A. DYE	2/3/2009	8.00	41.06	328.48
RICHARD B. BUSDEKER	2/4/2009	8.00	45.08	360.64
ELI J. GAIN	2/4/2009	8.00	41.86	334.88
JOSHUA A. DYE	2/4/2009	8.00	41.06	328.48
DAVID D. PERKINS	2/24/2009	4.50	61.18	275.31
RICHARD B. BUSDEKER	2/24/2009	4.50	45.08	202.86
JOSEPH D. MCCONNELL	2/24/2009	4.50	40.25	181.13
CURTIS B. NUZUM	6/17/2009	1.00	49.91	49.91
	6/17/2009	1.00	49.91	49.91
JOSEPH D. MCCONNELL	6/17/2009	1.00	40.25	40.25
	6/17/2009	1.00	40.25	40.25
BRANDON L. NEWBROUGH	6/17/2009	1.00	25.76	25.76
	6/17/2009	1.00	25.76	25.76

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Labor

Activity / Employee	Date	Hours	Rate	Amount
DAVID D. PERKINS	9/9/2009	2.50	62.40	156.00
COLE D. DODD	9/9/2009	2.50	32.84	82.10
LORA M. HAUGHT	9/9/2009	2.50	32.84	82.10
TRAVIS J. MARKLEY	11/25/2009	5.00	48.30	241.50
RICHARD B. BUSDEKER	11/25/2009	5.00	45.98	229.90
LORA M. HAUGHT	11/25/2009	5.00	32.84	164.20
3 PERSON SURVEY CREW subtotal		256.50		10,534.73
Labor subtotal		1,521.75		90,779.12

Reimbursable

Activity	Date	Units	Unit of Measure	Rate	Amount
MILEAGE	1/21/2008	15.00	MILE	0.505	7.58
MILEAGE	2/11/2008	15.00	MILE	0.505	7.58
MILEAGE	11/24/2008	33.00	MILE	0.585	19.31
MILEAGE	11/25/2008	126.00	MILE	0.585	73.71
MILEAGE	11/26/2008	64.00	MILE	0.585	37.44
MILEAGE	12/1/2008	33.00	MILE	0.585	19.31
MILEAGE	12/2/2008	137.00	MILE	0.585	80.15
MILEAGE	12/3/2008	39.00	MILE	0.585	22.82
MILEAGE	12/4/2008	85.00	MILE	0.585	49.73
MILEAGE	12/6/2008	29.00	MILE	0.585	16.97
MILEAGE	12/8/2008	21.00	MILE	0.585	12.29
MILEAGE	12/10/2008	94.00	MILE	0.585	54.99
MILEAGE	12/12/2008	40.00	MILE	0.585	23.40
MILEAGE	12/15/2008	47.00	MILE	0.585	27.50
MILEAGE	1/6/2009	22.00	MILE	0.585	12.87
MILEAGE	1/12/2009	15.00	MILE	0.55	8.25
MILEAGE	1/13/2009	17.00	MILE	0.55	9.35

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Reimbursable

Activity	Date	Units	Unit of Measure	Rate	Amount
MILEAGE	1/15/2009	35.00	MILE	0.585	20.48
MILEAGE	1/20/2009	15.00	MILE	0.55	8.25
MILEAGE	1/28/2009	21.00	MILE	0.55	11.55
MILEAGE	1/29/2009	70.00	MILE	0.55	38.50
MILEAGE	1/30/2009	22.00	MILE	0.55	12.10
MILEAGE	2/2/2009	29.00	MILE	0.55	15.95
MILEAGE	2/3/2009	35.00	MILE	0.55	19.25
MILEAGE	2/4/2009	37.00	MILE	0.55	20.35
MILEAGE	2/9/2009	30.00	MILE	0.55	16.50
MILEAGE	2/11/2009	52.00	MILE	0.55	28.60
MILEAGE	2/13/2009	10.00	MILE	0.55	5.50
MILEAGE	2/17/2009	11.00	MILE	0.55	6.05
BLUEPRINTS/ COPIES, ECT.	2/20/2009				3.00
MILEAGE	2/24/2009	25.00	MILE	0.55	13.75
MILEAGE	3/17/2009	20.00	MILE	0.55	11.00
MILEAGE	5/28/2009	20.00	MILE	0.55	11.00
MILEAGE	6/8/2009	20.00	MILE	0.55	11.00
MILEAGE	6/17/2009	25.00	MILE	0.55	13.75
MILEAGE	6/17/2009	41.00	MILE	0.55	22.55
MILEAGE	6/23/2009	25.00	MILE	0.55	13.75
MILEAGE	7/2/2009	25.00	MILE	0.55	13.75
MILEAGE	8/3/2009	30.00	MILE	0.55	16.50
MILEAGE	8/14/2009	20.00	MILE	0.55	11.00
MILEAGE	8/20/2009	20.00	MILE	0.55	11.00
MILEAGE	9/9/2009	25.00	MILE	0.55	13.75
MILEAGE	9/17/2009	25.00	MILE	0.55	13.75
MILEAGE	10/7/2009	20.00	MILE	0.55	11.00
MILEAGE	10/8/2009	20.00	MILE	0.55	11.00
MILEAGE	11/25/2009	45.00	MILE	0.55	24.75
MILEAGE	11/30/2009	36.00	MILE	0.55	19.80

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Activity	Date	Units	Unit of Measure	Rate	Amount
MILEAGE	12/1/2009	45.00	MILE	0.55	24.75
MILEAGE	12/2/2009	17.00	MILE	0.55	9.35
MILEAGE	2/16/2010	25.00	MILE	0.50	12.50
MILEAGE	3/22/2010	27.00	MILE	0.50	13.50
MILEAGE	4/1/2010	40.00	MILE	0.50	20.00
MILEAGE	4/21/2010	40.00	MILE	0.50	20.00
MILEAGE	5/5/2010	20.00	MILE	0.50	10.00
	Reimbursable subtotal				1,042.53

Invoice total 91,821.65

REVISED April 2008

GENERAL PERMIT REGISTRATION NO. WVR _____
(Official use only)

SITE REGISTRATION APPLICATION FORM
[illegible]
[illegible]

1. PROJECT NAME Phase II Sanitary Sewer System Extensions
2. APPLICANT'S NAME Sun Valley Public Service District

FEDERAL EMPLOYER IDENTIFICATION NUMBER* 55-059-4968

**** Required For Application Processing***

ADDRESS P. O. Box 95
Reynoldsville, WV 26422

TELEPHONE (304) 623-9609

E-MAIL ADDRESS svpsd@juno.com

3. CONTRACTOR Unknown at this time.
ADDRESS

TELEPHONE ( )

4. PREPARER'S NAME David L. Watson, Thrasher Engineering, Inc.
ADDRESS P.O. Box 1532
Clarksburg, WV 26302

TELEPHONE (304) 624-4108
E-MAIL ADDRESS dwatson@thrashereng.com

5. ACRES DISTURBED 40.6
RAINFALL ZONE 1
APPLICATION FEE $1,400.00

6. LATITUDE DEGREES 39 MINUTES 16 SECONDS 50
LONGITUDE DEGREES 80 MINUTES 25 SECONDS 21
TOPOGRAPHIC MAP WITH SITE LOCATED (ATTACH COPY)

7. NEAREST TOWN Reynoldsville
COUNTY Harrison
COUNTY ROUTE 11

8. RECEIVING STREAM(S) Simpson Fork, Limestone Run
BASIN West Fork River
MUNICIPAL SYSTEM OPERATOR Kevin Short, General Manager

9. PROJECT DESCRIPTION
Project consists of a sanitary sewer collection system extension to Sun Valley, Wolf Summit, Reynoldsville, and surrounding areas in Harrison County, West Virginia to serve approximately 420 customers.

WV DEPT OF ENVIRON PROTECTION

THRASHER ENGINEERING, INC.
CLARKSBURG, WV 26302-1532

61203

DATE	INVOICE NO.	DESCRIPTION	INVOICE AMOUNT	DEDUCTION	BALANCE
10-09-09	09OCT09DW 20-944	PERMIT FEE	1,400.00		1,400.00
CHECK DATE 10-12-09	CHECK NUMBER 61203	TOTALS	1,400.00		1,400.00

PLEASE DETACH THIS PORTION AND RETAIN FOR YOUR RECORDS

THRASHER ENGINEERING, INC.
30 COLUMBIA BLVD. • P.O. BOX 1532
CLARKSBURG, WV 26302-1532
(304) 624-4108

HUNTINGTON NATIONAL BANK
CLARKSBURG, WV 26302

AS-376
518

61203

Pay: **************************One thousand four hundred dollars and no cents

DATE 10-12-09

CHECK NO 61203

AMOUNT $**1,400.00

PAY TO THE ORDER OF

WV DEPT OF ENVIRON PROTECTION
601 57TH STREET SE
CHARLESTON, WV 25304-2345

AUTHORIZED SIGNATURE

⑈061203⑈ ⑆051903761⑆ 0152010824⑈

THRASHER
CIVIL • ENVIRONMENTAL • CONSULTING • FIELD SERVICES

30 Columbia Boulevard
P.O. Box 1532
Clarksburg, WV 26301

(304) 624-4108
Fax: 624-7831
thrasher@thrashereng.com
www.thrashereng.com

October 20, 2009

Mr. Bhupinder Gill
WV Department of Environmental Protection
Division of Water and Waste Management
Permitting and Engineering Branch
601 57th Street, S.E.
Charleston, WV 25304

RE: Sun Valley Public Service District
Phase II Sanitary Sewer Project
WVDEP NPDES Permit WV0104663
Thrasher Engineering Project # 20-944

Dear Mr. Gill:

Please find enclosed, WVDEP Form "M", a Statement for Billing, a project description, WVDEP Permit No. WV0104663, an agreement with the City of Clarksburg, and a check in the amount of $250.00 for the above referenced project in Harrison County. Sun Valley PSD is proposing to expand its sanitary sewer system to serve an additional 420 customers. All collected wastewater will be treated at the Clarksburg wastewater treatment plant.

Plans and specifications were re-submitted to Mr. Mike Warwick on October 5, 2009 for approval.

Please review the enclosed information and if you have any questions or need any additional information, please do not hesitate to call.

Sincerely,

THRASHER ENGINEERING, INC.

DAVID L. WATSON
Project Engineer

Enclosures

cc: Sun Valley PSD

R:\Secy\Sun Valley Phase II Sewer 20-944\Letters\SunValleyPSDGill.doc

WV DEPT OF ENVIRON PROTECTION

61193

THRASHER ENGINEERING, INC.
CLARKSBURG, WV 26302-1532

DATE	INVOICE NO.	DESCRIPTION	INVOICE AMOUNT	DEDUCTION	BALANCE
10-08-09	08OCT09DW	WVDEP NPDES PERMIT M	250.00		250.00
CHECK DATE 10-08-09	CHECK NUMBER 61193	TOTALS	250.00		250.00

PLEASE DETACH THIS PORTION AND RETAIN FOR YOUR RECORDS

THRASHER ENGINEERING, INC.
30 COLUMBIA BLVD. • P.O. BOX 1532
CLARKSBURG, WV 26302-1532
(304) 624-4108

HUNTINGTON NATIONAL BANKS
CLARKSBURG, WV 26302

95-378
519

61193

Pay: **********Two hundred fifty dollars and no cents

DATE 10-08-09

CHECK NO 61193

AMOUNT
$****250.00

PAY TO THE ORDER OF

WV DEPT OF ENVIRON PROTECTION
601 57TH STREET SE
CHARLESTON, WV 25304-2345

AUTHORIZED SIGNATURE

⑈061193⑈ ⑆051903761⑆ 0152010824⑈

Itm #	Eff Date	Trn	Type	Description	Amount
INVOICE #	13726				
203304	02/22/10	NEW	BOND	Highway Permit Bond - $50,000 $	500.00
				Invoice Balance: $	**500.00**

Sanitary sewer extension to Sun Valley and Wolf Summit.

PAID

FEB 26 2010

Sun Valley P.S.D.

Ck# 81735R

Please detach and return the top portion with remittance

Dyer Insurance Agency - 347 Washington Avenue - P.O. Box 607 - Clarksburg, WV 26301
Phone (304) 624-5584 - Toll Free (877) 837-4065 - Fax (304) 622-4736

WEST VIRGINIA DEPARTMENT OF TRANSPORTATION
Division of Highways
Office of the District Engineer/Manager
District Four
P. O. Box 4220 · Clarksburg, West Virginia 26302 · (304) 842-1500

Joe Manchin III
Governor

March 17, 2010

MAR 19 2010

Sun Valley Public Service District
PO Box 95
Reynoldsville, WV 26422
Attn: Kevin C. Short

Dear applicant:

Your approved copy of Permit Number: **04-10-0031** of type ***Utility-Sewer*** is enclosed. A description of the work is on the attached permit.

Your attention is called to Paragraph Three (3) of Form MM-109 stating it is mandatory that the applicant notify Ralph Sapp at the District Four Utility Office at 842-1577 at least forty-eight (48) hours prior to starting construction of the project.

Before digging or otherwise disturbing the earth, call: 1-800-245-4848. To notify many underground owners – three days notice is requested. (A free service).

A copy of this permit is to be available on the job at all times while the work is in progress for inspection by the West Virginia Division of Highways personnel.

Sincerely,

Greg Phillips
District Manager

Denise Roncone

Denise Roncone
Permit Supervisor

GP:DR:sg
Attachments
cc: County
Charleston
Permits

Form BF-125

Invoice #: **04-10-0031**

INVOICE
WEST VIRGINIA DIVISION OF HIGHWAYS

PAYMENT INSTRUCTIONS FOR APPROVED PERMITS

ORG NO.	AUTHORIZATION NO: **PS1565R**	PERMIT NO: **04-10-0031**	Date: March 16, 2010

As noted on the attached PERMIT TO ENTER UPON AND UNDER THE STATE ROADS OF THE STATE OF WEST VIRGINIA, AS PROVIDED FOR IN SECTION 6 ARTICLE 16, CHAPTER 17, W. VA. CODE, 1931 (Form MT-4) your request for entering upon the Division of Highways right of way has been approved. Payment of review, preparation, issuance inspection and collection of the work to be performed on the right of way is required.

The amount due is : **$22,776.00**
Date Due is: **4/16/2010**

Payments must be made in the form of certified check or money order, made payable to the West Virginia Division of Highways. No cash or personal checks will be accepted. This payment is the responsibility of the applicant. The payment must be properly identified by the Permit Number and Authorization Number and mailed to:

West Virginia Division of Highways
Finance Division
Attention: Accounts Receivable Section
1900 Kanawha Boulevard, East
Charleston, WV 25305-0430

Signature of Applicant

Signature of DOH Representative

Do not write below this line: DOH use only

DOH					WVFIMS					AMOUNT
ORG	AUTH	ACT	OBJ	N/P	FUND	F/Y	ORG	ACT	OBJ/ SOURCE	
0958		099	999	N	9017	1997	0803	277	120	$
										$
										$
										$
									TOTAL	$

TOTAL $

WEST VIRGINIA DEPARTMENT OF TRANSPORTATION
Division of Highways
Office of the District Engineer/Manager
District Four
P. O. Box 4220 · Clarksburg, West Virginia 26302 · (304) 842-1500

Joe Manchin III
Governor

June 2, 2010

Sun Valley Public Service District
PO Box 95
Reynoldsville, WV 26422
Attn: Kevin C. Short

Dear applicant:

Your approved copy of Permit Number: **04-10-0393** of type ***Utility-Sewer*** is enclosed. A description of the work is on the attached permit.

Your attention is called to Paragraph Three (3) of Form MM-109 stating it is mandatory that the applicant notify Ralph Sapp at the District Four Utility Office at 842-1577 at least forty-eight (48) hours prior to starting construction of the project.

Before digging or otherwise disturbing the earth, call: 1-800-245-4848. To notify many underground owners – three days notice is requested. (A free service).

A copy of this permit is to be available on the job at all times while the work is in progress for inspection by the West Virginia Division of Highways personnel.

Sincerely,

Greg Phillips
District Manager

Denise Roncone
Permit Supervisor

GP:DR:sg
Attachments
cc: County
Charleston
Permits

Form BF-125

Invoice #: **04-10-0393**

INVOICE
WEST VIRGINIA DIVISION OF HIGHWAYS

PAYMENT INSTRUCTIONS FOR APPROVED PERMITS

ORG NO.	AUTHORIZATION NO: **PS9984R**	PERMIT NO: **04-10-0393**	Date: June 2, 2010

As noted on the attached PERMIT TO ENTER UPON AND UNDER THE STATE ROADS OF THE STATE OF WEST VIRGINIA, AS PROVIDED FOR IN SECTION 6 ARTICLE 16, CHAPTER 17, W. VA. CODE, 1931 (Form MT-4) your request for entering upon the Division of Highways right of way has been approved. Payment of review, preparation, issuance inspection and collection of the work to be performed on the right of way is required.

The amount due is : **$88.80**
Date Due is: **7/2/2010**

Payments must be made in the form of certified check or money order, made payable to the West Virginia Division of Highways. No cash or personal checks will be accepted. This payment is the responsibility of the applicant. The payment must be properly identified by the Permit Number and Authorization Number and mailed to:

West Virginia Division of Highways
Finance Division
Attention: Accounts Receivable Section
1900 Kanawha Boulevard, East
Charleston, WV 25305-0430

Signature of Applicant

Denise Roncone
Signature of DOH Representative

Do not write below this line: DOH use only

DOH					WVFIMS					AMOUNT
ORG	AUTH	ACT	OBJ	N/P	FUND	F/Y	ORG	ACT	OBJ/ SOURCE	
0958		099	999	N	9017	1997	0803	277	120	$
										$
										$
										$
									TOTAL	$

TOTAL $

dep

west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, WV 25304
Telephone Number: (304) 926-0495
Fax Number: (304) 926-0496

Joe Manchin III, Governor
Randy C. Huffman, Cabinet Secretary
www.wvdep.org

February 25, 2009

Mar
~~FEB~~ - 2 2009

Richard Dale, Chairman
Sun Valley PSD
PO Box 95
Reynoldsville, WV 26422

RE: WV/NPDES Permit Application No. WV0104663
Harrison County

Dear Sir or Madam:

We are in receipt of your application for a WV/NPDES Individual Permit or registration under a General WV/NPDES Permit. Upon review, this agency has determined that your application is not administratively complete. Please submit the requested information as soon as possible so that we may begin our technical review of your application.

The items marked below must be submitted:

(X) **$ 1000.00** application fee by check or money order made payable to WV Department of Environmental Protection.

() Wasteload Allocation for each plant (form enclosed).

() Class I Notarized Statement for Billing (form enclosed must be notarized).

() Application of Sewage Sludge page (form enclosed)

() Groundwater Protection Plan (GPP) as required by Title 47, Series 58, Section 4.11 of the Legislative Rules. For any questions regarding the GPP, please contact our Groundwater Office at 926-0495.

() Authorized Signature and **date** required on application (signature pages enclosed).

() Industrial User forms (forms enclosed).

PAID

APR 23 2009

Sun Valley P.S.D
ck # 3050-SR

Promoting a healthy environment

Mailed SR ck # 3050 4/24/09

If you have any questions, please contact Bhupinder Gill of this office at (304) 926-0499 Ext. 1017.

Sincerely,

Lori Derrick
NPDES Team

LD

cc: Env. Insp. Supv.
Env. Insp.

Stanhope Archaeological Consultants
PO Box 2171
Clarksburg, WV 26302-2171
304-873-3227
kevin.means@mail.wvu.edu

Stanhope Archaeological Consultants will provide the following services for the Sun Valley Public Service District:

1. Perform a Phase I Archaeological Survey for the Sun Valley Public Service District's water extension project
2. Provide a detailed technical report (or if no cultural resources are discovered, an Abbreviated Report) to the West Virginia State Historic Preservation Office
3. All work shall be conducted under the guidelines set forth by the Department of the Interior and the West Virginia State Historic Preservation Office
4. Under ideal weather conditions, the work will be performed under the time schedule suggested in the proposal
5. Stanhope Archaeological Consultants will amend the report or perform additional Phase I work if the WVSHPO deems additional work necessary.

Stanhope Archaeological Consultants will complete the Phase I investigation for the Sun Valley Public Service District's water extension project for the total cost of $5,745.50

Please Attach Amendments

SVPSD Paid 6/30/05.

Cerrone Associates, Inc.
401 Main Street
Wheeling, WV 26003
Phone: 304.232-5550
Fax: 304.233.2512
E-mail: mail@cerrone1.com

CERRONE
Associates • Consulting Engineers

INVOICE SU10-2S-02 Final

May 26, 2010

Sun Valley Public Service District
P.O. Box 95
Reynoldsville, WV 26422

Re: Phase II Sanitary Sewer Project

Remaining engineering fees per Settlement Agreement dated May 4, 2007	**$30,000.00**

[redacted]

NOW, THEREFORE, Cerrone and Sun Valley, the parties hereto, intending to be legally bound hereby, do agree as follows:

1. The foregoing representations are not mere recitals and are incorporated as part of this Settlement Agreement.

2. Sun Valley shall pay to Cerrone the following amounts:

(a) The sum of Twenty-Five Thousand Dollars ($25,000.00) in immediately available funds upon the complete execution of this Agreement.

(b) The additional sum of Thirty Thousand Dollars ($30,000.00) within ten (10) days of the receipt of funds for financing (i) for any wastewater collection system or sewer extension project meant to service all or any part of the geographical area that was covered by the plans drafted by Cerrone for the Project, and (ii) which occurs within five (5) years from the date of this Agreement.

3. Cerrone and Sun Valley acknowledge and agree that all sums to be paid to Cerrone hereunder shall be payment for all services rendered by Cerrone for the Project.

4. In consideration of the payments referenced above in paragraph 2, Cerrone agrees to fully release and forever discharge Sun Valley and its officers, agents, directors, employees, successors, and attorneys of and from any and all past, present or future claims, demands, obligations, actions, causes of actions, rights, damages, costs, losses, expenses and compensation for monies claimed as owed pursuant to or in any way

relating to services heretofore provided by Cerrone on the Project, the parties disagreement, and the termination of Cerrone.

5. In consideration of the mutual covenants contained in this Settlement Agreement, Sun Valley, on behalf of its officers, directors, agents, employees and attorneys, agrees to fully release and forever discharge Cerrone, its officers, directors, agents, employees, successors, and attorneys of and from any and all past, present or future claims, demands, obligations, actions, causes of actions, rights, damages, costs, losses, expenses and compensation for monies claimed as owed pursuant to or in any way relating to the services performed or to be performed by Cerrone on the Project, the parties disagreement, and the termination of Cerrone.

6. (a) Sun Valley acknowledges that, during its association with Cerrone on the Project, they have had access to and have become familiar with various confidential matters, materials, and plans, compilations of information, records, specifications, and financial documents and information provided by Cerrone. Specifically, Sun Valley has in its possession engineering plans and drawings prepared and sealed by Cerrone. Sun Valley has represented that plans prepared by Cerrone for the Project have been forwarded to other engineers who have performed or will perform services on the Project or other wastewater collection systems or sewer extension projects. Cerrone agrees to allow Sun Valley and others to utilize those plans and the information contained therein on the condition that the seal on those plans and any reference to "Cerrone Associates" or its engineers is completely and permanently obliterated. Sun Valley will be fully responsible for seeing to the complete and

permanent obliteration of any and all seals and references of any kind on any materials now or hereafter in its possession to "Cerrone Associates," its officers or agents. Sun Valley shall fully indemnify and hold Cerrone harmless from any failure to do the same. Sun Valley acknowledges that Cerrone does not warrant any plans that are given to other engineers. Cerrone acknowledges that other engineers might utilize the reports, information and plans provided to Sun Valley as part of the development of reports, plans or applications for a similar project. Cerrone shall not have any responsibility or liability, however, for any such utilization of Cerrone's reports, plans, or information. The engineers using such reports, information, or plans for any such project shall be solely responsible for any plans or information developed or submitted by the engineers to Sun Valley or to any other person or entity. Sun Valley agrees to defend, indemnify and hold harmless Cerrone and its officers, agents, directors and employees from and against any claims predicated on the subsequent use of Cerrone's reports, information or plans. Upon delivery of this signed agreement, Cerrone also shall provide to Sun Valley all survey, aerial and other mapping, and all other data Cerrone prepared collected or assembled in connection with the Project and shall provide in a digital format the mapping files and plan sheets for the Project.

(b) Sun Valley further agrees that any breach of Sun Valley's obligations under this section will cause irreparable harm to Cerrone, which cannot be adequately addressed by the award of monetary damages. Therefore, Cerrone shall be entitled to temporary and permanent injunctive relief in the event of any breach or

threatened breach of this section by Sun Valley, without being required to post a bond, in addition to all other remedies to which Cerrone may be entitled at law or in equity.

7. Sun Valley and Cerrone acknowledge that no promise and inducement or agreement not herein expressed has been made to them; that they voluntarily accept the consideration herein for the purpose of making a final adjustment, compromise and settlement of their respective claims and that this Settlement Agreement contains the entire agreement between them.

8. This Settlement Agreement and the Releases referred to herein shall be interpreted under the laws of the State of West Virginia applicable to contracts made or wholly performed in West Virginia, shall be governed by the jurisdiction of the courts of the State of West Virginia, and shall be binding on the parties hereto, their successors, assigns, heirs and personal representatives. No subsequent amendment, repeal or enactment of any federal, state or local statute or law shall affect the validity or enforceability of any provision of this Settlement Agreement or shall affect the obligation of Sun Valley to make the payments referenced above in paragraph 2.

This Agreement is executed in duplicate, each of which is to be considered the original thereof.

Witness the following signatures executed with full authority for and on behalf of the parties hereto.

CERRONE ASSOCIATES, INC.

By _____
Manning H. Frymier
Its President

CL1161252.2

STATE OF WEST VIRGINIA,
COUNTY OF OHIO, to-wit:

The foregoing instrument was acknowledged before me this 9th day of May, 2007, by Manning H. Frymier, President of Cerrone Associates, Inc.

Pamela J. Peters
Notary Public

My Commission Expires: 6/6/11.

OFFICIAL SEAL:

SUN VALLEY PUBLIC SERVICE DISTRICT

By _____
Its Chairman

STATE OF WEST VIRGINIA,
COUNTY OF HARRISON, to-wit:

The foregoing instrument was acknowledged before me this 4th day of May, 2007, by Richard G. Dale, the Chairman of Sun Valley Public Service District.

Pamela J. Gerlach
Notary Public

My Commission Expires: Sept 25, 2011.

OFFICIAL SEAL:

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
PAMELA J. GERLACH
STEPTOE & JOHNSON PLLC
MAIN & THIRD STREETS P. O. BOX 2190
CLARKSBURG, WV 26302-2190
My commission expires September 25, 2011

CL1161252.2

CHASE

FOR YOUR PROTECTION SAVE THIS COPY
OFFICIAL CHECK

Customer Copy

499269560

West Virginia

05/04/2007

Remitter SUNNY VALLEY SERVICE DISTRICT

Pay To The Order Of CERRONE ASSOC.

$ *********25,000.00 ***

Drawer: JPMORGAN CHASE BANK, N.A.

NON NEGOTIABLE

TERMS

KEEP THIS COPY FOR YOUR RECORD OF THE TRANSACTION. TO REPORT A LOSS OR FOR ANY OTHER INFORMATION ABOUT THE INSTRUMENT, CONTACT THE INSTITUTION FROM WHICH YOU RECEIVED THE INSTRUMENT.

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

[redacted]

HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

CHASE

499269560 10-86/220

West Virginia

Date 05/04/2007

Remitter SUNNY VALLEY SERVICE DISTRICT

Pay: TWENTY FIVE THOUSAND DOLLARS AND 00 CENTS

Pay To The Order Of CERRONE ASSOC.

$ *********25,000.00 ***

Drawer: JPMORGAN CHASE BANK, N.A.

First Vice President

Issued by Integrated Payment Systems Inc., Englewood, Colorado

To Citibank, N.A., Buffalo, NY

⑈ 3 7000 2⑈ ⑆022000868⑆ 2500499269560⑈

PAID
SUN VALLEY P.S.D.
MAY 0 4 2007

Paided Ck # 748

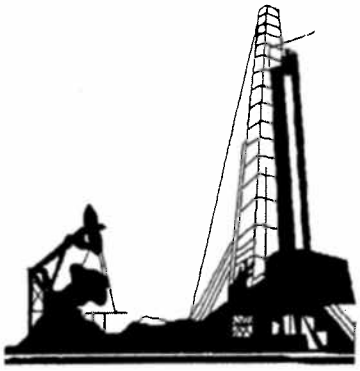
C. MORGAN HAYMOND
P. O. BOX 2134
50 PINEVIEW DRIVE
ELKINS, WV 26241-2134

Invoice

Date	Invoice #
6/6/2010	2009059

Bill To

KEVIN SHORT, General Manager
SUN VALLEY PUBLIC SERVICE DISTRICT
P. O. Box 95
Reynoldsville, WV 26442



DATE	Description	Agent	Amount
	SUN VALLEY PUBLIC SERVICE DISTRICT *CONTRACT # 1 - Sanitary Sewer Collection System*		
	Services Rendered pursuant to Agreement dated August 25, 2009 between SVPSD and C. Morgan Haymond -		*6,600.00*
	-- Easements Secured - 44		
	-- Easement Contacts - 28		*2,100.00*

RECEIVED
JUN 7 2010

Thank you for your business.

Total *$8,700.00*

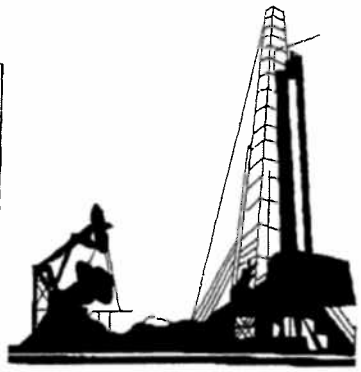
C. MORGAN HAYMOND
P. O. BOX 2134
50 PINEVIEW DRIVE
ELKINS, WV 26241-2134

Invoice

Date	*Invoice #*
6/6/2010	*2009060*

Bill To

KEVIN SHORT, General Manager
SUN VALLEY PUBLIC SERVICE DISTRICT
P. O. Box 95
Reynoldsville, WV 26442



DATE	*Description*	Agent	*Amount*
	SUN VALLEY PUBLIC SERVICE DISTRICT *CONTRACT # 2 - Sanitary Sewer Collection System*		
	Services Rendered pursuant to Agreement dated August 25, 2009 between SVPSD and C. Morgan Haymond		*10,350.00*
	-- Secured Easements - 69		
	-- Easement Contacts -		*1,875.00*

RECEIVED
JUN 7 2010

Thank you for your business.	**Total**	*$12,225.00*

RESOLUTION

WHEREAS, Sun Valley Public Service District (the "Issuer") is a public corporation and political subdivision of the State of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes or will make monthly debt service payments on and transfers reserve funds for the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer, thereby eliminating delay in payments and lost checks;

WHEREAS, the Issuer finds and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic transfer with the State Treasurer sweeping the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, shall be made to the MBC by an electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) The Chairperson, Secretary and Treasurer are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption; provided, that the electronic transfers in connection with the Series 1997 A and Series 2001 A Bonds shall begin at such time as shall be mutually agreed upon by the MBC, the West Virginia Infrastructure and Jobs Development Council, and the Issuer acting through the Issuer's Chairperson.

Adopted this 9th day of July, 2010.

Chairperson and Member

Member

Member

EXHIBIT A

List each bond issue and the Bank account number from which the electronic transfer will be made.

Bond Issue	Bank Account Information – Last 4 Digits	Monthly Amount
Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund) Sinking Fund	8294	$1,846.32
Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund) Reserve Account	8294	Fully Funded $0.00
Sewer Refunding Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund) Sinking Fund	8294	$2,434.33
Sewer Refunding Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund) Reserve Account	8294	Fully Funded $0.00
Sewer Revenue Bonds, Series 2010 A (USDA) Reserve Account	8294	$427 (beginning 7/13/2012)
Sewer Revenue Bonds, Series 2010 B (West Virginia Infrastructure Fund) Sinking Fund	8294	$6,972 (beginning 3/1/2012)
Sewer Revenue Bonds, Series 2010 B (West Virginia Infrastructure Fund) Reserve Account	8294	$697.20 (beginning 3/1/2012)

Required:

Email for main contact: svpsd@juno.com (Kevin Short, General Manager, Sun Valley PSD)

SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

EXCERPT OF MINUTES ON
ADOPTION OF BONDS RESOLUTION AND SUPPLEMENTAL RESOLUTION

I, Sandra J. Patterson, Secretary of Sun Valley Public Service District (the "District"), hereby certify that the following is a true and correct excerpt of the minutes of a meeting of the Public Service Board of the District:

The Public Service Board met in a special session on the 9th day of July, 2010, at the offices of Thrasher Engineering, Inc., at 30 Columbia Boulevard, Clarksburg, West Virginia, at 9:30 a.m., prevailing time.

Present: Richard Dale, Chairman
Ronald Michael, Treasurer
Sandra Patterson, Secretary
Kevin Short, General Manager

Also present were Taunja Willis-Miller and Carla Williams of Jackson Kelly PLLC as Bond Counsel, Dave Glover, Dan Ferrell, Steve Poe, and Joe Crickenberger.

Carla Williams presented the Resolution in writing entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWER FACILITIES OF SUN VALLEY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

There were no comments from those people present and no written protests. Thereupon, on motion of Ronald Michael, seconded by Sandra Patterson, it was unanimously ordered that said Resolution be adopted.

Carla Williams then presented a Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE SUN VALLEY PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 2010 A (UNITED STATES DEPARTMENT OF AGRICULTURE); DESIGNATING A DEPOSITORY BANK AND MAKING OTHER PROVISIONS AS TO THE BONDS.

There were no comments from those present and no written protests. Thereupon, on motion of Ronald Michael, seconded by Sandra Patterson, it was unanimously ordered that said Supplemental Resolution be adopted.

Carla Williams then presented a Resolution in writing entitled:

SUN VALLEY PUBLIC SERVICE DISTRICT RESOLUTION OF THE BOARD OF THE SUN VALLEY PUBLIC SERVICE DISTRICT APPROVING INVOICES RELATING TO ACQUISTION AND CONSTRUCTION OF CERTAIN EXTENSIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWAGE SYSTEM AND AUTHORIZING PAYMENT THEREOF, WVIJDC 3 94S-005.

There were no comments from those present and no written protests. Thereupon, on motion of Ronald Michael, seconded by Sandra Patterson, it was unanimously ordered that said Resolution be adopted.

Carla Williams then presented a Sweep Resolution in writing entitled "RESOLUTION" authorizing the monthly debt service payments on the Bonds be made to the West Virginia Municipal Bond Commission by electronic transfer by the State Treasurer from certain accounts set forth in said Sweep Resolution.

There were no comments from those present and no written protests. Thereupon, on motion of Ronald Michael, seconded by Sandra Patterson, it was unanimously ordered that said Sweep Resolution be adopted.

The Board then considered a resolution in writing entitled "LOAN RESOLUTION" authorizing and providing for the incurrence of indebtedness to the United States Department of Agriculture by the issuance of bonds in the principal amount of $1,000,000, for the purpose of providing portion of the cost of acquiring, constructing, enlarging, improving, and/or extending its Sewer Extension Phase II.

There were no comments from those people present and no written protests. Thereupon, on motion of Ronald Michael, seconded by Sandra Patterson, it was unanimously ordered that said Loan Resolution be adopted.

Carla Williams then presented minutes for the said meeting substantially in the form hereof. Thereupon, on motion of Ronald Michael, seconded by Sandra Patterson, the Board unanimously approved these minutes of the special meeting.

[Remainder of Page Intentionally Left Blank]

I hereby certify that the foregoing action of the District remains in full force and effect and has not been amended or appealed.

WITNESS my signature on this 13th day of July, 2010.

Secretary

[SEAL]

SUN VALLEY PUBLIC SERVICE DISTRICT NOTICE OF SPECIAL MEETING

The Public Service Board of Sun Valley Public Service District (the "District") will hold a meeting on Tuesday, June 8, 2010, at 3:00 p.m., prevailing time, at the District's office on Old State Route 50, Reynoldsville, West Virginia, for the following purposes:

1. To consider and adopt two proposed Bond Resolutions authorizing its Sewer Revenue Bonds, Series 2010 A (United States Department of Agriculture) in the original aggregate principal amount of $1,000,000 and its Sewer Revenue Bonds, Series 2010 B (West Virginia Infrastructure Fund) in the original aggregate principal amount of $3,200,000 (collectively, the "Bonds"), to permanently finance the costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the District into the Sun Valley, Wolf Summit and Reynoldsville areas of Harrison County, West Virginia (the "Project").
2. To consider and adopt two proposed Supplemental Resolutions approving the terms and other provisions of the Bonds.
3. To consider and approve all other documents and matters in connection with the financing, acquisition and construction of the Project.

This meeting is open to the press and the public and any person interested may attend such meeting.

/s/ Richard G. Dale,
Chairman

PUBLISHER'S CERTIFICATE

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:

NOTICE OF SPECIAL MEETING

was published in THE EXPONENT-TELEGRAM 1 time(s) commencing on
the 28th day of May 2010 and ending on
the 28th day of May 2010 at the request of
SUN VALLEY PUBLIC SERVICE DISTRICT.
Given under my hand this 28th day of May 2010

The publisher's fee for said publication is: $26.65
for 205 words at $0.1300 per word per day.

Sara V. Shingleton
Classified Manager of The Exponent-Telegram

SEAL

Subscribed to and sworn to before me this 28th day of May 2010.

Shelley F. Riffle
Notary Public in and for Harrison County, WV

My commission expires on:
The 21 day of July 2019

OFFICIAL SEAL
NOTARY PUBLIC
State of West Virginia
SHELLEY F. RIFFLE
Clarksburg Publishing Co.
PO Box 2000, 324 Hewes Ave.
Clarksburg, WV 26302-2000
My Commission Expires July 21, 2019

NUMBER

AR-1

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

No. AR-1 $1,000,000

FOR VALUE RECEIVED, on this 13th day of July, 2010, SUN VALLEY 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"), promises to pay to the order of the UNITED STATES OF AMERICA (the "Government"), at its National Finance Office, 1520 Market Street, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, and in the manner provided below, the principal sum of ONE MILLION DOLLARS ($1,000,000), or such lesser amount as is set forth on the Record of Advances attached hereto and incorporated herein by reference, plus interest on the unpaid principal balance at the rate of 4.0% per annum.

The principal of and interest on this Bond shall be paid in the following installments on the following dates: Monthly installments of interest only on the amounts advanced hereunder, commencing 30 days following the date of delivery of this Bond and continuing on the corresponding day of each month thereafter for the first 24 months after the date hereof, and thereafter, on the corresponding day of each month in installments of principal and interest in the aggregate amount of $4,270, except that the final installment shall be paid at the end of 40 years from the date of this Bond in the sum of the unpaid principal and interest due on the date thereof and except that prepayments may be made as provided below (and except that capitalized interest may be withheld by the Government). This consideration shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to the Issuer as requested by the Issuer and approved by the

SPECIMEN

Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Issuer. Extra payments, as defined in the regulations of the Government, shall, after payment of interest, be applied to the installment last to come due under this Bond and shall not affect the obligation of the Issuer to pay the remaining installments as scheduled herein.

Any amount advanced or expended by the Government for the collection hereof, or to preserve or to protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government, shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by the Issuer to the Government without demand. The Issuer agrees to use the loan evidenced hereby solely for purposes authorized by the Government. The Issuer has granted to the Government a lien on the proceeds of this Bond until such proceeds are expended for authorized purposes.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public sewer facilities of the Issuer, the Project and any further improvements and 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 of the Code of West Virginia, 1931, as amended (the "Act"), a Bond Resolution duly adopted by the Issuer on July 9, 2010, and a Supplemental Resolution duly adopted by the Issuer on July 9, 2010 (collectively, the "Resolution"), and is subject to all the terms and conditions thereof. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for this Bond under the Resolution.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE ISSUER'S

SPECIME

(1) SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA INFRASTRUCTURE FUND) DATED APRIL 10, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $853,000; (2) SEWER REFUNDING REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND) DATED OCTOBER 18, 2001, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,073,405 (ITEMS (1) AND (2) COLLECTIVELY, THE "PRIOR BONDS"); AND (3) SEWER REVENUE BONDS, SERIES 2010 B (WEST VIRGINIA INFRASTRUCTURE FUND), DATED JULY 13, 2010, ISSUED SIMULTANEOUSLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,200,000 (THE "SERIES 2010 B BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the Prior Bonds and the Series 2010 B Bonds, and from moneys in the reserve account created under the Resolution for this Bond (the "Series 2010 A Bonds Reserve Account") and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2010 A Bonds Reserve Account and unexpended proceeds of this Bond. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to 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 required in any year for payment of principal of and interest on this Bond and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds and the Series 2010 B Bonds; provided however, that so long as there exists in the Series 2010 A Bonds Reserve Account, an amount equal to the maximum amount of principal and interest which will become due on this Bond in any year, and in the respective reserve accounts for any other obligations outstanding on a parity with this Bond, including the Prior Bonds and the Series 2010 B Bonds, an amount equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner of this Bond for the terms of which reference is made to the Resolution. Remedies provided the Registered Owner of this Bond are exclusively as provided in the Resolution, to which reference is here made for a detailed description thereof.

Subject to the registration requirements in the Resolution, this Bond is transferable, as provided in the Resolution, only upon the books of the Secretary of the Issuer, as registrar (the "Registrar"), which shall be kept for that purpose at the office of the Registrar, by the Registered Owner or by its attorney or legal representative duly authorized in writing, upon surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or its attorney or legal representative duly authorized in writing.

Subject to the registration requirements in the Resolution, 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 Resolution, shall be applied solely to payment of the costs of acquisition and construction of the Project and the costs of issuance hereof as described in the Resolution, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

The Issuer hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for such purposes and periods of time.

If at any time it so appears to the Government that the Issuer may be able to obtain a loan from a responsible cooperative or private creditor at reasonable rates and terms for loans for such purposes and period of time, the Issuer will at the Government's request apply for and accept such loan in sufficient amount to repay the Government.

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

This Bond is given as evidence of a loan to the Issuer made or insured by the Government pursuant to the Rural Development Act of 1972. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

SPECIMEN

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

All provisions of the Resolution, 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.

[The remainder of this page is intentionally blank.]

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

SPECIMEN

Chairperson

[SEAL]

ATTEST:

SPECIMEN

Secretary

AR-1

(Form of)

SPECIMEN

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $277,141.00	7/13/10	(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			

NUMBER

AR-1

(Form of)

ASSIGNMENT SPECIMEN

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

Dated: _____, _____.

_____

In the presence of:

_____

WEST VIRGINIA MUNICIPAL BOND COMMISSION
1207 Quarrier Street, Suite 401
Charleston, WV 25301
(304) 558-3971

IJDC 3.12
NEW ISSUE REPORT FORM
Date of Report: July 13, 2010

ISSUE: Sun Valley Public Service District Sewer Revenue Bonds, Series 2010 B (West Virginia Infrastructure Fund)
ADDRESS: P.O. Box 95, Reynoldsville, WV 26422-0095 COUNTY: Harrison

PURPOSE OF ISSUE: New Money X
Refunding _____ Refunds issue(s) dated: _____

ISSUE DATE: July 13, 2010 CLOSING DATE: July 13, 2010
ISSUE AMOUNT: $3,200,000 RATE: 0%
1st DEBT SERVICE DUE: 6/1/2012 1st PRINCIPAL DUE: 6/1/2012
1st DEBT SERVICE AMOUNT: $20,916 PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Jackson Kelly PLLC
Contact Person: Taunja Willis-Miller
Phone: (304) 284-4100

UNDERWRITERS COUNSEL: _____
Contact Person: _____
Phone: _____

CLOSING BANK: JPMorgan Chase Bank, NA
Contact Person: April Hinkle
Phone: 304-624-3432

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT:
Contact Person: Kevin Short
Position: General Manager
Phone (304) 623-9609
E-Mail: svpsd@juno.com

OTHER: WV Infrastructure & Jobs Dev. Council
Contact Person: Jim Ellars, Executive Director
Function: _____
Phone: 304-558-3612

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: Debt Service Reserve Fund to be funded over 10 years.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required: _____
Transfers Required: _____

{M0620458}

JACKSONKELLY
ATTORNEYS AT LAW PLLC

150 CLAY STREET • SUITE 500 • P.O. BOX 619 • MORGANTOWN, WEST VIRGINIA 26507 • TELEPHONE: 304-284-4100 • TELECOPIER: 304-284-4140
www.jacksonkelly.com

CLOSING MEMORANDUM

IJDC 3.15

To: **Carol Cummings**
Sara Boardman
JPMorgan Chase Bank, NA

From: **Carla Williams**

Date: **July 13, 2010**

Re: **Sun Valley Public Service District Sewer Revenue Bonds, Series 2010 B (West Virginia Infrastructure Fund)**

DISBURSEMENTS TO DISTRICT

Payor:	West Virginia Infrastructure Fund
Source:	Series 2010 B Bonds Proceeds
Amount:	$489,263.42
Date:	July 13, 2010
Form:	Electronic Funds Transfer
Payee:	Sun Valley Public Service District
Bank:	JPMorgan Chase Bank, N.A.
Routing No.:	044000037
Account No.:	882194483
Account:	Series 2010 B Bonds Construction Trust Fund

{M0620367.2}

USDA 2.9

BOND REGISTER

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

Bond Number	Principal Amount	Date of Bond
No. AR-1	$1,000,000	July 13, 2010

NO WRITING ON THIS BOND REGISTER EXCEPT BY THE REGISTRAR

Name of Registered Owner:

United States of America
National Finance Office
1520 Market Street
St. Louis, Missouri 63103

Signature of Registrar:

Sun Valley Public Service District

Sandra J. Patton

Secretary

_____

_____

_____

{M0620358}

SUN VALLEY PUBLIC SERVICE DISTRICT

SEWER REVENUE BONDS, SERIES 1997 A AND SERIES 1997 B (WEST VIRGINIA INFRASTRUCTURE FUND)

BOND RESOLUTION

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SUN VALLEY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF SUN VALLEY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $853,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA INFRASTRUCTURE FUND) AND NOT MORE THAN $300,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING AND RATIFYING 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 SUN VALLEY 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. Sun Valley 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 County of said State.

B. The Issuer does not presently own or operate a public sewerage system. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain public sewerage facilities of the Issuer, consisting of approximately 41,000 feet of gravity sewer line, approximately 4,600 feet of force sewer main and two pump stations, together with all appurtenant facilities to serve the Liberty, Wilsonburg, O'Neill and Chiefton areas of Harrison County (collectively, the "Project"), which constitute properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the Project and any further improvements or extensions thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

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

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $853,000 (the "Series 1997 A Bonds"), and the Sewer Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $300,000 (the "Series 1997 B Bonds"), each series initially to be represented by a single bond, 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 upon the Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Reserve Accounts (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the 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 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 Bonds be sold to the Authority pursuant to the terms and provisions of the respective loan agreement to be entered into between the Issuer and the Authority, on behalf of the Council (as hereinafter defined), in form satisfactory to the Issuer, the Authority and the Council (collectively, the "Loan Agreement"), as shall be approved by a supplemental resolution of the Issuer.

G. The Series 1997 A Bonds and Series 1997 B Bonds shall be issued concurrently and on a parity as to liens, pledge and source of and security for payment with each other. There will also be issued concurrently on the Closing Date, additional obligations of the Issuer which will rank on a parity with the Series 1997 A Bonds and the Series 1997 B Bonds as to liens, pledge and source of and security for payment, being the Issuer's Sewer Revenue Bonds, Series 1997 C (West Virginia SRF Program) (the "Series 1997 C Bonds"), to be issued pursuant to a separate resolution adopted by the Issuer simultaneously herewith (the "Series 1997 C Bonds Resolution"). Other than the Series 1997 A Bonds, the Series 1997 B Bonds and the Series 1997 C Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest, if any, on the Bonds (as hereinafter defined) and to make payments into all funds and accounts and other payments provided for herein and in the Series 1997 C Bonds Resolution (as hereinafter defined).

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

J. The Project has been reviewed and determined to be technically and financially feasible by the Council (as hereinafter defined) as required under the Act, and the Council has authorized the Authority to make a loan to the Issuer from the West Virginia Infrastructure Fund.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of 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 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds, 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 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.

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

"Bonds" means, collectively, the Series 1997 A Bonds, the Series 1997 B Bonds, the Series 1997 C Bonds and, where appropriate, any bonds on a parity therewith subsequently issued hereunder or pursuant to another resolution of the Issuer.

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

"Closing Date" means the date upon which there is an exchange of the Bonds for the proceeds or at least a de minimus portion thereof, representing the purchase price of the 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 Cerrone & Associates, Inc., Wheeling, West Virginia, or any qualified engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System or portion thereof; 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 successor thereto.

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

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

"Loan Agreement" means collectively, the respective Loan Agreement to be entered into between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the 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 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the 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 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Bonds and is not acquired in order to carry out the governmental purpose of the Bonds.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the System, as hereinafter defined, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, the SRF Administrative Fee (as defined in the Series 1997 C Bonds Resolution), 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, if any, 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 moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder, and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

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

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

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined

in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

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

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

(a) Government Obligations;

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

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

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

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers

recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia State Board of Investments 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 from federal income tax purposes, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the Series 1997 A Bonds Reserve Account, the Series 1997 B Bonds Reserve Account and the Series 1997 C Bonds Reserve Account.

"Reserve Requirement" means, collectively, the respective amount required to be on deposit in any Reserve Account for the 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 1997 A Bonds" means the not more than $853,000 aggregate principal amount of Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 1997 A Bonds Construction Trust Fund" means the Series 1997 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 1997 A Bonds Reserve Account" means the Series 1997 A Bonds Reserve Account established in the Series 1997 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1997 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1997 A Bonds in the then current or any succeeding year.

"Series 1997 A Bonds Sinking Fund" means the Series 1997 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 1997 B Bonds" means the not more than $300,000 aggregate principal amount of Sewer Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 1997 B Bonds Construction Trust Fund" means the Series 1997 B Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 1997 B Bonds Reserve Account" means the Series 1997 B Bonds Reserve Account established in the Series 1997 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1997 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1997 B Bonds in the then current or any succeeding year.

"Series 1997 B Bonds Sinking Fund" means the Series 1997 B Bonds Sinking Fund established by Section 5.02 hereof.

"Series 1997 C Bonds" means the not more than $300,000 aggregate principal amount of Sewer Revenue Bonds, Series 1997 C (West Virginia SRF Program), of the Issuer.

"Series 1997 C Bonds Construction Trust Fund" means the Series 1997 C Bonds Construction Trust Fund pursuant to Section 5.01 of the Series 1997 C Bonds Resolution.

"Series 1997 C Bonds Reserve Account" means the Series 1997 C Bonds Reserve Account established in the Series 1997 C Bonds Sinking Fund pursuant to Section 5.02 of the Series 1997 C Bonds Resolution.

"Series 1997 C Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1997 C Bonds in the then current or any succeeding year.

"Series 1997 C Bonds Resolution" means the resolution of the Issuer adopted simultaneously herewith, authorizing the Series 1997 C Bonds.

"Series 1997 C Bonds Sinking Fund" means the Series 1997 C Bonds Sinking Fund established by Section 5.02 of the Series 1997 C Bonds Resolution.

"Sinking Funds" means, collectively, the Series 1997 A Bonds Sinking Fund, the Series 1997 B Bonds Sinking Fund and the Series 1997 C Bonds Sinking Fund.

"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 Bonds; provided; that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means the complete properties of the Issuer for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, improvements and extensions thereto hereafter constructed or acquired for said system from any sources whatsoever.

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

"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

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 not to exceed $2,799,775, 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 Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Council.

The cost of the Project is estimated not to exceed $2,799,775, of which approximately $853,000 will be obtained from proceeds of the Series 1997 A Bonds, approximately $300,000 will be obtained from proceeds of the Series 1997 B Bonds, approximately $300,000 will be obtained from proceeds of the Series 1997 C Bonds, approximately $121,160 from a grant by the United States Environmental Protection Agency, approximately $750,000 from a grant by the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia) and approximately $475,615 from a grant by the Council.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Bonds, funding reserve accounts for the Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the 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 the Bonds of the Issuer. The Series 1997 A Bonds shall be issued as a single bond, designated "Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund)," in the principal amount of not more than $853,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The Series 1997 B Bonds shall be issued as a single bond, designated "Sewer Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund)", in the principal amount of not more than $300,000, and shall have such terms as are set forth hereinafter and in the Supplemental Resolution. The proceeds of the Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalizing interest on the Bonds, if any, shall be deposited in or credited to the respective Bonds Construction Trust Fund of the Bonds established by Section 5.01 hereof and applied as set forth in Article VI hereof.

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

Unless otherwise provided by the Supplemental Resolution, the Bonds shall be issued in the form of a single bond of each series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Bonds shall be exchangeable at the option and expense of the Holder 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, substantially corresponding to the principal installments or maturities of the Bonds being exchanged; provided that, the net

interest cost amount on the exchanged Bonds shall not exceed the net interest cost amount on the Bonds being exchanged; and provided further that, the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The 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 Bonds shall cease to be such officer of the Issuer before the 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 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 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 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 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 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

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

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

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate 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 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Parity Pledge of Net Revenues. The payment of the debt service of the Series 1997 A Bonds and Series 1997 B Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the Series 1997 C Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the 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 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 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 Bonds.

Section 3.10. Form of Bonds. The text of the Series 1997 A Bonds and the Series 1997 B Bonds shall be in substantially the following respective 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 1997 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND,
SERIES 1997 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That SUN VALLEY PUBLIC SERVICE DISTRICT, a 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, 199__, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, without interest, except that the final installment shall be paid at the end of forty years from the date of this Bond in the sum of the unpaid principal on the date thereof.

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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement entered into between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council, dated _____, 199___.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of public sewerage facilities of the Issuer (the "Project"); (ii) [to fund a reserve

account for the Bonds of this Series (the "Bonds"); and (iii)] to pay certain costs of issuance and related costs. 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 _____, 199___, and a Supplemental Resolution duly adopted by the Issuer on _____, 199___ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA INFRASTRUCTURE FUND) (THE "SERIES 1997 B BONDS") AND SEWER REVENUE BONDS, SERIES 1997 C (WEST VIRGINIA SRF PROGRAM) (THE "SERIES 1997 C BONDS"), BOTH DATED _____, 199___, ISSUED CONCURRENTLY HEREWITH.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1997 B Bonds and the Series 1997 C Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1997 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 which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 1997 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 prior to or on a parity with the Bonds, including the Series 1997 B Bonds and the Series 1997 C Bonds; provided however, that so long as there exists in the Series 1997 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 prior to or on a parity with the Bonds, including the Series 1997 B Bonds and Series 1997 C 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 One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the 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, SUN VALLEY 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 _____, 199___.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1997 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: _____, 199___.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

_____

Authorized Officer

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

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

(FORM OF SERIES 1997 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND,
SERIES 1997 B
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. BR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That SUN VALLEY PUBLIC SERVICE DISTRICT, a 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 "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, or such earlier or later date as provided for in Section 5.03A(2) of the hereinafter defined Bond Legislation, with interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, or such earlier or later date as provided for in Section 5.03A(2) of the hereinafter defined Bond Legislation, at the rate per annum set forth on said EXHIBIT B, except that the final installment shall be paid at the end of forty years from the date of this Bond in the sum of the unpaid principal and interest due on the date thereof.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement entered into between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council, dated _____, 199___.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of public sewerage facilities of the Issuer (the "Project"); (ii) [to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii)] to pay certain costs of issuance hereof and related costs. 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 _____, 199___, and a Supplemental Resolution duly adopted by the Issuer on _____, 199___ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA INFRASTRUCTURE FUND) (THE "SERIES 1997 A BONDS") AND SEWER REVENUE BONDS, SERIES 1997 C (WEST VIRGINIA SRF PROGRAM) (THE "SERIES 1997 C BONDS"), BOTH DATED _____, 199___, ISSUED CONCURRENTLY HEREWITH.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1997 A Bonds and the Series 1997 C Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1997 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 1997 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services

rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Series 1997 A Bonds and the Series 1997 C Bonds; provided however, that so long as there exists in the Series 1997 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, including the Series 1997 A Bonds and Series 1997 C Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

IN WITNESS WHEREOF, SUN VALLEY 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 _____, 199___.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1997 B Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 199___.

ONE VALLEY BANK, NATIONAL
ASSOCIATION, as Registrar

_____
Authorized Officer

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

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The 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.

Section 3.12. "Amended Schedule A" Filing. Within 60 days of the completion of acquisition and construction of the Project, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Series 1997 A Bonds Construction Trust Fund;

(4) Series 1997 B Bonds Construction Trust Fund;

(5) Series 1997 C Bonds Construction Trust Fund (established by the Series 1997 C Bonds Resolution); and

(6) Rebate Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or confirmed if concurrently established by the Series 1997 C Bonds Resolution) with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 1997 A Bonds Sinking Fund;

(2) Within the Series 1997 A Bonds Sinking Fund, the Series 1997 A Bonds Reserve Account;

(3) Series 1997 B Bonds Sinking Fund;

(4) Within the Series 1997 B Bonds Sinking Fund, the Series 1997 B Bonds Reserve Account;

(5) Series 1997 C Bonds Sinking Fund (established by the Series 1997 C Bonds Resolution); and

(6) Within the Series 1997 C Bonds Sinking Fund, the Series 1997 C Bonds Reserve Account (established by the Series 1997 C Bonds Resolution).

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 in the Series 1997 C Bonds Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation and in the Series 1997 C Bonds Resolution. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) commencing 3 months prior to the first date of payment of interest on the Series 1997 B Bonds for which interest has not been capitalized or commencing the month after the last date of payment of principal of the Series 1997 C Bonds, whichever occurs first, remit to the Commission for deposit in the Series 1997 B Bonds Sinking Fund, a sum equal to 1/3rd of the amount of interest which will become due on the Series 1997 B Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1997 B Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly interest payment date, the required amount of interest coming due on such date, (ii) commencing 3 months prior to the first date of payment of principal of the Series 1997 A Bonds, remit to the Commission for deposit in the Series 1997 A Bonds Sinking Fund, a sum equal to 1/3rd of the amount of principal which will mature and become due on the Series 1997 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 1997 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, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date, (iii) commencing 3 months prior to the first date of payment of principal of the Series 1997 B Bonds or commencing the month after the last date of payment of principal of the Series 1997 C Bonds, whichever occurs first, remit to the Commission for deposit in the Series 1997 B Bonds Sinking Fund, a sum equal to 1/3rd of the amount of principal which will mature and become due

on the Series 1997 B Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1997 B Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date, and (iv) commencing 3 months prior to the first date of payment of principal of the Series 1997 C Bonds, remit to the Commission for deposit in the Series 1997 C Bonds Sinking Fund, a sum equal to 1/3rd of the amount of principal which will mature and become due on the Series 1997 C 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 1997 C Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) commencing 3 months prior to the first date of payment of principal of the Series 1997 A Bonds, if not fully funded upon issuance of the Series 1997 A Bonds, remit to the Commission for deposit in the Series 1997 A Bonds Reserve Account, an amount equal to 1/120 of the Series 1997 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1997 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 1997 A Bonds Reserve Requirement, (ii) commencing on the first day of the month after the Series 1997 C Bonds Reserve Account is fully funded, if not fully funded upon issuance of the Series 1997 B Bonds, remit to the Commission for deposit in the Series 1997 B Bonds Reserve Account, an amount equal to 1/120 of the Series 1997 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1997 B Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1997 B Bonds Reserve Requirement, and (iii) commencing 3 months prior to the first date of payment of principal of the Series 1997 C Bonds, if not fully funded upon issuance of the Series 1997 C Bonds, remit to the Commission for deposit in the Series 1997 C Bonds Reserve Account, an amount equal to 1/120 of the Series 1997 C Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1997 C 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 1997 C Bonds Reserve Requirement.

(4) The Issuer shall next, on the first day of each month, commencing with the first month in which any of the above payments shall be payable from the Revenue Fund, transfer from the Revenue Fund to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Reserve Accounts shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 1997 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 1997 A Bonds as the same shall become due. Moneys in the Series 1997 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 1997 A Bonds as the same shall come due, when other moneys in the Series 1997 A Bonds Sinking Fund are insufficient therefor, and for no other purpose, except for transfers to the Rebate Fund permitted hereunder.

Moneys in the Series 1997 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 1997 B Bonds as the same shall become due. Moneys in the Series 1997 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 1997 B Bonds as the same shall come due, when other moneys in the Series 1997 B Bonds Sinking Fund are insufficient therefor, and for no other purpose, except for transfers to the Rebate Fund permitted hereunder.

Except to the extent transferred to the Rebate Fund at the request of the Issuer, all investment earnings on moneys in the Sinking Funds and the Reserve Accounts (if equal to at least the Reserve Requirement) shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the respective Bonds Construction Trust Fund of the Bonds, 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 Bonds, and then to the next ensuing principal payment due thereon.

Except with respect to transfers to the Rebate Fund permitted hereunder, any withdrawals from the Reserve Accounts which result in a reduction in the balance of the Reserve Accounts to below the respective Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made

in full to the Series 1997 A Bonds Sinking Fund, the Series 1997 B Bonds Sinking Fund and the Series 1997 C Bonds Sinking Fund.

As and when additional Bonds ranking on a parity with the Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional parity Bonds.

The Issuer shall not be required to make any further payments into the Sinking Funds or the Reserve Accounts therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the 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 for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 1997 A Bonds, the Series 1997 B Bonds and the Series 1997 C Bonds in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Sinking Funds and the Reserve Accounts created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

Moneys in the Sinking Funds and the Reserve Accounts shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

Except with respect to transfers to the Rebate Fund permitted hereunder, the Sinking Funds, including the Reserve Accounts therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Bonds under the conditions and restrictions hereinafter set forth.

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

C. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other

period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

D. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges, and fees then due.

E. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue Fund and the Renewal and Replacement Fund and the Rebate Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

F. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03 and Section 5.03 of the Series 1997 C Bonds Resolution, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

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

A. From the proceeds of the Bonds, there shall first be deposited with the Commission in the Sinking Funds, 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 Bonds for the period commencing on the date of issuance of the Bonds and ending 6 months after the estimated date of completion of construction of the Project.

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

C. Next, from the proceeds of the Bonds, there shall first be credited to the respective Bonds Construction Trust Fund of the Bonds and then paid, any borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project, including interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer.

D. As the Issuer receives advances of the remaining moneys derived from the sale of the Bonds, such moneys shall be deposited with the Depository Bank in the respective Bonds Construction Trust Fund of the Bonds and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 hereof.

E. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Bonds shall be used as directed in writing by the Authority and the Council.

F. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the respective Bonds Construction Trust Fund of the Bonds and shall comply with all requirements with respect to the disposition of the respective Bonds Construction Trust Fund of the Bonds set forth in the Bond Legislation. Except with respect to any transfers to the

Rebate Fund permitted hereunder, moneys in the respective Bonds Construction Trust Fund of the Bonds shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Bonds.

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

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

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

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

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

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

All payments made from the respective Bonds Construction Trust Fund of the Bonds shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the respective Bonds Construction Trust Fund of the Bonds.

Pending such application, moneys in the respective Bonds Construction Trust Fund of the Bonds, including any accounts therein, 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 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 Bonds or the interest thereon is Outstanding and unpaid.

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

Section 7.03. Bonds Secured by Parity Pledge of Net Revenues. The payment of the debt service of the Series 1997 A Bonds and Series 1997 B Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the Series 1997 C Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The initial schedule of sewer rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Final Order of the Public Service Commission of West Virginia entered on December 16, 1996, in Case No. 96-0664-PSD-CN, and such rates are hereby adopted.

Section 7.05. Sale of the System. Except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding, or to effectively defease this Bond Legislation 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 Bonds, immediately be remitted to the Commission for deposit in the Sinking Funds, pro rata with respect to the principal amount of each of the Bonds then Outstanding, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Bonds in such manner. Any balance remaining after the payment of all Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $50,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $50,000 but not in excess of $200,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. Payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amount required to be paid into such fund under this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $200,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% in amount of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in 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 Bonds. All obligations issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except 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 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 Bonds, and the interest thereon, upon any or all of the income and revenues of the System pledged for payment of the Bonds and the interest thereon 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. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Bonds, and must have the prior written consent of the Authority and the Council.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of extensions and improvements to the System or refunding the Bonds issued pursuant hereto, or both such purposes.

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

mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution or the Series 1997 C Resolution then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer, the period for appeal of which has expired prior to the date of issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

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

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

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

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

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

Notwithstanding the foregoing, or any provision of Section 7.06 hereof to the contrary, additional Parity Bonds may be issued solely for the purpose of completing the Project as described in the application to the Authority submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 7.07, if there is first obtained by the Issuer the written consent of the Authority and the Council to the issuance of the Parity Bonds.

Section 7.08. Books; Records and Facilities. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority, or its agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority 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, or its agents and representatives, to inspect all records pertaining to the operation of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public

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

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

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations Outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Bonds and shall submit said report to the Council, the Authority, or any other original purchaser of the Bonds. Such audit report submitted to the Authority and the Council shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement, this Bond Legislation and the Act and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said

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 Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Series 1997 C Bonds; provided that, in the event amounts equal to or in excess of the Reserve Requirement are on deposit in the respective Reserve Accounts and any reserve accounts for obligations prior to or on a parity with the Bonds, including the Series 1997 C 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 Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Series 1997 C Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the Public Service Commission order described in Section 7.04.

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

In addition, the Issuer shall annually cause the records of the System to be audited by an Independent Certified Public Accountant, the report of which audit shall be submitted to the Authority and the Council and which audit report shall include a statement that the Issuer is in compliance with the terms and provisions of this Bond Legislation, the Loan Agreement and the Act and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority 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 resident 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 resident engineer shall certify to the Council, the Authority and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall employ qualified operating personnel properly certified by the State to operate the System so long as the Bonds are Outstanding.

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

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of

such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

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

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

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the 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 and 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 for every officer, member and employee of the Issuer or the Governing Body having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

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

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

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

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

Section 7.17. Completion of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as

a revenue producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the Public Service Commission of West Virginia necessary for the acquisition and construction of the Project and the operation of the System.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement, the Act and all applicable laws, rules and regulations issued by the Authority, or other State, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System. Notwithstanding anything herein to the contrary, the Issuer shall provide the Council with copies of all documents submitted to the Authority.

Section 7.19. 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 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 Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for 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 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 Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the 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 Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

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

D. INFORMATION RETURN. The Issuer will timely file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds and the interest, if any, 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 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 7.20. Statutory Mortgage Lien. For the further protection of the Holders of the 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 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Series 1997 C Bonds.

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).

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

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

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

with respect to the Bonds) so that the interest on the Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

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

records of the determinations made pursuant to this Section 8.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all rebates, interest, penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

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

ARTICLE IX

DEFAULT AND REMEDIES

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

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the 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 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

(4) If default occurs with respect to the Series 1997 C Bonds or the Series 1997 C Bonds Resolution.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such 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 Bonds shall be on a parity with the Holders of the Series 1997 C 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 said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of the Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the 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 on the Bonds from gross income for federal income tax purposes.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest to become due on said Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Bonds, no material modification or amendment of this Resolution, or of any resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest on the Bonds from gross income of the Holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Series 1997 C Bonds Resolution, the Supplemental Resolutions thereto, or the 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 Series 1997 C Bonds Resolution, the more restrictive provision shall control.

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

Section 11.07. Public Notice of Proposed Financing. Prior to making formal application to the Public Service Commission of West Virginia for a certificate of public convenience and necessity and adoption of this Resolution, the Secretary of the Governing Body shall have caused to be published in a newspaper of general circulation in each municipality in Sun Valley Public Service District and within the boundaries of the Issuer, a Class II legal advertisement stating:

(a) The maximum amount of the Bonds to be issued;

(b) The maximum interest rate and terms of the Bonds authorized hereby;

(c) The public service properties to be acquired or constructed and the cost of the same;

(d) The maximum anticipated rates which will be charged by the Issuer; and

(e) The date that the formal application for a certificate of public convenience and necessity is to be filed with the Public Service Commission of West Virginia.

Section 11.08. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 8th day of April, 1997.

Donald B. Phillips
Chairman

Gary F. Thurston
Member

William F. [illegible]
Member

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of SUN VALLEY PUBLIC SERVICE DISTRICT on the 8th day of April, 1997.

Dated: April 10, 1997.

[SEAL]

Secretary

04/02/97
SUNJM.A3
879900/93001

EXHIBIT A

[Loan Agreement attached to bond transcript as Document 3.]

SUN VALLEY PUBLIC SERVICE DISTRICT

Sewer Revenue Bonds,
Series 1997 A (West Virginia Infrastructure Fund)
and Series 1997 B (West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA INFRASTRUCTURE FUND) AND SEWER REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA INFRASTRUCTURE FUND), OF SUN VALLEY PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING A 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; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Sun Valley Public Service District (the "Issuer"), has duly and officially adopted a bond resolution, effective April 8, 1997 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF SUN VALLEY PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $853,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA INFRASTRUCTURE FUND) AND NOT MORE THAN $300,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND

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

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

WHEREAS, the Bond Resolution provides for the issuance of Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund) and Sewer Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund), of the Issuer (collectively, the "Bonds" and individually, the "Series 1997 A Bonds" and the "Series 1997 B Bonds"), in the respective aggregate principal amounts of not to exceed $853,000 and $300,000, and has authorized the execution and delivery of the respective loan agreement relating to the Bonds (collectively, 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 provision, 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 entered into by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provision, the interest rate, the interest and principal payment dates and the sale price of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF SUN VALLEY PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the following bonds of the Issuer:

A. Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $853,000. The Series 1997 A Bonds shall be dated the date of delivery thereof and shall bear no interest. The principal of the Series 1997 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 1998, and ending March 1, 2037, and in the amounts as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 1997 A Bonds. The Series 1997 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of a 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 1997 A Bonds.

B. Sewer Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $300,000. The Series 1997 B Bonds shall be dated the date of delivery thereof and shall bear interest at the rate of 1% per annum. The principal of and interest on the Series 1997 B Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2018, or such earlier or later date as provided for in Section 5.03A(2) of the Bond Resolution, and ending March 1, 2037, and in the amounts as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 1997 B Bonds. The Series 1997 B Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the interest and 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 1997 B Bonds.

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

Section 3. The Issuer does hereby authorize, approve 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 Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

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

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

Section 6. The Issuer does hereby appoint and direct First National Bank in West Union, Salem, West Virginia, to serve as Depository Bank under the Bond Resolution.

Section 7. Series 1997 A Bonds proceeds in the amount of -0- shall be deposited in the Series 1997 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 1997 A Bonds proceeds in the amount of -0- shall be deposited in the Series 1997 A Bonds Reserve Account.

Section 9. Series 1997 B Bonds proceeds in the amount of -0- shall be deposited in the Series 1997 B Bonds Sinking Fund, as capitalized interest.

Section 10. Series 1997 B Bonds proceeds in the amount of -0- shall be deposited in the Series 1997 B Bonds Reserve Account.

Section 11. The balance of the proceeds of the Bonds shall be deposited in or credited to the Series 1997 A Bonds Construction Trust Fund and the Series 1997 B Bonds Construction Trust Fund, respectively, as received from time to time for payment of Costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 12. 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 April 10, 1997, to the Authority pursuant to the Loan Agreement.

Section 13. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 14. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Resolution held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Moneys in the Sinking Funds, including the Reserve Accounts therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 15. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations promulgated or to be promulgated thereunder.

Section 16. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 8th day of April, 1997.

Donald B. Phillips
Chairman

Gary L. Flaherty
Member

William R. Holt
Member

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Sun Valley Public Service District on the 8th day of April, 1997.

Dated: April 10, 1997.

[SEAL]

Secretary

04/02/97
SUNJM.B3
879900/93001

SUN VALLEY PUBLIC SERVICE DISTRICT

SEWER REFUNDING REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND)

BOND RESOLUTION

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SUN VALLEY PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE REFUNDING OF THE SEWER REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA INFRASTRUCTURE FUND), SEWER REVENUE BONDS, SERIES 1997 C (WEST VIRGINIA SRF PROGRAM), SEWERAGE SYSTEM CONSTRUCTION NOTES, SERIES 1997, AND SEWERAGE SYSTEM DESIGN NOTES, SERIES 1998 (WEST VIRGINIA INFRASTRUCTURE FUND), OF SUN VALLEY PUBLIC SERVICE DISTRICT; THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,073,405 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REFUNDING REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING AND RATIFYING 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 SUN VALLEY 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. Sun Valley 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 County of said State.

B. The Issuer presently owns and operates a public sewerage system (the "System") and has heretofore financed the acquisition and construction of the System by the issuance of several series of bonds and notes, of which there are presently outstanding the following: (1) Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund), dated April 10, 1997, issued in the original aggregate principal amount of $853,000 (the "Series 1997 A Bonds"); (2) Sewer Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund), dated April 10, 1997, issued in the original aggregate principal amount of $300,000 (the "Series 1997 B Bonds"); (3) Sewer Revenue Bonds, Series 1997 C (West Virginia SRF Program), dated April 10, 1997, issued in the original aggregate principal amount of $300,000 (the "Series 1997 C Bonds"); (4) Sewerage System Construction Notes, Series 1997, dated November 24, 1997, issued in the original aggregate principal amount of $385,000 (the "Series 1997 Notes"); and (5) Sewerage System Design Notes, Series 1998 (West Virginia Infrastructure Fund), dated February 23, 1998, issued in the original aggregate principal amount of $142,500 (the "Series 1998 Notes").

C. The Issuer has determined and hereby determines that it would be to the benefit of the Issuer and its residents to refund in their entirety its Series 1997 B Bonds, Series 1997 C Bonds, Series 1997 Notes and Series 1998 Notes through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Infrastructure Fund for the West Virginia Infrastructure and Jobs Development Council (the "Council") pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Sewer Refunding Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), in the aggregate principal amount of not more than $1,073,405 (the "Series 2001 A Bonds"), initially to be represented by a single bond, to currently refund Series 1997 B Bonds, Series 1997 C Bonds, Series 1997 Notes and Series 1998 Notes.

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

F. It is in the best interests of the Issuer that the Series 2001 A Bonds be sold to the Authority pursuant to the terms and provisions of the loan agreement to be entered into between the Issuer and the Authority, on behalf of the Council, in form satisfactory to the Issuer, the Authority and the Council (the "Loan Agreement"), as shall be approved by a supplemental resolution of the Issuer.

G. The Series 2001 A Bonds shall be issued on a parity as to liens, pledge and source of and security for payment with the Series 1997 A Bonds. Prior to the issuance of the Series 2001 A Bonds, the Issuer will obtain (i) the certificate of an Independent

Certified Public Accountant stating that the parity and coverage tests of the Series 1997 A Bonds have been met; and (ii) the written consent of the Holder of the Series 1997 A Bonds to the issuance of the Series 2001 A Bonds on a parity with the Series 1997 A Bonds. Other than the Series 1997 A Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year from the operation of the System after the refunding of Series 1997 B Bonds, Series 1997 C Bonds, Series 1997 Notes and Series 1998 Notes will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest, if any, on the Bonds (as hereinafter defined) and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the refunding of Series 1997 B Bonds, Series 1997 C Bonds, Series 1997 Notes and Series 1998 Notes and issuance of the Series 2001 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the obtaining of 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 2001 A Bonds or such final order will not be subject to appeal or rehearing.

J. The Council has authorized the Authority to make a loan to the Issuer from the West Virginia Infrastructure Fund.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2001 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 2001 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond 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 2001 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.

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

"Bonds" means, collectively, the Series 1997 A Bonds, the Series 2001 A Bonds and, where appropriate, any bonds on a parity therewith subsequently issued hereunder or pursuant to another resolution of the Issuer.

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

"Closing Date" means the date upon which there is an exchange of the Series 2001 A Bonds for all or a portion of the proceeds of the Series 2001 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 Cerrone & Associates, Inc., Wheeling, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time now or hereafter be procured by the Issuer as Consulting Engineers for the System, or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions or political subdivisions.

"Council" means the West Virginia Infrastructure and Jobs Development Council or any successor thereto.

"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.

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

"Loan Agreement" means the Loan Agreement to be entered into between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2001 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 2001 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2001 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 2001 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, operation and maintenance of the System, as hereinafter defined, 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, if any, 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 moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder, and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

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

"Paying Agent" means the Commission or such other entity designated as such for the Series 2001 A Bonds in a Supplemental Resolution.

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

"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 from 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 thereto.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by the 1997 Resolution and continued hereby.

"Reserve Accounts" means, collectively, the Series 1997 A Bonds Reserve Account and the Series 2001 A Bonds Reserve Account.

"Reserve Requirement" means, collectively, the respective amount required to be on deposit in any Reserve Account for the Bonds.

"1997 Resolution" means, collectively, the bond resolution and the supplemental resolution of the Issuer adopted April 8, 1997, authorizing Series 1997 A Bonds, Series 1997 B Bonds and Series 1997 C Bonds.

"Revenue Fund" means the Revenue Fund established by the 1997 Resolution and continued hereby.

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

"Series 2001 A Bonds" means the Sewer Refunding Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 2001 A Bonds Reserve Account" means the Series 2001 A Bonds Reserve Account established in the Series 2001 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2001 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2001 A Bonds in the then current or any succeeding year.

"Series 2001 A Bonds Sinking Fund" means the Series 2001 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 1998 Notes" means the Issuer's Sewerage System Design Notes, Series 1998 (West Virginia Infrastructure Fund), dated February 23, 1998, issued in the original aggregate principal amount of $142,500.

"Series 1997 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund), dated April 10, 1997, issued in the original aggregate principal amount of $853,000.

"Series 1997 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund), dated April 10, 1997, issued in the original aggregate principal amount of $300,000.

"Series 1997 C Bonds" means the Issuer's Sewer Revenue Bonds, Series 1997 C (West Virginia SRF Program), dated April 10, 1997, issued in the original aggregate principal amount of $300,000.

"Series 1997 Notes" means the Issuer's Sewerage System Construction Notes, Series 1997, dated November 24, 1997, issued in the original aggregate principal amount of $385,000.

"Sinking Funds" means, collectively, Series 1997 A Bonds Sinking Fund and Series 2001 A Bonds Sinking Fund.

"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 Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means the complete properties of the Issuer for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, as presently existing in its entirety or any integral part thereof, and any additions, improvements and extensions thereto hereafter constructed or acquired for the System from any sources whatsoever.

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

"West Virginia Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Chapter 31, Article 15A, Section 9 of the 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 REFUNDING

Section 2.01. Authorization of Refunding. All Series 1997 B Bonds, Series 1997 C Bonds, Series 1997 Notes and Series 1998 Notes Outstanding as of the date of issuance of the Series 2001 A Bonds in the respective aggregate principal amounts of $300,000.00, $258,750, $277,731.31 and $142,500 (total principal amount of $978,981.31) are hereby ordered to be refunded on the Closing Date by payment in full of the entire outstanding principal amount of the Series 1997 B Bonds, Series 1997 C Bonds, Series 1997 Notes and Series 1998 Notes, together with the administrative fees and all interest accrued thereon to the Closing Date. Contemporaneously with the payment of the Series 1997 B Bonds, Series 1997 C Bonds, Series 1997 Notes and Series 1998 Notes, the pledge of revenues or other funds in favor of the Holders of the Series 1997 B Bonds, Series 1997 C Bonds, Series 1997 Notes and Series 1998 Notes and the moneys in the funds and accounts created for the Series 1997 B Bonds, Series 1997 C Bonds, Series 1997 Notes and Series 1998 Notes shall be terminated, discharged and released.

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 refunding the Series 1997 B Bonds, Series 1997 C Bonds, Series 1997 Notes and Series 1998 Notes, funding a reserve account for the Series 2001 A Bonds, and paying certain costs of issuance of the Series 2001 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 the negotiable Series 2001 A Bonds of the Issuer. The Series 2001 A Bonds shall be issued as a single bond, designated "Sewer Refunding Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund)," in the principal amount of not more than $1,073,405, and shall have such terms as set forth hereinafter and in the Supplemental Resolution.

Section 3.02. Terms of Bonds. The Series 2001 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, 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 2001 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 2001 A Bonds, if any, shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2001 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 2001 A Bonds. The Series 2001 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, substantially corresponding to the principal installments or maturities of the Bonds being exchanged; provided that, the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2001 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 2001 A Bonds shall cease to be such officer of the Issuer before the Series 2001 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 2001 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 2001 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 form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2001 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2001 A Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2001 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 2001 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2001 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of the Series 2001 A Bonds.

The registered Series 2001 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2001 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 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 2001 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 any of the Series 2001 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2001 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Series 1997 A Bonds. The payment of the debt service of the Series 2001 A Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Series 1997 A Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2001 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2001 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 2001 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 2001 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 2001 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2001 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REFUNDING REVENUE BOND, SERIES 2001 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That SUN VALLEY PUBLIC SERVICE DISTRICT, a 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 entered into between the Issuer and the Authority, on behalf of the Council, dated _____, _____.

This Bond is issued to refund the Issuer's (i) Sewer Revenue Bonds, Series 1997 B (West Virginia Infrastructure Fund), (ii) Sewer Revenue Bonds, Series 1997 C (West Virginia SRF Program), (iii) Sewerage System Construction Notes, Series 1997, and (iv) Sewerage System Design Notes, Series 1998 (West Virginia Infrastructure Fund),

heretofore issued to pay a portion of the costs of design, acquisition and construction of public sewerage facilities of the Issuer (the "System"); and to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, 2001, and a Supplemental Resolution duly adopted by the Issuer on _____, 2001 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 1997 A (WEST VIRGINIA INFRASTRUCTURE FUND) (THE "SERIES 1997 A BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of Series 1997 A Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2001 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 which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2001 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 Series 1997 A Bonds; provided however, that so long as there exists in the Series 2001 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 Series 1997 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for

the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

All money received from the sale of this Bond shall be applied solely for the purposes described above and in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond 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, SUN VALLEY 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 _____, 2001.

[SEAL]

_____
Chairman

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2001 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: _____, 2001.

_____,
as Registrar

_____
Authorized Officer

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 Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved. The Series 2001 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.

Section 3.12. "Amended Schedule" Filing. The Issuer shall file with the Authority and the Council a schedule, the form of which will be provided by the Council, setting forth the sources and uses of the proceeds of the Series 2001 A Bonds.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created with (or continued if previously created by the 1997 Resolution) and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

(1) Revenue Fund (previously created); and

(2) Renewal and Replacement Fund (previously created).

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously created by the 1997 Resolution) 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 1997 A Bonds Sinking Fund (previously created);

(2) Series 1997 A Bonds Reserve Account (previously created);

(3) Series 2001 A Bonds Sinking Fund; and

(5) Series 2001 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 in the 1997 Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation and in the 1997 Resolution. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the

Commission (i) for deposit in the Series 1997 A Bonds Sinking Fund, the amount required by the 1997 Resolution to pay principal of the Series 1997 A Bonds; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2001 A Bonds, for deposit in the Series 2001 A Bonds Sinking Fund, a sum equal to 1/3rd of the amount of principal which will mature and become due on the Series 2001 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 2001 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1997 A Bonds Reserve Account, the amount required by the 1997 Resolution; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2001 A Bonds, if not fully funded upon issuance of the Series 2001 A Bonds, for deposit in the Series 2001 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2001 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2001 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 2001 A Bonds Reserve Requirement.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month (as provided in the 1997 Resolution and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the

Reserve Accounts shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 2001 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2001 A Bonds as the same shall become due. Moneys in the Series 2001 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2001 A Bonds as the same shall come due, when other moneys in the Series 2001 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2001 A Bonds Sinking Fund and the Series 2001 A Bonds Reserve Account (if equal to at least the Series 2001 A Bonds Reserve Requirement) shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2001 A Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2001 A Bonds Reserve Account which result in a reduction in the balance of such account to below the Series 2001 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the priority set forth above.

As and when additional Bonds ranking on a parity with the Series 2001 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2001 A Bonds Sinking Fund or the Series 2001 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2001 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 for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to Series 1997 A Bonds and Series 2001 A Bonds in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2001 A Sinking Fund and the Series 2001 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required

payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2001 A Bonds Sinking Fund and the Series 2001 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2001 A Bonds Sinking Fund, including the Series 2001 A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2001 A Bonds under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2001 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

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

D. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement for the Series 2001 A Bonds, and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of such calendar month.

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

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

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 Section 5.03 of the 1997 Resolution, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

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

ARTICLE VI

BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Series 2001 A Bonds, the following amounts shall be first deducted and deposited, in the order set forth below:

A. From the proceeds of the Series 2001 A Bonds, there shall first be deposited with the Commission in the Series 1997 B Bonds Sinking Fund, the amount set forth in the Supplemental Resolution to pay in full the entire outstanding principal amount of and all interest accrued on the Series 1997 B Bonds on the Closing Date.

B. Next, from the proceeds of the Series 2001 A Bonds, there shall be deposited with the Commission in the Series 1997 C Bonds Sinking Fund, the amount set forth in the Supplemental Resolution to pay in full the entire outstanding principal amount of, all interest accrued on and the administrative fee for the Series 1997 C Bonds on the Closing Date.

C. Next, from the proceeds of the Series 2001 A Bonds, there shall be deposited with the Commission in the Series 1997 Notes Payment Fund, the amount set forth in the Supplemental Resolution to pay in full the entire outstanding principal amount of and all interest accrued on the Series 1997 Notes on the Closing Date.

D. Next, from the proceeds of the Series 2001 A Bonds, there shall be deposited with the Commission in the Series 1998 Notes Payment Fund, the amount set forth in the Supplemental Resolution to pay in full the entire outstanding principal amount of, all interest accrued on and the administrative fee for the Series 1998 Notes on the Closing Date.

E. Next, from the proceeds of the Series 2001 A Bonds, there shall be paid all costs of issuance of the Series 2001 A Bonds.

F. After all the costs set forth above have been paid, any remaining proceeds of the Series 2001 A Bonds shall be used

as directed in writing by the Authority and the Council. The Issuer shall expend all proceeds of the Series 2001 A Bonds within 3 years of the date of issuance of the State's general obligation bonds, the proceeds of which were used to make the loan to the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2001 A 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 2001 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 2001 A Bonds or the interest thereon is outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2001 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2001 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2001 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Series 1997 A Bonds. The payment of the debt service of the Series 2001 A Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Series 1997 A Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges , with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of sewer rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Recommended Decision of the Public Service Commission of West Virginia entered on May 15, 2001, and the Further Order entered on May 29, 2001, in Case No. 99-1509-PSWD-19A, and such rates are hereby adopted.

So long as the Series 2001 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 and charges initially established for the System in connection with the Series 2001 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 1997 A Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, or any part thereof, except as provided in the 1997 Resolution. Additionally, so long as the Series 2001 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to 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 Bonds, immediately be remitted to the Commission for deposit in the Sinking Funds, pro rata with respect to the principal amount of each of the Bonds then Outstanding, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Bonds in such manner. Any balance remaining after the payment of all Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $50,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $50,000 but not in excess of $200,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property

comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. Payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amount required to be paid into such fund under this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $200,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in 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 2001 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2001 A Bonds and payable from the revenues of the System, except 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 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 2001 A Bonds, and the interest thereon, upon any or all of the income and revenues of the System pledged for payment of the Bonds and the interest thereon 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 System.

Section 7.07. Parity Bonds. So long as the Series 1997 A Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the 1997 Resolution shall be applicable. Additionally, no Parity Bonds, payable out of the revenues

of the System, shall be issued after the issuance of the Series 2001 A Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2001 A Bonds, and must have the prior written consent of the Authority and the Council.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of extensions and improvements to the System or refunding the Bonds issued pursuant hereto, or both such purposes.

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

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Resolution then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

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

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, on account of increased rates, rentals, fees and

charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

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

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

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

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the System site and the costs of acquiring, constructing and installing the System. 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 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 System, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the System.

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 System and

commencement of operation thereof, or, if an improvement to the 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 the Series 2001 A Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

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

The Issuer shall file with the Council, the Authority or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of the 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 said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2001 A Bonds and shall submit said report to the Council, the Authority, or any other original purchaser of the Series 2001 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement, this

Bond Legislation and the Act and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Issuer has acquired the site of the System and has constructed the System 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 System and the System 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 System site and facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the System, 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 with respect to the System pursuant to the Act.

Section 7.09. Rates. Prior to the issuance of the Series 2001 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 2001 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2001 A Bonds, including Series 1997 A Bonds; provided that, in the event amounts equal to the Reserve Requirement are on deposit in the respective Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2001 A Bonds, including Series 1997 A Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2001 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2001 A Bonds, including Series 1997 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the Public Service Commission order 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 within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and to any Holder of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

For two years following the Closing Date, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement as Exhibit C, and forward a copy of such report to the Authority and the Council by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. If required, the Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement. The Issuer shall employ qualified operating personnel properly certified by the State to operate the System so long as the Series 2001 A Bonds are Outstanding.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

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

Section 7.15. Insurance and Construction Bonds. The Issuer hereby covenants and agrees that so long as any of the Series 2001 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance

policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer and 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 in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter

produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.17. Permits and Orders. The Issuer shall 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 operation of the System and all orders and approvals from the Public Service Commission of West Virginia and the Council for the issuance of the Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement, the Act and all applicable laws, rules and regulations issued by the Authority, or other State, federal or local bodies in regard to the operation, maintenance and use of the System. Notwithstanding anything herein to the contrary, the Issuer shall provide the Council with copies of all documents submitted to the Authority.

Section 7.19. 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 2001 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 2001 A Bonds during the term thereof is, under the terms of the Series 2001 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 2001 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 2001 A Bonds during the term thereof is, under the terms of the Series 2001 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 2001 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 2001 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 2001 Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2001 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. If required, the Issuer shall file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2001 A Bonds and the interest, if any, thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer shall take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest, if any, on the Series 2001 A Bonds will be and remain excludable from gross income for federal income tax purposes, and shall not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.20. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2001 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 2001 A Bonds and

shall be on a parity with the statutory mortgage lien in favor of the Holders of Series 1997 A Bonds.

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).

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2001 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 2001 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 2001 A Bonds as a condition to issuance of the Series 2001 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 2001 A Bonds as may be necessary in order to maintain the status of the Series 2001 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2001 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 West Virginia Infrastructure and Jobs Development Council, as the case may be, from which the proceeds of the Series 2001 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 West Virginia Infrastructure and Jobs Development 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 2001 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 2001 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2001 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 2001 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2001 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

(4) If default occurs with respect to Series 1997 A Bonds or 1997 Resolution.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 2001 A Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including, but not limited to, the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2001 A Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2001 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2001 A Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2001 A Bonds shall be on a parity with the Holders of the Series 1997 A 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, 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 System 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 System and

the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2001 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 moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2001 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 2001 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 2001 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2001 A Bonds, no material modification or amendment of this Resolution, or of any resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2001 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2001 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Series 2001 A Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Series 2001 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2001 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 2001 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 thereto, or the Series 2001 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 1997 Resolution, the more restrictive provision shall control.

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

Section 11.07. Public Notice of Proposed Financing. If required by State law, prior to making formal application to the Public Service Commission of West Virginia for a certificate of public convenience and necessity and adoption of this Resolution, the Secretary of the Governing Body shall have caused to be published in a newspaper of general circulation in each municipality in Sun Valley Public Service District and within the boundaries of the Issuer, a Class II legal advertisement stating:

(a) The maximum amount of the Series 2001 A Bonds to be issued;

(b) The maximum interest rate and terms of the Series 2001 A Bonds authorized hereby;

(c) The public service properties to be acquired or constructed and the cost of the same;

(d) The maximum anticipated rates which will be charged by the Issuer; and

(e) The date that the formal application for a certificate of public convenience and necessity is to be filed with the Public Service Commission of West Virginia.

Section 11.08. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this August 6, 2001.

Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of SUN VALLEY PUBLIC SERVICE DISTRICT on August 6, 2001.

Dated: October 18, 2001.

[SEAL]

Secretary

08/06/01
879900/98001

EXHIBIT A

[Loan Agreement attached to bond transcript as Document 3.]

(SUPERSEDED IN PART BY SECOND SUPPLEMENTAL RESOLUTION)

SUN VALLEY PUBLIC SERVICE DISTRICT

Sewer Refunding Revenue Bonds, Series 2001 A
(West Virginia Infrastructure Fund)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REFUNDING REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF SUN VALLEY PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING A 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; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Sun Valley Public Service District (the "Issuer") has duly and officially adopted a bond resolution, effective June 26, 2001 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE REFUNDING OF THE SEWER REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA INFRASTRUCTURE FUND), SEWER REVENUE BONDS, SERIES 1997 C (WEST VIRGINIA SRF PROGRAM), SEWERAGE SYSTEM CONSTRUCTION NOTES, SERIES 1997, AND SEWERAGE SYSTEM DESIGN NOTES, SERIES 1998 (WEST VIRGINIA INFRASTRUCTURE FUND), OF SUN VALLEY PUBLIC SERVICE DISTRICT; THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,073,405 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REFUNDING REVENUE BONDS, SERIES 2001 A

(WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Resolution provides for the issuance of Sewer Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), of the Issuer (the "Bonds" or the "Series 2001 A Bonds"), in the aggregate principal amount of not to exceed $1,073,405, and has authorized the execution and delivery of the loan agreement relating to the Bonds (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 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 provision, 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 entered into by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provision, the interest rate, the interest and principal

payment dates and the sale price of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF SUN VALLEY PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Refunding Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $1,073,405. The Series 2001 A Bonds shall be dated the date of delivery thereof and shall bear no interest. The principal of the Series 2001 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2002, and maturing December 1, 2038, 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 2001 A Bonds. The Series 2001 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of a 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 2001 A Bonds.

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

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

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

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

Section 6. The Issuer does hereby appoint and designate First National Bank of West Union, Salem, West Virginia, to serve as Depository Bank under the Bond Resolution.

Section 7. Series 2001 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2001 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2001 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2001 A Bonds Reserve Account.

Section 9. Series 2001 A Bonds proceeds in the amount of $300,810 shall be used to pay in full the entire outstanding principal of and interest accrued on the Series 1997 B Bonds.

Section 10. Series 2001 A Bonds proceeds in the amount of $253,348.02 shall be used to pay in full the entire outstanding principal amount of, interest accrued on and administrative fee for the Series 1997 C Bonds.

Section 11. Series 2001 A Bonds proceeds in the amount of $337,415.13 shall be used to pay in full the entire outstanding principal amount of and interest accrued on the Series 1997 Notes.

Section 12. Series 2001 A Bonds proceeds in the amount of $147,171.29 shall be used to pay in full the entire outstanding principal amount of, interest accrued on and administrative fee for the Series 1998 Notes.

Section 13. The balance of the proceeds of the Series 2001 A Bonds shall be used to pay the costs of issuance of the Series 2001 A Bonds and related costs.

Section 14. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Bonds may be delivered on or about June 27, 2001, to the Authority pursuant to the Loan Agreement.

Section 15. The refunding of the Series 1997 B Bonds, the Series 1997 C Bonds, the Series 1997 Notes and the Series 1998 Notes with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 16. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Resolution held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Moneys in the Series 2001 A Bonds Sinking Fund, including the Series 2001 A Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 17. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations promulgated or to be promulgated thereunder.

Section 18. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this August 6, 2001.

Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Sun Valley Public Service District on August 6, 2001.

Dated: October 18, 2001.

[SEAL]

Secretary

08/06/01
879900/99001

SUN VALLEY PUBLIC SERVICE DISTRICT

Sewer Refunding Revenue Bonds, Series 2001 A
(West Virginia Infrastructure Fund)

SECOND SUPPLEMENTAL RESOLUTION

SECOND SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REFUNDING REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF SUN VALLEY PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING A 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; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Sun Valley Public Service District (the "Issuer") has duly and officially adopted a bond resolution, effective June 26, 2001 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE REFUNDING OF THE SEWER REVENUE BONDS, SERIES 1997 B (WEST VIRGINIA INFRASTRUCTURE FUND), SEWER REVENUE BONDS, SERIES 1997 C (WEST VIRGINIA SRF PROGRAM), SEWERAGE SYSTEM CONSTRUCTION NOTES, SERIES 1997, AND SEWERAGE SYSTEM DESIGN NOTES, SERIES 1998 (WEST VIRGINIA INFRASTRUCTURE FUND), OF SUN VALLEY PUBLIC SERVICE DISTRICT; THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $1,073,405 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REFUNDING REVENUE BONDS, SERIES 2001 A

(WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Governing Body of the Issuer has duly and officially adopted a Supplemental Resolution, effective June 26, 2001 (the "First Supplemental Resolution"), entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REFUNDING REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF SUN VALLEY PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING A 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; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

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

WHEREAS, the Bond Resolution provides for the issuance of Sewer Refunding Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), of the Issuer (the "Bonds" or the "Series 2001 A Bonds"), in the aggregate principal amount of not to exceed $1,073,405, and has authorized the execution and delivery of the loan agreement relating to the Bonds (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and

Jobs Development Council (the "Council"), all in accordance with Chapter 16, Article 13A and Chapter 31, Article 15A of the West Virginia Code of 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 provision, 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;

WHEREAS, the Issuer previously adopted the First Supplemental Resolution, the provisions in which contemplated a closing date for the Bonds of June 27, 2001, which did not occur; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF SUN VALLEY PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to the Bond Resolution and the Act, this Second Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Refunding Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $1,073,405. The Series 2001 A Bonds shall be dated the date of delivery thereof and shall bear no interest. The principal of the Series 2001 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2002, and maturing December 1, 2038, 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 2001 A Bonds. The Series 2001 A Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of a 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 2001 A Bonds.

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

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

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

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

Section 6. The Issuer does hereby appoint and designate First National Bank of West Union, Salem, West Virginia, to serve as Depository Bank under the Bond Resolution.

Section 7. Series 2001 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2001 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2001 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2001 A Bonds Reserve Account.

Section 9. Series 2001 A Bonds proceeds in the amount of $300,810 shall be used to pay in full the entire outstanding principal of and interest accrued on the Series 1997 B Bonds.

Section 10. Series 2001 A Bonds proceeds in the amount of $248,304.57 shall be used to pay in full the entire outstanding principal amount of, interest accrued on and administrative fee for the Series 1997 C Bonds.

Section 11. Series 2001 A Bonds proceeds in the amount of $342,781.70 shall be used to pay in full the entire outstanding principal amount of and interest accrued on the Series 1997 Notes.

Section 12. Series 2001 A Bonds proceeds in the amount of $147,171.29 shall be used to pay in full the entire outstanding principal amount of, interest accrued on and administrative fee for the Series 1998 Notes.

Section 13. The balance of the proceeds of the Series 2001 A Bonds shall be used to pay the costs of issuance of the Series 2001 A Bonds and related costs.

Section 14. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Bonds may be delivered on or about October 18, 2001, to the Authority pursuant to the Loan Agreement.

Section 15. The refunding of the Series 1997 B Bonds, the Series 1997 C Bonds, the Series 1997 Notes and the Series 1998 Notes with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 16. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Resolution held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Moneys in the Series 2001 A Bonds Sinking Fund, including the Series 2001 A Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 17. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by

Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations promulgated or to be promulgated thereunder.

Section 18. To the extent that the provisions and terms of the First Supplemental Resolution are inconsistent with, or contradictory to, the provisions and terms of this Second Supplemental Resolution, such inconsistent or contradictory provisions and terms of the First Supplemental Resolution are hereby repealed and the provisions and terms of the Second Supplemental Resolution shall control.

Section 19. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this October 9, 2001.

Chairman

CH478121.1

CERTIFICATION

Certified a true copy of a Second Supplemental Resolution duly adopted by the Public Service Board of Sun Valley Public Service District on October 9, 2001.

Dated: October 18, 2001.

[SEAL]

Secretary

10/09/01
879900/99001

CH478121.1

WEST VIRGINIA
Water Development Authority
Celebrating 34 Years of Service 1974 - 2008

USDA 2.12
IJDC 2.10

SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)
SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 B
(WEST VIRGINIA INFRASTRUCTURE FUND)

CONSENT TO ISSUANCE OF PARITY BONDS

In reliance upon a certificate of Tetrick & Bartlett, PLLC, independent certified public accountants, and Jackson Kelly PLLC, bond counsel, stating that the coverage and parity requirements have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority, the registered owner of the Prior Bonds hereinafter defined and described, hereby consents to the issuance of the Sewer Revenue Bonds, Series 2010 A (United States Department of Agriculture), in the original principal amount of $1,000,000, and to the issuance of the Sewer Revenue Bonds, Series 2010 B (West Virginia Infrastructure Fund), in the original aggregate principal amount of $3,200,000 (collectively the "Series 2010 Bonds") by Sun Valley Public Service District (the "Issuer"), under the terms of the resolutions authorizing the Series 2010 Bonds, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Sewer Revenue Bonds, Series 1997 A (West Virginia Infrastructure Fund) and Sewer Refunding Revenue Bonds, Series 2001 A (West Virginia Infrastructure Fund).

WITNESS my signature on this 13th day of July, 2010.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Authorized Representative

{M0620359}

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

SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

GENERAL CERTIFICATE ON:

1. TERMS AND AWARD OF BONDS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. SIGNATURES AND DELIVERY
6. PUBLIC SERVICE COMMISSION ORDER
7. RATES
8. INCUMBENCY AND OFFICIAL NAME
9. LAND AND RIGHTS-OF-WAY
10. MEETINGS
11. INSURANCE
12. SPECIMEN BOND
13. BOND PROCEEDS
14. USERS
15. CONFLICT OF INTEREST
16. PROCUREMENT OF ENGINEERING SERVICES
17. WETLANDS COVENANT
18. COUNTERPARTS

On this 13th day of July, 2010, we, the undersigned CHAIRPERSON and the undersigned SECRETARY of the Public Service Board of Sun Valley Public Service District (the "Issuer"), and the undersigned COUNSEL for the Issuer, hereby certify in connection with the Issuer's Sewer Revenue Bonds, Series 2010 A (United States Department of Agriculture) (the "Bonds"), dated the date hereof, as follows:

1. TERMS AND AWARD OF BONDS: The entire issue of the Bonds has been duly awarded to the United States of America, United States Department of Agriculture, Rural Utilities Service (the "Government"), pursuant to a letter of conditions dated December 19, 2005 (the "Letter of Conditions"), a Bond Resolution duly adopted by the Issuer on July 9, 2010, and a Supplemental Resolution duly adopted by the Issuer on July 9, 2010

(collectively, the "Resolution"). All capitalized words and terms used in this Certificate and not otherwise defined herein shall have the same meaning as set forth in the Resolution.

2. NO LITIGATION: No controversy or litigation of any nature is now pending or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting in any manner the authorization, issuance, sale and delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection or use of the revenues of the System, or the pledge and security of the Net Revenues for the Bonds; or affecting the validity of the Bonds or any provisions made or authorized for the payment thereof; or questioning the existence of the Issuer or the title of the members or officers of the Issuer or the Board thereof to their respective offices; or questioning any proceedings of the Issuer taken with respect to the authorization, issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection or use of the revenues of the System, or the pledge and security of the Net Revenues for the Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals, licenses, orders, permits, exemptions, consents, authorizations, registrations and certificates required by law for the creation and existence of the Issuer, the acquisition and construction of the Project, the operation of the System, 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 construction of the Project have been solicited by the Issuer in accordance with Chapter 5, Article 22, Section 1 of the Code of West Virginia, 1931, as amended, which bids remain in full force and effect. The Issuer has received the Drug Free Workplace affidavits from the successful bidders required by Chapter 21, Article 1D of the West Virginia Code of 1931, as amended.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the acceptance and approval of the Letter of Conditions by the Issuer. The Issuer has met all conditions set forth in the Letter of Conditions and will provide the financial, institutional, legal and managerial capabilities necessary to complete and operate the Project.

The Bonds shall be issued on a parity with the Series 2010 B Bonds and the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has met the parity and coverage requirements of the Prior Bonds and the Prior Resolutions and has substantially complied with all other parity requirements, except to the extent that noncompliance with any such other parity requirements is not of a material nature. The Issuer has obtained (1) the certificate of an Independent Certified Public Accountant stating that the parity and coverage tests of the Prior Bonds have been met; and (2) the written consent of the Registered Owners of the Prior Bonds to the issuance of the

Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

5. SIGNATURES AND DELIVERY: The undersigned Chairperson and Secretary are the duly elected or appointed, qualified and acting officers of the Issuer as indicated by the official titles opposite their signatures below, and are duly authorized to execute and seal the Bonds for the Issuer. The seal impressed upon the Bonds and this Certificate is the duly authorized, proper and only seal of the Issuer. On the date hereof, the undersigned Chairperson did officially sign all of the Bonds, consisting upon original issuance of a single Bond for each series, dated the date hereof, by his or her manual signature; the undersigned Secretary did officially cause the seal of the Issuer to be affixed upon the Bonds and to be attested by his or her manual signature; and the Chairperson did deliver the Bonds to a representative of the Government as the original purchaser of the Bonds.

6. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received a Recommended Decision of an Administrative Law Judge entered on September 11, 2009, as made final by the PSC on October 1, 2009, and the Order of the PSC entered on March 8, 2010 in Case No. 09-0642-PSD-SCN, granting to the Issuer a certificate of public convenience and necessity for the Project. The time for appeal of the October 1, 2009 Order has expired prior to the date hereof. The time for appeal of the March 8, 2010 Order has expired prior to the date hereof. Such Orders remain in full force and effect.

7. RATES: The rates of the System, as approved by the PSC Order entered on March 8, 2010, in Case No. 09-0642-PSD-SCN, will become effective when the Project is substantially complete.

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

Name	Date Of Termination Of Office
Richard G. Dale	January 23, 2013
Sandra J. Patterson	November 15, 2013
Ronald E. Michael	October 16, 2015

{M0620351}

The duly elected or appointed officers of the Board for 2010 are as follows:

Richard G. Dale	-	Chairperson
Sandra J. Patterson	-	Secretary
Ronald E. Michael	-	Treasurer

The duly appointed and acting counsel for the Issuer is Smith, McMunn & Glover, PLLC, Clarksburg, West Virginia.

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

10. MEETINGS: All actions, resolutions, orders and agreements taken, adopted and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds, the acquisition, construction, and financing of the Project or the operation of the System were authorized or adopted at meetings of the Board duly and regularly or specifically called and held pursuant to all applicable statutes and the rules of procedure of the Board, and a quorum of duly appointed qualified and acting members of the Board was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

11. INSURANCE: The Issuer will maintain or, as appropriate, will require all contractors to maintain workers compensation, public liability and property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Resolution and the Letter of Conditions. All insurance for the System required by the Resolution and the Letter of Conditions are in full force and effect.

12. SPECIMEN BOND: Attached hereto as Exhibit A is a specimen of the Bond which, except as to execution, is identical in all respects with the Bond this day delivered to the Government and being substantially in the form prescribed in the Resolution.

13. BOND PROCEEDS: On the date hereof, the Issuer received from the Government the sum of $277,141.00, being a portion of the principal amount of the Series 2010 A Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer from time to time as acquisition and construction of the Project progresses.

14. USERS: The Issuer will serve at least 862 bona fide users upon the completion of the Project, in full compliance with the Letter of Conditions.

15. 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 the sale of any land, materials, supplies or services to the Issuer, or to any contractor supplying the Issuer, relating to the Bonds, the Resolution and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

16. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied with all the requirements of Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended, in the procurement of the engineering services of the Consulting Engineer.

17. WETLANDS COVENANT: The Issuer hereby certifies that it will not use any proceeds of the Bonds for a purpose that will contribute to excessive erosion of highly erodible lands or to the conversion of wetlands to produce an agricultural commodity.

18. COUNTERPARTS: This Certificate may be executed in counterparts and all counterparts shall be deemed to be the Certificate.

WITNESS our signatures and the official corporate seal of Sun Valley Public Service District as of the date first written above.

[CORPORATE SEAL]

Signature	Official Title
_____	Chairperson
_____	Secretary
_____	Attorney

{M0620351}

EXHIBIT A

Specimen Bond (see Tab No. 14)

USDA 3.2
IJDC 3.3

SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)
SEWER REVENUE BONDS, SERIES 2010 B
(WEST VIRGINIA INFRASTRUCTURE BONDS)

CERTIFICATE OF SECRETARY
AS TO TRUTH AND ACCURACY OF DOCUMENTS DELIVERED

On this 13th day of July, 2010, the undersigned duly appointed Secretary of Sun Valley Public Service District (the "Issuer") hereby certifies that the copies of the following documents being delivered in connection with the closing of the above-referenced bonds (the "Bonds"), are, as of the date hereof, true and accurate copies of the originals of those documents maintained on file with the Issuer and delivered in the transcript of proceedings, that said documents have been duly adopted or approved by the Public Service Board (the "Board") of the Issuer and that said documents are still in full force and effect as of the date hereof and have not been repealed, rescinded, superseded, amended or modified in any way unless the document effecting such repeal, rescission, supersedence, amendment or modification is also listed below:

1. Orders Creating the Issuer.
2. Orders Appointing the Members of the Board.
3. Oaths of Office of the Board Members.
4. Rules of Procedure.
5. Minutes of Current Year Organizational Meeting.
6. Public Service Commission Order.
7. USDA Letter of Conditions, Closing Letter and Loan Resolution.
8. Infrastructure Council Approval Letter.
9. IJDC Loan Agreement.
10. Minutes of Board Meeting regarding Adoption of USDA Loan Resolution.
11. USDA and IJDC Bond Resolutions and related Supplemental Resolutions.
12. Minutes of Meeting regarding Adoption of Resolutions.

{M0620352}

13. Affidavits of Publication regarding Notice of Borrowing and Notice of Meeting to Adopt Bond Resolutions and Supplemental Resolutions.

14. Environmental Health Services Permit.

15. Evidence of Insurance.

[The remainder of this page is intentionally blank.]

WITNESS my signature and the official seal of the Issuer as of the date first written above.

SUN VALLEY PUBLIC SERVICE DISTRICT

[SEAL]

Secretary

{M0620352}

USDA 3.3

SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

CERTIFICATE OF CONSULTING ENGINEER

On this 13th day of July, 2010, I, Daniel Ferrell, Registered Professional Engineer, West Virginia License No. 13462, of Thrasher Engineering, Clarksburg, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain improvements and extensions (the "Project") to the existing public sewer facilities (the "System") of Sun Valley Public Service District (the "Issuer"), to be constructed in Harrison County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. All capitalized words used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on July 9, 2010 (as supplemented, the "Resolution") and the Letter of Conditions dated December 19, 2005 (the "Letter of Conditions"), from the United States of America, United States Department of Agriculture, Rural Development (the "Government").

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the West Virginia Department of Environmental Protection ("WVDEP"), and any change orders approved by the Issuer, the Government and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and will have a useful life of at least 40 years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Letter of Conditions, and in reliance upon the opinion of the Issuer's counsel, Smith, McMunn & Glover, PLLC, dated the date hereof, all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies

or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the Government and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (ix) in reliance upon the certificate of the Issuer's certified public accountant, Tetrick & Bartlett, PLLC, dated the date hereof, as of the effective date thereof, the rates and charges for the System as approved by the Public Service Commission of West Virginia and adopted by the Issuer will be sufficient to comply with the provisions of the Resolution; and (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 irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the Government.

WITNESS my signature and seal as of the date first written above.

[SEAL]

DANIEL E. FERRELL
REGISTERED
13462
STATE OF WEST VIRGINIA
PROFESSIONAL ENGINEER

7/7/2010

THRASHER ENGINEERING

Daniel Ferrell, P.E.
West Virginia License No. 13462

{M0620360.3}

USDA 3.3

SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

CERTIFICATE OF CONSULTING ENGINEER

On this 13th day of July, 2010, I, Daniel Ferrell, Registered Professional Engineer, West Virginia License No. 13462, of Thrasher Engineering, Clarksburg, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain improvements and extensions (the "Project") to the existing public sewer facilities (the "System") of Sun Valley Public Service District (the "Issuer"), to be constructed in Harrison County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. All capitalized words used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on July 9, 2010 (as supplemented, the "Resolution") and the Letter of Conditions dated December 19, 2005 (the "Letter of Conditions"), from the United States of America, United States Department of Agriculture, Rural Development (the "Government").

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the West Virginia Department of Environmental Protection ("WVDEP"), and any change orders approved by the Issuer, the Government and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and will have a useful life of at least 40 years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Letter of Conditions, and in reliance upon the opinion of the Issuer's counsel, Smith, McMunn & Glover, PLLC, dated the date hereof, all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies

or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the Government and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (ix) in reliance upon the certificate of the Issuer's certified public accountant, Tetrick & Bartlett, PLLC, dated the date hereof, as of the effective date thereof, the rates and charges for the System as approved by the Public Service Commission of West Virginia and adopted by the Issuer will be sufficient to comply with the provisions of the Resolution; and (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 irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the Government.

WITNESS my signature and seal as of the date first written above.

[SEAL]

DANIEL E. FERRELL
REGISTERED
13462
STATE OF WEST VIRGINIA
PROFESSIONAL ENGINEER

7/7/2010

THRASHER ENGINEERING

Daniel Ferrell, P.E.
West Virginia License No. 13462

{M0620360.3}

Tetrick & Bartlett, PLLC
Certified Public Accountants
Consultants

122 N. Oak St. • PO Box 1916 • Clarksburg, WV 26302-1916 • (304) 624-5564 • Fax: (304) 624-5582 • www.tetrickbartlett.com

July 13, 2010

SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

Sun Valley Public Service District
Reynoldsville, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

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

Ladies and Gentlemen:

We have reviewed the sewer rates of Sun Valley Public Service District (the "Issuer"), as approved by the order of the Public Service Commission of West Virginia, entered March 8, 2010, in Case No. 09-0642-PSD-SCN, the projected operating expenses and the anticipated customer usage provided by Thrasher Engineering, the consulting engineer of the Issuer. It is our opinion that such rates are sufficient (i) to provide for all operating expenses of the sewer facilities of the Issuer (the "System"), and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for the payment of principal of and interest on the Issuer's Sewer Revenue Bonds, Series 1997 A and Sewer Refunding Revenue Bonds, Series 2001 A (the "Prior Bonds") and Sewer Revenue Bonds, Series 2010 A (United States Department of Agriculture) (the "Series 2010 A Bonds") and Sewer Revenue Bonds, Series 2010 B (West Virginia Infrastructure Fund) (the "Series 2010 B Bonds").

It is further our opinion that (i) the Net Revenues for the fiscal year following the year in which the Series 2010 A Bonds are to be issued will be at least 120% of the average annual debt service requirements on the Prior Bonds, the Series 2010 A Bonds and the Series 2010 B Bonds; and (ii) the Net Revenues actually derived from the System during any 12 consecutive months within the 18 months immediately preceding the date of the

the Series 2010 B Bonds; and (ii) the Net Revenues actually derived from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of the Series 2010 B Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Series 2010 A Bonds and the Series 2010 B Bonds, will not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for principal of and interest on the Prior Bonds, the Series 2010 A Bonds and the Series 2010 B Bonds, assuming that there are no changes in the projected operating expenses and anticipated customer usage as furnished to us by the issuer.

Very truly yours,

Tetrick & Bartlett, PLLC

Tetrick & Bartlett, PLLC

SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

CERTIFICATE OF NO LITIGATION

On this 13th day of July, 2010, the undersigned hereby certifies that as of the date hereof, no controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the authorization, issuance, sale or delivery of the above-captioned Bonds ("the Bonds"), the acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues, or in any way contesting or affecting the validity of the Bonds or any proceedings of Sun Valley Public Service District (the "Issuer") taken with respect to the authorization, issuance, sale or delivery 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, issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection of the Gross Revenues or the pledge of the Net Revenues for payment of the Bonds.

All capitalized terms used herein shall have the same meaning set forth in the Bond Resolution, authorizing the Bonds, duly adopted by the Issuer on July 9, 2010.

WITNESS my signature as of the date first written above.

Smith, McMunn & Glover, PLLC
Counsel for Sun Valley Public Service District

USDA 3.6

SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

RECEIPT FOR BONDS

On this 13th day of July, 2010, the undersigned authorized representative of the United States of America, United States Department of Agriculture, Rural Utilities Service (the "Government"), for and on behalf of the Government, hereby certifies as follows:

1. On the date hereof, the undersigned received for and on behalf of the Government, the Sewer Revenue Bonds, Series 2010 A (United States Department of Agriculture) (the Bonds"), of Sun Valley Public Service District (the "Issuer"), dated July 13, 2010, issued in the form of one bond in the principal amount of $1,000,000, and numbered AR-1. The Bonds bear interest at the rate of 4.0% per annum, payable in monthly installments on the amounts advanced thereunder, commencing 30 days following the date of delivery of such Bonds and continuing on the corresponding day of each month for the first 24 months after the date of such Bonds, and thereafter, on the corresponding day of each month in installments of principal and interest on such Bonds in the aggregate amount of $4,270, except that the final installment on such Bonds shall be paid at the end of 40 years from the date of such Bonds in the sum of the unpaid principal and interest due on the date thereof.

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

WITNESS my signature as of the date first written above.

UNITED STATES OF AMERICA,
UNITED STATES DEPARTMENT OF
AGRICULTURE, RURAL UTILITIES SERVICE

Authorized Representative

USDA 3.7

SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

RECEIPT FOR BOND PROCEEDS

On this 13th day of July, 2010, the undersigned Chairperson of Sun Valley Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certifies that the Issuer has received on the date hereof from the United States of America, United States Department of Agriculture, Rural Utilities Service (the "Government"), the sum of $277,141.00, being the first advance on the principal of the $1,000,000 Sun Valley Public Service District Sewer Revenue Bonds, Series 2010 A (United States Department of Agriculture), dated July 13, 2010 (the "Bonds"). The Issuer understands that the remaining proceeds of the Bonds will be advanced to the Issuer by the Government from time to time as construction progresses.

WITNESS my signature as of the date first written above.

SUN VALLEY PUBLIC SERVICE DISTRICT

Chairperson

USDA 3.8

SUN VALLEY PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2010 A
(UNITED STATES DEPARTMENT OF AGRICULTURE)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

On this 13th day of July, 2010, JPMorgan Chase Bank, NA, Clarksburg, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Resolution and a Supplemental Resolution adopted by Sun Valley Public Service District (the "Issuer") on July 9, 2010 (collectively, the "Resolution"), authorizing the issuance of the Issuer's Sewer Revenue Bonds, Series 2010 A (United States Department of Agriculture), in the aggregate principal amount of $1,000,000, dated July 13, 2010, and agrees to serve as Depository Bank, all as set forth in the Resolution.

WITNESS my signature as of the date first written above.

JPMORGAN CHASE BANK, NA

April M Underwood

Authorized Officer

WV MUNICIPAL BOND COMMISSION
1207 Quarrier Street, Suite 401
Charleston, WV 25301
(304) 558-3971

USDA 3.9
NEW ISSUE REPORT FORM
Date of Report: July 13, 2010

ISSUE: Sun Valley Public Service District Sewer Revenue Bonds, Series 2010 A (United States Department of Agriculture)
ADDRESS: P.O. Box 95, Reynoldsville, WV 26422-0095 COUNTY: Harrison
PURPOSE OF ISSUE: New Money X
Refunding _____ Refunds issue(s) dated: _____
ISSUE DATE: July 13, 2010 CLOSING DATE: July 13, 2010
ISSUE AMOUNT: $1,000,000 RATE: 4.0%
1st DEBT SERVICE DUE: N/A 1st PRINCIPAL DUE: N/A
1st DEBT SERVICE AMOUNT: N/A PAYING AGENT: _____

BOND COUNSEL: Jackson Kelly PLLC UNDERWRITERS COUNSEL: _____
Contact Person: Taunja Willis-Miller Contact Person: _____
Phone: (304) 284-4100 Phone: _____

CLOSING BANK: JPMorgan Chase Bank, NA ESCROW TRUSTEE: _____
Contact Person: April Hinkle Contact Person: _____
Phone: (304) 624-3432 Phone: _____

KNOWLEDGEABLE ISSUER CONTACT: OTHER: USDA, Rural Utilities Service
Contact Person: Kevin Short Contact Person: Jim Ellars
Position: General Manager Function: _____
Phone: (304) 623-9609 Phone: 304-558-3612
E-Mail: svpsd@juno.com

DEPOSITS TO MBC AT CLOSE: _____ Accrued Interest: $_____
_____ Capitalized Interest: $_____
By _____ Wire _____ Reserve Account: $_____
_____ Check _____ Other: _____ $_____

REFUNDS & TRANSFERS BY MBC AT CLOSE:
By _____ Wire _____ To Escrow Trustee: $_____
_____ Check _____ To Issuer: $_____
_____ IGT _____ To Cons. Invest. Fund $_____
_____ To Other: _____ $_____

NOTES: Debt Service Reserve Fund to be funded over 10 years.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required: _____
Transfers Required: _____

David L. Watson 20-944 (Sed. + Erosion Permit)

From: DEP NPDESEP [DEP.NPDESEP@wv.gov]
Sent: Wednesday, December 16, 2009 4:01 PM
To: svpsd@juno.com; DEP NPDESEP
Cc: Cochran, Joseph W; David L. Watson; Lemme, Brian M; Ely, Jason M; Swiger, Bradley C; Ammons, Donna J
Subject: Approval for WVR104726, Phase II Sanitary Sewer System Extension, Harrison Co., 40.6 Acres
Attachments: EP 14151_2007_Construction_Storm_Water_General_Permit[1].pdf; NOT 14400_SW_Cons_Termination_notice.doc

Kevin Short
Sun Valley PSD
PO Box 95
Reynoldsville, WV 26422
(304) 623-9609

Physical Site Location: Co. Rt. 11, Reynoldsville

Please be advised that this e-mail constitutes approval for your construction activity and your registration no. is WVR104726. You are now authorized to operate under WV/NPDES General Water Pollution Control Permit No. WV0115924, issued on November 5, 2007, copy attached.

NOTE: Three waste sites totaling 1.5 acres collectively are included in the total disturbance of 40.6 acres.

You should carefully read the contents of this General Permit and become familiar with all requirements needed to remain in compliance with your permit. We've also attached a "Notice of Termination" form to be completed and submitted when all disturbed areas are stabilized. You can find the permit and Notice of Termination form via the Internet by visiting Permitting, Division of Water and Waste Management at www.wvdep.org . Your annual permit fee has been assessed as $1000.00. You will be invoiced by this agency upon the anniversary date of this approval date. Failure to submit the annual fee within ninety (90) days of the due date will render your permit void upon the date you are mailed a certified written notice to that effect. Please be advised that a pro-rated annual permit fee may be assessed upon the completion date and proper stabilization.

Scott G. Mandirola
Acting Director
WV DEP-Division of Water & Waste Mgt.
601 57th St SE
Charleston, WV 25304-2345
Phone: (304) 926-0495
Fax: (304) 926-0496

20-944

SCANNED

RECEIVED

JAN 11 2010

THRASHER ENGINEERING, INC.

2nd Dave W
Dan F.

DIVISION OF NATURAL RESOURCES
324 4th Avenue, Room 200
South Charleston, WV 25303-1228
TDD (304) 558-1439
TDD 1-800-354-6087
Fax (304) 558-6048
Telephone (304) 558-3225

Joe Manchin III
Governor

Frank Jezioro
Director

January 7, 2010

Mr. David Watson, Project Engineer
Thrasher Engineering
P. O. Box 1532
Clarksburg, West Virginia 26301

RE: North Bend Rail Trail
License Agreement

Dear Mr. Watson:

Please find enclosed the original and one (1) copy of a License Agreement by and between this Division and the Sun Valley Public Service District. This agreement grants the PSD permission to construct multiple sewer pipelines across and under the above-referenced area.

Please have all copies of the agreement signed on page two (2), have the person executing the agreement signature attested to the left, place the PSD's Corporate seal below the signature, have the notary acknowledgment completed and the notary seal affixed, prior to returning all copies to this office for further processing. Once signed and approved by all parties we will forward you a copy for the PSD's file.

Should you have any questions in this matter, please contact this office at your convenience.

Sincerely,

Joe T. Scarberry, Supervisor
Office of Land & Streams

js
Enclosures

LICENSE AGREEMENT

P-10-I/17-28

THIS LICENSE AGREEMENT made and entered this 5th day of January, 2010, by and between the **STATE OF WEST VIRGINIA, DEPARTMENT OF COMMERCE, DIVISION OF NATURAL RESOURCES,** (hereinafter referred to as Division) and the **SUN VALLEY PUBLIC SERVICE DISTRICT,** (hereinafter referred to as PSD).

W I T N E S S E T H:

WHEREAS, by a certain lease agreement dated May 10, 1991, by and between the West Virginia Railroad Maintenance Authority and the Bureau of Commerce, Division of Natural Resources, Public Land Corporation, the Division is the lessee of certain property known as the North Bend Rail Trail located in Doddridge, Harrison, Ritchie and Wood Counties of West Virginia, as shown on the map marked as Exhibit A attached hereto and made a part hereof, which is managed and operated by the Parks Section of the Division of Natural Resources; and

WHEREAS, the PSD desires permission to construct, operate, maintain, repair, replace and remove multiple sewer line crossings across and under the aforesaid area, near Reynoldsville and Wolfe Summit, West Virginia. Said sewer pipeline rights-of-way are as shown located and highlighted in red on the aforesaid map.

WHEREAS, the Division is willing to grant the PSD permission to construct, operate, maintain, repair, replace and remove multiple sewer pipelines across the North Bend Rail Trail, and under certain terms and conditions.

NOW, THEREFORE, and in consideration of the sum of **ONE DOLLAR ($1.00)**, cash in hand paid, the receipt and sufficiency of which is hereby acknowledged, the Division does hereby extend unto the Sun Valley Public Service District permission to construct, operate, maintain, repair, replace and remove multiple sewer pipelines across and under the aforesaid area, and to utilize rights-of-way Ten (10') feet in width, Five (5') on each side of said center lines, as shown and located highlighted in red on the aforesaid map attached hereto as Exhibit A, and the parties hereto covenant and agree as follows:

1) Term. To have and to hold for the term of **TWENTY-FIVE (25) YEARS** from the date hereof. At the end of said term, the PSD will have the option to renew or extend this Agreement based upon the terms and conditions as set by the Division.

2) Termination. Either party hereto may terminate this Agreement at any time by giving sixty (60) days notice in writing to the other party.

3) The PSD must reclaim all disturbed areas to the satisfaction of the Trail Superintendent of the Parks Section. All ditches must be compacted when back filled, and the PSD must maintain all disturbed areas of the trail for one year after completion.

4) The PSD shall not cut, remove or damage any trees, shrubs, ect, located on boundary lines which have been marked or used in surveys of said lines without obtaining the prior written consent of the Division and without providing substitute boundary markers.

5) The PSD agrees that said premises shall be used only for sewer pipeline rights-of-way.

6) No use, however extended, of said sewer pipeline rights-of-way shall be taken as creating or vesting in the PSD any ownership in said property.

7) The PSD shall replace any barriers or gates that is removed or damaged with materials approved by the Trail Superintendent.

8) The PSD shall save harmless and indemnify the Division for any and all liability for personal injuries, property damage, or for loss of life or property resulting from, or any way connected with, the construction, maintenance, location, operation, condition or use of the facilities under this License, or any means of ingress thereto or egress therefrom, except liability for personal injuries, property damage, or loss of life or property caused by the negligence of the Division or any agency, agent, servant or employee of the Division.

9) The PSD shall not assert any claim against the Division or any agency, agent, servant or employee of the Division for any damage sustained by said sewer pipeline rights-of-way occasioned by any act or omission of the Division any agency, agent, servant, or employee of the Division unless damage was occasioned by the negligence of the Division, or any agency, agent, servant or employee of the Division.

10) In the event the PSD fails or refuses to comply with the terms contained herein, this Agreement may be canceled and considered null and void by the Division.

11) This Agreement is subordinate to the terms and conditions of the Division's aforesaid lease agreement with the West Virginia Railroad Maintenance Authority and is subject to the Railroad Maintenance Authority's right of cancellation of that agreement for reuse of the North Bend Rail Trail.

12) Any additional license, lease, assignment, or transfer of the rights granted by this agreement must have the prior written consent of the Division.

13) The sewer pipelines shall be buried a minimum of forth-eight inches (48") below the trail surface, and said sewer pipelines shall not disturb the center fifteen feet (15') section of the trail which has a finished surface. Markers identifying sewer line placement at the edge of location where the grass is mowed on each side of the trail.

14) The PSD will grade, level, lime, fertilize, and establish a planting along the entire length and width of said sewer pipeline rights-of-way where there is a land disturbance with a legume mixture approved by the Trail Superintendent.

15) Erosion matting shall be used to eliminate any long term damage.

16) The PSD shall provide the Trail Superintendent with before and after photos of said sewer pipeline rights-of-way.

17) Minimum 4" class (2) aggregate (with DOH classification) shall be used.

18) The Trail shall be open for public use at all times.

IN WITNESS WHEREOF, the **State of West Virginia, Department of Commerce, Division of Natural Resources**, by the Director of the Division of Natural Resources, and the **Sun Valley Public Service District**, have hereunto caused their respective names to be signed and their seals to be affixed hereto, all by proper officer thereunto duly authorized, as of the day and year first hereinabove written.

STATE OF WEST VIRGINIA
DEPARTMENT OF COMMERCE
DIVISION OF NATURAL RESOURCES

ATTEST:

_____

By _____
It's Director

[Seal]

ATTEST:

SUN VALLEY PUBLIC SERVICE DISTRICT

By _____

[SEAL]

Its Chairman

WEST VIRGINIA
COUNTY OF KANAWHA, To-wit:

I, Joe T. Scarberry, a Notary Public in and for said County and State, do hereby certify that Frank Jezioro, Director, of the Division of Natural Resources, who signed the writing hereto annexed, for the State of West Virginia, Bureau of Commerce, Division of Natural Resources, Public Land Corporation, bearing date the 29th day of May, 2008, has this day in my said county, before me, acknowledged said writing to be the act and deed of said Division.

Given under my hand this _____ day of _____, ____.

My commission expires _____.

_____

[Seal] Notary Public

STATE OF
COUNTY OF Harrison, TO-WIT:

I, Cathy L. Sparks, a Notary Public in and for said County and State aforesaid, do hereby certify that Richard Dale the Chairman, of the Sun Valley Public Service District, who signed the foregoing and hereto annexed writing bearing date the 29th day of May, 2008, have this day acknowledged the same before me in my said county.

Given under my hand this 29 day of January, 2016.

My commission expires February 28, 2016.

Cathy L. Sparks

[Seal] Notary Public

Prepared by:

Office of Land & Streams
Division of Natural Resources
WV Department of Commerce,
Charleston, WV 25305-0661

NOTARY PUBLIC OFFICIAL SEAL
STATE OF WEST VIRGINIA
CATHY L. SPARKS
1912 WEST VIRGINIA AVENUE
CLARKSBURG, WV 26301
MY COMMISSION EXPIRES FEB. 28, 2016

WEST VIRGINIA DEPARTMENT OF TRANSPORTATION
Division of Highways
Office of the District Engineer/Manager
District Four
P. O. Box 4220 · Clarksburg, West Virginia 26302 · (304) 842-1500

Joe Manchin III
Governor

March 17, 2010

Sun Valley Public Service District
PO Box 95
Reynoldsville, WV 26422
Attn: Kevin C. Short

Dear applicant:

Your approved copy of Permit Number: **04-10-0031** of type ***Utility-Sewer*** is enclosed. A description of the work is on the attached permit.

Your attention is called to Paragraph Three (3) of Form MM-109 stating it is mandatory that the applicant notify Ralph Sapp at the District Four Utility Office at 842-1577 at least forty-eight (48) hours prior to starting construction of the project.

Before digging or otherwise disturbing the earth, call: 1-800-245-4848. To notify many underground owners three days notice is requested. (A free service).

A copy of this permit is to be available on the job at all times while the work is in progress for inspection by the West Virginia Division of Highways personnel.

Sincerely,

Greg Phillips
District Manager

Denise Roncone

Denise Roncone
Permit Supervisor

GP:DR:sg
Attachments
cc: County
Charleston
Permits

Form BF-125

Invoice #: **04-10-0031**

INVOICE
WEST VIRGINIA DIVISION OF HIGHWAYS

PAYMENT INSTRUCTIONS FOR APPROVED PERMITS

ORG NO.	AUTHORIZATION NO: **PS1565R**	PERMIT NO: **04-10-0031**	Date: March 16, 2010

As noted on the attached PERMIT TO ENTER UPON AND UNDER THE STATE ROADS OF THE STATE OF WEST VIRGINIA, AS PROVIDED FOR IN SECTION 6 ARTICLE 16, CHAPTER 17, W. VA. CODE, 1931 (Form MT-4) your request for entering upon the Division of Highways right of way has been approved. Payment of review, preparation, issuance inspection and collection of the work to be performed on the right of way is required.

The amount due is : **$22,776.00**
Date Due is: **4/16/2010**

Payments must be made in the form of certified check or money order, made payable to the West Virginia Division of Highways. No cash or personal checks will be accepted. This payment is the responsibility of the applicant. The payment must be properly identified by the Permit Number and Authorization Number and mailed to:

West Virginia Division of Highways
Finance Division
Attention: Accounts Receivable Section
1900 Kanawha Boulevard, East
Charleston, WV 25305-0430

Signature of Applicant

Signature of DOH Representative

Do not write below this line: DOH use only

DOH					WVFIMS					AMOUNT
ORG	AUTH	ACT	OBJ	N/P	FUND	F/Y	ORG	ACT	OBJ/ SOURCE	
0958		099	999	N	9017	1997	0803	277	120	$
										$
										$
										$
									TOTAL	$

TOTAL $

20-944 permit

Dave W
Ryan F.

DEPARTMENT OF THE ARMY
PITTSBURGH DISTRICT, CORPS OF ENGINEERS
WILLIAM S. MOORHEAD FEDERAL BUILDING
1000 LIBERTY AVENUE
PITTSBURGH, PA 15222-4186

REPLY TO
ATTENTION OF

SCANNED

October 20, 2009

RECEIVED
OCT 23 2009
THRASHER ENGINEERING, INC.

Operations Division
Regulatory Branch
2009-1456

Kevin Short
Sun Valley Public Service District
P.O. Box 95
Reynoldsville, West Virginia 26422

Dear Mr. Short:

I refer to your Application for a Department of the Army Permit, received in this office July 6, 2009, regarding your proposal to extend a sanitary sewer line to Sun Valley and Wolf Summit, located along County Route 50/39, County Route 11 and U.S. Route 98 in Harrison County, West Virginia.

This project proposes to cross Simpson Fork 21 times, Limestone Run 16 times, unnamed tributary 1 to Limestone Run 2 times, and Turkey Foot Run 3 times. All crossings shall be constructed in accordance with the drawings submitted with the application. No permanent impacts are authorized by this permit.

Activities associated with projects of this type are authorized by Nationwide Permit No. 12 (see enclosure), previously issued by the Corps of Engineers, for purposes of Section 404 of the Clean Water Act as published in the March 12, 2007 issue of the Federal Register.

Enclosed is a list of conditions which must be followed for the Nationwide Permit to be valid. Adherence to these conditions will permit you to proceed with the proposed project. **Please Note**, the attached Compliance Certification Form must be signed and returned to this office upon completion of the proposed work.

The verification of this Nationwide Permit is valid until October 20, 2011 unless the Nationwide Permits are modified, suspended, or revoked. If project specifications are changed or work has not been initiated before October 20, 2011, please contact this office for further approval.

The issuance of this Nationwide Permit will not relieve you of the responsibility to obtain any other required state, local, or Federal authorizations.

If you have any questions, please contact Jared N. Pritts by phone at (412) 395-7251 or email at jared.n.pritts@usace.army.mil.

Sincerely,

SIGNED

Marcia H. Haberman
Chief, Southern Section
Regulatory Branch

Enclosure

WV DEP

Public Lands Corporation

Thrasher Engineering, David Watson

Compliance Certification Form

PERMIT NO: 2009-1456

NAME OF PERMITTEE: Kevin Short

DATE OF ISSUANCE: October 20, 2009

Upon completion of the activity authorized by this permit and any mitigation required by the permit, sign this certification and return it to the following address:

U.S. Army Corps of Engineers
Pittsburgh District
Regulatory Branch, Room 2200
William S. Moorhead Federal Building
1000 Liberty Avenue
Pittsburgh, PA 15222-4186

Please note that your permitted activity is subject to compliance inspection by a U.S. Army Corps of Engineers Representative. If you fail to comply with this permit, you are subject to permit suspension, modification, or revocation.

I hereby certify that the work authorized by the above referenced permit has been completed in accordance with the terms and conditions of the said permit, and required mitigation was completed in accordance with the permit conditions.

_____
Signature of Permittee

20-944
Permit

Clay R
Daniel

RE...

JU... 3

THRASHER E... ...ING

DIVISION OF NATURAL RESOURCES
Capitol Complex, Building 3, Room 643
1900 Kanawha Boulevard, East
Charleston WV 25305-0661
Telephone (304) 558-3225
Fax (304) 558-3680
TDD (304) 558-1439
TDD 1-800-354-6087

Joe Manchin III
Governor

Frank Jezioro
Director

June 30, 2009

Division of Natural Resources
LICENSE AND RIGHT OF ENTRY

Re: P-09-I/17-1021

Sun Valley Public Service District
C/o Thrasher Engineering
Attention: David Watson
PO Box 1532
Clarksburg, WV 26302-

Dear Mr. Watson:

The Division of Natural Resources hereby grants to you for a term of twenty-five (25) years, from the date hereof, a License and Right of Entry to construct, replace, cover, repair, operate, maintain, use and remove four-inch (4"), six-inch (6") and eight-inch (8") sewer pipelines at thirty-nine (39) separate locations along Simpson Fork, unnamed tributaries of Simpson Fork Limestone Run, unnamed tributaries of Limestone Run and unnamed tributaries of Turkey Fork Run, near Reynoldsville, Harrison County, West Virginia, as shown located and highlighted in red on the map attached hereto as Exhibit A.

This License and Right of Entry is subject to the following terms and conditions:

1. No in stream work during the fish-spawning season (April 1-June 30).

2. The pipeline must be buried at least three-feet (3').

3. Any stream bed disturbance should be restricted to the immediate area. In stream use of equipment should be kept to a minimum.

4. All shore areas disturbed by this operation must be reshaped, seeded and mulched immediately upon completion of work. The prompt establishment of vegetative cover will reduce future damage from high water levels.

5 Green concrete must not be put in the stream (highly toxic to aquatic life).

6. Amount of stream side vegetation disturbed should be kept to a minimum.

7. Best management practices should be followed; measures such as hay bales must be used to reduce downstream siltation.

8. Any plastic pipeline under four-inch (4") in diameter shall be encased in a metal conduit.

9. The State's issuance of this Right-of-Entry does not provide for the applicant to work outside the requested boundaries nor does the State assume any liability for the applicant's/landowner's construction activities. By accepting this Right-of-Entry, the applicant/landowner assumes liability for any/all damages caused by this activity to both upstream and downstream landowners.

Guidelines of Best Management Practices for Sediment and Erosion Control as outlined by the Section of Water Resources, Division of Environmental Protection must be followed. Copies of those guidelines are available from the Section of Water Resources, Telephone No. (304) 926-0440.

The issuance of this License and Right of Entry by the Division of Natural Resources does not preclude the necessity to obtain a permit from the Corps of Engineers or any other state or federal permits which may be required by law, nor does this License and Right of Entry negate the need to comply with the West Virginia Water Pollution Control Act and/or the State Environmental Quality Board's administrative regulations, applicant is also responsible for determining if the proposed activity is located within an identified flood plain and it is the applicant's responsibility for contacting the local governmental agency in charge of that program and obtaining a flood plain development permit for it. This License and Right of Entry does not grant any rights or privileges, or permission to enter upon or to cross the property of any other person, nor is permission granted to remove any material that lies upon the property of any other persons. Work should be completed in as brief a period as possible and within one year from the date of this letter. In the event you fail or refuse to comply with any of the terms or conditions herein, this License and Right of Entry will be canceled and considered null and void and the Division will reject further applications.

There is no fee for this License and Right of Entry.

Sincerely,

Joe T. Scarberry

Joe T. Scarberry, Supervisor
Office of Land and Streams

JTS:ah

pc: DNR Fish Biologist
Mr. Mike Zeto, Environmental Enforcement
DNR Conservation Officers

WEST VIRGINIA DEPARTMENT OF TRANSPORTATION
Division of Highways
Office of the District Engineer/Manager
District Four
P. O. Box 4220 · Clarksburg, West Virginia 26302 · (304) 842-1500

Joe Manchin III
Governor

May 20, 2010

Sun Valley Public Service District
PO Box 95
Reynoldsville, WV 26422
Attn: Kevin C. Short

Dear Applicant:

Your approved copy of Permit Number 04-10-0363 for a Approach-Commercial is enclosed. A description of the work is on the permit.

Please contact District Four office (telephone 304-842-1575), at least 48 hours in advance of the date you plan to begin work so arrangements can be made to inspect the work authorized by the permit. Failure to comply will result in cancellation of your permit.

A copy of this permit is to be available on the job at all times while the work is in progress for inspection by the West Virginia Division of Highways personnel.

Sincerely,

Greg Phillips
District Manager

Denise Roncone
Permit Supervisor

GP:DR:sg
Attachments
cc: County
Charleston
Permits

E.E.O./AFFIRMATIVE ACTION EMPLOYER

Form MM-109
Rev. 05-19-05

PERMIT NO. 04-10-0363

PERMIT TO ENTER UPON, UNDER, OVER OR ACROSS THE STATE ROADS OF THE STATE OF WEST VIRGINIA, AS PROVIDED FOR IN SECTION 6, ARTICLE 16, CHAPTER 17; SECTION 9, ARTICLE 16, CHAPTER 17; SECTION 8, ARTICLE 4, CHAPTER 17, WEST VIRGINIA CODE, 1931, AS AMENDED.

THIS PERMIT, Made this 4th day of May 20 10, between the WEST VIRGINIA DEPARTMENT OF TRANSPORTATION, DIVISION OF HIGHWAYS, a statutory corporation hereinafter called DIVISION and Sun Valley Public Service District

Address: P. O. Box 95, Reynoldsville, WV 26422 Phone No: (304) 623-9609

hereinafter called APPLICANT.

WITNESSETH

In consideration of the hereinafter set out covenants and in accordance with Section 6, Article 16, Chapter 17; or Section 9, Article 16, Chapter 17; or Section 8, Article 4, Chapter 17, of the Official Code of West Virginia, 1931, as amended, and the rules and regulations promulgated thereunder, APPLICANT does hereby apply to enter

Route/Type & No. ~~US~~ WV. Rt. 98 & CO. Rt. 11 DOH Project No. N/A (if applicable);

at ~~US~~ WV Route 98 and County Route 11 (Wolf Summit) Mile Post N/A

in Harrison County, for the purposes hereinafter set forth and in accordance with the plans and specifications which are attached hereto and made a part hereof: to construct and maintain a ~~60~~ 50 ft. commercial approach on the south side of Rt. 98 and a 30 ft. commercial approach on the south side of County Route 11. Berm will be stabilized and replaced to original condition. Purpose for approaches is for pump station access. Approach on CR 11 is approved contingent upon approval of property management request.

APPLICANT further agrees to accept the conditions hereinafter set forth:

1. APPLICANT shall deposit with DIVISION the sum of $ 0.00 in the form of an official, certified or cashier's check, or executed bond with surety satisfactory to DIVISION to cover any damage and inspection costs DIVISION may sustain by reason of the granting of this permit, including any expense incurred in restoring said highway to its original condition or the proper repair of any and all damages that may result within one (1) year from the date of the completion of said work.

2. APPLICANT agrees to reimburse DIVISION for inspection costs as follows:
   - ☐ A. For any inspection costs incurred under this permit.
   - ☐ B. At $ _____ per linear foot for _____ feet of water line installed under this permit
   - ☐ C. At $ _____ per linear foot for _____ feet of sewer line installed under this permit

3. APPLICANT shall notify DIVISION at least 48 hours in advance of the date the work will begin. Failure to comply will be cause for cancellation of this permit.

4. APPLICANT agrees to protect its employees, equipment and users of the highway at all times in accordance with the current Division of Highways manual "Traffic Control For Street and Highway Construction and Maintenance Operations".

5. APPLICANT agrees to comply with all applicable state and federal laws in the performance of work under this permit.

6. Supplementary conditions cited on the reverse side of this permit are understood and agreed to be a part hereof.

7. The work authorized under this permit shall be completed on or before (Date): December 15, 2011

RECOMMENDED:

Title Hwy Adm II

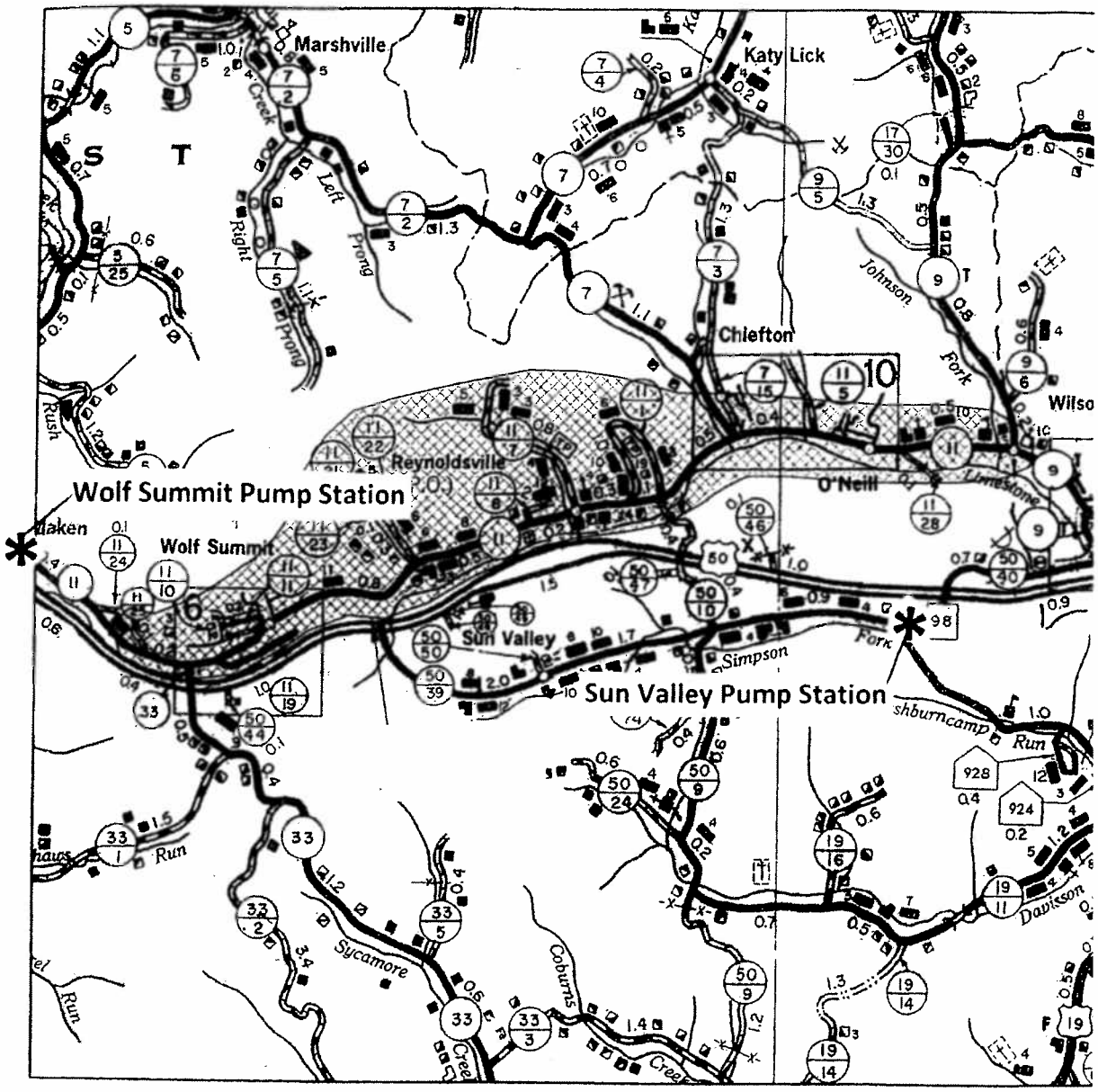
Kevin C. Short General Manager
Signature and Title of Applicant

BOND REQUIREMENT:
BOND NO. _____ DATE _____
Attached ☐ On File ☐
INSPECTION: Owner/Consultant ☐
Full Time ☐ Part Time ☐
Periodic ☐ Reimbursable ☐ No Cost ☐

APPROVED Jeffrey M. Porter
ASSISTANT DISTRICT ENGINEER
MAINTENANCE
Title
West Virginia Division of Highways

AUTHORIZATION NO: _____

PERMIT NO: 04-10-0363



VICINITY MAP
1" = 1000 FEET

N

04-10-0363

west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, WV 25304
Phone Number: (304) 926-0495
Fax Number: (304) 926-0463

Joe Manchin III, Governor
Randy C. Huffman, Cabinet Secretary
www.wvdep.org

February 26, 2010

Greg Dale, Chairman
Sun Valley Public Service District
Post Office Box 95
Reynoldsville, West Virginia 26422-0095

CERTIFIED RETURN RECEIPT REQUESTED

Re: WV/NPDES Permit No. WV0104663
Modification No. 1

Dear Mr. Dale:

This correspondence shall serve as WV/NPDES Water Pollution Control Permit Modification No. 1 of your existing WV/NPDES Water Pollution Control Permit No. WV0104663 issued on the 19th day of August 2009.

After review and consideration of the information submitted on and with WV/NPDES Water Pollution Control Permit Modification Application No. WV0104663-A, dated the 14th day of October 2009 and other relevant information, the subject Permit is hereby modified to incorporate the following:

> To acquire, install, construct, operate and maintain a sewage collection system extension comprised of approximately 13,960 linear feet of four (4) inch diameter gravity sewer line, 28,200 linear feet of six (6) inch diameter gravity sewer line, 33,200 linear feet of eight (8) inch diameter gravity sewer line, 3,850 linear feet of four (4) inch diameter force main line, 8,450 linear feet of six (6) inch diameter force main line, 1,000 linear feet of eight (8) inch diameter force main line, 340 manholes, 74 cleanouts, three (3) duplex non-clog pump stations, three (3) duplex grinder pump stations, upgrade an existing pump station, and all requisite appurtenances.

Facilities are to serve approximately 420 additional customers to the 355 pre-existing customers (total of 775 customers) in the Sun Valley PSD and its environs including areas of Reynoldsville, Wolf Summit and Liberty High School. Sun Valley PSD conveys wastewater to the Clarksburg Sanitary Board's wastewater treatment plant for ultimate treatment and discharge to the West Fork River (28.6 miles from its mouth) of the Monongahela River.

The wastewater collection system extension shall be constructed in accordance with the plans, specifications and reports approved by the Division of Water and Waste Management, Engineering Branch. A further description of these documents is presented as follows:

SANITARY SEWAGE COLLECTION SYSTEM EXTENSION / CONSTRUCTION IN ACCORDANCE WITH:

PLANS, SPECIFICATIONS AND REPORTS PREPARED BY:
Thrasher Engineering
30 Columbia Boulevard, PO Box 1532
Clarksburg, WV 26301
TITLE: Sun Valley Public Service District
Sanitary Sewer Collection System Extension
EPA PROJECT No.: XP-97321-01
Plans & Specifications Approval Date: February 11, 2010

All other terms and conditions of the subject WV/NPDES Water Pollution Control Permit No. WV0104663 shall remain in effect and unchanged.

Sincerely,

Scott G. Mandirola
Acting Director

SGM:bsg

cc : Env. Inspector Supervisor
Env. Inspector
Katheryn D. Emery, P.E., Engineering Branch
David L. Watson, Thrasher Engineering

20-944 file

Clay K
Laura M
Ken M

RECEIVED
MAY 31 2007
THRASHER ENGINEERING, INC.

DIVISION OF NATURAL RESOURCES
Wildlife Resources Section
Operations Center
P.O. Box 67
Elkins, West Virginia 26241-3235
Telephone (304) 637-0245
Fax (304) 637-0250

Joe Manchin III
Governor

Frank Jezioro
Director

May 30, 2007

Ms. Laura McNeil
Thrasher Engineering, Inc.
P.O. Box 1532
Clarksburg, WV 26301

Dear Ms. McNeil:

We have reviewed our files for information on rare, threatened and endangered (RTE) species and sensitive habitats for the area of the proposed Phase II wastewater collection system for the Sun Valley PSD in Harrison County, WV (Project #20-944).

We have no known records of any RTE species or sensitive habitats within the project area. The Wildlife Resources Section knows of no surveys that have been conducted in the area for rare species or rare species habitat. Consequently, this response is based on information currently available and should not be considered a comprehensive survey of the area under review.

In addition, this response may fulfill your obligation for a permitting process for the presence of RTE species at the state level. This response and/or the data provided does not constitute an approval by the Division of Natural Resources (DNR) to proceed with a project without satisfying any and all additional required permits or approvals from DNR or other local, state or federal agencies.

Thank you for your inquiry, and should you have any questions please feel free to contact me at the above number, extension 2048. Enclosed please find an invoice.

Sincerely,

Barbara Sargent
Environmental Resources Specialist
Natural Heritage Program

enclosure

u:\BDSInv\Thrasher.doc
207-512

20-944 Permit File

United States Department of the Interior

FISH AND WILDLIFE SERVICE

West Virginia Field Office
694 Beverly Pike
Elkins, West Virginia 26241

February 6, 2008

RECEIVED
FEB 08 2008
THRASHER ENGINEERING INC

Ms. Laura McNeil
Thrasher Engineering
30 Columbia Boulevard
Post Office Box 1532
Clarksburg, West Virginia 26301

Re: Sun Valley Public Service District, Harrison County, West Virginia
Thrasher Engineering Project #20-944

Dear Ms. McNeil:

This responds to your information request of May 15, 2007 regarding the potential impacts of a proposed project on wetlands and federally listed endangered and threatened species and species of concern. The Sun Valley Public Service District proposes construction of the Phase II Wastewater Collection System, in Harrison County, West Virginia. These comments are provided pursuant to the Endangered Species Act (87 Stat. 884, as amended; 16 U.S.C. 1531 et seq.).

No federally listed endangered and threatened species are expected to be impacted by the project. Therefore, no biological assessment or further section 7 consultation under the Endangered Species Act is required with the Fish and Wildlife Service. Should project plans change, or if additional information on listed and proposed species becomes available, this determination may be reconsidered.

Definitive determinations of the presence of waters of the United States, including wetlands, in the project area and the need for permits, if any, are made by the U.S. Army Corps of Engineers. They may be contacted at: Pittsburgh District, Regulatory Branch, William S. Moorhead Federal Building, 1000 Liberty Avenue, Pittsburgh, Pennsylvania 18222-4188, telephone (412)395-7152.

If you have any questions regarding this letter, please contact this office at (304) 636-6586, or at the letterhead address.

Sincerely,

Thomas R. Chapman
Field Supervisor

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W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

10-168 permit file

Clay K
WT
Phil
Phil R

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MAR 2008
THRASHER ENGINEERING INC.

WEST VIRGINIA
DIVISION OF
CULTURE & HISTORY
The Cultural Center
1900 Kanawha Blvd., E.
Charleston, WV
25305-0300

Phone 304.558.0220
Fax 304.558.2779
TDD 304.558.3562
www.wvculture.org
EEO/AA Employer

February 28, 2008

Mr. Phil Simmons
Engineering Tech.
30 Columbia Blvd.
P.O. Box 1532
Clarksburg, WV 26301

RE: Sun Valley PSD - Route 50 West ~~Water~~ Sewer Line Extensions
Thrasher Engineering Project #10-168
FR#: 98-814-HS-8

Dear Mr. Simmons:

We have reviewed the additional information for the above referenced project to determine its effects to cultural resources. As required by Section 106 of the National Historic Preservation Act, as amended, and its implementing regulations, 36 CFR 800: "Protection of Historic Properties," we submit our comments.

Architectural Resources:
It is our understanding that the only above ground component of the project will be ground fencing approximately 25' x 25' and a control panel. In our opinion, there are no architectural or structural resources located within the proposed project area or viewshed that are eligible for or listed in the National Register of Historic Places. No further consultation is necessary with respect to architectural or structural resources.

Archaeological Resources:
A search of office site files located no known archaeological sites within the current project area. It is our understanding that a majority of the proposed force main running from Simpson Fork to Limestone Run will be installed within previously disturbed areas. It is also our understanding the project will now utilize an existing force main from Liberty High School to Simpson Fork. Photographs of the proposed lift station sites indicate that these areas have been subject to prior ground disturbing activities. In our opinion, there are no archaeological sites located within the proposed project area that are eligible for or listed in the National Register of Historic Places. If, however, cultural materials are encountered during construction, all activity within the discovery area shall cease and our office shall be contacted immediately.

We appreciate the opportunity to be of service. *If you have questions regarding our comments or the Section 106 process, please contact Ginger Williford, Structural Historian, or Carolyn Kender, Archaeologist, at (304) 558-0240.*

Sincerely,

Susan M. Pierce

Susan M. Pierce
Deputy State Historic Preservation Officer

SMP/CMK/GW

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2009 APR 27 AM 9 58
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

WEST VIRGINIA DEPARTMENT OF TRANSPORTATION
Division of Highways
Office of the District Engineer/Manager
District Four
P. O. Box 4220 · Clarksburg, West Virginia 26302 · (304) 842-1500

Joe Manchin III
Governor

June 2, 2010

Sun Valley Public Service District
PO Box 95
Reynoldsville, WV 26422
Attn: Kevin C. Short

Dear applicant:

Your approved copy of Permit Number: **04-10-0393** of type ***Utility-Sewer*** is enclosed. A description of the work is on the attached permit.

Your attention is called to Paragraph Three (3) of Form MM-109 stating it is mandatory that the applicant notify Ralph Sapp at the District Four Utility Office at 842-1577 at least forty-eight (48) hours prior to starting construction of the project.

Before digging or otherwise disturbing the earth, call: 1-800-245-4848. To notify many underground owners – three days notice is requested. (A free service).

A copy of this permit is to be available on the job at all times while the work is in progress for inspection by the West Virginia Division of Highways personnel.

Sincerely,

Greg Phillips
District Manager

Denise Roncone
Permit Supervisor

GP:DR:sg
Attachments
cc: County
Charleston
Permits

Form BF-125

Invoice #: **04-10-0393**

INVOICE
WEST VIRGINIA DIVISION OF HIGHWAYS

PAYMENT INSTRUCTIONS FOR APPROVED PERMITS

ORG NO.	AUTHORIZATION NO: **PS9984R**	PERMIT NO: **04-10-0393**	Date: June 2, 2010

As noted on the attached PERMIT TO ENTER UPON AND UNDER THE STATE ROADS OF THE STATE OF WEST VIRGINIA, AS PROVIDED FOR IN SECTION 6 ARTICLE 16, CHAPTER 17, W. VA. CODE, 1931 (Form MT-4) your request for entering upon the Division of Highways right of way has been approved. Payment of review, preparation, issuance inspection and collection of the work to be performed on the right of way is required.

The amount due is : **$88.80**
Date Due is: **7/2/2010**

Payments must be made in the form of certified check or money order, made payable to the West Virginia Division of Highways. No cash or personal checks will be accepted. This payment is the responsibility of the applicant. The payment must be properly identified by the Permit Number and Authorization Number and mailed to:

West Virginia Division of Highways
Finance Division
Attention: Accounts Receivable Section
1900 Kanawha Boulevard, East
Charleston, WV 25305-0430

Signature of Applicant

Signature of DOH Representative

Do not write below this line: DOH use only

DOH					WVFIMS					AMOUNT
ORG	AUTH	ACT	OBJ	N/P	FUND	F/Y	ORG	ACT	OBJ/ SOURCE	
0958		099	999	N	9017	1997	0803	277	120	$
										$
										$
										$
									TOTAL	$

TOTAL $

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 06/02/2010

PRODUCER (304)375-4900 FAX (304)375-2162
Bill Bailey Insurance Agency
701 Highland Avenue
P. O. Box 246
Williamstown, WV 26187

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED Sun Valley PSD
PO Box 95
Reynoldsville, WV 26422

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: American Alternative Insurance	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY [X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [ ] PRO-JECT [ ] LOC	SP9152102-03	06/30/2010	06/30/2011	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 1,000,000 $ 10,000 $ 1,000,000 $ 3,000,000 $ 3,000,000
A		AUTOMOBILE LIABILITY [X] ANY AUTO [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS [ ] HIRED AUTOS [ ] NON-OWNED AUTOS	SA8051652-03	06/30/2010	06/30/2011	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $
		GARAGE LIABILITY [ ] ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ $ $
A		EXCESS/UMBRELLA LIABILITY [X] OCCUR [ ] CLAIMS MADE [ ] DEDUCTIBLE [ ] RETENTION $	SX9250765-03	06/30/2010	06/30/2011	EACH OCCURRENCE AGGREGATE	$ 1,000,000 $ 1,000,000
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

The certificate holder listed below is named as Additional Insured

CERTIFICATE HOLDER

WV Water Development Authority
180 Association Drive
Charleston, WV 25311

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

©ACORD CORPORATION 1988

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 01/21/2010

PRODUCER (304)375-4900 FAX (304)375-2162
Bill Bailey Insurance Agency
701 Highland Avenue
P. O. Box 246
Williamstown, WV 26187

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED Sun Valley PSD
PO Box 95
Reynoldsville, WV 26422

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: American Alternative Insurance	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY [X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [ ] PRO-JECT [ ] LOC	SP9152102-02	06/30/2009	06/30/2010	EACH OCCURRENCE	$ 1,000,000
						DAMAGE TO RENTED PREMISES (Ea occurence)	$ 1,000,000
						MED EXP (Any one person)	$ 10,000
						PERSONAL & ADV INJURY	$ 1,000,000
						GENERAL AGGREGATE	$ 3,000,000
						PRODUCTS - COMP/OP AGG	$ 3,000,000
A		AUTOMOBILE LIABILITY [X] ANY AUTO [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS [ ] HIRED AUTOS [ ] NON-OWNED AUTOS	SA8051652-03	06/30/2009	06/30/2010	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
						BODILY INJURY (Per person)	$
						BODILY INJURY (Per accident)	$
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY [ ] ANY AUTO				AUTO ONLY - EA ACCIDENT	$
						OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
A		EXCESS/UMBRELLA LIABILITY [X] OCCUR [ ] CLAIMS MADE [ ] DEDUCTIBLE [ ] RETENTION $	SX9250765-02	06/30/2009	06/30/2010	EACH OCCURRENCE	$ 1,000,000
						AGGREGATE	$ 1,000,000
							$
							$
							$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATUTORY LIMITS [ ] OTHER	
						E.L. EACH ACCIDENT	$
						E.L. DISEASE - EA EMPLOYEE	$
						E.L. DISEASE - POLICY LIMIT	$
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

The certificate holder listed below is named as Additional Insured

CERTIFICATE HOLDER

WV Water Development Authority
180 Association Drive
Charleston, WV 25311

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

©ACORD CORPORATION 1988

Brickstreet INSURANCE
400 Quarrier Street Charleston, WV 25301-2010

WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY

INFORMATION PAGE WC 00 00 01 (A)

RENEWAL OF POLICY NUMBER: WC10015478-06
POLICY NUMBER: WC10015478-07

INSURER: BRICKSTREET MUTUAL INSURANCE COMPANY

1. **INSURED:**

SUN VALLEY PUBLIC SERVICE DISTRICT

ATTN SANDRA PATTERSON TREASURER
P O BOX 95
REYNOLDSVILLE WV 26422-0095

PRODUCER:

BILL BAILEY INSURANCE AGENCY INC
PO BOX 246
(304)375-4900
WILLIAMSTOWN WV 26187

Insured is a(n) GOVERNMENT

Other work places and identification numbers are shown in the schedule(s) attached.

2. The policy period is from 02/12/2010 to 02/12/2011 12:01 A.M. at the insured's mailing address.

3. A. **WORKERS COMPENSATION INSURANCE:** Part One of the policy applies to the Workers Compensation Law of the state(s) listed here:

WEST VIRGINIA

B. **EMPLOYERS LIABILITY INSURANCE:** Part Two of the policy applies to work in each state listed in item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident:	$100,000	Each Accident
Bodily Injury by Disease:	$500,000	Policy Limit
Bodily Injury by Disease:	$100,000	Each Employee

C. **OTHER STATES INSURANCE:** Part Three of the policy applies to the states, if any, listed here:

See West Virginia Limited Other States Insurance Endorsement WC 99 03 05

D. This policy includes these endorsements and schedules:

SEE LIST OF ENDORSEMENTS - EXTENSION OF INFORMATION PAGE

4. The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All required information is subject to verification and change by audit to be made in accordance with Part Five of the Policy.

DATE OF ISSUE: 02/05/2010
ISSUING OFFICE: Charleston, WV
PRODUCER: BILL BAILEY INSURANCE AGENCY INC

Form RD 440-24
(Rev. 6-02)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

FORM APPROVED
OBM NO. 0575-0015

POSITION FIDELITY SCHEDULE BOND

Bond No. 105422854

PART I - DECLARATIONS

Name and Address of Insured

SUN VALLEY P.S.D.
SEE SOURCE DOCUMENT
CLARKSBURG, WV 26301

Name and Address of Surety

TRAVELERS
800 TWO CHATHAM CENTER
PITTSBURGH, PA 15219

Bond Period:
Subject to conditions of section 1 of part IV, this bond is effective on: FEBRUARY 2, ,2010
at 12 midnight and will continue until cancelled by either party.

Schedule of Employees and Limit of Liability:

Each of the persons occupying any position named in the following schedule, or added as provided, in seclion 2 or 3 of part IV is an insured employee. The liability of the surety shall not exceed amount of indemnity stated opposite the position occupied by the employee in the following schedule or added as provided in this bond. The cumulative limit of liability of the surety is limited to the highest amount of indemnity shown below for any insured employee, whether or not the loss is attributed to more than one employee.

Position	Location	Total Number of Employees in each Position	Amount of Indemnity on each Employee	Premium
CHRISTOPHER LOWTHER FIELD PERSONNEL	CLARKSBURG, WV	ONE	$5,000.00	$100
AVA AMOS OFFICE ASSISTANT	CLARKSBURG,WV	ONE	$5,000.00	$100
RONALD MICHAEL TREASURER	CLARKSBURG, WV	ONE	$310,000	$1,105

The terms and conditions of the following riders are incorporated into this bond:

The Surety and Insured agree to terminate or cancel the following bond(s) or policy(ies) at the time this bond becomes effective:

Notices:
All notices, acceptances, and requests required by the provisions in this policy will be sent to the insured and surety at the addresses shown in this bond. All notices and requests that are required to be sent to the United States of America will be sent to the following address: Rural Development 1400 INDEPENDENCE AVE.,S.W.WASHINGTON, D.C 20250-1595

Signed and sealed on: APRIL 21 ,2010

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
Company

By:
Name: LORI MINER
Title: ATTORNEY-IN-FACT

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OBM control number for this information collection is 0575-0015. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Form RD 440-24
(Rev. 6-02)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

FORM APPROVED
OBM NO. 0575-0015

POSITION FIDELITY SCHEDULE BOND

Bond No. 105422854

PART I - DECLARATIONS

Name and Address of Insured

Sun Valley P.S.D.
See Source Document
Clarksburg, WV 26301

Name and Address of Surety

Travelers
800 Two Chatham Center
Pittsburgh, PA 15219

Bond Period:
Subject to conditions of section 1 of part IV, this bond is effective on: February 2nd ,2010 at 12 midnight and will continue until cancelled by either party.

Schedule of Employees and Limit of Liability:

Each of the persons occupying any position named in the following schedule, or added as provided, in section 2 or 3 of part IV is an insured employee. The liability of the surety shall not exceed amount of indemnity stated opposite the position occupied by the employee in the following schedule or added as provided in this bond. The cumulative limit of liability of the surety is limited to the highest amount of indemnity shown below for any insured employee, whether or not the loss is attributed to more than one employee.

Position	Location	Total Number of Employees in each Position	Amount of Indemnity on each Employee	Premium
SANDRA PATTERSON SECRETARY	CLARKSBURG WV	ONE	$5,000.00	$100
RICHARD DALE CHAIRMAN	CLARKSBURG, WV	ONE	$5,000.00	$100
CECIL SHINGLETON FIELD PERSONNEL	CLARKSBURG WV	ONE	$5,000.00	$100
KEVIN SHORT GENERAL MANAGER	CLARKSBURG, WV	ONE	$5,000.00	$100
CATHY SPARKS OFFICE ASSISTANT	CLARKSBURG, WV	ONE	$5,000.00	$100

The terms and conditions of the following riders are incorporated into this bond:

The Surety and Insured agree to terminate or cancel the following bond(s) or policy(ies) at the time this bond becomes effective:

Notices:
All notices, acceptances, and requests required by the provisions in this policy will be sent to the insured and surety at the addresses shown in this bond. All notices and requests that are required to be sent to the United States of America will be sent to the following address: Rural Development 1400 INDEPENDENCE AVE.,S.W.WASHINGTON, D.C. 20250-1595

Signed and sealed on: APRIL 21 ,2010

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
Company

By:
Name: LORI MINER
Title: ATTORNEY-IN-FACT

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OBM control number for this information collection is 0575-0015. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

PART II - INSURED AGREEMENT

The Surety, in consideration of the payment of the premium, and subject to the declarations made a part hereof, the General Agreements, Conditions and Limitations, and other terms of this bond, agrees to indemnify the Insured against any loss of money or other property belonging to the Insured or in which the Insured has a pecuniary interest or which is held by the Insured as bailee, trustee, or agent or in any other capacity or whether or not the Insured is liable for the loss thereof which the Insured shall sustain and discover as provided in section 1 of the Conditions and Limitations through any fraudulent or dishonest act or acts committed by any of the Employees occupying any position named in the Declarations (Part I), or added thereto as hereinafter provided, whether acting alone or in collusion with others, not exceeding, however, the amount of indemnity stated opposite the name of such position in said schedule or any applicable additions and subject to the cumulative limit of liability contained in part I.

PART III -GENERAL AGREEMENTS

METHOD OF CLAIM PAYMENT

A. Settlement of any claim shall be made by check or draft payable to the Insured.

LOSS UNDER PRIOR BOND OR POLICY

B. If this bond is substituted for any prior bond or policy of insurance carried by the insured or predecessor in the interest of the insured, the following conditions shall apply:

(1) Surety agrees this bond applies to any recoverable loss cov ered by a prior bond or policy that is discovered as provided in Section 1 of the Conditions and Limitations (Part IV) of this bond;

(2) The indemnity afforded by this General Agreement shall be a part of, and not in addition to, the amount of insurance afforded by this bond;

(3) Such loss would have been covered under this bond had it been in force when the acts or defaults causing such loss were committed; and

(4) Surety's liability will not exceed the lesser of the amount recoverable under either this bond or any prior policy or bond incorporated into this bond.

PART IV - THE FOREGOING INSURING AGREEMENT AND GENERAL AGREEMENTS ARE SUBJECT TO THE FOLLOWING CONDITIONS AND LIMITATIONS:

BOND PERIOD, DISCOVERY

Section 1. This bond shall be effective from the beginning of the date set forth the Declarations, standard time at the address of the Insured, and shall be in force (a) as to any Employee occupying any position named in said schedule during the period from the time set forth in Part 1, and (b) as to any Employee occupying any position added to said schedule, as hereinafter provided, during the period from the beginning of the effective date of such addition and in either case continuing as to any such Employee until:

(1) The termination of employment of such Employee;
(2) The termination of cancellation of this bond as to such Employee or Position as provided in section 9; or
(3) The termination or cancellation of this bond as an entirety as hereinafter provided;

whichever shall first happen.

Loss is covered under this bond only if discovered and reported during the bond period or within two years after the bond is cancelled. Subject to General Agreement (B)(3), this bond applies only to loss sustained by the Insured through fraudulent or dishonest acts committed during the Bond Period by any of the Employees.

ADDITIONS TO SCHEDULE

Section 2. If the Insured shall request the Surety to add to the Schedule the name of any Position not named therein, and the Surety shall elect to do so, the surety shall add the name of the Position to Schedule by written acceptance, setting forth the amount of suretyship and the time from which it will be effective.

NEW POSITION-SAME DESIGNATION

Section 3. If any new Position bearing the same designation as that of any Position named in the Schedule or any acceptance notice shall be created by the Insured, such new Position shall be automatically added to the Schedule as of the effective date of creation thereof and in the amount set opposite the Position so named in the Schedule or the acceptance notice, provided the Insured gives the Surety written notice of the creation of such Position within ninety (90) days after the date of creation thereof.

NEW POSITION-DIFFERENT DESIGNATION

Section 4. If any position is created by the Insured with a different designation from that of any position named in the schedule or prior acceptance notice, such position shall be automatically added to the schedule. Coverage in the amount of Ten Thousand Dollars ($10,000) is effective upon creation of the new position provided the Insured gives the Surety written notice of the creation of the new position within 90 days after its creation, Surety's liability hereunder, if any, by reason of such notice shall terminate at the expiration of ninety (90) days from the date of creation thereof, unless prior thereto the Surety shall have added such position to said schedule and mailed Insured a revised schedule of employees and limit of liability.

NOTICE AND PROOF OF LOSS

Section 5. Within a reasonable time after discovery by the Insured of any loss hereunder, the Insured shall give the Surety written notice thereof, and within 180 days, or any extension thereof as may be requested by the Insured and agreed to, in writing, by the Surety, after such discovery shall file with the Surety affirmative proof of loss itemized and sworn to on forms furnished by the Surety.

RECOVERIES

Section 6. If the Insured shall sustain any loss covered by this bond which exceeds the amount of indemnity provided by this bond, the Insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security, or indemnity taken by or for the benefit of the Surety) by whomsoever made, on account of such loss under this bond until fully reimbursed, less the actual cost of effecting the same; and any remainder shall be applied to the reimbursement of the Surety.

LIMIT OF LIABILITY

Section 7. Regardless of the number of years this bond shall continue in force and the number of premiums which shall be payable or paid, the Surety shall not be liable under this bond on account of any Employee or their designated alternate for a larger amount, in the aggregate, than the amount stated opposite the position named in said Schedule occupied by such Employee or which is added thereto.

LIMIT OF LIABILITY UNDER THIS BOND AND PRIOR INSURANCE

Section 8. With respect to loss caused by any Employee which occurs partly during Bond Period and partly during the period of other bonds or policies issued by the Surety to the Insured or to any predecessor in interest of the Insured and terminated or canceled or allowed to expire and in which the period for discovery has not expired at the time any such loss thereunder is discovered, the total liability of the Surety under this bond and under such other bonds or policies shall not exceed, in the aggregate, the amount of indemnity stated opposite the Position named in the Schedule occupied by such Employee or added thereto, or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss, if the latter amount be the larger.

CANCELLATION

Section 9. This bond shall be deemed canceled as to future acts of any Employee:

(a) Upon discovery of any fraudulent or dishonest act upon the part of such Employee with respect to the Insured. The Insured must immediately report such knowledge to the Surety;

(b) Upon the resignation, or removal of such Employee; or

(c) Or as provided in section 10.

Section 10. This bond shall be cancelled as of midnight of the date specified in a written notice to the Surety by the insured, with a copy to the United States of America. Notice must be delivered not less than 30 days in advance by either mail or personal service with written receipt of delivery.

LEGAL PROCEEDINGS

Section 11. No demand, suit, action, or proceeding of any kind to recover an account of loss under this bond shall be made or brought after the expiration of three (3) years from the cancellation of this bond as to the Employee or Employees causing such loss, or the cancellation of this bond as an entirety, whichever shall first happen, provided, however, that if such limitation for making a demand, bringing suit, action, or proceeding is prohibited or made void by any law controlling the construction of this bond, such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

In witness whereof, the Surety has caused this bond to executed on the Declaration page.

TRAVELERS

POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 219008

Certificate No. 001889273

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

James Rogus, Lonnie J. Grossi, DonnaMarie Roberts, Roger Pieto, Jodl Reynolds, Lori Miner, Rick Gasiorowski, Carolyn A. Miller, and Mark A. Citrone

of the City of Pittsburgh, State of Pennsylvania, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 8th day of August, 2007.

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

State of Connecticut
City of Hartford ss.

By: George W. Thompson, Senior Vice President

On this the 8th day of August, 2007, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2011.

Marie C. Tetreault, Notary Public

58440-5-07 Printed in U.S.A.

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kori M. Johanson, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 21st day of April, 20 10.

Kori M. Johanson, Assistant Secretary

To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

JACKSONKELLY
ATTORNEYS AT LAW PLLC

150 CLAY STREET • SUITE 500 • P.O. BOX 619 • MORGANTOWN, WEST VIRGINIA 26507 • TELEPHONE: 304-284-4100 • TELECOPIER: 304-284-4140
www.jacksonkelly.com

USDA 3.12

CLOSING MEMORANDUM

To: **United States Department of Agriculture**
Rural Utilities Service
JPMorgan Chase Bank, NA

From: **Carla Williams**

Date: **July 13, 2010**

Re: **Sun Valley Public Service District Sewer Revenue Bonds, Series 2010 A (United States Department of Agriculture)**

DISBURSEMENTS TO DISTRICT

Payor:	United States Department of Agriculture
Source:	Series 2010 A Bonds Proceeds
Amount:	$277,141.00
Date:	July 13, 2010
Form:	Electronic Funds Transfer
Payee:	Sun Valley Public Service District
Bank:	JPMorgan Chase Bank, N.A.
Routing No.:	044000037
Account No.:	882194483
Account:	Series 2010 A Bonds Construction Trust Fund

{M0620367}

WEST VIRGINIA

Infrastructure & Jobs Development Council

Gov. Joe Manchin, III
Chairman

Kenneth Lowe, Jr.
Public Member

Dwight Calhoun
Public Member

David "Bones" McComas
Public Member

Ron Justice
Public Member

Angela K. Chestnut, P.E.
Executive Director

B. J. Pauley
Administrative Secretary

March 12, 2010

Richard Dale, Chairman
Sun Valley Public Service District
P.O. Box 95
Reynoldsville, WV 26422

Re: Project No. 94S-005 – Sun Valley PSD (Phase II)
Authority to Advertise for Bids

Dear Mr. Dale:

The Sun Valley Public Service District is authorized to advertise for bids for the above referenced project. Please submit a copy of the completed Bid advertisement ASAP and submit an affidavit of publication of the advertisement for bids. Additionally, please submit certified bid tabulations within **five** days after the bid opening. A conference call must be set up with the working group within **ten** days of bid opening to discuss closing requirements.

The Contractors Association of West Virginia (CAWV) has established a clearinghouse to ensure several projects do not bid on the same day. Please contact Amber Stotts at 304-342-1166 before advertisement for information regarding other projects scheduled to bid. We recommend avoiding bid opening dates on Mondays, Fridays or days following a holiday.

We also recommend sending a set of plans and specifications for the project to the CAWV's Plan Room at 2114 Kanawha Boulevard, East, Charleston, WV 25311.

If you have any questions, please contact me.

Sincerely,

Angela K. Chestnut

Angela K. Chestnut, P.E.
Executive Director

cc: Daniel E. Ferrell, P.E., Thrasher Engineering *(via e-mail)*
Joe Crickenberger, USDA *(via e-mail)*
Jim Hall, Region VI Planning & Development Council *(via e-mail)*
Samme Gee, Esq., Jackson Kelly *(via e-mail)*

180 Association Drive • Charleston, WV 25311 • Phone (304) 558-4607 • Fax (304) 558-4609

www.wvinfrastructure.com

West Virginia Infrastructure & Jobs Development Council

ıblic Members:
Kenneth Lowe, Jr.
Shepherdstown
Dwight Calhoun
Petersburg
Dave McComas
Prichard
Ron Justice
Morgantown

ORIGINAL

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

Jefferson E. Brady, PE
Executive Director

Jefferson.Brady@verizon.net

March 10, 2008

Richard Dale, Chairman
Sun Valley Public Service District
P.O. Box 95
Reynoldsville, West Virginia 26422

Re: Sun Valley Public Service District
Sewer Project 94S-005
Revised Binding Commitment
Action Required by April 30, 2008

Dear Mr. Dale:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the Sun Valley Public Service District's (the "District") revised preliminary application to construct sewers in the Reynoldsville and Sun Valley areas of Harrison County (the "Project").

As a result of the review and under the terms of the previous commitment the West Virginia Infrastructure and Jobs Development Council provides this revised binding offer of an additional Infrastructure Fund loan of $1,100,000 (the "Loan") to the District for above referenced wastewater project (the "Project"). The additional Loan will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference.

Additionally the November 8, 2005 binding commitment is modified as follows:

This commitment is contingent upon the Project meeting the following schedule:

a. *File Certificate Case with the Public Service Commission no later than August 1, 2008.*
b. *File the Preliminary Title Opinion with the Council no later than March 1, 2009.*
c. *Advertise for bids no later than May 1, 2009.*
(The District must receive authority from the Infrastructure Council before bidding the project.)

All other conditions of the November 8, 2005 binding commitment remain in effect. A revised Schedule A is enclosed.

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

Sincerely,

Kenneth Lowe, Jr.

Enclosure
cc: Mike Johnson, P.E., DEP (w/o enclosure)
Steve Collins, RUS (w/o enclosure)
Harrison County Board of Education
Region VI Planning & Development Council
Ken Moran, P.E., Thrasher Engineering, Inc.

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

Sun Valley Public Service District

By: _____

Its: Chairman

Date: 3-26-2008

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Sun Valley Public Service District
Wastewater Project
Project 94S-005
March 10, 2008

SCHEDULE A

A. Approximate Amount: $3,200,000 Loan

B. Loan: $3,200,000

1. Maturity Date: 40 years from date of closing.

2. Interest Rate: 0%

3. Loan Advancement Date(s) Monthly, upon receipt of proper requisition

4. Debt Service Commencement: The first quarter following completion of construction, which date must be identified prior to closing.

5. Reserve & Coverage Requirements:
   A. Reserve requirements One year's annual debt service
   OR
   Funding one year's annual debt service over the first ten years
   B. Coverage 115% unless reserve fund is fully funded then coverage is 110%

NOTICE: The terms set forth above are subject to change following the receipt of construction bids.

C. Other Funding Sources:

Harrison Co. BOE	400,000
EPA / STAG	$ 1,928,600
RUS assistance	2,850,400

D. Total Project Cost: $ 8,379,000

est Virginia Infrastructure & Jobs Development Council

lic Members:
Kenneth Lowe, Jr.
Shepherdstown
Dwight Calhoun
Petersburg
Dave McComas
Prichard
Ron Justice
Morgantown

RECEIVED
JUL 17 2007

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

Jefferson E. Brady, PE
Executive Director

Jefferson.Brady@verizon.net

July 16, 2007

Richard Dale, Chairman
Sun Valley Public Service District
P.O. Box 95
Reynoldsville, West Virginia 26422

Re: Sun Valley Public Service District
Sewer Project 94S-005

Dear Mr. Dale:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the Sun Valley Public Service District's (the "District") revised preliminary application to construct sewers in the Reynoldsville and Sun Valley areas of Harrison County (the "Project").

Based on the findings of the Sewer 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 Sewer Technical Review Committee as the District may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of the revised preliminary application, the Council recommends that the District utilize a $1,928,600 Environmental Protection Agency State Tribal Assistance Grant, a $1,850,400 Rural Utilities Service grant, a $1,000,000 Rural Utilities Service loan, a $2,100,000 Infrastructure Fund loan and pursue a $1,500,000 Small Cities Block Grant to complete the funding of this $8,379,000 project. Please contact the West Virginia Development Office at (304) 558-4010 for specific information on the steps the District needs to follow to apply for these funds. **Please note that this letter <u>does not</u> constitute funding approval from this agency.**

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

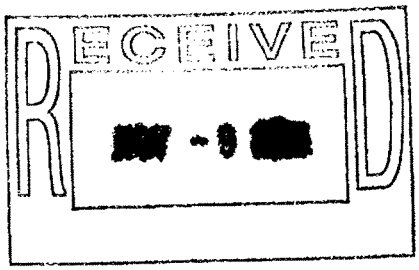
Sincerely,

Kenneth Lowe, Jr.

Enclosure
cc: Mike Johnson, P.E., DEP (w/o enclosure)
Tracey Rowan, WVDO (w/o enclosure)
Joseph Crickenberger, RUS
Region VI Planning & Development Council
Thrasher Engineering, Inc.

West Virginia Infrastructure & Jobs Development Council

Public Members:
Mark Prince
Hurricane
Dwight Calhoun
Petersburg
Tim Stranko
Morgantown
Dave McComas
Prichard



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

Katy Mallory, PE
Executive Director

Katy.Mallory@verizon.net

November 8, 2005

Richard Dale, Chairman
Sun Valley Public Service District
P.O. Box 95
Reynoldsville, West Virginia 26422

Re: Binding Commitment Letter
Wastewater Project
Project 94S-005

Dear Mr. Dale:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") provides this binding offer of an Infrastructure Fund loan of approximately $2,100,000 (the "Loan") to the Sun Valley Public Service District (the "District") for the above referenced wastewater project. (Project). The Council has determined the Project to be technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The Loan will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Loan amount will be established after the District has received acceptable bids for the Project. The Infrastructure Council will set aside a portion of the Infrastructure Fund to make the Loan upon the District's compliance with the program requirements. The Loan agreement will be between the District and the West Virginia Water Development Authority (Authority), who is the administrator of the Infrastructure Fund, acting on behalf of the Infrastructure Council.

This commitment is contingent upon the Project meeting the following schedule:

a. File Certificate Case with the Public Service Commission no later than March 1, 2006
b. Advertise for bids no later than September 1, 2006
(The District must receive authority from the Infrastructure Council before bidding the project.)

The Infrastructure Council reserves the right to withdraw this Loan commitment if any of the above schedule dates are not met. The Infrastructure Council may, when justifiable circumstances occur, offer to modify the schedule. Any decision to modify the schedule is at the sole discretion of the Infrastructure Council.

If the District becomes aware that it will not meet one or more of the above schedule dates, the District should

immediately notify the Infrastructure Council of this fact and the circumstances which have caused or will cause the District to be unable to meet the schedule. In addition, please immediately notify the Infrastructure Council if any of the other dates on the attached schedule have or will not be met.

The Authority will enter into Loan agreement with the District following receipt of the completed Schedule B, a final, nonappealable order from the Public Service Commission authorizing construction of the Project, evidence of binding commitments for other funding; evidence of all permits; evidence of acceptable bids; and any other documents requested by the Infrastructure Council.

No statements or representations made before or after the issuance of this contingent commitment by any person, member of the Infrastructure Council, or agent or employee of the Authority shall be construed as approval to alter or amend this commitment, as all such amendments or alterations shall only be made in writing after approval of the Infrastructure Council.

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

Sincerely,

Mark Prince

MP/km
Attachments

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

Sun Valley Public Service District

By: _____

Its: Chairman

Date: 9 NOV 2005

cc: John Rogers, DEP
Joseph Crickenberger, RUS
Terry Schulte
Randy Light, Steptoe & Johnson, Clarksburg
John Stump, Steptoe & Johnson, Charleston

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Sun Valley Public Service District
Wastewater Project
Project 94S-005
November 8, 2005

SCHEDULE A

A. Approximate Amount: $2,100,000 Loan

B. Loan: $2,100,000

1. Maturity Date: 40 years from date of closing.

2. Interest Rate: 0%

3. Loan Advancement Date(s) Monthly, upon receipt of proper requisition

4. Debt Service Commencement: The first quarter following completion of construction, which date must be identified prior to closing.

5. Reserve & Coverage Requirements:
   A. Reserve requirements One year's annual debt service
   OR
   Funding one year's annual debt service over the first ten years
   B. Coverage 115% unless reserve fund is fully funded then coverage is 110%

NOTICE: The terms set forth above are subject to change following the receipt of construction bids.

C. Other Funding Sources:

EPA / STAG	$ 2,000,000
RUS assistance	2,500,000

D. Total Project Cost: $ 6,600,000

original

WATER OR WASTE SYSTEM GRANT AGREEMENT

UNITED STATES DEPARTMENT OF AGRICULTURE

RURAL UTILITIES SERVICE

THIS AGREEMENT dated July 13, 2010 between

Sun Valley PSD

a public corporation organized and operating under

Chapter 16, Article 13A, West Virginia Code
(Authorizing Statute)

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:
WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (sewer) system to serve the area under jurisdiction at an estimated cost of **$ 6,879,000** and has duly authorized the undertaking of such project.

Grantee is able to finance not more than **$ 5,028,600** of the development cost through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of **$ 5,028,600** has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed **$ 1,850,400** or **26.90%** percent of said development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306 (a) of the Consolidated Farm and Rural Development Act the purpose only of defraying a part not to exceed **26.90%** percent of the development costs, as defined by applicable Rural Utilities Service Instructions.

GRANTEE AGREES THAT GRANTEE WILL:

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

B. Permit periodic inspection of the construction by a representative of Grantor during construction.

C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.

D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes

of service, adopted by resolution dated _____, as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.

E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.

F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.

G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.

I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.

K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.
[Revision 1, 04/17/1998]

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

All real property associated with the Sun Valley PSD Sewer System.

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. A Grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.
[Revision 1, 04/17/1998]

1. Use of equipment.

(a) The Grantee shall use the equipment in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other Federally sponsored activities, if any, in the following order of priority:

(1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the project for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the equipment was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other Federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the equipment as provided in paragraph (a) above, the equipment may be used for other activities in accordance with the following standards:

(a) Equipment with a current per unit fair market value of less than $5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.

(b) Equipment with a current per unit fair market value of $5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee requests and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share ten percent of the proceeds, for Grantee's selling and handling expenses.

(2) If the Grantee is instructed to ship the equipment elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall also include:

(a) Records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the project for which the equipment was acquired; location, use and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need need for the equipment.

(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated an fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

This Grant Agreement covers the following described equipment (use continuation sheets as necessary).

N/A

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.

2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.

4. Accounting records supported by source documentation.

N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's government which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

P. Provide an audit report prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or instrumentality's of states shall not be held accountable for interest earned on grant funds pending their disbursement.

R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item K above.

S. To include in all contracts for construction or repair a provision for compliance with the Copeland ``Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.

T. To include in all contracts in excess of $100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:
[Revision 1. 11/20/1997]

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.

2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

[Revision 1, 11/20/97]

3. To include or cause to be included the above criteria and the requirements in every nonexempt subcontract and that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

As used in these paragraphs the term ``facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed **$1,850,400.00**. which it will advance to Grantee to meet not to exceed **26.90%** percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

_____

and attested and its corporate seal affixed by its duly authorized

Sandra J Patten

Attest:

_____

By: [signature]

(Title) Chairman

By: Ronald Michael

(Title) Sec.

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By: Steven D Pr 7-13-2010.

(Title)

U. S. ENVIRONMENTAL PROTECTION AGENCY
REGION III
ASSISTANCE AGREEMENT/AMENDMENT NOTICE

RECIPIENT NAME AND ADDRESS: DATE: MAY 28 2008

Mr. Richard Dale
Chairman
Sun Valley PSD
P.O. Box 95
Reynoldsville, WV 26422

Re: Assistance # XP-97321501-1

Enclosed are three copies of an Assistance Agreement/Amendment from the U.S. Environmental Protection Agency.

To accept this award, please carefully review any terms and conditions, sign[1], and return one original copy to each of the addresses listed below within 21 days after receipt:

Kathleen M. Blinebury **Grants Management Officer** **Grants and Audit Management Branch (3PM70)** **U.S. Environmental Protection Agency** **1650 Arch Street** **Philadelphia, PA 19103-2029**	**Ms. Rosalie Brodersen** **Program Manager** **State Revolving Fund** **WV Department of Environmental Protection** **601 57th Street, SE** **Charleston, WV 25304**

The other original should be retained for your official records and copies distributed within your organization as needed. Please note, funds will not be available for payment until we receive your countersigned affirmation of this award.

To assist you with your post award management responsibilities and for instructions on how to receive payments, visit the Grants Office website at:

http://www.epa.gov/region3/grants/funding.htm

Please reference the EPA Assistance Number on all future correspondence regarding this Assistance Agreement. Questions on technical matters should be directed to the Project Officer and questions on administrative matters should be directed to the Grants Specialist identified in the Assistance Agreement/Amendment.

[1] Failure to countersign and return within 21 days after receipt may result in termination of this award.

cc: Rosalie Brodersen, WVDEP

Mailed 6-12-08 to both addresses above.

U.S. ENVIRONMENTAL PROTECTION AGENCY

Grant Agreement

ASSISTANCE ID NO.			DATE OF AWARD
PRG	DOC ID	AMEND#	SEP 28 2005
XP -	97321501	- 0	
TYPE OF ACTION: New			MAILING DATE: OCT 5 2005
PAYMENT METHOD: Reimbursement			ACH#

RECIPIENT TYPE:
Special District

Send Payment Request to:
West Virginia Department of Environmental Protection

RECIPIENT:
Sun Valley Public Service District
PO Box 95
Reynoldsville, WV 26422
EIN: 55-0594968

PAYEE:
Sun Valley Public Service District
PO Box 95
Reynoldsville, WV 26422

PROJECT MANAGER	EPA PROJECT OFFICER	EPA GRANT SPECIALIST
Ms. Terry Lynn Schulte PO Box 95 Reynoldsville, WV 26422 **E-Mail:** tschulte@harrisoncountywv.com **Phone:** 304.624.8690	BruceA Smith 1650 Arch Street, 3WP21 Philadelphia, PA 19103-2029 **E-Mail:** Smith.Brucea@epamail.epa.gov **Phone:** 215-814-5770	Jill Garcia Grants and Audit Management Branch, 3PM70 **E-Mail:** Garcia.Jill@epamail.epa.gov **Phone:** 215-814-5402

PROJECT TITLE AND DESCRIPTION
Special Appropriations Project
This grant is for the construction of approximately 50,832 linear feet (LF) of 8" gravity sewer lines, 24,028 LF of 6" gravity sewer lines, 30,074 LF of 4" to 6" gravity sewer lines, 21,467 LF of 1.25" to 6" force main, 14 grinder pumps, and three sewage pump stations. The sewage will be conveyed to the City of Clarksburg sewage treatment plant for treatment. The project will serve approximately 551 existing customers in the Reynoldsville, Wolf Summit, Simpson Fork (Sun Valley), Washburn Camp, Davisson Run, and Junkins Avenue areas of the District.

BUDGET PERIOD	PROJECT PERIOD	TOTAL BUDGET PERIOD COST	TOTAL PROJECT PERIOD COST
09/30/2005 - 06/30/2008	09/30/2005 - 06/30/2008	$3,506,545.00	$3,506,545.00

The Agreement must be completed in duplicate and the Original returned to the appropriate Grants Management Office listed below, within 3 calendar weeks after receipt or within any extension of time as may be granted by EPA. Receipt of a written refusal or failure to return the properly executed document within the prescribed time, may result in the withdrawal of the offer by the Agency. Any change to the Agreement by the Recipient subsequent to the document being signed by the EPA Award Official, which the Award Official determines to materially alter the Agreement, shall void the Agreement.

OFFER AND ACCEPTANCE

The United States, acting by and through the U.S. Environmental Protection Agency (EPA), hereby offers Assistance/Amendment to the Sun Valley Public Service District for 55.00 % of all approved costs incurred up to and not exceeding $1,928,600 for the support of approved budget period effort described in application (including all application modifications) cited in the Project Title and Description above, signed 11/08/2004 included herein by reference.

ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)	AWARD APPROVAL OFFICE
ORGANIZATION / ADDRESS	ORGANIZATION / ADDRESS
US EPA Region 3, 3PM70 1650 Arch Street Philadelphia, PA 19103-2029	U.S. EPA, Region 3 Water Protection Division 3WP00 1650 Arch Street Philadelphia, PA 19103-2029

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL	TYPED NAME AND TITLE	DATE
Andrew Carlin Jr.	James W. Newsom, ARA for Policy and Management	SEP 28 2005

This agreement is subject to applicable U.S. Environmental Protection Agency statutory provisions and assistance regulations. In accepting this award or amendment and any payments made pursuant thereto, (1) the undersigned represents that he is duly authorized to act on behalf of the recipient organization, and (2) the recipient agrees (a) that the award is subject to the applicable provisions of 40 CFR Chapter 1, Subchapter B and of the provisions of this agreement (and all attachments), and (b) that acceptance of any payments constitutes an agreement by the payee that the amounts, if any found by EPA to have been overpaid will be refunded or credited in full to EPA.

BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION

SIGNATURE	TYPED NAME AND TITLE	DATE
	Richard G. Dale Chairman	26 Oct 2005

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	$	$ 1,928,600	$ 1,928,600
EPA In-Kind Amount	$	$	$ 0
Unexpended Prior Year Balance	$	$	$ 0
Other Federal Funds	$	$	$ 0
Recipient Contribution	$	$	$ 0
State Contribution	$	$	$ 0
Local Contribution	$	$ 1,577,945	$ 1,577,945
Other Contribution	$	$	$ 0
Allowable Project Cost	$ 0	$ 3,506,545	$ 3,506,545

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.606 - Surveys - Studies - Investigations and Special Purpose Grants	Consolidated Appropriations Act of 2004 (PL 108-199)	40 CFR PART 31

Fiscal

Site Name	DCN	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	LL0183	2005	E4C	0300GAN	202B51E	4183	-	-	1,928,600
									1,928,600

Approved Budget	
Program Element Classification (Construction)	Approved Allowable Budget Period Cost
1. Administration Expense	$0
2. Preliminary Expense	$0
3. Land Structure, Right Of Way	$0
4. Architectural Engineering Basic Fees	$0
5. Other Architectural Engineering Fees	$0
6. Project Inspection Fees	$0
7. Land Development	$0
8. Relocation Expenses	$0
9. Relocation Payments to Individuals & Bus.	$0
10. Demolition and Removal	$0
11. Construction and Project Improvement	$3,506,545
12. Equipment	$0
13. Miscellaneous	$0
14. Total (Lines 1 thru 13)	$3,506,545
15. Estimate Income	$0
16. Net Project Amount (Line 14 minus 15)	$3,506,545
17. Less: Ineligible Exclusions	$0
18. Add: Contingencies	$0
19. Total (Share: Recip 45.00% Fed 55.00%)	$3,506,545
20. TOTAL APPROVED ASSISTANCE AMOUNT	$1,928,600

Administrative Conditions

1. The recipient agrees to ensure that all conference, meeting, convention, or training space funded in whole or in part with Federal funds, complies with the Hotel and Motel Fire Safety Act of 1990.

2. Any State agency or agency of a political subdivision of a State which is using appropriated Federal funds shall comply with the requirements set forth in Section 6002 of the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6962). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price exceeds $10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was $10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

3. The recipient shall fully comply with Subpart C of 40 CFR Part 32, entitled "Responsibilities of Participants Regarding Transactions." The recipient is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 40 CFR Part 32, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. The recipient is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower tier covered transactions. The recipient acknowledges that failing to disclose the information required under 40 CFR 32.335 may result in the delay or negation of this assistance agreement, or pursuance of legal remedies, including suspension and debarment.

The recipient may access the Excluded Parties List System at http://epls.arnet.gov. This term and condition supersedes EPA Form 5700-49, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters."

4. The recipient agrees to comply with Title 40 CFR Part 34, New Restrictions on Lobbying. The recipient shall include the language of this provision in award documents for all subawards exceeding $100,000, and require that subrecipients submit certification and disclosure forms accordingly.

In accordance with the Byrd Anti-Lobbying Amendment, any recipient who makes a prohibited expenditure under Title 40 CFR Part 34 or fails to file the required certification or lobbying forms shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such expenditure.

5. Pursuant to EPA's annual Appropriations Act, the chief executive officer of this recipient agency shall require that no grant funds have been used to engage in lobbying of the Federal Government or in litigation against the United States unless authorized under existing law. As mandated by this Act, the recipient agrees to provide certification to the award official via EPA Form 5700-53, Lobbying and Litigation Certificate, with the final payment request.

The recipient shall abide by its respective OMB Circular (A-21, A-87, or A-122), which prohibits the use of federal grant funds for litigation against the United States. Any Part 30 recipient shall abide by its respective OMB Circular (A-21 or A-122), which prohibits the use of Federal grant funds to participate in various forms of lobbying or other political activities.

6. In accordance with EPA Order 1000.25 and Executive Order 13101, *Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition,* the recipient agrees to use recycled paper for all reports which are prepared as a part of this agreement and delivered to EPA. This requirement does not apply to reports prepared on forms supplied by EPA, or to Standard Forms, which are printed on recycled paper and are available through the General Services Administration. Please note that Section 901 of E.O. 13101, dated September 14, 1998, revoked E.O. 12873, *Federal Acquisition, Recycling, and Waste Prevention* in its entirety.

7. If a contract is awarded under this assistance agreement, the recipient agrees and is required to utilize the following affirmative steps:

a. placing Small Businesses in Rural Areas (SBRAs) on solicitation lists;

b. ensuring that SBRAs are solicited whenever they are potential sources;

c. dividing total requirements, when economically feasible, into small tasks or quantities to permit maximum participation by SBRAs;

d. establishing delivery schedules, where the requirements of work will permit, which would encourage participation by SBRAs;

e. using the services of the Small Business Administration (SBA), the Minority Business Development Agency (MBDA) of the U.S. Department of Commerce and the SBA PRO-Net Internet-based system http://pro-net.sba.gov, as appropriate; and

f. requiring the contractor to take the affirmative steps in subparagraphs a. through e. of this part if subcontracts are awarded.

8. The recipient agrees to comply with the requirements of EPA's Program for Utilization of Small, Minority and Women's Business Enterprises in procurement under assistance agreements:

a. The recipient accepts the applicable Minority Business Enterprise (MBE)/Women's Business Enterprise (WBE) "fair share" goals/objectives negotiated with EPA by the West Virginia Department of Environmental Protection as follows:

	MBE%	WBE%
Construction	1.75	2.50
Equipment	0.10	0.10
Services	1.25	1.25

b. The recipient agrees to ensure to the fullest extent possible, that at least the applicable "fair share" objectives of Federal funds for prime contracts or subcontracts for supplies, construction, equipment or services are made available to organizations owned or controlled by socially or economically disadvantaged individuals, women and historically black colleges and universities.

c. The recipient agrees to include in its bid documents the applicable "fair share" objectives and require all of its prime contractors to include in their bid documents for subcontracts the negotiated "fair share" percentages.

d. The recipient agrees to follow the six affirmative steps or positive efforts stated in 40 CFR 30.44(b), 40 CFR 31.36(e), or 40 CFR 35.6580, as appropriate, and retain records documenting compliance.

e. The recipient agrees to submit an EPA Form 5700-52A, "MBE/WBE Utilization Under Federal Grants, Cooperative Agreements and Interagency Agreements," beginning with the Federal fiscal year quarter the recipient receives the award and continuing until the project is completed. These reports must be submitted to R. Catherine King, Municipal Financial Assistance Branch (3WP21), within 30 days of the end of the Federal fiscal quarter (January 30, April 30, July 30, and October 30).

f. If race and/or gender neutral efforts prove inadequate to achieve a "fair share" objective, the recipient agrees to notify EPA in advance of any race and/or gender conscious action it plans to take to more closely achieve the "fair share" objective.

EPA may take corrective action under 40 CFR Parts 30, 31, and 35, as appropriate, if the recipient fails to comply with these terms and conditions.

9. In accordance with OMB Circular A-133, which implements the Single Audit Act, the recipient hereby agrees to obtain a single audit from an independent auditor if it expends $500,000 or more in total Federal funds in any fiscal year. Within nine months after the end of a recipient's fiscal year or 30 days after receiving the report from the auditor, the recipient shall submit a copy of the report to:

Federal Audit Clearinghouse

1201 East 10th Street
Jeffersonville, IN 47132

10. EPA participation in the salary rate (excluding overhead and travel) paid to individual consultants retained by recipients or by a recipient's contractors or subcontractors shall be limited to the maximum daily rate for Level IV of the Executive Schedule, to be adjusted annually. This limit applies to consultation services of designated individuals with specialized skills who are paid at a daily or hourly rate. As of January 1, 2005, the limit is $539.60 per day and $67.45 per hour. The rate does not include overhead or travel costs and the recipient may pay these in accordance with its normal travel practices.

Subagreements with firms for services which are awarded using the procurement requirements in 40 CFR Parts 30 or 31, as applicable, are not affected by this limitation unless the terms of the contract provide the recipient with responsibility for the selection, direction, and control of the individuals who will be providing services under the contract at an hourly or daily rate of compensation. See 40 CFR 31.36(j)(2) or 30.27(b), as applicable.

Programmatic Conditions

1. Procurement

a. The recipient agrees to procure all services, supplies, and construction awarded under this grant in accordance with 40 CFR Part 31.

b. A copy of all proposed subagreements for services and supplies over $100,000 shall be submitted to the West Virginia Department of Environmental Protection (WV DEP), for review and pre-award approval, as appropriate, under 40 CFR Part 31. The submittal of the proposed subagreements shall include procurement records. Also, the contract cost and price data shall be submitted on EPA Form 5700-41, or on a form which contains similar information.

c. A copy of all proposed subagreements for construction shall be submitted to the WV DEP, for review and pre-award approval, as appropriate, under 40 CFR Part 31. The submittal of the proposed subagreements shall include procurement records.

2. Grant Payments

The recipient agrees that:

a. Payments are on a reimbursable basis. Requests for payments should be submitted to the WV DEP, using Standard Form 271.

b. Payment for professional services and construction will be limited to the Federal share of EPA approved contracts.

3. Project Performance Certification

Prior to the release of the final payment on the grant (must provide documentation of all costs like copies of invoices and proof of payment like copies of checks), the recipient agrees to certify that the project is capable of meeting the objectives for which it was planned, designed, and built.

4. Project Changes

For any changes in the project which affect the grant amount, delay or accelerate the project or alter the project in other ways, the recipient must receive a formal grant amendment from EPA. Of particular interest is any change in completion of final design drawings and specifications, date of advertisement for bids, and the building completion date.

5. Land Acquisition

In the event the recipient procures land or relocates people, 49 CFR Part 24 applies.

6. Sites, Easements and Rights-of-Way

The recipient shall submit an acceptable legal opinion that the necessary sites and easements and/or rights-of-way have been obtained and that they are free of any restrictions or encumbrances that might restrict their use for the purpose intended. Said opinion shall be submitted to EPA no later than the time at which the recipient requests approval to award construction contracts.

7. Flood Insurance

The recipient agrees to acquire and maintain at his own cost any flood insurance made available to it under the National Flood Insurance Act of 1968, as amended, before the project is placed in operation. This condition shall not be applicable if, on the date of execution of this Grant Agreement by both parties, flood insurance was not available pursuant to the Flood Insurance Act of 1968, as amended, for property in the project location.

8. Review

The recipient recognizes that approval of any part of this grant, change orders, grant increase amendments, subagreements, any special items or allowableness of any other costs will be subject to final review, including project officer review, audit review, and final determination of the grant approving official.

9. Project Schedule

EPA's policy requires that projects be initiated, constructed, and placed in operation in a timely manner. For that reason, the schedule shown below, which was developed in conjunction with your grant application, is included as a condition.

Advertise for Bids	February 2007
Award Construction Contract	March 2007
Initiate Construction	May 2007
Complete Construction	June 2008
Submit Final Payment Request	June 2008

10. Environmental Review

The recipient agrees not to begin the preparation of plans and specifications (design), or to initiate construction, until such time as EPA determines that the project complies with the National Environmental Policy Act, 42 USC Subsection 4321 et seq., CFR Parts 6 and 1500 et seq.

The recipient agrees that upon completion of the NEPA review, design and construction shall be undertaken in accordance with the results of that review. EPA reserves the right to unilaterally terminate this grant in the event the recipient fails to comply with this condition, in accordance with 40 CFR 31.43.

11. Initiation of Design

It is agreed that EPA must approve the Facilities Plan before design is begun. Particular emphasis will be placed on problem identification, alternative analysis, public participation, affordability, and environmental review.

12. Initiation of Construction

It is agreed that the WV DEP must approve the design before contracts are advertised for bids. Bids will be submitted to the WV DEP for approval prior to contract award.

13. Open Competition and Government Neutrality

The assistance recipient agrees to comply with Executive Order 13202 (February 22, 2001, 66 Fed. Reg. 11225) of February 17, 2001, entitled "Preservation of Open Competition and Government Neutrality

Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects," as amended by Executive Order 13208 (April 11, 2001, 66 Fed. Reg. 18717) of April 6, 2001, entitled "Amendment to Executive Order 13202, Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects."

14. Performance Reports

In accordance with 40 C.F.R. § 31.40, the recipient agrees to submit performance reports that include brief information on each of the following areas; 1) a comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement work plan for the period; 2) the reasons for slippage if established outputs/outcomes were not met; and 3) additional pertinent information, including, when appropriate, analysis and information of cost overruns or high unit costs.

In accordance with 40 C.F.R. § 31.40 (d), the recipient agrees to inform EPA as soon as problems, delays or adverse conditions become known which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan.

15. Outputs and Outcomes

EPA Order 5700.7, Environmental Results under EPA Assistance Agreements, requires that the award of grant assistance is tied to the accomplishment of agreed-upon products/activities and the effect of those products/activities, referred to as environmental "outputs" and "outcomes." The outputs and outcomes must be measurable and identified in the application work plan. The award of grant assistance constitutes EPA agreement with the outputs and outcomes identified in the application work plan.

EPA Order 5700.7 further requires that following the award of grant assistance, grant recipients must report on their progress in achieving the accepted environmental outputs and outcomes. The preceding Performance Reporting condition highlights this obligation.

Pursuant to EPA regulation 40 CFR 31.40(c), *Construction performance reports*, for the purpose of this grant award the recipient may satisfy the above Performance Reporting obligation by providing information on the interim status or completion of the project to the WV DEP during the course of interim and final project inspections.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

CERTIFIED MAIL

OCT 5 2005

RECEIVED
OCT 7 2005

Mr. Richard Dale
Chairman
Sun Valley Public Service District
P.O. Box 95
Reynoldsville, WV 26422

Re: XP-973215-01-0

Dear Mr. Dale:

The Agency has approved an assistance application and award of $1,928,600 in support of the project entitled Sun Valley Rt. 50 West Phase II Sewer Project.

This award is made subject to the terms and conditions of the enclosed assistance agreement. Three originals of the assistance agreement are enclosed. Please sign all of them. Return one to Kathleen M. Blinebury, Grants Management Officer, Grants and Audit Management Branch (3PM70), within twenty-one days of your receipt. The West Virginia Department of Environmental Protection is assisting with the management of this project. Mail one to Ms. Rosalie Brodersen, Program Manager, State Revolving Fund, West Virginia Department of Environmental Protection, 601 57th Street, SE, Charleston, WV 25304 and retain one for your organization.

A Region III website is available to provide you with a better understanding of the requirements associated with your assistance agreement and with information that will help you to manage your grant. The website can be found at: **www.epa.gov/region3/grants/index.htm.**

Your contact at EPA is Mr. Bruce Smith. You can reach Mr. Smith at 215-814-5770.

Sincerely,

for Andrew Carlin

James W. Newsom
Assistant Regional Administrator
for Policy and Management

Enclosures

cc: Rosalie Brodersen, WVDEP

U.S. ENVIRONMENTAL PROTECTION AGENCY

Grant Agreement

ASSISTANCE ID NO.			DATE OF AWARD
PRG	DOC ID	AMEND#	SEP 28 2005
XP -	97321501	- 0	
TYPE OF ACTION New			MAILING DATE OCT 5 2005
PAYMENT METHOD: Reimbursement			ACH#

RECIPIENT TYPE:
Special District

Send Payment Request to:
West Virginia Department of Environmental Protection

RECIPIENT:
Sun Valley Public Service District
PO Box 95
Reynoldsville, WV 26422
EIN: 55-0594968

PAYEE:
Sun Valley Public Service District
PO Box 95
Reynoldsville, WV 26422

PROJECT MANAGER	EPA PROJECT OFFICER	EPA GRANT SPECIALIST
Ms. Terry Lynn Schulte PO Box 95 Reynoldsville, WV 26422 **E-Mail:** tschulte@harrisoncountywv.com **Phone:** 304.624.8690	BruceA Smith 1650 Arch Street, 3WP21 Philadelphia, PA 19103-2029 **E-Mail:** Smith.Brucea@epamail.epa.gov **Phone:** 215-814-5770	Jill Garcia Grants and Audit Management Branch, 3PM70 **E-Mail:** Garcia.Jill@epamail.epa.gov **Phone:** 215-814-5402

PROJECT TITLE AND DESCRIPTION
Special Appropriations Project
This grant is for the construction of approximately 50,832 linear feet (LF) of 8" gravity sewer lines, 24,028 LF of 6" gravity sewer lines, 30,074 LF of 4" to 6" gravity sewer lines, 21,467 LF of 1.25" to 6" force main, 14 grinder pumps, and three sewage pump stations. The sewage will be conveyed to the City of Clarksburg sewage treatment plant for treatment. The project will serve approximately 551 existing customers in the Reynoldsville, Wolf Summit, Simpson Fork (Sun Valley), Washburn Camp, Davisson Run, and Junkins Avenue areas of the District.

BUDGET PERIOD	PROJECT PERIOD	TOTAL BUDGET PERIOD COST	TOTAL PROJECT PERIOD COST
09/30/2005 - 06/30/2008	09/30/2005 - 06/30/2008	$3,506,545.00	$3,506,545.00

NOTE: The Agreement must be completed in duplicate and the Original returned to the appropriate Grants Management Office listed below, within 3 calendar weeks after receipt or within any extension of time as may be granted by EPA. Receipt of a written refusal or failure to return the properly executed document within the prescribed time, may result in the withdrawal of the offer by the Agency. Any change to the Agreement by the Recipient subsequent to the document being signed by the EPA Award Official, which the Award Official determines to materially alter the Agreement, shall void the Agreement.

OFFER AND ACCEPTANCE

The United States, acting by and through the U.S. Environmental Protection Agency (EPA), hereby offers Assistance/Amendment to the Sun Valley Public Service District for 55.00 % of all approved costs incurred up to and not exceeding $1,928,600 for the support of approved budget period effort described in application (including all application modifications) cited in the Project Title and Description above, signed 11/08/2004 included herein by reference.

ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)	AWARD APPROVAL OFFICE
ORGANIZATION / ADDRESS	**ORGANIZATION / ADDRESS**
US EPA Region 3, 3PM70 1650 Arch Street Philadelphia, PA 19103-2029	U.S. EPA, Region 3 Water Protection Division 3WP00 1650 Arch Street Philadelphia, PA 19103-2029

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL	TYPED NAME AND TITLE	DATE
Andrew Carlin for	James W. Newsom, ARA for Policy and Management	SEP 28 2005

This agreement is subject to applicable U.S. Environmental Protection Agency statutory provisions and assistance regulations. In accepting this award or amendment and any payments made pursuant thereto, (1) the undersigned represents that he is duly authorized to act on behalf of the recipient organization, and (2) the recipient agrees (a) that the award is subject to the applicable provisions of 40 CFR Chapter 1, Subchapter B and of the provisions of this agreement (and all attachments), and (b) that acceptance of any payments constitutes an agreement by the payee that the amounts, if any found by EPA to have been overpaid will be refunded or credited in full to EPA.

BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION

SIGNATURE	TYPED NAME AND TITLE	DATE

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	$	$ 1,928,600	$ 1,928,600
EPA In-Kind Amount	$	$	$ 0
Unexpended Prior Year Balance	$	$	$ 0
Other Federal Funds	$	$	$ 0
Recipient Contribution	$	$	$ 0
State Contribution	$	$	$ 0
Local Contribution	$	$ 1,577,945	$ 1,577,945
Other Contribution	$	$	$ 0
Allowable Project Cost	$ 0	$ 3,506,545	$ 3,506,545

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.606 - Surveys - Studies - Investigations and Special Purpose Grants	Consolidated Appropriations Act of 2004 (PL 108-199)	40 CFR PART 31

Fiscal

Site Name	DCN	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	LL0183	2005	E4C	0300GAN	202B51E	4183	-	-	1,928,600
									1,928,600

Approved Budget	
Program Element Classification (Construction)	Approved Allowable Budget Period Cost
1. Administration Expense	$0
2. Preliminary Expense	$0
3. Land Structure, Right Of Way	$0
4. Architectural Engineering Basic Fees	$0
5. Other Architectural Engineering Fees	$0
6. Project Inspection Fees	$0
7. Land Development	$0
8. Relocation Expenses	$0
9. Relocation Payments to Indlviduals & Bus.	$0
10. Demolition and Removal	$0
11. Construction and Project Improvement	$3,506,545
12. Equipment	$0
13. Miscellaneous	$0
14. Total (Lines 1 thru 13)	$3,506,545
15. Estimate Income	$0
16. Net Project Amount (Line 14 minus 15)	$3,506,545
17. Less: Ineligible Exclusions	$0
18. Add: Contingencies	$0
19. Total (Share: Recip 45.00% Fed 55.00%)	$3,506,545
20. TOTAL APPROVED ASSISTANCE AMOUNT	$1,928,600

HARRISON COUNTY SCHOOLS

408 E.B. SAUNDERS WAY
POST OFFICE BOX 1370
CLARKSBURG, WEST VIRGINIA 26302-1370
(304) 326-7300
FAX (304) 624-3361

SUSAN LEE COLLINS
Superintendent

BOARD OF EDUCATION
PAUL J. HOWE III, *President*
SALLY J. CANN, *Vice President*
MICHAEL L. QUEEN
JAMES L. REASER
CHARLES P. REIDER

June 24, 2010

Mr. Kevin Short, Manager
Sun Valley Public Service District
PO Box 95
Reynoldsville, WV 26422-0095

Dear Mr. Short:

As you are aware, the Harrison County Board of Education has committed $400,000 to the Sun Valley PSD Phase II Sewerline Extension Project. These funds are available when needed by the District.

If you have any questions, please contact my office at your convenience.

Sincerely,

Susan Collins
Superintendent

SLC/pb

CC: File

HARRISON COUNTY SCHOOLS

408 E. B. SAUNDERS WAY
POST OFFICE BOX 1370
CLARKSBURG, WEST VIRGINIA 26302-1370
(304) 624-3325
FAX (304) 624-3361

BOARD OF EDUCATION
WILSON CURREY, *President*
SALLY J. CANN, Vice *President*
DOUG GRAY
MICHAEL L. QUEEN
JAMES L. REASER

DR. CARL H. FRIEBEL, JR.
Superintendent

January 14, 2008

RECEIVED
JAN 14 2008

Sun Valley Public Service District
P. O. Box 95
Reynoldsville, WV 26422-0095

Attention: Mr. Kevin Short

COPY

Dear Mr. Short:

As you are aware, the Harrison County Board of Education (the "Board") presently operates a sewage treatment plant to provide sewer service to Liberty High School and Mountaineer Middle School. The Sun Valley Public Service District ("PSD") has requested that the Board make a payment in the amount of $400,000 in exchange for the agreement of the PSD to provide sewer tap(s) at a convenient location on the Board property near the existing treatment plant. We understand that the payment will enable the PSD to construct a pump station and sewage lines to provide service to the schools as part of a planned sewer line project. This letter is to confirm that the Board is willing to make such a payment when the sewer line is constructed provided the Board does not have to replace or upgrade the existing sewage treatment plant prior to construction of the line serving the subject schools. This agreement is based on the Board's understanding that the PSD will engineer the pump station and sewer line extension in a manner to handle all sewage from said schools.

If you have any questions, please feel free to contact may office at your convenience.

Sincerely,

Carl H. Friebel, Jr., Ed.D.
Superintendent

CHF/nq

Cc: Neil Quinn, Clerk of the Works
Randall C. Light, Counsel
File Copy

west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, WV 25304
Phone: (304) 926-0495
Fax: (304) 926-0496

Joe Manchin III, Governor
Randy C. Huffman, Cabinet Secretary
dep.wv.gov

August 3, 2010

Mr. Richard G. Dale, Chairman
Sun Valley Public Service District
P.O. Box 95 .
Reynoldsville, West Virginia 26422

RE: Sun Valley PSD
Part B Approval
XP-973215-01

Dear Mr. Dale:

We have reviewed the Part B documents we received from Thrasher Engineering for the above referenced project. We have determined that you have followed the requisite public bidding procedures in solicitation of bids for this project. On behalf of the Environmental Protection Agency (EPA), we wish to advise you that this is your notice to proceed.

Should you have any questions, please contact John Rogers at (304) 926-0499 Ext. 1602 or john.r.rogers@wv.gov. .

Sincerely,

Rosalie Brodersen
Program Manager
Clean Water SRF Program

RB/jr

cc: Ms. Lori Reynolds , EPA (w/enc.)
Thrasher Engineering
Terry Schulte, Harrison County Planning Commission

ENVIRONMENTAL PROTECTION AGENCY

FORM APPROVED
OMB NO. 42-R1510

OFFER AND ACCEPTANCE OF FEDERAL GRANT FOR SEWAGE TREATMENT WORKS
UNDER 33 U.S.C. 466 et seq.
(See Instructions on page 3)

Part B – SUPPLEMENTAL PROJECT INFORMATION

NOTE: The CONTRACT SHALL NOT BE AWARDED UNTIL PART B AND ATTACHMENTS HAVE BEEN APPROVED by the Environmental Protection Agency and, where required, by the appropriate State agency. Therefore, the Applicant should submit this form and the required attachments as soon as possible after bids are opened. The prompt submission of this form will give the State agency and the Environmental Protection Agency sufficient time to approve Part B and to notify the Applicant that the contract may be awarded before the time period expires within which bids must be accepted. Part B should present all information necessary to indicate fulfillment of all conditions to the offer included in Part A of the Offer and Acceptance.

1. LOCATION OF PROJECT (*State, County, City*)	PROJECT NUMBER
West Virginia, Harrison County, Sun Valley, Wolf Summit	XP-973215-01

2. LEGAL NAME AND ADDRESS OF APPLYING AUTHORITY (*herein called the "Applicant"*)

Sun Valley Public Service District

3. SUMMARY OF MAJOR CHANGES (*if any*) IN THE PROJECT SINCE GRANT OFFER WAS ACCEPTED

All collected sanitary sewer in the Sun Valley area (including Liberty High School) was originally planned to be pumped across US Route 50 near the fire road and be tied into the existing SVPSD sewer system in Reynoldsville.

Plans were changed to pump all collected sanitary sewer across US Route 50 near the intersection of Route 98 and US Route 50 and tie-into the existing Sun Valley PSD Sewer system near RD Wilson.

The Facility Plan and Amendments have been approved by the WVDEP. Construction Plans and specifications were also approved by WVDEP for the project along with addendums issued during the bidding process.

See Attached Updated Project Schedule.

RECEIVED
JUL 6 2010
OFF PROGRAMS

4. HAVE THERE BEEN ANY CHANGES IN THE FINAL PLANS AND SPECIFICATIONS SINCE DATE OF APPROVAL BY THE ENVIRONMENTAL PROTECTION AGENCY'S ADMINISTRATION? Yes ☑ No ☐

IF YES, HAVE THESE CHANGES BEEN APPROVED BY THE ENVIRONMENTAL PROTECTION AGENCY? Yes ☑ No ☐

5. SITE DATA:

A. If not previously submitted,
   1. Attach a legal description of the site on which project is to be constructed.
   2. Attach an opinion signed by competent title counsel describing the interest the Applicant has in the site, including information as to any easements and rights of way, and certifying that the estate or interest is legal and valid.

The opinion should also include information as to whether or not:
(a) The Applicant (or the present owner if fee simple title has not been or is not to be acquired) has good and valid title to the entire site (excluding easements and rights of way) free and clear of any pre-existing mortgages, deeds of trust, liens, or other encumbrances which would affect the value or usefulness of the site for the purpose intended; and
(b) Any deeds or documents required to be recorded in order to protect the title of the owner and the interest of the Applicant have been duly recorded or filed for record whenever necessary.

6. PROJECT COST ESTIMATE SUMMARY	TOTAL PROJECT	FOR GRANT PARTICIPATION
A. CONSTRUCTION (*Specify numbers where requested*)		
1. CONTRACT NO. 1	$ 2,445,000.00	$ 1,328,600.00
2. CONTRACT NO. 2	$ 3,880,160.00	$ 2,177,945.00
3. CONTRACT NO.	$ 0.00	$ 0.00
4. CONTRACT NO.	$ 0.00	$ 0.00
5. CONTRACT NO.	$ 0.00	$ 0.00
6. LATER CONTRACTS	$ 0.00	$ 0.00
7. EQUIPMENT AND MATERIALS	$ 50,000.00	$ 0.00
SUB-TOTAL	$ 6,375,160.00	$ 3,506,545.00
B. TECHNICAL SERVICES	$ 1,120,000.00	$ 0.00
C. LEGAL AND FISCAL	$ 110,000.00	$ 0.00
D. ADMINISTRATIVE	$ 5,000.00	$ 0.00
E. CONTINGENCY	$ 412,009.00	$ 0.00
F. OTHER (*specify*) (See Attached)	$ 252,510.30	$ 0.00
G. SITE (Land and R-O-W)	$ 104,320.70	$ 0.00
H. TOTAL	$ 8,379,000.00	$ 3,506,545.00
EXPIRATION DATE FOR WAGE DETERMINATION October 9, 2011		

7. Attach the following information:
   - A. A detailed breakdown supporting the project cost estimate summary.
   - B. Tabulation of all bids received.
   - C. Copies of the bid the Applicant wishes to accept.
   - D. Evidence of advertising.

8. FUNDS AVAILABLE FOR CONSTRUCTION OF THE PROJECT	AMOUNT
A. CASH (*including net receipts from bonds sold*)	$ 0.00
B. GENERAL OBLIGATION BONDS (WVIJDC, USDA-RUS)	$ 4,200,000.00
C. REVENUE BONDS OR CERTIFICATES	$ 0.00
D. OTHER (*specify*) (Harrison County BOE & USDA-RUS Grant)	$ 2,250,400.00
E. STATE AID	$ 0.00
F. FEDERAL GRANT (EPA/STAG Grant)	$ 1,928,600.00
G. TOTAL	$ 8,379,000.00

The undersigned representative of the Applicant certifies that the information contained above and in any attached statements and materials in support thereof, is true and correct to his best knowledge.

SIGNATURE OF AUTHORIZED REPRESENTATIVE	DATE July 1, 2010

NAME AND TITLE OF REPRESENTATIVE (*Type or Print*)

Richard Dale, Chairman

Sun Valley Public Service District
Phase II Sewer Extensions to Wolf Summit and Sun Valley

Thrasher Engineering Project #20-944

EPA Project #XP-973215-01

June 30, 2010

Project Schedule

Advertise for Bids	March 16, 2010
Award Construction Contracts	July 9, 2010
Initiate Construction	July 19, 2010
Complete Construction	October 9, 2011
Submit Final Payment Request	October 9, 2011

DRAFT

PROJECT CONSTRUCTION BUDGET
SUN VALLEY PSD - PHASE II SEWER PROJECT
June 9, 2010
WV IJDC # 94S-005

PROJECT COST	IJDC LOAN	EPA/STAG GRANT	RUS LOAN	RUS GRANT	HARRISON CO. BOARD OF ED. GRANT	TOTAL
TOTAL CONSTRUCTION COST **$6,325,160.00**						
CONTRACT 1	$ 967,606.00	$ 928,600.00	$ 148,794.00	$ -	$ 400,000.00	$ 2,445,000.00
CONTRACT 2	$ 1,011,700.00	$ 1,000,000.00	$ 278,060.00	$ 1,590,400.00	$ -	$ 3,880,160.00
CONSTRUCTION CONTINGENCY	$ 158,129.00	$ -	$ 158,129.00	$ -	$ -	$ 316,258.00
LAND & RIGHTS	$ 104,320.70	$ -	$ -	$ -	$ -	$ 104,320.70
LEGAL FEES	$ 110,000.00	$ -	$ -	$ -	$ -	$ 110,000.00
BOND COUNSEL	$ 40,000.00	$ -	$ -	$ -	$ -	$ 40,000.00
ACCOUNTING	$ 10,000.00	$ -	$ -	$ -	$ -	$ 10,000.00
ARCHEOLOGICAL STUDY	$ 5,745.50	$ -	$ -	$ -	$ -	$ 5,745.50
ENGINEERING FEES	$ 687,859.00	$ -	$ 222,141.00	$ 210,000.00	$ -	$ 1,120,000.00
Study Phase - $30,000						
Basic - $505,000						
Insp. - $445,000						
Additional Services - $140,000						
INTEREST - (2 years @ 4.125%)	$ -	$ -	$ 85,000.00	$ -	$ -	$ 85,000.00
ADMINISTRATION	$ -	$ -	$ 5,000.00	$ -	$ -	$ 5,000.00
PERMITS	$ 26,264.80	$ -	$ -	$ -	$ -	$ 26,264.80
EQUIPMENT & IMPROVEMENTS	$ -	$ -	$ -	$ 50,000.00	$ -	$ 50,000.00
ELECTRICAL SERVICE EXTENSION	$ 30,000.00	$ -	$ -	$ -	$ -	$ 30,000.00
SOILS TESTING	$ -	$ -	$ -	$ -	$ -	$ -
PREVIOUS CONSULTING COSTS (Cerrone)	$ -	$ -	$ 55,000.00	$ -	$ -	$ 55,000.00
BANK REGISTRAR FEE	$ 500.00	$ -	$ -	$ -	$ -	$ 500.00
PROJECT CONTINGENCY	$ 47,875.00	$ -	$ 47,876.00	$ -	$ -	$ 95,751.00
TOTAL	**$ 3,200,000.00**	**$ 1,928,600.00**	**$ 1,000,000.00**	**$ 1,850,400.00**	**$ 400,000.00**	**$ 8,379,000.00**

Foot note # 1 **STAG can only be used for construction and must be drawn down during the entire construction period as shown on the attached Draw Schedule**

Foot note # 2 **Although IJDC funds are split between four other funding agencies, it may not be possible to consume other agencies funding prior to consuming IJDC. RUS grant funds, by law, cannot be spent until RUS loan funds are depleted. Also, STAG funds must be drawn down during the entire construction period.**

JACKSONKELLY
ATTORNEYS AT LAW PLLC

150 CLAY STREET • SUITE 500 • P.O. BOX 619 • MORGANTOWN, WEST VIRGINIA 26507 • TELEPHONE: 304-284-4100 • TELECOPIER: 304-284-4140
www.jacksonkelly.com

USDA 4.1

July 13, 2010

Sun Valley Public Service District
Reynoldsville, West Virginia

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

Re: Sun Valley Public Service District Sewer Revenue Bonds, Series 2010 A (United States Department of Agriculture)

Ladies and Gentlemen:

We have served as bond counsel to Sun Valley Public Service District (the "Issuer") in connection with the issuance of its Sewer Revenue Bonds, Series 2010 A (United States Department of Agriculture), dated the date hereof (the "Bonds").

We have examined certified copies of proceedings and other papers relating to the issuance of the Bonds. The Bonds are issued in the principal amount of $1,000,000, in the form of one bond and bear interest from the date hereof, on the amount advanced thereunder, at the rate of 4.0% per annum.

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 of the Code of West Virginia, 1931, as amended (the "Act"), and have been authorized by a Bond Resolution duly adopted by the Issuer on July 9, 2010, as supplemented by a Supplemental Resolution duly adopted by the Issuer on July 9, 2010 (collectively, the "Resolution"). The Bonds are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution 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:

{M0620368.3}

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

2. The Issuer has legally and effectively adopted the Resolution and all other necessary resolutions in connection with the issuance and sale of the Bonds. The Resolution constitutes a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms thereof.

3. The Bonds have been duly authorized, issued, executed and delivered by the Issuer and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and a pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Prior Bonds and the Series 2010 B Bonds, all in accordance with the terms of the Bonds and the Resolution.

4. Under the Act, the Bonds and the interest thereon are exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

5. The Bonds have not been issued on the basis that the interest 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.

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

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

Very truly yours,

Jackson Kelly PLLC

Smith, McMunn & Glover, PLLC
Attorneys at Law

G. Thomas Smith
D. Andrew McMunn
David C. Glover

516 West Main Street
Clarksburg, WV 26301

Telephone: (304) 326-6000
Facsimile: (304) 326-4000
Writer's Email: davidcglover@aol.com

July 13, 2010

Sun Valley Public Service District
Reynoldsville, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Jackson Kelly PLLC
Charleston, West Virginia

Re: Sun Valley Public Service District Sewer Revenue Bonds, Series 2010 A (United States Department of Agriculture)

Ladies and Gentlemen:

We are counsel to the Sun Valley Public Service District (the "Issuer"). As such counsel, we have examined copies of the approving opinion of Jackson Kelly PLLC, as bond counsel, relating to the above-captioned bonds of the Issuer (the "Bonds"), the letter of conditions dated December 19, 2005, from the United States of America, United States Department of Agriculture, Rural Development (the "Government"), a Bond Resolution duly adopted by the Public Service Board of the Issuer (the "Board") on July 9, 2010, as supplemented by a Supplemental Resolution duly adopted on July 9, 2010 (collectively, the "Resolution"), orders of The County Commission of Harrison County relating to the Issuer and the appointment of members of the Board, and other documents relating to the Bonds and the Issuer. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution when used herein.

We are of the opinion that:

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

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

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

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

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

6. The Issuer has received all permits, licenses, approvals, consents, certificates, orders, exemptions, registrations and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, all requisite permits, approvals, orders and certificates from The County Commission of Harrison County, the West Virginia Bureau for Public Health and the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia. The Issuer has received a Recommended Decision of an Administrative Law Judge entered on September 11, 2009, as made final by the PSC on October 1, 2009, and the Order of the PSC entered on March 8, 2010 in Case No. 09-0642-PSD-SCN, granting to the Issuer a certificate of public convenience and necessity for the Project. The time for appeal of the October 1, 2009

Order has expired prior to the date hereof. The time for appeal of the March 8, 2010 Order has expired prior to the date hereof. Such Orders described in this Paragraph 5 remain in full force and effect. The Issuer has taken all actions required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges.

7. The Issuer has duly published the required notice with respect to, among other things, the amount of the Bonds to be issued, the interest rate and terms of the Bonds, the Project to be acquired or constructed, the cost of the Project, the anticipated user rates and charges and the date that a formal application for a certificate of public convenience and necessity was to be filed with the PSC in accordance with Chapter 16, Article 13A, Section 25 of the Code of West Virginia, 1931, as amended, and has duly complied with the provisions thereof.

8. 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 Bonds and the Resolution, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds, the collection of the Gross Revenues or the pledge of the Net Revenues for payment of the Bonds.

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

10. The contracts contain language requiring the contractors to provide affidavits from all contractors and subcontractors indicating that each contractor and subcontractor have a drug free workplace policy pursuant to Chapter 21, Article 1D of the West Virginia Code of 1931, as amended. The contractor has submitted a plan to implement the drug free workplace policy prior to the awarding of the contract pursuant to Chapter 21, Article 1D of the West Virginia Code of 1931, as amended.

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

Very truly yours,

Smith, McMunn & Glover, PLLC

Smith, McMunn & Glover, PLLC
Attorneys at Law

G. Thomas Smith
D. Andrew McMunn
David C. Glover

516 West Main Street
Clarksburg, WV 26301

Telephone: (304) 326-6000
Facsimile: (304) 326-4000
Writer's Email: davidcglover@aol.com

July 13, 2010

Joseph D. Crickenberger
USDA Rural Development
Rural Utility Service
1200 Harrison Avenue, Suite 150
Elkins, WV 26241

RE: Sun Valley Public Service District
Sanitary Sewer Collection System
Extension Project

Dear Mr. Crickenberger:

I am the attorney for Sun Valley Public Service District (hereinafter "Sun Valley") regarding the Sanitary Sewer Collection System Extension Project (hereinafter "Project"). I provide this final title opinion on behalf of Sun Valley to satisfy the requirements of the United States Department of Agriculture, Rural Development, for the Project. Please be advised of the following:

1. That Sun Valley Public Service District is a duly created and existing public service district possessed with all powers and authority granted to public service districts under the laws of the State of West Virginia and has the full power and authority to construct, operate and maintain the Project as approved by the Public Service Commission of West Virginia.

2. Sun Valley has obtained all necessary permits and approvals for the construction of the aforementioned water distribution system upgrades.

3. I have investigated and ascertained the location of, and am familiar with the legal description of the necessary sites, including deeds, easements and/or rights of way, required for the Project as set forth in the plans for the Project.

4. I 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 my opinion, Sun Valley has acquired legal title or such other estate or interest in

all of the necessary site components for the Project, with the exception of those easements listed in Paragraph 5, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

5. The following listed properties are to be acquired by eminent domain for easements and the necessary filings have been made in the Offices of the Clerk of the Circuit Court of Harrison County, West Virginia, and Orders have been entered permitting Sun Valley a right-of-entry for the purpose of construction, operation and maintenance of the Project on the subject properties. Sun Valley's title thereto is defeasible in the event Sun Valley does not satisfy any resulting judgment and/or award in the proceedings for acquisition of said properties, and my certification is subject to the following pending litigation:

PROPERTY OWNER(S)	TAX MAP NUMBER	PARCEL NUMBER(S)
Kenneth & Kathy Geissler	11-23	82, 83
Christopher Watson, et al.	11-03	176
Millard Dennison	284	22
Lavere Cummings, et al.	26-08	25
Charles Haught, et al.	11-05	1
Claude & Delores Griffith	11-03	129
Ricky & Ora Ferrell	11-03	37
Samuel Thompson	11-05	53
Sallie Eneix & Margaret Corsa	11-22	17

6. All deeds, easements and rights-of-way that have been acquired to date by Sun Valley 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 Sun Valley.

If you have any questions or would like to discuss the contents of this letter, please do not hesitate to contact me.

Very truly yours,

David C. Glover

David C. Glover

DCG/rlh

cc: Richard Dale, Chairman

Position 5

Form RD 442-22
(Rev. 10-96)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

FORM APPROVED
OMB NO. 0575-0015

OPINION OF COUNSEL RELATIVE TO RIGHTS-OF-WAY

Date 07-13-2010

Dear Sir:

I have reviewed the action taken by Sun Valley Public Service District (hereinafter called the "Corporation") in obtaining a right-of-way for the construction, operation, and maintenance of the facilities to be installed, repaired, or enlarged with the proceeds of a loan made or insured by, and/or a grant from Rural Development to the Corporation. I have examined the right-of-way instruments, permits, or licenses obtained from landowners, public bodies, and public utilities and made such searches of the public records necessary to determine the legal sufficiency of the instruments covered by the "Right-of-way

Certificate," executed by the Corporation on July 13, 20 10. I also have examined the "Right-of-way Map" to determine whether continuous and adequate land and rights-of-way are owned or have been acquired by the instruments covered in the "Right-of-way Certificate".

Based on the foregoing examination, and to the best of my knowledge, information, and belief, I am of the opinion that:

A. The legal instruments by which the Corporation has acquired said rights-of-way (a) are in appropriate and due legal form and adequately confer upon the Corporation the necessary rights-of-way for the construction, operation, and maintenance of its facilities in their present or proposed location, and such omissions or defects as may exist will in no substantial way or manner endanger the value or operation of the facilities, and (b) have each been properly recorded in the appropriate public land records of each County in which any of the land affected thereby is situated. Such consents, releases, or subordinations from lienholders recommended by me or required by Rural Development have been obtained.

B. The legal instruments referred to above give unto the Corporation a continuous and adequate right-of-way to permit the construction, operation, and maintenance of the Corporation's facilities except as below noted.

C. Exceptions:

None.

Very truly yours,

David C. Sluss

Attorney for Sun Valley Public Service District

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to U.S. Department of Agriculture, Clearance Officer STOP 7602, 1400 Independence Avenue, S. W, Washington, D. C. 20250-7602. ***Please DO NOT RETURN this form to this address.*** *Forward to the local USDA office only. You are not required to respond to this collection of information unless it displays a currently valid OMB control number.*

Form RD 442-21
(Rev. 12-95)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

FORM APPROVED
OMB NO. 0575-0015

RIGHT- OF - WAY CERTIFICATE

The undersigned, Richard Dale, Chairman,
hereby certifies except as noted in item 4 below:

1. That the undersigned has acquired and presently holds continuous and adequate rights-of-way on private lands needed for the construction, operation, and maintenance of the facilities to be installed, repaired, or enlarged with the proceeds of a loan made or insured by, and/or a grant from, United States Department of Agriculture and such omissions, defects, or restrictions as may exist will in no substantial way or manner endanger the value or the operation of the facilities.

2. That the undersigned has acquired the necessary permits, franchises, and authorizations or other instruments by whatsoever name designated, from public utilities and public bodies, commissions, or agencies authorizing the construction, operation, and maintenance of the facilities upon, along or across streets, roads, highways, and public utilities.

3. That the attached "Right-of-way Map" shows the location and description of all land and rights-of-way acquired by right of use or adverse possession and by legal conveyances such as right-of-way or easement deeds, permits, or other instruments.

4. Exceptions:

WITNESS WHEREOF, applicant hereunto affixes its name and corporate seal this 13 day of July, 20 2010.

By Richard Dale

Attest:

(Secretary)

Title Chairman

(Affix Corporate Seal Here)

*Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to U.S. Department of Agriculture, Clearance Officer, **OIRM, AG Box 7630**, Washington, D.C. 20250 Please* **DO NOT RETURN** *this form to this address. Forward to the local USDA office only. You are not required to respond to this collection of information unless it displays a currently valid OMB control number.*