WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 B
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 C
(WEST VIRGINIA SRF PROGRAM)

Closing Date: February 28, 2007

JACKSON KELLY
ATTORNEYS AT LAW PLLC

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TRANSCRIPT OF PROCEEDINGS

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State of West Virginia

Certificate

I, Betty Ireland, 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, AS INDICATED BY THE RECORDS OF THIS OFFICE.

Given under my hand and the Great Seal of the State of West Virginia on

February 23, 2007

Betty Ireland

Secretary of State

Quality Board, and the rights, powers, and duties of the municipal corporation and the respective officers and departments thereof, including the sanitary board, are governed by the provisions of this article: Provided, That the jurisdiction and authority provided by this section does not extend to highways, road and drainage easements, and/or stormwater facilities constructed, owned and/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.

History. (1955, c. 135; 1967, c. 105; 1994, c. 61; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, substituted "the" for "such" throughout, substituted "the" for "said" throughout, inserted "fees" following "rates" throughout; in the first paragraph, inserted "and/or stormwater system" following "existing sewer system", inserted "or stormwater system" following "such sewer system"; in the second paragraph, inserted "or stormwater" following "sewage", inserted "or stormwater facilities" following "sewer facilities"; in the fourth paragraph, added "or entire stormwater works" to the end; in the sixth paragraph, deleted "such" following "fixing" and "publication of"; in the eighth paragraph, deleted "such" preceding "rates" twice; and in the last paragraph, added the proviso.

Applied in City of Morgantown v. Town of Star City, 156 W. Va. 529, 195 S.E.2d 166, 1973 W. Va. LEXIS 244 (1973).

§ 16-13-24. Article to be construed liberally.

This article being necessary for the public health, safety and welfare, it shall be liberally construed to effectuate the purpose thereof.

History. (1933, Ex. Sess., c. 25, § 24.)

Quoted in West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891, 1957 W. Va. LEXIS 1 (1957).

ARTICLE 13A.

PUBLIC SERVICE DISTRICTS.

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16-13A-22. Validation of prior acts and proceedings of county courts for creation of districts, inclusion of additional territory, and appointment of members of district boards.
16-13A-23. Validation of acts and proceedings of public service boards.
16-13A-24. Acceptance of loans, grants or temporary advances.
16-13A-25. Borrowing and bond issuance; procedure.

Effect of amendment of 2006. — Acts 2006, c. 190, effective June 8, 2006, deleted "for water, sewerage and gas services" from the article heading.

Textbooks. — Instructions for Virginia and West Virginia, Publisher's Editorial Staff (Michie).

Constitutionality. — The act from which this article was derived, authorizing the creation of public service districts by the county courts of this State, defining the powers and duties of the governing boards of such districts in the acquisition, construction, maintenance, operation, improvement and extension of property supplying water and sewerage services, and authorizing the issuance of bonds of such districts payable solely from revenue to be derived from the operation of such properties, does not violate any provision of the Constitution of this State or the Fourteenth Amendment to the Constitution of the United States. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693, 1955 W. Va. LEXIS 42 (1955).

Purpose. — The purpose of this article is to provide water and sewerage facilities in unincorporated districts. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693, 1955 W. Va. LEXIS 42 (1955).

The title to Acts 1953, c. 147, is sufficient to give a fair and reasonable index to all of the purposes of the act. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693, 1955 W. Va. LEXIS 42 (1955).

Public utilities. — Public service districts are "public utilities" because they are required to pay a special license fee pursuant to § 24-3-6 for support of the public service commission. 50 Op. Att'y Gen. 447 (1963).

Cited in Berkeley County Pub. Serv. Dist. v. Vitro Corp. of Am., 152 W. Va. 252, 162 S.E.2d 189, 1968 W. Va. LEXIS 149 (1968); State v. Neary, 179 W. Va. 115, 365 S.E.2d 395, 1987 W. Va. LEXIS 687 (1987); McClung Invs., Inc. v. Green Valley Community Pub. Serv. Dist, 199 W. Va. 490, 485 S.E.2d 434, 1997 W. Va. LEXIS 56 (1997).

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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 ensure 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.

History. (1953, c. 147; 1980, c. 60; 1986, c. 81.)

Code of State Rules References. — Government of public service districts, 150 CSR 17, effective September 1, 1990.

Authority of county commissions. — The county courts (now county commissions) may not supersede the authority delegated by them to public service districts created in accordance with the provisions of this article. Op. Att'y Gen., June 27, 1973.

Public service district — Authority. — A public service district, which was created only for the purposes of furnishing water services, has no power to condemn real estate for sewerage facilities. Canyon Pub. Serv. Dist. v. Tasa Coal Co., 156 W. Va. 606, 195 S.E.2d 647, 1973 W. Va. LEXIS 254 (1973).

Public service district — Purpose. — The purpose for the creation of a public service district may be ascertained by a review of the order establishing the district and the history behind the creation of the district (the notice of hearing and hearings held prior to the creation of the district). Op. Att'y Gen., July 8, 1976.

Cited in State ex rel. APCO v. Gainer, 149 W. Va. 740, 143 S.E.2d 351, 1965 W. Va. LEXIS 317 (1965); Shobe v. Latimer, 162 W. Va. 779, 253 S.E.2d 54, 1979 W. Va. LEXIS 352 (1979).

§ 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 [§ 16-13A-1b] 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.

History. (1986, c. 81.)

Cited in State ex rel. Water Dev. Auth. v. Northern Wayne County Pub. Serv. Dist., 195 W. Va. 135, 464 S.E.2d 777, 1995 W. Va. LEXIS 185 (1995).

§ 16-13A-1b. County commissions to develop plan to create, consolidate, merge, expand or dissolve public service districts.

Each county commission shall conduct a study of all public service districts which have their principal offices within its county and shall develop a plan relating to the creation, consolidation, merger, expansion or dissolution of such districts or the consolidation or merger of management and administrative services and personnel and shall present such plan to the Public Service Commission for approval, disapproval, or modification: Provided, That within ninety days of the effective date of this section each county commission in this state shall elect either to perform its own study or request that the Public Service Commission perform such study. Each county commission electing to perform its own study has one year from the date of election to present such plan to the Public Service Commission. For each county wherein the county commission elects not to perform its own study, the Public Service Commission shall conduct a study of such county. The Public Service Commission shall establish a schedule for such studies upon a priority basis, with those counties perceived to have the greatest need of creation or consolidation of public service districts receiving the highest priority. In establishing the priority schedule, and in the performance of each study, the Bureau of Public Health and the Division of Environmental Protection shall offer their assistance and cooperation to the Public Service Commission. Upon completion by the Public Service Commission of each study, it shall be submitted to the appropriate county commission for review and comment. Each county commission has six months in which to review the study conducted by the Public Service Commission, suggest changes or modifications thereof, and present such plan to the Public Service Commission. All county plans, whether conducted by the county commission itself or submitted as a result of a Public Service Commission study, shall, by order, be approved, disapproved or modified by the Public Service Commission in accordance with rules promulgated by the Public Service Commission and such order shall be implemented by the county commission.

History. (1986, c. 81; 1994, c. 61.)

§ 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, enforcement and any other activities required by state and federal law: Provided, however, That the term "stormwater management program" or "stormwater management programs" does not include those activities associated with the management, operation, maintenance and control of highways, road and drainage easements, or stormwater facilities constructed, owned or operated by the West Virginia Division of Highways without the express agreement of the Commissioner of Highways.

History. (1986, c. 81; 2002, c. 272.)

Effect of amendment of 2002. — Acts 2002, c. 272, effective June 7, 2002, inserted "or stormwater" following sewerage" in the first sentence; added subdivisions (4) and (5); added the last two sentences; and made minor stylistic changes.

§ 16-13A-2. Creation of districts by county commission; enlarging, reducing, merging, or dissolving district; consolidation; agreements, etc.; infringing upon powers of county commission; filing list of members and districts with the Secretary of State.

(a) The county commission of any county may propose the creation, enlargement, reduction, merger, dissolution, or consolidation of a public service district by any of the following methods: (1) On its own motion by order duly adopted, (2) upon the recommendation of the Public Service Commission, or (3) by petition of twenty-five percent of the registered voters who reside within the limits of the proposed public service district within one or more counties. The petition shall contain a description, including metes and bounds, sufficient to identify the territory to be embraced therein and the name of such proposed district: Provided, That after the effective date of this section, no new public service district shall be created, enlarged, reduced, merged, dissolved or consolidated under this section without the written consent and approval of the Public Service Commission, which approval and consent shall be in accordance with rules promulgated by the Public Service Commission and may only be requested after consent is given by the appropriate county commission or commissions pursuant to this section. Any territory may be included regardless of whether or not the territory includes one or more cities, incorporated towns or other municipal corporations which own and operate any public service properties and regardless of whether or not it includes one or more cities, incorporated towns or other municipal corporations being served by privately owned public service properties: Provided, however, That the same territory shall not be included within the boundaries of more than one public service district except where the territory or part thereof is included within the boundaries of a separate public service district organized to supply water, sewerage services, stormwater services or gas facilities not being furnished within such territory or part thereof: Provided further, That no city, incorporated town or other municipal corporation shall be included within the boundaries of the proposed district 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 [§§ 59-3-1 et seq.], 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 the same information as is contained in the published notice. The posted notices shall be posted not less than ten days before the hearing.

(e) All persons residing in or owning or having any interest in property in the proposed public service district shall have an opportunity to be heard for and against its creation, enlargement, reduction, merger, dissolution or consolidation. At the hearing the county commission before which the hearing is conducted shall consider and determine the feasibility of the creation, enlargement, reduction, merger, dissolution or consolidation of the proposed district. If the county commission determines that the construction or acquisition by purchase or otherwise and maintenance, operation, improvement and extension of public service properties by the public service district will be conducive to the preservation of public health, comfort and convenience of such area, the county commission shall by order create, enlarge, reduce, merge,

dissolve or consolidate such public service district. If the county commission, after due consideration, determines that the proposed district will not be conducive to the preservation of public health, comfort or convenience of the area or that the creation, enlargement, reduction, merger, dissolution or consolidation of the proposed district as set forth and described in the petition or order is not feasible, it may refuse to enter an order creating the district or it may enter an order amending the description of the proposed district and create, enlarge, reduce, merge, dissolve or consolidate the district as amended.

(f) If the county commission determines that any other public service district or districts can adequately serve the area of the proposed public service district, whether by enlargement, reduction, merger, dissolution or consolidation, it shall refuse to enter the order, but shall enter an order creating, enlarging, reducing, merging, dissolving or consolidating the area with an existing public service district, in accordance with rules adopted by the Public Service Commission for such purpose: Provided, That no enlargement of a public service district may occur if the present or proposed physical facilities of the public service district are determined by the appropriate county commission or the Public Service Commission to be inadequate to provide such enlarged service. The clerk of the county commission of each county into which any part of such district extends shall retain in his office an authentic copy of the order creating, enlarging, reducing, merging, dissolving or consolidating the district: Provided, however, That within ten days after the entry of an order creating, enlarging, reducing, merging, dissolving or consolidating a district, such order must be filed for review and approval by the Public Service Commission. The Public Service Commission may provide a hearing in the affected county on the matter and may approve, reject or modify the order of the county commission if it finds it is in the best interests of the public to do so. The Public Service Commission shall adopt rules relating to such filings and the approval, disapproval or modification of county commission orders for creating, enlarging, merging, dissolving or consolidating districts. The provisions of this section shall not apply to the implementation by a county commission of an order issued by the Public Service Commission pursuant to this section and section one-b [§ 16-13A-1b], of this article.

(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.

History. (1953, c. 147; 1965, c. 134; 1967, c. 105; 1975, c. 140; 1980, c. 60; 1981, c. 124; 1986, c. 81; 1995, c. 125; 2002, c. 272; 2005, c. 195.)

Effect of amendment of 2002. — Acts 2002, c. 272, effective June 7, 2002, in (a), capitalized "On" at the beginning of subdivision (1), and inserted "stormwater services" near the middle of the last sentence.

Effect of amendment of 2005. — Acts 2005, c. 195, effective July 8, 2005, added the second sentence in (c); and made minor stylistic changes.

Editor's notes. — Concerning the reference in (a) to "the effective date of this section," this language was added by Acts 1986, c. 81, and became effective June 6, 1986.

Textbooks. — Instructions for Virginia and West Virginia, Publisher's Editorial Staff (Michie).

Constitutionality. — There is no unlawful delegation of legislative power to the county courts (now county commissions) of this State under this section in violation of W. Va. Const., art. V, § 1, and art. VI, § 1. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693, 1955 W. Va. LEXIS 42 (1955).

There is no unconstitutional delegation of judicial functions to the county court (now county commission) made by this section. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693, 1955 W. Va. LEXIS 42 (1955).

Authority of commission and voters. — (1) Only the county commission has the affirmative authority to create, enlarge or reduce a public service district; (2) in the absence of any action by a county commission, the requisite number of qualified voters in the affected geographic area may petition a county commission to create, enlarge or reduce a public service district, and, that upon the filing of such petition, a hearing shall be held thereon; (3) the county commission may, in its discretion, refuse to act in an affirmative manner upon such formal petition for creation, enlargement or reduction of such public service district, which action is not subject to protest or public referendum; (4) the county commission may, on its own motion or on the basis of such proper petition, enter an order creating, enlarging or reducing a public service district, which such action and order are subject to a hearing requiring proper notice, and a formal protest and public referendum depending upon the number of qualified voters who protest such action. Op. Att'y Gen., Nov. 13, 1975.

Authority of court. — A county court (now county commission) has authority to add sewerage services to the facilities of a public service district which was created for the purpose of furnishing water services, under appropriate proceedings. Canyon Pub. Serv. Dist. v. Tasa Coal Co., 156 W. Va. 606, 195 S.E.2d 647, 1973 W. Va. LEXIS 254 (1973).

Compliance. — The provisions of this section relating to the filing of the petition or motion of the county court (now county commission), the description of the territory to be embraced and like provisions are mandatory, but the use of the word "shall," in relation to the requirements for the posting and publication of notice and the time of setting the hearing are directory and require only substantial compliance. Canyon Pub. Serv. Dist. v. Tasa Coal Co., 156 W. Va. 606, 195 S.E.2d 647, 1973 W. Va. LEXIS 254 (1973).

Merger or consolidation of districts. — This section authorizes either merger or consolidation of public service districts. Op. Att'y Gen., June 12, 1985, No. 9.

A merger or consolidation results in one corporation which, in the case of merger, will be the corporation designated by the commissioners as the surviving corporation, and with respect to a consolidation, will be a new corporate entity. Op. Att'y Gen., June 12, 1985, No. 9.

Overlapping districts. — Where there is no bond indebtedness outstanding to be paid by a public service district, the county commission creating a public service district may under-

take to enlarge or reduce the areas of various overlapping districts or may even consolidate the overlapping districts into one district. Op. Att'y Gen., July 8, 1976.

Public corporation. — A public service district is a public corporation and does not come within the constitutional inhibition requiring all corporations to be created by general law. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693, 1955 W. Va. LEXIS 42 (1955).

Referendum. — There is no authority for voters, by written protest or otherwise, to force a referendum upon the issue of whether or not a created public service district should be continued or abolished. 52 Op. Att'y Gen. 33 (1966).

"Shall apply with like effect," etc. — Because a protest against creation triggers a referendum, the language "shall apply with like effect as if a district were being created" can mean only that a protest against enlargement or reduction likewise triggers a referendum. Op. Att'y Gen., Nov. 13, 1975.

Applied in Berkeley County Pub. Serv. Sewer Dist. v. West Va. Pub. Serv. Comm'n, 204 W. Va. 279, 512 S.E.2d 201, 1998 W. Va. LEXIS 217 (1998).

Cited in State v. Neary, 179 W. Va. 115, 365 S.E.2d 395, 1987 W. Va. LEXIS 687 (1987).

§ 16-13A-3. District to be a public corporation and political subdivision; powers thereof; public service boards.

From and after the date of the adoption of the order creating any public service district, it is a public corporation and political subdivision of the state, but without any power to levy or collect ad valorem taxes. Each district may acquire, own and hold property, both real and personal, in its corporate name, and may sue, may be sued, may adopt an official seal and may enter into 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.

If no city, incorporated town or other municipal corporation having a population of more than three thousand is included within the district, then the county commission which entered the order creating the district shall appoint three members of the board, who are persons residing within the district and residing within the State of West Virginia, which three members become members of the board of the district without any further act or proceedings except in cases of merger or consolidation where the number of board members may equal five.

If the number of members of the board appointed by the governing bodies of cities, incorporated towns or other municipal corporations included within the district is less than three, then the county commission which entered the order creating the district shall appoint such additional member or members of the board, who are persons residing within the district, as is necessary to make the number of members of the board equal three except in cases of merger or consolidation where the number of board members may equal five, and the member or members appointed by the governing bodies of the cities, incorporated towns or other municipal corporations included within the district and the additional member or members appointed by the county commission as aforesaid, are the board of the district. A person may serve as a member of the board in one or more public service districts.

The population of any city, incorporated town or other municipal corporation, for the purpose of determining the number of members of the board, if any, to be appointed by the governing body or bodies thereof, is the population stated for such city, incorporated town or other municipal corporation in the last official federal census.

Notwithstanding any provision of this code to the contrary, whenever a district is consolidated or merged pursuant to section two [§ 16-13A-2] of this article, the terms of office of the existing board members shall end on the

effective date of the merger or consolidation. The county commission shall appoint a new board according to rules promulgated by the Public Service Commission. Whenever districts are consolidated or merged no provision of this code prohibits the expansion of membership on the new board to five.

The respective terms of office of the members of the first board shall be fixed by the county commission and shall be as equally divided as may be, that is approximately one third of the members for a term of two years, a like number for a term of four years, the term of the remaining member or members for six years, from the first day of the month during which the appointments are made. The first members of the board appointed as aforesaid shall meet at the office of the clerk of the county commission which entered the order creating the district as soon as practicable after the appointments and shall qualify by taking an oath of office: Provided, That any member or members of the board may be removed from their respective office as provided in section three-a [§ 16-13A-3a] of this article.

Any vacancy shall be filled for the unexpired term within thirty days, otherwise successor members of the board shall be appointed for terms of six 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.

History. (1953, c. 147; 1965, c. 134; 1971, c. 72; 1981, c. 124; 1983, c. 166; 1986, c. 81; 1994, c. 61; 1997, c. 159; 2002, c. 272.)

Effect of amendment of 2002. — Acts 2002, c. 272, effective June 7, 2002, inserted "or for furnishing stormwater services for the city, town or other municipal corporation" in the second sentence of the first paragraph.

Textbooks. — Instructions for Virginia and West Virginia, Publisher's Editorial Staff (Michie).

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

Authority of districts. — Public service districts are agents of the county commission by which they were created, having no authority other than that expressly set out in this article. Op. Att'y Gen., July 8, 1976.

Compensation for additional duties. — Board members of a public service district could not be compensated for performing the duties of treasurer and/or secretary, or for reading meters for the public service district. Op. Att'y Gen., July 14, 1988, No. 2.

Exemptions. — Public service districts of West Virginia are political subdivisions of the State, and as such, they are specifically, by express statute, exempted from the duty of paying registration fees (provided by § 17A-10-8), the privilege tax (imposed by § 17A-3-4), and the certificate of title charge (required by § 17A-3-4). 49 Op. Att'y Gen. 131 (1961).

Furnishing water to another state. — A public service district may furnish water wholesale in bulk quantities to a municipal corporation in another state. 51 Op. Att'y Gen. 739 (1966).

Applied in McCloud v. Salt Rock Water Pub. Serv. Dist., 207 W. Va. 453, 533 S.E.2d 679, 2000 W. Va. LEXIS 60 (2000).

Cited in State v. Neary, 179 W. Va. 115, 365 S.E.2d 395, 1987 W. Va. LEXIS 687 (1987).

§ 16-13A-3a. Removal of members of public service board.

The county commission or the Public Service Commission or any other appointive body creating or establishing a public service district under the provisions of this article, or any group of five percent or more of the customers of a public service district, may petition the circuit court of the county in which the district maintains its principal office for the removal of any member of the governing board thereof for consistent violations of any provisions of this article, for reasonable cause which includes, but is not limited to, a continued failure to attend meetings of the board, failure to diligently pursue the objectives for which the district was created, or failure to perform any other duty either prescribed by law or required by a final order of the Public Service Commission or for any malfeasance in public office. Any board member charged with a violation under this section who offers a successful defense against such charges shall be reimbursed for the reasonable costs of such defense from district revenues. Such costs shall be considered as costs associated with rate determination by the public service district and the Public Service Commission. If the circuit court judge hearing the petition for removal finds that the charges are frivolous in nature, the judge may assess all or part of the court costs, plus the reasonable costs associated with the board member's defense, against the party or parties who petitioned the court for the board member's removal.

History. (1963, c. 75; 1971, c. 72; 1981, c. 124; 1986, c. 81.)

Textbooks. — Instructions for Virginia and West Virginia, Publisher's Editorial Staff (Michie).

Quoted in State v. Neary, 179 W. Va. 115, 365 S.E.2d 395, 1987 W. Va. LEXIS 687 (1987).

§ 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 dollars per attendance at additional special meetings, total salary not to exceed three thousand seven hundred fifty dollars per annum; and

(4) For districts with four thousand or more customers, up to one hundred fifty dollars per attendance at regular monthly meetings and one hundred dollars per attendance at additional special meetings, total salary not to exceed five thousand four hundred dollars per annum.

The public service district shall certify the number of customers served to the Public Service Commission beginning on the first day of July, one thousand nine hundred eighty-six, and continue each fiscal year thereafter.

(c) Public service districts selling water to other water utilities for resale may adopt the following salaries for its board members:

(1) For districts with annual revenues of less than fifty thousand dollars, 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 annual revenues of fifty thousand dollars or more, but less than two hundred fifty thousand dollars, up to one hundred dollars per attendance at regular monthly meetings and seventy-five dollars per attendance at special meetings, total salary not to exceed two thousand five hundred fifty dollars per annum;

(3) For districts with annual revenues of two hundred fifty thousand dollars or more, but less than five hundred thousand dollars, up to one hundred twenty-five dollars per attendance at regular monthly meetings and seventy-five dollars per attendance at additional special meetings, total salary not to exceed three thousand seven hundred fifty dollars per annum; and

(4) For districts with annual revenues of five hundred thousand dollars or more, up to one hundred fifty dollars per attendance at regular monthly meetings and one hundred dollars per attendance at additional special meetings, total salary not to exceed five thousand four hundred dollars per annum.

The public service district shall certify the number of customers served and its annual revenue to the Public Service Commission beginning on the first day of July, two thousand, and continue each fiscal year thereafter.

(d) Board members may be reimbursed for all reasonable and necessary expenses actually incurred in the performance of their duties as provided for by the rules of the board.

(e) The board shall by resolution determine its own rules of procedure, fix the time and place of its meetings and the manner in which special meetings may be called. Public notice of meetings shall be given in accordance with section three [§ 6-9A-3], article nine-a, chapter six of this code. Emergency meetings may be called as provided for by said section. A majority of the members constituting the board also constitute a quorum to do business.

(f) The members of the board are not personally liable or responsible for any obligations of the district or the board, but are answerable only for willful 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.

History. (1953, c. 147; 1981, c. 124; 1986, c. 81; 1997, c. 159; 2000, c. 199; 2005, c. 196.)

Effect of amendment of 2000. — Acts 2000, c. 199, effective June 9, 2000, rewrote the section.

Effect of amendment of 2005. — Acts 2005, c. 196, effective July 7, 2005, rewrote the second sentence in (f) pertaining to the changing of the official or corporate name of a public service district by the public service board; and made minor stylistic changes.

Compensation for performing additional duties. — Board members of a public service district could not be compensated for performing the duties of treasurer and/or secretary, or for reading meters for the public service district. Op. Att'y Gen., July 14, 1988, No. 2.

§ 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 another public service district may, as an alternative to hiring its own general manager, elect to permit the general manager of the municipal water, sewer or stormwater system or public service district from which such water, sewer or stormwater service is purchased provide professional management to the district, if the appropriate municipality or public service board agrees to provide such assistance. The general manager shall receive reasonable compensation for such service.

History. (1953, c. 147; 1981, c. 124; 1986, c. 81; 2002, c. 272.)

Effect of amendment of 2002. — Acts 2002, c. 272, effective June 7, 2002, inserted "or stormwater" following "sewer" four times in the third paragraph, and made minor stylistic changes.

§ 16-13A-6. Employees of board.

The board may in its discretion from time to time by resolution passed by a majority vote provide for the employment of an attorney, fiscal agent, one or more engineers and such other employees as the board may determine necessary and expedient. The board shall in and by such resolution fix the term of employment and compensation and prescribe the duties to be performed by such employees.

History. (1953, c. 147; 1981, c. 124.)

§ 16-13A-7. Acquisition and operation of district properties.

The board of such districts shall have the supervision and control of all public service properties acquired or constructed by the district, and shall have the power, and it shall be its duty, to maintain, operate, extend and improve the same, including, but not limited to, those activities necessary to comply with all federal and state requirements, including water quality improvement activities. All contracts involving the expenditure by the district of more than fifteen thousand dollars for construction work or for the purchase of equipment and improvements, extensions or replacements, shall be entered into only after notice inviting bids shall have been published as a Class I legal advertisement in compliance with the provision of article three [§§ 59-3-1 et seq.], chapter fifty-nine of this code, and the publication area for such publication shall be as specified in section two [§ 16-13A-2] of this article in the county or counties in which the district is located. The publication shall not be less than ten days

prior to the making of any such contract. To the extent allowed by law, in-state contractors shall be given first priority in awarding public service district contracts. It shall be the duty of the board to ensure that local in-state labor shall be utilized to the greatest extent 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.

History. (1953, c. 147; 1967, c. 105; 1981, c. 124; 1982, c. 24; 1986, c. 81; 1997, c. 159; 2002, c. 272.)

Effect of amendment of 2002. — Acts 2002, c. 272, effective June 7, 2002, added "including, but not limited to, those activities necessary to comply with all federal and state requirements, including water quality improvement activities" to the end of the first sentence.

§ 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 and in accordance with the ordinance, resolution or other proceedings which authorize the issuance of such revenue bonds or obligations.

Whenever such district has constructed, acquired or established water facilities, sewer facilities, a stormwater system, stormwater management program or gas facilities for water, sewer, stormwater or gas services within any city, incorporated town or other municipal corporation included within a district, then such city, incorporated town or other municipal corporation may not thereafter construct, acquire or establish any facilities of the same kind within such city, incorporated town or other municipal corporation without the consent of such district.

For the purpose of acquiring any public service properties or lands, rights or easements deemed necessary or incidental for the purposes of the district, each such district has the right of eminent domain to the same extent and to be exercised in the same manner as now or hereafter provided by law for such right of eminent domain by cities, incorporated towns and other municipal corporations: Provided, That the power of eminent domain provided in this section does not extend to highways, road and drainage easements, or stormwater facilities constructed, owned or operated by the West Virginia Division of Highways without the express agreement of the Commissioner of Highways: Provided, however, That such board may not acquire all or any substantial part of a privately owned waterworks system unless and until authorized so to do by the Public Service Commission of West Virginia, and that this section shall not be construed to authorize any district to acquire through condemnation proceedings either in whole or substantial part an existing privately owned waterworks plant or system or gas facilities located in or furnishing water or gas service within such district or extensions made or to be made by it in territory contiguous to such existing plant or system, nor may any such board construct or extend its public service properties to supply its services into areas served by or in competition with existing waterworks or gas facilities or extensions made or to be made in territory contiguous to such existing plant or system by the owner thereof.

History. (1953, c. 147; 1980, c. 60; 1981, c. 124; 2002, c. 272.)

Effect of amendment of 2002. — Acts 2002, c. 272, effective June 7, 2002, in the second paragraph, inserted "stormwater facilities" following "sewer facilities" in the proviso; in the third paragraph, inserted "a stormwater system, stormwater management program" following "sewer facilities" and "stormwater" preceding "or gas services"; in the last paragraph, added a new first proviso and redesignated the former first proviso as the second.

Eminent domain. — The grant of power of eminent domain to public service districts by this section is valid. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693, 1955 W. Va. LEXIS 42 (1955).

If a facility creates a nuisance this harm is simply an element of just compensation in an eminent domain proceeding. Sexton v. Public Serv. Comm'n, 188 W. Va. 305, 423 S.E.2d 914, 1992 W. Va. LEXIS 210 (1992).

Public service commission, in the absence of specific statutory authority, is not empowered to determine whether particular property interests acquired or to be acquired by a utility are compensable in an eminent domain action, or to render any type of monetary judgment for such property interests. Affixing the value of the property taken is the function of the trier of fact in an eminent domain proceeding. Sexton v. Public Serv. Comm'n, 188 W. Va. 305, 423

S.E.2d 914, 1992 W. Va. LEXIS 210 (1992).

Superior right of municipality to extend public services. — 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 under this section to extend public services, such as water and/or sewer service, which were not being previously furnished to the tract by the public service district. Berkeley County Pub. Serv. Sewer Dist. v. West Va. Pub. Serv. Comm'n, 204 W. Va. 279, 512 S.E.2d 201, 1998 W. Va. LEXIS 217 (1998).

When consent of municipality needed. — Where municipality has superior right to extend social services, a public service district would need the consent of the municipality and the public service commission in order to provide such services. Berkeley County Pub. Serv. Sewer Dist. v. West Va. Pub. Serv. Comm'n, 204 W. Va. 279, 512 S.E.2d 201, 1998 W. Va. LEXIS 217 (1998).

Cited in 45 Op. Att'y Gen. 506 (1953).

§ 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 [§ 24-3-8], 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 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 [§ 16-1-9], 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) Whenever any district has made available a stormwater system to any owner, tenant or occupant of any real property located near the stormwater system and where stormwater from real property affects or drains into the stormwater system, it is hereby found, determined and declared that the owner, tenant or occupant is being served by the stormwater system and 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.

(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 [§ 22-11-3], 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 [§ 22-11-11], article eleven, chapter twenty-two of this code, is exempt from the provisions of this section.

History. (1953, c. 147; 1965, c. 134; 1980, c. 60; 1981, c. 124; 1986, c. 81; 1989, c. 174; 1994, c. 61; 2002, c. 272; 2003, c. 183.)

Code of State Rules References. — Rules and regulations for the government of gas utilities and gas pipeline safety, 150 CSR 4, effective July 21, 1996.

Rules and regulations for the government of sewer utilities, 150 CSR 5, effective October 24, 2003.

Rules and regulations for the government of telephone utilities, 150 CSR 6, effective October 10, 2000.

Rules and regulations for the government of water utilities, 150 CSR 7, effective October 24, 2003.

Effect of amendment of 2002. — Acts 2002, c. 272, effective June 7, 2002, inserted "fees" following "rates" throughout the section; in the first paragraph, deleted "and regulations" following "needful rules" in the first sentence, inserted a new third sentence, substituted "Where water, sewer, stormwater or gas

services, or any combination thereof" for "Where water, sewer and gas services" in the present fourth sentence; inserted the fifth paragraph; in the present sixth paragraph, inserted "stormwater systems or stormwater management systems" following "sewer facilities" and "stormwater" preceding "or gas bills" in the first sentence.

Effect of amendment of 2003. — Acts 2003, c. 183, effective June 6, 2003, added subsection designations; rewrote present (a)(2), and (c); in (d), substituted "division of health" for "bureau of public health," added "tenant or occupant" to the end of the next-to-last sentence, and added the last sentence; in (f), substituted "gas facilities or stormwater systems or stormwater management programs" for "stormwater systems or stormwater management systems or gas facilities" and added the proviso to the end; and made minor stylistic changes.

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

Abandonment of private systems. — Where a public service district requires a property owner, tenant, or occupant to connect onto its sewer system and to abandon a private sewer system located on the property, such person cannot recover from the public service district the value of the private system on the ground that such abandonment constitutes a taking of private property without just compensation within the meaning of W. Va. Const., art. III, § 9. Kingmill Valley Pub. Serv. Dist. v. Riverview Estates Mobile Home Park, 182 W. Va. 116, 386 S.E.2d 483, 1989 W. Va. LEXIS 219 (1989).

Buffer-zone requirements. — Public Service Commission did not err in finding that the proposed sewage lagoons site satisfied the buffer-zone requirements. Sexton v. Public Serv. Comm'n, 188 W. Va. 305, 423 S.E.2d 914, 1992 W. Va. LEXIS 210 (1992).

Duty to pay. — Owners, tenants, or occupants have a duty under this section to pay rates and charges for the district sewer facilities from and after the date of receipt of notice (now 30 days after receipt) that such facilities are available. Rhodes v. Malden Pub. Serv. Dist, 171 W. Va. 645, 301 S.E.2d 601, 1983 W. Va. LEXIS 488 (1983) (construing this section prior to 1980 and 1981 amendments).

Liens. — The provision that delinquent fixed rates and charges for services rendered by a public service district shall be a lien on the premises served of equal dignity, rank and priority with the lien on such premises of state, county, school and municipal taxes, does not deprive the owners of their property without due process of law. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693, 1955 W. Va. LEXIS 42 (1955).

Public service district liens created and enforceable under this section are subject to the recordation requirements of § 38-10C-1 so that such liens must be docketed to be enforceable against a purchaser of the property for valuable consideration, without notice. McClung Invs., Inc. v. Green Valley Community Pub. Serv. Dist, 199 W. Va. 490, 485 S.E.2d 434, 1997 W. Va. LEXIS 56 (1997).

Sewer connection requirements. — The boards of public service districts have no authority to require potential users who live outside the boundaries of the districts, but within the 10-mile limit, to hook onto the district's sewer facilities. Op. Att'y Gen., July 8, 1976.

Quoted in State ex rel. Water Dev. Auth. v. Northern Wayne County Pub. Serv. Dist., 195 W. Va. 135, 464 S.E.2d 777, 1995 W. Va. LEXIS 185 (1995).

§ 16-13A-9a. Limitations with respect to foreclosure.

No public service district shall foreclose upon the premises served by such district for delinquent fees, rates or charges for which a lien is authorized by sections nine [§ 16-13A-9] or nineteen [§ 16-13A-19] of this article except through the bringing and maintenance of a civil action for such purpose brought in the circuit court of the county wherein the district lies. In every such action, the court shall be required to make a finding based upon the evidence and facts presented that 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.

History. (1982, c. 74.)

§ 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.

History. (1953, c. 147; 1981, c. 124.)

Textbooks. — Instructions for Virginia and West Virginia, Publisher's Editorial Staff (Michie).

§ 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 pertaining thereto by the Public Service Commission, showing receipts from operation and application of the same, and the board shall at least once a year cause such accounts to be properly audited: Provided, That such audit may be any audit by an independent public accountant completed within one year of the time required for the submission of the report: Provided, however, That if the district is required to have its books, records and accounts audited annually by an independent certified public accountant as a result of any covenant in any board resolution or bond instrument, a copy of such audit may be submitted in satisfaction of the requirements of this section, and is hereby found, declared and determined to be sufficient to satisfy the requirements of article nine [§§ 6-9-1 et seq.], chapter six of this code pertaining to the annual audit report by the state Tax Commission. A copy of the audit shall be forwarded within thirty days of submission to the county commission and to the Public Service Commission.

The treasurer of each public service district shall keep and preserve all financial records of the public service district for ten years, and shall at all times have such records readily available for public inspection. At the end of his term of office, the treasurer of each public service district shall promptly deliver all financial records of the public service district to his successor in office. Any treasurer of a public service district who knowingly or willfully violates any provision of this section is guilty of a misdemeanor, and shall be fined not less than one hundred dollars nor more than five hundred dollars or imprisoned in the county jail not more than ten days, or both.

History. (1953, c. 147; 1981, c. 124; 1986, c. 81.)

Textbooks. — Instructions for Virginia and West Virginia, Publisher's Editorial Staff (Michie).

§ 16-13A-12. Disbursement of district funds.

No money may be paid out by a district except upon an order signed by the chairman and secretary of such board, or such other person or persons authorized by the chairman or secretary, as the case may be, to sign such orders on their behalf. Each order for the payment of money shall specify the purposes for which the amount thereof is to be paid, with sufficient clearness to indicate the purpose for which the order is issued, and there shall be endorsed thereon the name of the particular fund out of which it is payable and it shall be payable from the fund constituted for such purpose, and no other. All such orders shall be reflected in the minutes of the next meeting of the board.

History. (1953, c. 147; 1981, c. 124.)

§ 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 resolu-

tion 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.

History. (1953, c. 147; 1970, cc. 11, 12; 1970, 1st Ex. Sess., c. 2; 1980, c. 33; 1981, 1st Ex. Sess., c. 2; 1989, c. 174.)

Cross references. — Procedure for borrowing and issuing bonds, § 16-13A-25.

§ 16-13A-14. Items included in cost of properties.

The cost of any public service properties acquired under the provisions of this article shall be deemed to include the cost of the acquisition or construction thereof, the cost of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements and extensions thereto; for stormwater systems and associated stormwater management programs, those activities which include, but are not limited to, water quality improvement activities necessary to comply with all federal and state requirements; interest upon bonds prior to and during construction or acquisition and for six months after completion of construction or of acquisition of the improvements and extensions; engineering, fiscal agents and legal expenses; expenses for estimates of cost and of 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, and the construction or acquisition of the properties and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof.

History. (1953, c. 147; 2002, c. 272.)

Effect of amendment of 2002. — Acts 2002, c. 272, effective June 7, 2002, inserted "for stormwater systems ... federal and state requirements" following the first phrase.

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

In the discretion and at the option of the board such bonds may be secured by a trust indenture by and between the district and a corporate trustee, which may be a trust company or bank having powers of a trust company within or without the State of West Virginia, but no such trust indenture shall convey, mortgage or create any lien upon the public service properties or any part thereof. The resolution authorizing the bonds and fixing the details thereof may provide that such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of bondholders as may be reasonable 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.

History. (1953, c. 147.)

§ 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.

History. (1953, c. 147.)

§ 16-13A-17. Collection, etc., of revenues and enforcement of covenants; default; suit, etc., by bondholder or trustee to compel performance of duties; appointment and powers of receiver.

The board of any such district shall have power to insert enforceable provisions in any resolution authorizing the issuance of bonds relating to the collection, custody and application of revenues of the district from the operation of the public service properties under its control and to the enforcement of the covenants and undertakings of the district. In the event there shall be default in the sinking fund provisions aforesaid or in the payment of the principal or interest on any of such bonds or, in the event the district or its board or any of its officers, agents or employees, shall fail or refuse to comply with the provisions of this article, or shall default in any covenant or agreement made with respect to the issuance of such bonds or offered as security therefor, then any holder or holders of such bonds and any such trustee under the trust indenture, if there be one, shall have the right by suit, action, mandamus or other proceeding instituted in the circuit court for the county or any of the counties wherein the district extends, or in any other court of competent jurisdiction, to enforce and compel performance of all duties required by this article or undertaken by the district in connection with the

issuance of such bonds, and upon application of any such holder or holders, or such trustee, such court shall, upon proof of such defaults, appoint a receiver for the affairs of the district and its properties, which receiver so appointed shall forthwith directly, or by his agents and attorneys, enter into and upon and take possession of the affairs of the district and each and every part thereof, and hold, use, operate, manage and control the same, and in the name of the district exercise all of the rights and powers of such district as shall be deemed expedient, and such receiver shall have power and authority to collect and receive all revenues and apply same in such manner as the court shall direct. Whenever the default causing the appointment of such receiver shall have been cleared and fully discharged and all other defaults shall have been cured, the court may in its discretion and after such notice and hearing as it deems reasonable and proper direct the receiver to surrender possession of the affairs of the district to its board. Such receiver so appointed shall have no power to sell, assign, mortgage, or otherwise dispose of any assets of the district except as hereinbefore provided.

History. (1953, c. 147.)

Rules of Civil Procedure. — As to abolition of the procedural distinctions between law and equity, see Rule 2.

As to receivers, see Rule 66.

As to application of rules to writ of mandamus, see Rule 81(a)(5).

As to effect of rules on jurisdiction and venue, see Rule 82.

Mandamus. — Mandamus is a proper remedy to be pursued by the holder of a municipal revenue bond to require a municipal corporation to comply with rate covenants in its revenue bonds. State ex rel. Allstate Ins. Co. v. Union Pub. Serv. Dist., 151 W. Va. 207, 151 S.E.2d 102, 1966 W. Va. LEXIS 215 (1966).

Under this section, any holder of the bonds of the Union public service district shall have the right by mandamus to enforce and compel the performance of all the duties required by statute or undertaken by the district in connection with the issuance of bonds by such district. State ex rel. Allstate Ins. Co. v. Union Pub. Serv. Dist., 151 W. Va. 207, 151 S.E.2d 102, 1966 W. Va. LEXIS 215 (1966).

§ 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.

History. (1953, c. 147.)

§ 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 [§§ 59-3-1 et seq.], 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.

In the event of any such sale, the proceeds thereof, if any, remaining after payment of all outstanding bonds and other obligations of the district, shall be ratably distributed to any persons who have made contributions in aid of construction of such water, sewer, stormwater or gas system, such distribution not to exceed the actual amount of any such contribution, without interest, and any balance of funds thereafter remaining shall be paid to the county commission of the county in which the major portion of such water, sewer, stormwater or gas system is located to be placed in the general funds of such county commission.

History. (1963, c. 75; 1981, c. 124; 1986, c. 81; 1997, c. 160; 2002, c. 272.)

Effect of amendment of 2002. — Acts 2002, c. 272, effective June 7, 2002, inserted "stormwater" following "sewer" in the section heading and throughout the section.

§ 16-13A-19. Statutory mortgage lien created; foreclosure thereof.

There shall be and is hereby created a statutory mortgage lien upon such public service properties of the district, which shall exist in favor of the holders of bonds hereby authorized to be issued, and each of them, and the coupons attached to said bonds, and such public service properties shall remain subject to such statutory mortgage lien until payment in full of all principal of and interest on such bonds. Any holder of such bonds, of any coupons attached thereto, may, either at law or in equity, enforce said statutory mortgage lien conferred hereby and upon default in the payment of the principal of or interest on said bonds, may foreclose such statutory mortgage lien in the manner now provided by the laws of the State of West Virginia for the foreclosure of mortgages on real property.

History. (1953, c. 147.)

Rules of Civil Procedure. — As to abolition of the procedural distinctions between law and equity, see Rule 2.

In general. — The provision granting bondholders a statutory mortgage lien is valid. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693, 1955 W. Va. LEXIS 42 (1955).

§ 16-13A-20. Refunding revenue bonds.

The board of any district having issued bonds under the provisions of this article is hereby empowered thereafter by resolution to issue refunding bonds of such district for the purpose of retiring or refinancing such outstanding 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.

History. (1953, c. 147.)

In general. — The only purpose for refunding bonds is the retirement or refinancing of outstanding bond issues of a particular district. Op. Att'y Gen., July 8, 1976.

Combination of bond issues. — Combination of two outstanding bond issues into one refunding bond issue may well be restricted by the use of the singular language in this section. Op. Att'y Gen., July 8, 1976.

Previous issuance of bonds. — This section is clearly written in language which speaks only of refunding bonds issued by any district which has previously issued bonds. Op. Att'y Gen., July 8, 1976.

§ 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.

History. (1953, c. 147; 1986, c. 81; 1994, c. 61.)

Constitutionality. — The tax exemption granted to the property, income, and bonds of the district does not violate W. Va. Const., art. X, § 1. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693, 1955 W. Va. LEXIS 42 (1955).

Applied in Rhodes v. Malden Pub. Serv. Dist, 171 W. Va. 645, 301 S.E.2d 601, 1983 W. Va. LEXIS 488 (1983).

§ 16-13A-22. Validation of prior acts and proceedings of county courts for creation of districts, inclusion of additional territory, and appointment of members of district boards.

All acts and proceedings taken by any county court [county commission] of this State purporting to have been carried out under the provisions of this article which have been taken, prior to the date this section takes effect for the purpose of creating public service districts or for the purpose of subsequent inclusion of additional territory to existing public service districts, after notice published by any such county court having territorial jurisdiction thereof of its intention to include such additional territory after hearing thereon, are hereby validated, ratified, approved and confirmed notwithstanding any other lack of power (other than constitutional) of any such county court to create such public service districts or to include additional territory to existing public service districts or irregularities (other than constitutional) in such proceedings, relating to the appointment and qualification of more than three members to the board of any such public service district or the subsequent appointment of successors of any or all of such members, notwithstanding that no city, incorporated town or other municipal corporation having a population in excess of three thousand is included within the district, and the appointment and qualification of such members, and further including any irregularities in the petition for the creation of any public service district, irregularities in the description of the area embraced by such district, and irregularities in the notice and publication of notice for the hearing creating such district, prior to the date this section takes effect, is hereby validated, ratified, approved and confirmed; and, further, in such cases where more than three members of the board of such districts have been so appointed prior to the date this section takes effect then such county court shall appoint, and they are hereby authorized and empowered to appoint, successors to such members in the manner as otherwise provided by this article.

History. (1958, c. 14; 1960, c. 19.)

Editor's notes. — For construction of the county court as the county commission, see W.Va. Const. art. IX, § 9.

Concerning the reference to "the date this section takes effect", Acts 1958, c. 14, which enacted this section and included this language, became effective February 1, 1958. Acts 1960, c. 19, which amended this section, provided that the act take effect January 29, 1960.

§ 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 [county commission] 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.

History. (1958, c. 14; 1960, c. 19; 1965, c. 134.)

Editor's notes. — For construction of the county court as the county commission, see W.Va. Const. art. IX, § 9.

Concerning the reference to "the date this section takes effect", Acts 1965, c. 134, which amended this section, provided that the act take effect March 13, 1965.

§ 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 advances may be paid from the proceeds thereof until the maturity of such notes or other negotiable instrument.

History. (1958, c. 14; 1980, c. 60; 1981, c. 124; 1986, c. 118; 2002, c. 272.)

Effect of amendment of 2002. — Acts 2002, c. 272, effective June 7, 2002, inserted "stormwater systems or stormwater management systems" and "stormwater system or associated stormwater management system."

Permissible borrowing. — The borrowing by public service districts of money from counties and/or municipalities, as evidenced by a note, is permissible borrowing under this section. Op. Att'y Gen., May 6, 1988, No. 27.

§ 16-13A-25. Borrowing and bond issuance; procedure.

(a) Notwithstanding any other provisions of this article to the contrary, a public service district may not borrow money, enter into contracts for the provision of engineering, design or feasibility studies, issue or contract to issue revenue bonds or exercise any of the powers conferred by the provisions of section thirteen [§ 16-13A-13], twenty [§ 16-13A-20] or twenty-four [§ 16-13A-24] of this article without the prior consent and approval of the Public Service Commission: Provided, That approval of funding set forth in section eleven [§ 24-2-11], article two, chapter twenty-four of this code or this section is not required if the funding is for a project which has received a certificate of public convenience and necessity after eighth day of July, two thousand five, from the commission and where the cost of the project changes but the change does not affect the rates established for the project.

(b) The Public Service Commission may waive the provision of prior consent and approval for entering into contracts for engineering, design or feasibility studies pursuant to this section for good cause shown which is evidenced by the public service district filing a request for waiver of this section stated in a letter directed to the commission with a brief description of the project, a verified statement by the board members that the public service district has complied with chapter five-g [§§ 5G-1-1 et seq.] of this code, and further explanation of ability to evaluate their own engineering contract, including, but not limited to:

(1) Experience with the same engineering firm; or

(2) Completion of a construction project requiring engineering services. The district shall also forward an executed copy of the engineering contract to the commission after receiving approval of the waiver.

(c) An engineering contract that meets one or more of the following criteria is exempt from the waiver or approval requirements:

(1) A contract with a public service district that is a Class A utility on the first day of April, two thousand three, or subsequently becomes a Class A utility as defined by commission rule;

(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 [§§ 24-1-1 et seq.] of this code when a public service district is seeking to acquire or construct public service property.

History. (1969, 1st Ex. Sess., c. 6; 1981, c. 124; 1986, c. 81; 1996, c. 213; 1997, c. 159; 2003, c. 184; 2005, c. 193; 2006, c. 190.)

Cross references. — Class II legal advertisement defined, § 59-3-2.

Effect of amendment of 2003. — Acts 2003, c. 184, effective June 5, 2003, added subsection designations; inserted (c) and (d); in (b), substituted "a verified statement by the board members that the public service district has complied" for "evidence of compliance," deleted "in the past two years requiring engineering services" from the end of subdivision (1), and deleted "within the past two years" preceding "requiring engineering services" in subdivision (2); and rewrote the final paragraph of the section, deleting former subdivisions (a) through (e) regarding requirements for legal advertisements giving public notice of projects.

Effect of amendment of 2005. — Acts 2005, c. 193, effective July 8, 2005, deleted the second paragraph in (e), pertaining to prefiling of plans by the public service district; and made minor stylistic changes.

Effect of amendment of 2006. — Acts 2006, c. 190, effective June 8, 2006, added the proviso to the end of (a); and made minor stylistic changes.

A.L.R. references. — Remedies for sewage treatment plant alleged or deemed to be nuisance, 101 A.L.R.5th 287.

Certificate. — Under this section, a public service district must first obtain a certificate of public convenience and necessity before it can acquire or construct public service property. Sexton v. Public Serv. Comm'n, 188 W. Va. 305, 423 S.E.2d 914, 1992 W. Va. LEXIS 210 (1992).

Eminent domain. — Although construction of a new facility proposed by a utility will often require the taking of private property through eminent domain, in the absence of express statutory language, the public service commission has no duty to review and decide issues that are inherent in the eminent domain proceeding. Sexton v. Public Serv. Comm'n, 188 W. Va. 305, 423 S.E.2d 914, 1992 W. Va. LEXIS 210 (1992).

ARTICLE 13B.

COMMUNITY IMPROVEMENT ACT.

Sec.

16-13B-1. Short title.
16-13B-2. Definitions.
16-13B-3. Power and authority of counties and municipalities relating to flood relief, wastewater and water projects.
16-13B-4. Determination of need and feasibility of creating an assessment district.
16-13B-5. Notice to property owners before creation of assessment district and construction of project; form of notice; affidavit of publication.
16-13B-6. Petition of property owners for creation of assessment district.
16-13B-7. Receipt of petition of property owners; ordinance or order authorizing creation of assessment district and construction of project.
16-13B-8. Assessment district to be a public corporation and political subdivision; powers thereof; community improvement boards.
16-13B-9. Provisions for construction of a project.
16-13B-10. Notice to property owners of assessments; hearings, correcting and laying assessments; report on project completion; permits.
16-13B-11. Construction of projects; assessments; corner lots, etc.
16-13B-12. Apportionment and assessment of cost.
16-13B-13. Assessment against property of public, charitable, eleemosynary, educational or religious institutions; duty of those in charge to cause assessments to be paid.
16-13B-14. Method of paying for cost of project; how assessments may be evidenced.

State of West Virginia

Certificate

I, Betty Ireland, Secretary of State of the State of West Virginia, hereby certify that

THIS IS A TRUE COPY OF CHAPTER 31, ARTICLE 15A, OF THE WEST VIRGINIA CODE, AND CHAPTER 31, ARTICLE 15A, OF THE 2006 SUPPLEMENT TO THE WEST VIRGINIA CODE, AS INDICATED BY THE RECORDS OF THIS OFFICE.

Given under my hand and the Great Seal of the State of West Virginia on

February 23, 2007

Betty Ireland

Secretary of State

ARTICLE 15A.

WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL.

Sec.
31-15A-1. Short title.
31-15A-2. Definitions.
31-15A-3. West Virginia infrastructure and jobs development council continued; members of council; staff of council.
31-15A-4. Development of guidelines and preliminary application for funding assistance.
31-15A-5. Requirements for project funding assistance; review of project preliminary applications by council.
31-15A-6. Powers, duties and responsibilities of the council generally; comprehensive assessment.
31-15A-7. Current and prospective planning; roads and highways; report to division of highways.
31-15A-8. Exemption of certain emergency projects from certificate of public convenience and necessity requirements; review of certain emergency projects by public service commission; and exemption for North Fork Hughes River watershed project.
31-15A-9. Infrastructure fund; deposits in fund; disbursements to provide loans, loan guarantees, grants and other assistance; loans, loan guarantees, grants and other assistance shall be subject to assistance agreements.
31-15A-10. Recommendations by council for expenditures of funds by loan, grant or for engineering assistance.
31-15A-11. Reservation of funds for projects and infrastructure projects.
31-15A-12. Additional powers of water development authority.
Sec.
31-15A-13. Prohibition on funds inuring to the benefit of or being distributable to water development board; transactions between the water development board and officers having certain interests in such transactions.
31-15A-14. Termination or dissolution.
31-15A-15. Projects not to be considered public improvements; competitive bid requirements.
31-15A-16. Dedication of severance tax proceeds.
31-15A-17. Water development authority empowered to issue infrastructure revenue bonds and refunding bonds; creation of infrastructure revenue debt service fund; funding of infrastructure revenue debt service fund; requirements and manner of such issuance.
31-15A-17a. Infrastructure revenue bonds payable from A. James Manchin fund.
31-15A-18. Trustee for holders of infrastructure revenue bonds; contents of trust agreement.
31-15A-19. Legal remedies of infrastructure revenue bondholders or noteholders and trustees.
31-15A-20. Infrastructure revenue bonds lawful investments.
31-15A-21. Purchase and cancellation of infrastructure revenue bonds.
31-15A-22. Refunding revenue bonds.
31-15A-23. Infrastructure revenue bonds not debt of state, county, municipality or any political subdivision.
31-15A-24. Infrastructure revenue bonds exempt from taxation.

§ 31-15A-1. Short title.

This article shall be known and may be cited as the "West Virginia Infrastructure and Jobs Development Act." (1994, 1st Ex. Sess., c. 26.)

Cited in State ex rel. Cooper v. Caperton, 196 W. Va. 208, 470 S.E.2d 162 (1996).

§ 31-15A-2. Definitions.

For purposes of this article:

(a) "Bond" or "infrastructure revenue bond" means a revenue bond, note, or other obligation issued by the water development authority pursuant to this article, including bonds to refund such bonds and notes to renew such notes, and notes in anticipation of and payable from the proceeds of such bonds.

(b) "Code" means the code of West Virginia, one thousand nine hundred thirty-one, as amended;

(c) "Cost" means, as applied to any project to be financed, in whole or in part, with infrastructure revenues or funds otherwise provided pursuant to this article, the cost of planning, acquisition, improvement and construction of the project; the cost of preliminary design and analysis, surveys, borings; the cost of environmental, financial, market and engineering feasibility studies, assessments, applications, approvals, submissions or clearances; the cost of preparation of plans and specifications and other engineering services; the cost of acquisition of all land, rights-of-way, property rights, easements, franchise rights and any other interests required for the acquisition, repair, improvement or construction of the project; the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which buildings or structures may be moved; the cost of excavation, grading, shaping or treatment of earth, demolishing or removing any buildings or structures; the cost of constructing any buildings or other improvements; the cost of all pumps, tanks, vehicles, apparatus and other machinery, furnishings and equipment; loan or origination fees and all finance charges and interest incurred prior to and during the construction and for no more than six months after completion of construction; the cost of all legal services and expenses; the cost of all plans, specifications, surveys and estimates of cost; all working capital and other expenses necessary or incident to determining the feasibility or practicability of acquiring, repairing, improving or constructing any project; the cost of placing any project in operation; and all other costs and expenses of any kind or nature incurred or to be incurred by the project sponsor developing the project that are reasonable and necessary for carrying out all works and undertakings necessary or incident to the accomplishment of any project: Provided, That costs shall not include any amounts related to the ongoing operations of the owner or operator, depreciation thereof or any other cost which the council or the water development authority has not determined to be consistent with the purposes and objectives of this article;

(d) "Council" means the West Virginia infrastructure and jobs development council created in section three [§ 31-15A-3] of this article;

(e) "Division of environmental protection" means the division [department] of environmental protection established under article one [§§ 22-1-1 et seq.], chapter twenty-two of this code, or any successor to all or any substantial part of its powers and duties;

(f) "Division of health" means the division of health created in article one [§§ 16-1-1 et seq.], chapter sixteen of this code, or any successor to all or any substantial part of its powers and duties;

(g) "Economic development authority" means the economic development authority established under article fifteen [§§ 31-15-1 et seq.], chapter thirty-one of the code, or any successor to all or any substantial part of its powers and duties;

(h) "Emergency project" means a project which the council has determined: (1) Is essential to the immediate economic development of an area of the state; and (2) will not likely be developed in that area if construction of the project is not commenced immediately;

(i) "Governmental agency" means any county; municipality; watershed improvement district; assessment district; soil conservation district; sanitary district; public service district; drainage district; regional governmental authority and any other state governmental agency, entity, political subdivision or public corporation or agency authorized to acquire, construct or operate water or wastewater facilities or infrastructure projects;

(j) "Housing development fund" means the West Virginia housing development fund established under article eighteen [§§ 31-18-1 et seq.] of this chapter, or any successor to all or any substantial part of its powers and duties;

(k) "Infrastructure fund" means the West Virginia infrastructure fund created and established in section nine [§ 31-15A-9] of this article;

(*l*) "Infrastructure project" means a project in the state which the council determines is likely to foster and enhance economic growth and development in the area of the state in which the project is developed, for commercial, industrial, community improvement or preservation or other proper purposes, including, without limitation, tourism and recreational housing, land, air or water transportation facilities and bridges, industrial or commercial projects and facilities, mail order, warehouses, wholesale and retail sales facilities and other real and personal properties, including facilities owned or leased by this state or any other project sponsor, and includes, without limitation: (1) The process of acquiring, holding, operating, planning, financing, demolition, construction, improving, expanding, renovation, leasing or otherwise disposing of the project or any part thereof or interest therein; and (2) preparing land for construction and making, installing or constructing improvements on the land, including water or wastewater facilities or any part thereof, steam, gas, telephone and telecommunications and electric lines and installations, roads, bridges, railroad spurs, buildings, docking and shipping facilities, curbs, gutters, sidewalks, and drainage and flood control facilities, whether on or off the site;

(m) "Infrastructure revenue" means all amounts appropriated by the Legislature; all amounts deposited into the infrastructure fund; any amounts received, directly or indirectly, from any source for the use of all or any part of any project completed pursuant to this article; and any other amounts received by the state treasurer, council or the water development authority for the purposes of this article;

(n) "Need of the project sponsors" means there is a public need for a project. The council shall construe a population increase evidenced by the last two decennial censuses in a county in which a project is proposed, as a factor supporting the conclusion that a need exists for projects in that county.

(o) "Project" means any wastewater facility, water facility project or any combination thereof, constructed or operated or to be constructed or operated by a project sponsor;

(p) "Project sponsor" means any governmental agency or person, or any combination thereof, including, but not limited to, any public utility, which intends to plan, acquire, construct, improve or otherwise develop a project;

(q) "Public service commission" means the public service commission of West Virginia created and established under section three [§ 24-1-3], article one, chapter twenty-four of this code, or any successor to all or any substantial part of its powers and duties;

(r) "Person" means any individual, corporation, partnership, association, limited liability company or any other form of business organization;

(s) "Public utility" means any person or persons, or association of persons, however associated, whether incorporated or not, including, without limitation, any governmental agency, operating a wastewater facility or water facility as a public service, which is regulated by the public service commission as a public utility under chapter twenty-four [§§ 24-1-1 et seq.] of this code or which is required to file its tariff with the public service commission;

(t) "State development office" means the West Virginia development office established under article two [§§ 5B-2-1 et seq.], chapter five-b of this code, or any successor to all or any substantial part of its powers and duties;

(u) "State infrastructure agency" means the division of health, division of environmental protection, housing development fund, public service commission, state development office, water development authority, economic development authority and any other state agency, division, body, authority, commission, instrumentality or entity which now or in the future receives applications for the funding of, and provides funding or technical assistance to, the planning, acquisition, construction or improvement of a project;

(v) "Waste water facility" means all facilities, land and equipment used for or in connection with treating, neutralizing, disposing of, stabilizing, cooling, segregating or holding waste water, including, without limitation, facilities for the treatment and disposal of sewage, industrial wastes or other wastes, wastewater, and the residue thereof; facilities for the temporary or permanent impoundment of wastewater, both surface and underground; and sanitary sewers or other collection systems, whether on the surface or underground, designed to transport wastewater together with the equipment and furnishings therefor or thereof and their appurtenances and systems, whether on the surface or underground including force mains and pumping facilities therefor;

(w) "Water development authority" means the West Virginia water development authority continued pursuant to the provisions of article one [§§ 22C-1-1 et seq.], chapter twenty-two-c of this code, or any successor to all or any substantial part of its powers and duties; and

(x) "Water facility" means all facilities, land and equipment used for or in connection with the collection and/or storage of water, both surface and underground, transportation of water, storage of water, treatment of water and distribution of water all for the purpose of providing potable, sanitary water suitable for human consumption and use. (1994, 1st Ex. Sess., c. 26; 1998, c. 180.)

§ 31-15A-3. West Virginia infrastructure and jobs development council continued; members of council; staff of council.

(a) The West Virginia infrastructure and jobs development council is hereby continued. The council is a governmental instrumentality of the state. The exercise by the council of the powers conferred by this article and the carrying out of its purpose and duties shall be considered and held to be, and are hereby determined to be, essential governmental functions and for a public purpose.

(b) The council shall consist of eleven members, including the executive director of the housing development fund or his or her designee, the director of the division of environmental protection or his or her designee, the director of the economic development authority or his or her designee, the director of the water development authority or his or her designee, the executive director of the state development office or his or her designee, the director of the division of health or his or her designee, the chairman of the public service commission or his or her designee, and four members representing the general public: Provided, That there shall be at least one member representing the general public from each congressional district: Provided, however, That after the expiration of the term of office of the members first appointed as representatives of the general public, no more than one member representing the general public may be a resident of the same county. The governor shall appoint the public members of the council who shall serve three-year staggered terms. The commissioner of the division of highways, the executive director of the state rail authority, two members of the West Virginia Senate, two members of the West Virginia House of Delegates, one representative of the board of directors of the state college system and one representative of the board of trustees of the university of West Virginia shall serve as advisory members of the council. The governor shall appoint the legislative members of the council: Provided, further, That no more than three of the legislative members may be of the same political party. The governor shall appoint the representatives of the governing boards from a list of three names submitted by each governing board. The advisory members shall be ex officio, nonvoting members of the council.

(c) The council shall annually elect one of its members as chairman, and shall appoint a secretary, who need not be a member of the council and who shall keep records of its proceedings. Six members of the council shall constitute a quorum and the affirmative vote of at least the majority of those members present shall be necessary for any action taken by vote of the council. No vacancy in the membership of the council impairs the rights of a quorum by such vote to exercise all the rights and perform all the duties of the council.

(d) No member of the council who serves by virtue of his or her office shall receive any compensation or reimbursement of expenses for serving as a member. The members of the council who represent the general public shall receive reimbursement for actual expenses incurred in the service of the council.

(e) The council shall meet at least monthly to review projects and infrastructure projects requesting funding assistance and otherwise to conduct its

business, and shall meet more frequently if necessary. Notwithstanding any other provision of this article to the contrary, the economic development authority shall not be subject to council review with regard to any action taken pursuant to the authority established in article fifteen [§§ 31-15-1 et seq.], chapter thirty-one of this code nor shall the governor's civil contingent fund be subject to council review with regard to projects or infrastructure projects funded through the governor's civil contingent fund.

(f) The water development authority shall provide office space for the council, and each governmental agency represented on the council shall provide staff support for the council in the manner determined by the council from time to time.

(g) The council shall invite to all its meetings one or more representatives of the United States department of agriculture, rural economic community development, the United States economic development agency and the United States army corps of engineers or any successors thereto. The council shall also invite such other appropriate parties as may be necessary to effectuate the purposes of this article. (1994, 1st Ex. Sess., c. 26; 1995, c. 130.)

§ 31-15A-4. Development of guidelines and preliminary application for funding assistance.

(a) To implement and carry out the intent of this article, the council shall promulgate legislative rules in accordance with article three [§§ 29A-3-1 et seq.], chapter twenty-nine-a of this code to develop comprehensive, uniform guidelines for use by the council and other state infrastructure agencies in evaluating any request by a project sponsor for funding assistance to plan, acquire, construct, improve or otherwise develop a project or infrastructure project. The guidelines shall include the following factors: (1) the public health benefits of the project or infrastructure project; (2) the economic development benefits of the project or infrastructure project; (3) the degree to which the project or infrastructure project will correct deficiencies in the compliance of water supply or sewage treatment facilities with state or federal laws, regulations or standards; (4) the degree to which the project or infrastructure project encourages effective and efficient consolidation of water or sewage treatment systems consistent with the comprehensive plan developed pursuant to section six [§ 31-15A-6], of this article; (5) the cost effectiveness of the project or infrastructure project as compared with alternatives which achieve substantially the same public health or economic development benefits, including the consideration of providing maximum feasible fire protection; (6) the availability of alternative sources of funding which could finance all or a part of the project and infrastructure project, and the need for the assistance of the council to finance the project or infrastructure project or attract other sources of funding; (7) the applicant's ability to operate and maintain the system if the project or infrastructure project is approved; (8) the degree to which the project or infrastructure project achieves other state or regional planning goals; (9) the estimated date upon which the project or infrastructure project could commence if funding were available and the estimated comple-

tion date of the project or infrastructure project; and (10) such other considerations as the council may consider necessary or appropriate to accomplish the purpose and intent of this article.

(b) The council shall create a preliminary application form which shall be used by all project sponsors requesting funding assistance from state infrastructure agencies to plan, acquire, construct, improve or otherwise develop an infrastructure project or project. The preliminary application form shall contain all information required by all state infrastructure agencies that will be required to issue permits and/or certificates regarding the project or infrastructure project. The preliminary application shall require the project sponsor to set forth the type and proposed location of the infrastructure project or project; the estimated total cost of the project; the amount of funding assistance required and the specific uses of the funding; other sources of funding available or potentially available for the infrastructure project or project; information demonstrating the need for the infrastructure project or project and that the proposed funding of the project is the most economically feasible and viable alternative to completing the project or infrastructure project; and such other information as the council considers necessary to enable it to recommend the type of project or infrastructure project financing, in terms of the kind, amount and source of funding, which the project sponsor should pursue and which the state infrastructure agency or agencies should consider an appropriate investment of public funds, and to otherwise carry out the intent of this article. (1994, 1st Ex. Sess., c. 26.)

Code of State Rules References. — Infrastructure and jobs development council funding rules, 167 CSR 1, effective June 6, 1996.

§ 31-15A-5. Requirements for project funding assistance; review of project preliminary applications by council.

(a) No project sponsor may apply for or receive any loan, loan guarantee, grant or other funding assistance for a project or infrastructure project from any state infrastructure agency (i) unless the project sponsor requiring the funding assistance first submits a completed preliminary application to the council on the form prepared for such purpose by the council pursuant to section four of this article, and (ii) except as may be recommended by the council after consideration of the preliminary application: Provided, That any project sponsor which has an infrastructure project or project with either acceptable bids or all funding in place on the effective date of this act is not required to comply with the provisions of this section.

(b) The council shall, within thirty days of receipt of each completed preliminary application submitted to it, review the preliminary application and either (i) make a written recommendation as to the infrastructure project or project financing, in terms of the kind, amount and source of funding, which the project sponsor submitting the application should pursue and which the state infrastructure agency or agencies should consider an appropriate invest-

ment of public funds, or (ii) if the council determines that (1) the proposed project or infrastructure project is not eligible for funding assistance from any state infrastructure agency, or (2) the proposed project or infrastructure project is not otherwise an appropriate or prudent investment of state funds, the council shall recommend that the project sponsor not seek funding from any state infrastructure agency. A project sponsor shall include the preliminary application and the council's recommendations in any application to a state infrastructure agency.

(c) The council shall provide a copy of its recommendation with respect to each preliminary application, together with a copy of the preliminary application, to all appropriate state infrastructure agencies, which shall take into account the council's recommendations with respect to a project or infrastructure project before taking any action with respect to the project. No state infrastructure agency shall take any action inconsistent with the recommendation of the council unless the governing body of the agency, or the head of the agency if it has no governing body, expressly finds and determines that the recommendation is not in the best interest of the state or the area in which the proposed infrastructure project or project is to be located.

(d) In reviewing each preliminary application, the council shall use the engineering, financial and technical expertise of the respective staffs of the state infrastructure agencies represented on the council so as to recommend for funding those projects or infrastructure projects which are consistent with the purposes and intent of this article and with the policies and priorities of this state generally. The council may include in its findings a recommendation that a state infrastructure agency consider technical reports on the project prepared by other infrastructure agencies or by any federal agency. (1994, 1st Ex. Sess., c. 26.)

Code of State Rules References. — Infrastructure and jobs development council funding rules, 167 CSR 1, effective June 6, 1996.

§ 31-15A-6. Powers, duties and responsibilities of the council generally; comprehensive assessment.

(a) In addition to the powers set forth elsewhere in this article, the council is hereby granted, has and may exercise all powers necessary or appropriate to carry out and effectuate the purposes and intent of this article. The council shall have the power and capacity to:

(1) Provide consultation services to project sponsors in connection with the planning, acquisition, improvement, construction or development of any infrastructure project or project;

(2) Periodically prepare a list of infrastructure projects or projects which cannot meet the established funding guidelines of the various state infrastructure agencies, other than the housing development fund, but which are consistent with the mandates of this article and recommend to the water development authority that it make a grant or loan to the project sponsors

from the infrastructure fund to finance the cost of one or more such projects or infrastructure projects;

(3) Do all other acts necessary and proper to carry out the powers expressly granted to the authority in this article; and

(4) To make and execute contracts, commitments and obligations and other instruments necessary or convenient for the exercise of its powers.

(b) The council shall develop a comprehensive statewide inventory of water supply systems and sewage treatment systems and an assessment of current and future needs by the first day of July, one thousand nine hundred ninety-six. The assessment shall identify the areas of the state which do not have adequate public water or sewage systems and offer recommendations for the construction of new facilities or the extension or expansion of existing facilities to meet the identified needs. The council shall include in the assessment an identification of the obstacles, issues and problems which prevent or inhibit development of adequate infrastructure throughout the state, including financial, governmental, physical, or geographical factors and make recommendation as the council considers appropriate regarding the obstacles, issues or problems identified. This comprehensive inventory and assessment shall be updated at least once in every three year period after the initial assessment and inventory is completed.

(c) The council shall study the viability of the consolidation of public service districts throughout the state: Provided, That the study shall encompass not only public service districts but also any and all entities which provide or supply water and sewer service to the general public: Provided, however, That the council shall, in the preparation of the study, consult with the public service district division of the public service commission and representatives of the West Virginia rural water association and the West Virginia association of public service districts, as needed. The council shall report their findings and conclusions on or before the sixteenth of January of the year one thousand nine hundred ninety-five to the governor, speaker of the house of delegates and president of the senate. (1994, 1st Ex. Sess., c. 26.)

§ 31-15A-7. Current and prospective planning; roads and highways; report to division of highways.

(a) The council shall take into account the current and prospective infrastructure needs in relation to plans of the division of highways for the development and building of new roads. Upon completion an environmental impact study, the commissioner of highways shall provide the council with plans for any and all new roads. In a timely manner, the council shall advise the commissioner of the division of highways on the feasibility of the expansion of new or existing water and sewer lines concomitant to the construction of the new roads.

(b) The council has the authority to appoint local infrastructure planning teams. The local infrastructure planning teams may consist of the following: A designee of the division of highways from the region where the new road is being built; a designee of the division of highways from the central state office;

a designee from the environmental engineers division of the department of health and human resources; a designee from the local developmental authority where the new road is being built; a designee from the regional developmental authority in the area where the new road is being built; a designee from the public service commission; a designee from the division of environmental protection; a designee from the county commission where the new road is being built who shall serve as chairperson of the planning team; a citizen of the county where the new road is being built to be chosen by the county commission; and the elected state delegates and senators from the area where the new road is being built. In order to avoid delay of any highway project, immediately upon appointment of a local infrastructure planning team, the director of the division of highways shall submit to the council a time frame within which the planning team must act and within which the planning team must submit any plans, maps, recommendations or reports developed pursuant to this subsection. The local infrastructure planning team shall meet prior to the development and building of a new road. Members of the local infrastructure planning team shall only receive payment for actual expenses incurred. The local infrastructure planning team shall advise the commissioner of the division of highways on the feasibility of an infrastructure plan. The local infrastructure planning team shall meet to develop an infrastructure plan that includes an assessment study of existing water and sewer lines and a feasibility study on future development and laying of water and sewer lines. After these studies are completed, a developmental map shall be drawn of the proposed road route with overlays of the proposed water and sewer lines. These studies and the map shall be presented to the commissioner of the division of highways and shall be used by the commissioner in the planning, developing and building of the road.

(c) The water development authority shall establish a restricted account within the infrastructure fund to be expended for the construction of water and sewage lines as may be recommended by the council in accordance with this article and specifically, in accordance the plan developed under subsection (b) of this section. The reserve account shall be known as the "infrastructure road improvement reserve account". The council and the division of highways may enter into agreements to share the cost of financing projects approved in accordance with this section from moneys available in the infrastructure road reserve account and moneys available from the state road fund. Annually, the council may direct the water development authority to transfer funds from the infrastructure fund in an amount not to exceed one million dollars to the restricted account: Provided, That at no time may the balance of the restricted account exceed one million dollars.

(d) For the purposes of this section the term "new" means a road right-of-way being built for the first time.

(e) After the construction of water and sewer lines adjacent to the new road these new lines shall be turned over to existing utilities by expansion of boundaries of public service districts or shall be main extensions from the municipality. (1994, 1st Ex. Sess., c. 26.)

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§ 31-15A-8. Exemption of certain emergency projects from certificate of public convenience and necessity requirements; review of certain emergency projects by public service commission; and exemption for North Fork Hughes River watershed project.

(a) If the council determines a project to be an emergency and the emergency project will be funded solely with grant money for the extension of an existing certificated water facility or wastewater facility, and if the council finds in its recommendation that the construction and acquisition of the emergency project will have no effect on the public utility's customer rates and will have no significant effect on its operational costs as a result of the project cost, then the emergency project is exempt from the requirement to obtain a certificate of public convenience and necessity under section eleven [§ 24-2-11], article two, chapter twenty-four of this code. If the public utility is a public service district, it is exempt from the approval of the public service commission required under section twenty-five [§ 16-13A-25], article thirteen-a, chapter sixteen of this code.

(b) Any public utility, and any other entity that will operate as a public utility, must obtain a certificate of public convenience and necessity pursuant to section eleven [§ 24-2-11], article two, chapter twenty-four of this code for any emergency project that is not exempt under subsection (a) of this section. The public service commission shall render its final decision on any application for a certificate within one hundred twenty days of the filing of the application: Provided, That the thirty-day prefiling requirement is not required. If the project sponsor is a public service district, then the project will be exempted from the approval requirements of section twenty-five [§ 16-13A-25], article thirteen-a, chapter sixteen of this code.

(c) Projects that are not emergency projects are subject to the requirements of section eleven, article two, chapter twenty-four of this code to the extent they would be otherwise.

(d) The North Fork Hughes River watershed project, proposed to enhance economic growth and development through tourism as provided in subsection (*l*), section two [§ 31-15A-2] of this article and to include a water facility project as defined in subsection (n), section two of this article, is hereby specifically exempted from any requirement imposed by this article, except that the provisions of subsection (a) of this section are specifically made applicable to the project. The project is hereby specifically authorized and the public land corporation shall have and may exercise the power of eminent domain and all authority otherwise prescribed by law to acquire necessary land and rights-of-way, to include approximately four hundred seventy-eight acres, in connection with the project. Funding for the project shall be provided by the federal government from the Appalachian regional commission through the United States soil conservation service. Upon completion of the project, the property acquired shall be transferred to the state park system. The commissioner of the division of tourism and parks or the successor to the commission-

er's powers and duties is directed to expand the boundaries of North Bend state park to include the project area and to operate the expanded park property, including improved recreational facilities, from funds appropriated for that purpose. (1994, 1st Ex. Sess., c. 26; 1998, c. 180.)

Editor's notes. — Concerning the reference in (d) to "a water facility project as defined in subsection (n), section two of this article," the term "water facility" is defined in subsection (x) of that section.

§ 31-15A-9. Infrastructure fund; deposits in fund; disbursements to provide loans, loan guarantees, grants and other assistance; loans, loan guarantees, grants and other assistance shall be subject to assistance agreements.

(a) The water development authority shall create and establish a special revolving fund of moneys made available by appropriation, grant, contribution or loan to be known as the "West Virginia Infrastructure Fund". This fund shall be governed, administered and accounted for by the directors, officers and managerial staff of the water development authority as a special purpose account separate and distinct from any other moneys, funds or funds owned and managed by the water development authority. The infrastructure fund shall consist of sub-accounts, as deemed necessary by the council or the water development authority, for the deposit of: (1) Infrastructure revenues; (2) any appropriations, grants, gifts, contributions, loan proceeds or other revenues received by the infrastructure fund from any source, public or private; (3) amounts received as payments on any loans made by the water development authority to pay for the cost of a project or infrastructure project; (4) insurance proceeds payable to the water development authority or the infrastructure fund in connection with any infrastructure project or project; (5) all income earned on moneys held in the infrastructure fund; (6) all funds deposited in accordance with section four [§ 31-15B-4] of article fifteen-b; and (7) all proceeds derived from the sale of bonds issued pursuant to article fifteen-b [§§ 31-15B-1 et seq.] of this chapter.

Any money collected pursuant to this section shall be paid into the West Virginia infrastructure fund by the state agent or entity charged with the collection of the same, credited to the infrastructure fund, and used only for purposes set forth in this article or article fifteen-b [§§ 31-15B-1 et seq.].

Amounts in the infrastructure fund shall be segregated and administered by the water development authority separate and apart from its other assets and programs. Amounts in the infrastructure fund may not be transferred to any other fund or account or used, other than indirectly, for the purposes of any other program of the water development authority, except that the water development authority may use funds in the infrastructure fund to reimburse itself for any administrative costs incurred by it and approved by the council in connection with any loan, loan guarantee, grant or other funding assistance made by the water development authority pursuant to this article.

(b) Notwithstanding any provision of this code to the contrary, amounts in the infrastructure fund shall be deposited by the water development authority in one or more banking institutions: Provided, That any moneys so deposited shall be deposited in a banking institution located in this state. The banking institution shall be selected by the water development authority by competitive bid. Pending the disbursement of any money from the infrastructure fund as authorized under this section, the water development authority shall invest and reinvest the moneys subject to the limitations set forth in article eighteen [§§ 31-18-1 et seq.], chapter thirty-one of this code.

(c) To further accomplish the purposes and intent of this article and article fifteen-b [§§ 31-15B-1 et seq.] of this chapter, the water development authority may pledge infrastructure revenues and from time to time establish one or more restricted accounts within the infrastructure fund for the purpose of providing funds to guarantee loans for infrastructure projects or projects: Provided, That for any fiscal year the water development authority may not deposit into the restricted accounts more than twenty percent of the aggregate amount of infrastructure revenues deposited into the infrastructure fund during the fiscal year. No loan guarantee shall be made pursuant to this article unless recourse under the loan guarantee is limited solely to amounts in the restricted account or accounts. No person shall have any recourse to any restricted accounts established pursuant to this subsection other than those persons to whom the loan guarantee or guarantees have been made.

(d) Each loan, loan guarantee, grant or other assistance made or provided by the water development authority shall be evidenced by a loan, loan guarantee, grant or assistance agreement between the water development authority and the project sponsor to which the loan, loan guarantee, grant or assistance shall be made or provided, which agreement shall include, without limitation and to the extent applicable, the following provisions:

(1) The estimated cost of the infrastructure project or project, the amount of the loan, loan guarantee or grant or the nature of the assistance, and in the case of a loan or loan guarantee, the terms of repayment and the security therefor, if any;

(2) The specific purposes for which the loan or grant proceeds shall be expended or the benefits to accrue from the loan guarantee or other assistance, and the conditions and procedure for disbursing loan or grant proceeds;

(3) The duties and obligations imposed regarding the acquisition, construction, improvement or operation of the project or infrastructure project; and

(4) The agreement of the governmental agency to comply with all applicable federal and state laws, and all rules and regulations issued or imposed by the water development authority or other state, federal or local bodies regarding the acquisition, construction, improvement or operation of the infrastructure project or project and granting the water development authority the right to appoint a receiver for the project or infrastructure if the project sponsor should default on any terms of the agreement.

(e) Any resolution of the water development authority approving loan, loan guarantee, grant or other assistance shall include a finding and determination that the requirements of this section have been met.

(f) The interest rate on any loan to governmental, quasi-governmental, or not for profit project sponsors for projects made pursuant to this article shall not exceed three percent per annum. Due to the limited availability of funds available for loans for projects, it is the public policy of this state to prioritize funding needs to first meet the needs of governmental, quasi-governmental and not for profit project sponsors and to require that loans made to for-profit entities shall bear interest at the current market rates. Therefore, no loan may be made by the council to a for-profit entity at an interest rate which is less than the current market rate at the time of the loan agreement.

(g) The water development authority shall cause an annual audit to be made by an independent certified public accountant of its books, accounts and records, with respect to the receipts, disbursements, contracts, leases, assignments, loans, grants and all other matters relating to the financial operation of the infrastructure fund, including the operating of any sub-account within the infrastructure fund. The person performing such audit shall furnish copies of the audit report to the commissioner of finance and administration [office abolished], where they shall be placed on file and made available for inspection by the general public. The person performing such audit shall also furnish copies of the audit report to the Legislature's joint committee on government and finance. (1994, 1st Ex. Sess., c. 26; 1995, c. 130.)

Editor's notes. — The office of the commissioner of finance and administration was abolished, and the duties of that office were transferred to the secretary of administration. See § 5A-1-2.

§ 31-15A-10. Recommendations by council for expenditures of funds by loan, grant or for engineering assistance.

(a) To further accomplish the purpose and intent of this article, the water development authority shall use the moneys in the infrastructure fund created pursuant to section nine [§ 31-15A-9] of this article, upon receipt of one or more recommendations from the council pursuant to section five [§ 31-15A-5] of this article, to make loans, with or without interest, loan guarantees or grants and to provide other assistance, financial, technical or otherwise, to finance all or part of the costs of infrastructure projects or projects to be undertaken by a project sponsor: Provided, That any moneys disbursed from the infrastructure fund in the form of grants shall not exceed twenty percent of the total funds available for the funding of projects. No loan, loan guarantee, grant or other assistance shall be made or provided except upon a determination by the council that the loan, loan guarantee, grant or other assistance and the manner in which it will be provided are necessary or appropriate to accomplish the purposes and intent of this article, based upon an application submitted to the council: Provided, however, That no grant shall be made to a project sponsor that is not a governmental agency or a not for profit corporation under the provisions of section 501(c) [26 USCS § 501(c)] of the Internal Revenue Code of 1986 , as amended. Applications for loans, loan guarantees, grants or other assistance may be submitted by a project sponsor for one or

more infrastructure projects on preliminary application forms prepared by the council pursuant to section four [§ 31-15A-4] of this article. Any recommendation of the council approving a loan, loan guarantee, grant or other assistance shall include a finding and determination by the council that the requirements of this section have been met. The council shall base any decisions to loan money for projects to project sponsors pursuant to this article solely on the need of the project sponsors.

(b) The council has the authority in its sole discretion to make grants to project sponsors if it finds that: (1) The level of rates for the users would otherwise be an unreasonable burden given the users' likely ability to pay; or (2) the absence of a sufficient number of users prevents funding of the project except through grants: Provided, That no project sponsor shall receive infrastructure grant money in an amount in excess of fifty percent of the total cost of the project. Therefore, the council may consider the economic or financial conditions of the area to be served. As a condition for receipt of a grant under this subsection, the council may require, in addition to any other conditions, that the applicant pursue other state or federal grant or loan programs. Upon a recommendation by the council, the water development authority shall provide the grant in accordance with the recommendation. The council shall develop criteria to be considered in making grants to project sponsors which shall require consideration of the economic or financial conditions of the area to be served and the availability of other funding sources. The council shall adopt procedural rules regarding the manner in which grants will be awarded in conformity with this section. The procedural rules shall be adopted pursuant to article three [§§ 29A-3-1 et seq.], chapter twenty-nine-a of this code.

(c) Notwithstanding any other provision of this article to the contrary, the council shall apply a mandatory minimum end user utility rate that must be met by the project sponsor before funding assistance may be awarded. The mandatory minimum end utility rate shall be be based upon a uniform statewide percentage of the median household income in a particular geographic area and said rate shall not exceed six tenths of one percent: Provided, That funding assistance made from the proceeds of any general obligation bonds and revenue bonds issued after the fifteenth day of March, one thousand nine hundred ninety-eight, after transfer required to make the state match for the water and wastewater revolving loan programs pursuant to article two [§§ 22C-2-1 et seq.], chapter twenty-two-c and article thirteen-c [§§ 16-13C-1 et seq.], chapter sixteen of this code, shall be provided by the council on a pro rata basis divided equally among the congressional districts of this state as delineated in accordance with section three [§ 1-2-3], article two, chapter one of this code: Provided, however, That infrastructure projects as defined in subsection (*l*), section two [§ 31-15A-2] of this article shall not be subject to pro rata distribution. When determining median household income of a geographic area of the project to be served, the council shall consider any surveys of the income of the households that will be served by the project.

(d) No loan or grant funds may be made available for a project if the project to be funded will provide subsidized services to certain users in the service area of the project.

(e) Notwithstanding any other provision of this article to the contrary, engineering studies and requirements imposed by the council for preliminary applications shall not exceed those engineering studies and requirements which are necessary for the council to determine the economic feasibility of the project. If the council determines that the engineering studies and requirements for the preapplication would impose an undue hardship on any project sponsor, the council may provide funding assistance to project sponsors to defray the expenses of the preapplication process from moneys available in the infrastructure fund for making loans: Provided, That the council may only provide funding assistance in an amount equal to five thousand dollars or fifty percent of the total preapplication cost of the project, whichever amount is greater. If the project is ultimately approved for a loan by the council, the amount of funding assistance provided to the project sponsor for the preapplication process shall be included in the total amount of the loan to be repaid by the project sponsor. If the project is not ultimately approved by the council, then the amount of funding assistance provided to the project sponsor will be considered a grant by the council and the total amount of the assistance shall be forgiven. In no event may the amount of funding assistance provided to all project sponsors exceed, in the aggregate, one hundred thousand dollars annually.

(f) The council shall report to the governor, the speaker of the House of Delegates and the president of the Senate during each regular and interim session of the Legislature, on its activities and decisions relating to distribution or planned distribution of grants and loans under the criteria to be developed pursuant to this article. (1994, 1st Ex. Sess., c. 26; 1995, c. 130; 1998, c. 180.)

Code of State Rules References. — Infrastructure and jobs development council funding rules, 167 CSR 1, effective June 6, 1996.

Editor's notes. — Section 501 of the Internal Revenue Code of 1986, referred to in (a), is codified at 26 USCS § 501.

§ 31-15A-11. Reservation of funds for projects and infrastructure projects.

Eighty percent of the funds deposited in the West Virginia infrastructure fund shall be dedicated for the purpose of providing funding for the cost of projects as defined in subsection (n), section two [§ 31-15A-2] of this article. Twenty percent of the funds deposited in the West Virginia infrastructure fund shall be dedicated for the purpose of providing funding for costs of infrastructure projects as defined in subsection (*l*), section two of this article. Project sponsors of infrastructure projects shall follow the application process as established by this article: Provided, That notwithstanding any provision of this article to the contrary, all applications for any infrastructure project shall be submitted to the council for community and economic development, or its successor, for review, recommendation and approval regarding infrastructure project funding. (1994, 1st Ex. Sess., c. 26; 1998, c. 180.)

Editor's notes. — Concerning the reference to "projects as defined in subsection (n), section two of this article," the term "project" is defined in subsection (o) of that section.

§ 31-15A-12. Additional powers of water development authority.

To accomplish the purpose and intent of this article, the water development authority is hereby empowered, in addition to all other powers granted to it under this code, upon approval of the council, to (1) enter into agreements or other transactions with any federal or state agency in connection with any infrastructure project or project; (2) receive or administer on behalf of any federal or state agency grants, subsidies or other payments to be applied to the costs of any infrastructure project or project financed in whole or in part or otherwise assisted by the water development authority, including, but not limited to, payments to be applied to operating costs and debt service or obligations of any project sponsor; (3) receive and accept aid or contributions from any source of money, property, labor or other things of value, to be held, used and applied only for the purposes for which such grants and contributions are made; (4) establish and amend the criteria and qualifications for making loans, loan guarantees or grants, or providing any other assistance, for any infrastructure project or project, and the terms of any loans, loan guarantee, grant or assistance agreement for any project; and (5) do all things which are necessary to further the purposes and intent of this article. (1994, 1st Ex. Sess., c. 26.)

§ 31-15A-13. Prohibition on funds inuring to the benefit of or being distributable to water development board; transactions between the water development board and officers having certain interests in such transactions.

No part of the infrastructure fund or the West Virginia infrastructure revenue debt service fund shall inure to the benefit of or be distributable to the water development board directors or officers of the water development authority except that the water development authority is authorized and empowered to pay reasonable compensation, other than to members of the water development board, including the chairman, vice chairman, secretary-treasurer for services rendered and to make loans and exercise its other powers as previously specified in furtherance of its corporate purpose: Provided, That no loans shall be made, and no property shall be purchased or leased from, or sold, leased or otherwise disposed of, to any water development board member or officer of the water development authority. (1994, 1st Ex. Sess., c. 26; 1998, c. 180.)

§ 31-15A-14. Termination or dissolution.

Upon the termination or dissolution of the water development authority, all rights and properties of the water development authority with respect to the

infrastructure fund shall pass to and be vested in the state, subject to the rights of lienholders and other creditors. (1994, 1st Ex. Sess., c. 26.)

§ 31-15A-15. Projects not to be considered public improvements; competitive bid requirements.

(a) No project or infrastructure project acquired, constructed, maintained or financed, in whole or in part, by the water development authority shall be considered to be a "public improvement" within the meaning of the provisions of article five-a [§§ 21-5A-1 et seq.], chapter twenty-one of this code as a result of the financing.

(b) The state and its subdivisions shall, except as provided in subsection (c) of this section, solicit competitive bids and require the payment of prevailing wage rates as provided in article five-a [§§ 21-5A-1 et seq.], chapter twenty-one of this code for every project or infrastructure project funded pursuant to this article exceeding twenty-five thousand dollars in total cost.

Following the solicitation of the bids, the construction contract shall be awarded to the lowest qualified responsible bidder, who shall furnish a sufficient performance and payment bond: Provided, That the state and its subdivisions may reject all bids and solicit new bids on the project.

(c) This section does not:

(1) Apply to work performed on construction or repair projects not exceeding a total cost of fifty thousand dollars by regular full-time employees of the state or its subdivisions: Provided, That no more than fifty thousand dollars shall be expended on an individual project in a single location in a twelve-month period;

(2) Prevent students enrolled in vocational educational schools from being used in the construction or repair projects when such use is a part of the students' training program;

(3) Apply to emergency repairs to building components and systems: Provided, That the term "emergency repairs" means repairs that, if not made immediately, will seriously impair the use of the building components and systems or cause danger to those persons using the building components and systems; or

(4) Apply to any situation where the state or a subdivision of the state comes to an agreement with volunteers, or a volunteer group, by which the governmental body will provide construction or repair materials, architectural, engineering, technical or any other professional services and the volunteers will provide the necessary labor without charge to, or liability upon, the governmental body: Provided, That the total cost of the construction or repair projects does not exceed fifty thousand dollars.

(d) The provisions of subsection (b) of this section do not apply to privately owned projects or infrastructure projects constructed on lands not owned by the state or a subdivision of the state. (1994, 1st Ex. Sess., c. 26; 2001, c. 45.)

§ 31-15A-16. Dedication of severance tax proceeds.

(a) There shall be dedicated an annual amount from the collections of the tax collected pursuant to article thirteen-a [§§ 11-13A-1 et seq.], chapter

eleven of this code for the construction, extension, expansion, rehabilitation, repair and improvement of water supply and sewage treatment systems and for the acquisition, preparation, construction and improvement of sites for economic development in this state as provided in this article.

(b) Notwithstanding any other provision of this code to the contrary, beginning on the first day of July, one thousand nine hundred ninety-five, the first sixteen million dollars of the tax collected pursuant to article thirteen-a [§§ 11-13A-1 et seq.], chapter eleven of this code shall be deposited to the credit of the West Virginia infrastructure general obligation debt service fund created pursuant to section three [§ 31-15B-3], article fifteen-b of this chapter: Provided, That beginning on the first day of July, one thousand nine hundred ninety-eight, the first twenty-four million dollars of the tax annually collected pursuant to article thirteen-a of this code shall be deposited to the credit of the West Virginia infrastructure general obligation debt service fund created pursuant to section three, article fifteen-b of this chapter.

(c) Notwithstanding any provision of subsection (b) of this section to the contrary: (1) none of the collections from the tax imposed pursuant to section six [§ 11-13A-6], article thirteen-a, chapter eleven of this code shall be so dedicated or deposited; and (2) the portion of the tax imposed by article thirteen-a [§§ 11-13A-1 et seq.], chapter eleven and dedicated for purposes of medicaid and the division of forestry pursuant to section twenty-a [§ 11-13A-20a] of said article thirteen-a shall remain dedicated for the purposes set forth in said section twenty-a.

(d) On or before the first day of May of each year, commencing the first day of May, one thousand nine hundred ninety-five, the council, by resolution, shall certify to the treasurer and the water development authority the principal and interest coverage ratio and amount for the following fiscal year on any infrastructure general obligation bonds issued pursuant to the provisions of article fifteen-b [§§ 31-15B-1 et seq.] of this chapter. (1994, 1st Ex. Sess., c. 26; 1995, c. 130; 1998, c. 180.)

§ 31-15A-17. Water development authority empowered to issue infrastructure revenue bonds and refunding bonds; creation of infrastructure revenue debt service fund; funding of infrastructure revenue debt service fund; requirements and manner of such issuance.

(a) To accomplish the purpose and intent of this article, the water development authority is hereby empowered at the written request of the council to issue from time to time infrastructure revenue bonds of the state in such principal amounts as the council deems necessary to make loans and loan guarantees and other forms of financial assistance to project sponsors for one or more projects or infrastructure projects: Provided, That the water development authority may not issue any such bonds, other than refunding bonds, unless the council by resolution determines that the aggregate cost of the

projects or infrastructure projects expected to be constructed during any annual period exceeds (1) the projected annual infrastructure revenues for the same period, and (2) the principal and interest payments not otherwise pledged to the infrastructure revenue debt service fund that are due the water development authority on all outstanding loans previously made by the water development authority pursuant to the provisions of this article.

(b) The proceeds of infrastructure revenue bonds shall be used solely for the purpose of making loans and loan guarantees and other forms of financial assistance to sponsors of one or more projects or infrastructure projects, and shall be deposited in one or more special accounts with the trustee under the trust agreement securing such bonds and disbursed from time to time for projects or infrastructure projects in accordance with this article: Provided, That notwithstanding any provision of this code to the contrary, twenty percent of the funds deposited in the special account shall be dedicated for the purpose of providing funding for costs of infrastructure projects as defined in subsection (*l*), section two [§ 31-15A-2], of this article.

(c) The water development authority may not authorize the disbursement of any proceeds of infrastructure revenue bonds unless it has received documentation from the council pursuant to the provisions of section ten [§ 31-15A-10] of this article.

(d) There is hereby created in the water development authority a special fund which shall be designated and known as the "West Virginia Infrastructure Revenue Debt Service Fund," into which shall be transferred solely from the loan repayments deposited in the infrastructure fund the amounts certified by the director of the water development authority as necessary to pay the principal, premium, if any, and interest on infrastructure revenue bonds and any reserve requirements, subject to the terms of any agreement with the holders of the infrastructure revenue bonds. All amounts deposited in the West Virginia infrastructure revenue debt service fund shall be pledged to the repayment of the principal, interest and redemption premium, if any, on any infrastructure revenue bonds authorized by this article: Provided, That amounts on deposit in the fund may be used to establish or maintain reserves created for the purposes of securing such infrastructure revenue bonds. The pledge shall be valid and binding from the time the pledge is made, and the West Virginia infrastructure revenue debt service fund so pledged shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the water development authority irrespective of whether the parties have notice thereof.

(e) Except as may otherwise be expressly provided in this article or by resolution of the water development authority, every issue of infrastructure revenue bonds shall be special obligations of the water development authority payable solely from amounts in the West Virginia infrastructure revenue debt service fund, and the reserves created for this purpose by the water development authority, without preference or priority among the bonds regardless of when issued, subject only to any agreements with the holders of any bonds to the contrary. All such bonds are hereby declared to be negotiable instruments.

(f) Infrastructure revenue bonds shall be authorized by resolution of the water development authority. These bonds shall bear such dates and shall mature at such times, in case of any note or renewal thereof not exceeding five years from the date of issue of the original note, and in the case of any bond not exceeding fifty years from the date of issue, as the resolution may provide. Infrastructure revenue bonds shall bear interest at a rate or rates, including variable rates, shall be taxable or tax-exempt, shall be in the denominations, shall be in registered form, shall carry the registration privileges, shall be payable in the medium and place of payment, and shall be subject to the terms of redemption as the water development authority may authorize. Infrastructure revenue bonds may be sold by the water development authority at public or private sale at the price the water development authority determines in consultation with the council. Infrastructure revenue bonds shall be executed by the chairman and the vice chairman of the water development authority, either or both of whom may use a facsimile signature. The official seal of the water development authority or a facsimile thereof shall be affixed thereto or printed thereon and attested by manual or facsimile signature by the secretary-treasurer of the water development authority. If any officer whose signature, or a facsimile of whose signature appears on any infrastructure revenue bond ceases to be such officer before delivery of such bond, such signature or facsimile is nevertheless sufficient for all purposes to the same extent as if he or she had remained in office until such delivery, and if the seal of the water development authority has been changed after a facsimile has been imprinted on such bond, the facsimile will continue to be sufficient for all purposes.

(g) Any resolution authorizing any infrastructure revenue bonds may contain provisions, subject to any agreement with bondholders or noteholders which may then exist, which agreements shall be part of the contract with the holder thereof, with respect to the pledge of or other use and disposition of amounts in the infrastructure revenue debt service fund; the setting aside of reserve funds; the disposition of any assets of the water development authority; limitations on the purpose to which the proceeds of sale of bonds may be applied; the authorization of notes issued in anticipation of the issuance of bonds; an agreement of the water development authority to do all things necessary for the authorization, issuance and sale of such bonds in such amounts as may be necessary for the timely retirement of such notes; limitations on the issuance of additional bonds; the terms upon which additional bonds may be issued and secured; the refunding of outstanding bonds and the renewal of outstanding notes; the procedures, if any, by which the terms of any contract with bondholders or noteholders may be amended or abrogated; the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given; and any other matter which in any way affects the security for or protection of the bonds.

(h) In the event that the sum of all reserves pledged to the payment of the bonds is less than the minimum reserve requirements established in any resolution or resolutions authorizing the issuance of the bonds, the chairman or the director of the water development authority shall certify, on or before the

first day of December of each year, the amount of such deficiency to the governor of the state for inclusion, if the governor shall so elect, of the amount of such deficiency in the budget to be submitted to the next session of the Legislature for appropriation to the water development authority to be pledged for payment of such bonds: Provided, That the Legislature shall not be required to make any appropriations so requested, and the amount of such deficiencies shall not constitute a debt or liability of the state.

(i) Neither the officers or board members of the water development authority, nor any person executing the infrastructure revenue bonds, shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof. (1998, c. 180.)

§ 31-15A-17a. Infrastructure revenue bonds payable from A. James Manchin fund.

Notwithstanding any other provision of this code to the contrary, the water development authority may issue, in accordance with the provisions of section seventeen [§ 31-15A-17] of this article, infrastructure revenue bonds payable from the A. James Manchin fund created by section six [§ 17-24-6], article twenty-four, chapter seventeen of this code and such other sources as may be legally pledged for such purposes other than the West Virginia infrastructure revenue debt service fund created by section seventeen of this article. (2003, c. 251.)

Effective dates. — Acts 2003, c. 251, provided that the act take effect June 6, 2003.

§ 31-15A-18. Trustee for holders of infrastructure revenue bonds; contents of trust agreement.

(a) Any infrastructure revenue bonds issued by the water development authority under this article shall be secured by a trust agreement between the water development authority and a corporate trustee, which trustee may be any trust company or banking institution having the powers of a trust company within this state.

(b) Any trust agreement may pledge or assign the infrastructure revenue debt service fund. Any trust agreement or any resolution providing for the issuance of such bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders or noteholders as are reasonable and proper and not in violation of law, including the provisions contained in section seventeen [§ 31-15A-17] of this article, and covenants setting forth the duties of the water development authority in respect to the payment of the principal of and interest, charges and fees on loans made to, or bond purchases from, governmental agencies from the proceeds of the bonds, and the custody, safeguarding and application of all moneys. Any banking institution or trust company incorporated under the laws of this state which may act as depository of the proceeds of bonds or of the infrastructure debt service fund shall furnish such indemnifying bonds or pledge securities as are

required by the water development authority. The trust agreement may set forth the rights and remedies of the bondholders and noteholders and of the trustee and may restrict individual rights of action by bondholders and noteholders as customarily provided in trust agreements or trust indentures securing similar bonds and notes. The trust agreement may contain such other provisions as the water development authority deems reasonable and proper for the security of the bondholders or noteholders. All expenses incurred in carrying out the provisions of any such trust agreement may be treated as part of the cost of the construction, renovation, repair, improvement or acquisition of a project or infrastructure project. (1998, c. 180.)

§ 31-15A-19. Legal remedies of infrastructure revenue bondholders or noteholders and trustees.

Any holder of infrastructure revenue bonds issued pursuant to this article and the trustee under any trust agreement, except to the extent the rights given by this article may be restricted by the applicable resolution or trust agreement, may by civil action, mandamus or other proceedings protect and enforce any rights granted under the laws of this state or granted under this article, by the trust agreement or by the resolution in the issuance of the bonds, and may enforce and compel the performance of all duties required by this article, pursuant to the trust agreement or resolution, to be performed by the water development authority or any officer thereof. (1998, c. 180.)

§ 31-15A-20. Infrastructure revenue bonds lawful investments.

All infrastructure revenue bonds issued pursuant to this article shall be lawful investments for banking institutions, societies for savings, building and loan associations, savings and loan associations, deposit guarantee associations, trust companies, and insurance companies, including domestic for life and domestic not for life insurance companies. (1998, c. 180.)

§ 31-15A-21. Purchase and cancellation of infrastructure revenue bonds.

(a) The water development authority, subject to such agreements with noteholders or bondholders as may then exist, shall have the power, from any funds available therefor, to purchase or redeem infrastructure revenue bonds of the water development authority.

(b) If the infrastructure revenue bonds are then redeemable, the price of the purchase shall not exceed the redemption price then applicable, plus accrued interest to the next interest payment date thereon. If the infrastructure revenue bonds are not then redeemable, the price of the purchase shall not exceed the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption, plus accrued interest to such date. Upon purchase or redemption, the bonds shall be canceled. (1998, c. 180.)

§ 31-15A-22. Refunding revenue bonds.

Any infrastructure revenue bonds issued pursuant to the provisions of this article and at any time outstanding may at any time and from time to time be refunded by the water development authority by the issuance of its refunding revenue bonds in an amount it deems necessary to refund the principal of the bonds to be refunded, together with any unpaid interest thereon, to provide additional funds for the water development authority to accomplish the purpose of this article, and to pay any premiums and commissions necessary to be paid in connection therewith. Any refunding may be effected whether the infrastructure revenue bonds to be refunded shall have then matured or shall thereafter mature: Provided, That the holders of any infrastructure revenue bonds so to be refunded shall not be compelled without their consent to surrender their infrastructure revenue bonds for payment or exchange prior to the date on which they are payable or, if they are called for redemption, prior to the date on which they are by their terms subject to redemption. Any refunding revenue bonds issued pursuant to this article shall be payable from the West Virginia infrastructure revenue debt service fund, and shall be subject to the provisions contained in section seventeen [§ 31-15A-17] of this article, and shall be secured in accordance with the provisions of sections seventeen and eighteen [§ 31-15A-18] of this article. (1998, c. 180.)

§ 31-15A-23. Infrastructure revenue bonds not debt of state, county, municipality or any political subdivision.

Infrastructure revenue bonds issued pursuant to the provisions of this article shall not constitute a debt or a pledge of the faith and credit or taxing power of this state or of any county, municipality or any other political subdivision of this state. The holders or owners thereof shall have no right to have taxes levied by the Legislature or the taxing authority of any county, municipality or any other political subdivision of this state for the payment of the principal thereof or interest thereon. The bonds shall be payable solely from the revenues and funds pledged for their payment as authorized by this article. All such bonds shall contain on the face thereof a statement to the effect that the bonds, as to both principal and interest, are not debts of the state or any county, municipality or political subdivision thereof, but are payable solely from revenues and funds pledged for their payment. (1998, c. 180.)

§ 31-15A-24. Infrastructure revenue bonds exempt from taxation.

The exercise of the powers granted to the water development authority by this article will be in all respects for the benefit of the people of the state, for the improvement of their health, safety, convenience and welfare and for the enhancement of their residential, agricultural, recreational, economic, commercial and industrial opportunities and is for a public purpose. As the

construction, acquisition, repair or renovation of projects or infrastructure projects will constitute the performance of essential governmental functions, the water development authority shall not be required to pay any taxes or assessments upon any project or upon any property acquired or used by the water development authority or upon the income therefrom. The infrastructure revenue bonds and all interest and income thereon shall be exempt from all taxation by this state, or any county, municipality, political subdivision or agency thereof, except estate taxes. (1998, c. 180.)

ARTICLE 15B.

INFRASTRUCTURE BONDS.

Sec.
31-15B-1. Definitions.
31-15B-2. Infrastructure general obligation bonds; amount; when may issue.
31-15B-3. Creation of debt service fund; disbursements to pay debt service on infrastructure general obligation bonds.
31-15B-4. Infrastructure general obligation debt service fund; sources used to pay bonds and interest; investment of remainder.
31-15B-5. Covenants of state.
31-15B-6. Sale by governor; minimum price.
31-15B-7. Prohibition on funds inuring to the benefit of or being distributable to directors or officers; transactions between the council and West Virginia water development authority and directors or officers having certain interests in such transactions.
31-15B-8. Infrastructure bonds lawful investments.
31-15B-9. Refunding bonds.
31-15B-10. Termination or dissolution.
31-15B-11. Treasurer to determine financial advisor.
31-15B-12. Governor to determine bond counsel.
31-15B-13. Approval and payment of all necessary expenses.

§ 31-15B-1. Definitions.

For purposes of this article and article fifteen-a [§§ 31-15A-1 et seq.] of this chapter:

(a) "Council" means the West Virginia infrastructure and jobs development council created in section three [§ 31-15A-3], article fifteen-a of this chapter;

(b) "Infrastructure amendment" means the amendment to the constitution of this state entitled "infrastructure amendment" as approved by referendum in the month of November, one thousand nine hundred ninety-four;

(c) "Infrastructure general obligation bond" means any bond or bonds issued by the state pursuant to section two [§ 31-15B-2] of this article;

(d) "Water development authority" means the West Virginia water development authority established under article one [§§ 22C-1-1 et seq.], chapter twenty-two-c of this code, or any successor to all or any substantial part of its powers and duties. (1995, c. 130.)

§ 31-15B-2. Infrastructure general obligation bonds; amount; when may issue.

Bonds of the state of West Virginia, under authority of the infrastructure improvement amendment of 1994, of the par value not to exceed in the

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application shall be made by majority vote of the full membership of the board.

(g) The board shall manage the property and business of the Authority and may prescribe, amend, adopt and repeal bylaws and rules and regulations governing the manner in which the business of the Authority is conducted.

(h) The board shall, without regard to the provisions of civil service laws applicable to officers and employees of the State of West Virginia, appoint any necessary managers, assistant managers, officers, employees, attorneys and agents for the transaction of its business, fix their compensation, define their duties and provide a system of organization to fix responsibility and promote efficiency. Any appointee of the board may be removed at the discretion of the board. The Authority may reimburse any state spending unit for any special expense actually incurred in providing any service or the use of any facility to the Authority.

(i) In cases of any vacancy in the office of a voting member, the vacancy shall be filled by the Governor. Any member appointed to fill a vacancy in the board occurring prior to the expiration of the term for which his or her predecessor was appointed shall be appointed for the remainder of the term.

(j) The Governor may remove a member in the case of incompetence, neglect of duty, gross immorality or malfeasance in office, and may declare the member's office vacant and appoint a person for the vacancy as provided in other cases of vacancy.

(k) The secretary of the board shall keep a record of the proceedings of the board and perform any other duties determined appropriate by the board. The treasurer shall be custodian of all funds of the Authority and shall be bonded in the amount designated by other members of the board. (1989, c. 54; 2004, c. 88.)

Effect of amendment of 2004. — Acts 2004, c. 88, effective June 11, 2004, added subsection designations; substituted "is continued" for "heretofore created is hereby continued" in (a); in (b), inserted the second sentence and deleted the final two sentences, pertaining to appointment of board members and their terms; in (c), deleted "these original" preceding "appointments" and the final sentence and proviso, pertaining to board members serving prior to the present legislation; substituted "any necessary" for "such" in (h); inserted "voting" in (i); substituted "the amount designated by other members of the board" for "such amount as other members of the board may designate" in (k); made the section gender neutral; and made minor stylistic changes.

ARTICLE 15A.

WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL.

Sec.
31-15A-3. West Virginia Infrastructure and Jobs Development Council continued; members of Council; staff of Council.
31-15A-11. Reservation of funds for projects and infrastructure projects.
31-15A-17a. Infrastructure revenue bonds payable from A. James Manchin Fund.

§ 31-15A-3. West Virginia Infrastructure and Jobs Development Council continued; members of Council; staff of Council.

(a) The West Virginia Infrastructure and Jobs Development Council is hereby continued. The Council is a governmental instrumentality of the state. The exercise by the Council of the powers conferred by this article and the carrying out of its purpose and duties shall be considered and held to be, and are hereby determined to be, essential governmental functions and for a public purpose.

(b) The Council shall consist of eleven members, including the Governor or designee, the executive director of the Housing Development Fund or his or her designee, the Director of the Division of Environmental Protection or his or her designee, the Director of the Economic Development Authority or his or her designee, the Director of the Water Development Authority or his or her designee, the Director of the Division of Health or his or her designee, the chairman of the Public Service Commission or his or her designee, and four members representing the general public: Provided, That there shall be at least one member representing the general public from each congressional district: Provided, however, That after the expiration of the term of office of the members first appointed as representatives of the general public, no more than one member representing the general public may be a resident of the same county. The Governor shall appoint the public members of the Council who shall serve three-year staggered terms. The Commissioner of the Division of Highways, the executive director of the State Rail Authority, two members of the West Virginia Senate, two members of the West Virginia House of Delegates, the chancellor of the Higher Education Policy Commission and the chancellor of the West Virginia Council for Community and Technical College Education serve as advisory members of the Council. The Governor shall appoint the legislative members of the Council: Provided further, That no more than three of the legislative members may be of the same political party. The Governor shall appoint the representatives of the governing boards from a list of three names submitted by each governing board. The advisory members shall be ex officio, nonvoting members of the Council.

(c) The Governor or designee shall serve as chairman and the Council shall annually appoint a vice chairperson and shall appoint a secretary, who need not be a member of the Council and who shall keep records of its proceedings. Six members of the Council shall constitute a quorum and the affirmative vote of at least the majority of those members present shall be necessary for any action taken by vote of the Council. A vacancy in the membership of the Council does not impair the rights of a quorum by such vote to exercise all the rights and perform all the duties of the Council.

(d) A member of the Council who serves by virtue of his or her office does not receive compensation or reimbursement of expenses for serving as a member. The public members are reimbursed for actual expenses incurred in the service of the Council in a manner consistent with guidelines of the Travel Management Office of the Department of Administration.

(e) The Council meets at least monthly to review projects and infrastructure projects requesting funding assistance and otherwise to conduct its business and may meet more frequently if necessary. Notwithstanding any other provision of this article to the contrary, the Economic Development Authority is not subject to Council review with regard to any action taken pursuant to the authority established in article fifteen [§§ 31-15-1 et seq.], chapter thirty-one of this code. The Governor's Civil Contingent Fund is not subject to Council review with regard to projects or infrastructure projects funded through the Governor's Civil Contingent Fund.

(f) The Water Development Authority shall provide office space for the Council and each governmental agency represented on the Council shall provide staff support for the Council in the manner determined appropriate by the Council.

(g) The Council shall invite to each meeting one or more representatives of the United States Department of Agriculture, Rural Economic Community Development, the United States Economic Development Agency and the United States Army Corps of Engineers or any successors thereto. The Council shall invite such other appropriate parties as is necessary to effectuate the purposes of this article. (1994, 1st Ex. Sess., c. 26; 1995, c. 130; 2005, 1st Ex. Sess., c. 3.)

Effect of amendment of 2005. — Acts 2005, 1st Ex. Sess., c. 3, effective January 29, 2005, in (b), in the first sentence, inserted "the governor or designee" and deleted "the executive director of the state development office or his or her designee" preceding "the director of the division of health," and substituted "the chancellor of the higher...college education" for "one representative of the board of directors of the state college system and one representative of the board of trustees of the university of West Virginia shall" in the fourth sentence; substituted "The governor...vice chairperson" for "The council shall annually elect one of its members as chairman" in (c); rewrote (d) and (e); deleted "from time to time" at the end of (f); in (g), substituted "each meeting" for "all its meetings" and "as is necessary" for "as may be necessary"; and made minor stylistic changes.

§ 31-15A-11. Reservation of funds for projects and infrastructure projects.

Eighty percent of the funds deposited in the West Virginia Infrastructure Fund shall be dedicated for the purpose of providing funding for the cost of projects as defined in subsection (n), section two [§ 31-15A-2] of this article. Twenty percent of the funds deposited in the West Virginia Infrastructure Fund shall be dedicated for the purpose of providing funding for costs of infrastructure projects as defined in subsection (*l*), section two of this article. Project sponsors of infrastructure projects shall follow the application process as established by this article: Provided, That notwithstanding any provision of this article to the contrary, all applications for any infrastructure project shall be submitted to the executive director of the West Virginia Development Office for review, recommendation and approval regarding infrastructure project funding. (1994, 1st Ex. Sess., c. 26; 1998, c. 180; 2005, 1st Ex. Sess., c. 3.)

Effect of amendment of 2005. — Acts 2005, 1st Ex. Sess., c. 3, effective January 29, 2005, substituted "executive director of the West Virginia Development Office" for "council for community and economic development, or its successor."

§ 31-15A-17a. Infrastructure revenue bonds payable from A. James Manchin Fund.

Notwithstanding any other provision of this code to the contrary, the Water Development Authority may issue, in accordance with the provisions of section seventeen [§ 31-15A-17] of this article, infrastructure revenue bonds payable from the A. James Manchin Fund created by section nine [§ 22-15A-9], article fifteen-a, chapter twenty-two of this code and such other sources as may be legally pledged for such purposes other than the West Virginia Infrastructure Revenue Debt Service Fund created by section seventeen of this article. (2003, c. 251; 2005, c. 199.)

Effect of amendment of 2005. — Acts 2005, c. 199, effective July 8, 2005, substituted "section nine, article fifteen-a, chapter twenty-two" for "section six, article twenty-four, chapter seventeen"; and made minor stylistic changes.

ARTICLE 16.

WEST VIRGINIA STEEL FUTURES PROGRAM.

Sec.
31-16-5. Continuation of commission and program.

§ 31-16-5. Continuation of commission and program.

The Steel Advisory Commission and the steel futures program shall continue to exist until the first day of July, two thousand five, unless sooner terminated, continued or reestablished pursuant to the provisions of article ten [§§ 4-10-1 et seq.], chapter four of this code. (1993, c. 128; 1997, c. 169; 2004, c. 237.)

Effect of amendment of 2004. — Acts 2004, c. 237, effective June 10, 2004, inserted "commission and" in the section heading; and rewrote the section, which read: "The steel advisory commission and the steel futures program shall continue to exist until the first day of July, two thousand four: Provided, That prior to the termination date the joint committee on government organization shall conduct a performance review of the commission and program."

ARTICLE 17.

WEST VIRGINIA RESIDENTIAL MORTGAGE LENDER, BROKER AND SERVICER ACT.

Sec.
31-17-2. License required for lender, broker or loan originator; exemptions.

§ 31-17-2. License required for lender, broker or loan originator; exemptions.

(a) No person shall engage in this state in the business of lender, broker or loan originator unless and until he or she shall first obtain a license to do so from the Commissioner, which license remains unexpired, unsuspended and

State of West Virginia

Certificate

I, Betty Ireland, Secretary of State of the State of West Virginia, hereby certify that

THIS IS A TRUE COPY OF CHAPTER 22C, ARTICLE 2, OF THE WEST VIRGINIA CODE, AS INDICATED BY THE RECORDS OF THIS OFFICE.

Given under my hand and the Great Seal of the State of West Virginia on

February 23, 2007

Betty Ireland

Secretary of State

ARTICLE 2.

WATER POLLUTION CONTROL REVOLVING FUND ACT.

Sec.		Sec.	
22C-2-1.	Definitions.	22C-2-4.	Annual audit.
22C-2-2.	Designation of division of environmental protection as state instrumentality for purposes of capitalization agreements with the United States environmental protection agency.	22C-2-5.	Collection of money due to the fund.
		22C-2-6.	State construction grants program established; special fund.
22C-2-3.	West Virginia water pollution control revolving fund; disbursement of fund moneys; administration of the fund.	22C-2-7.	Environmental review of funded projects.
		22C-2-8.	Conflicting provisions.

Editor's notes. — The Water Pollution Control Revolving Fund Act was formerly compiled in §§ 20-5I-1 et seq.

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§ 22C-2-1. Definitions.

Unless the context in which used clearly requires a different meaning, as used in this article:

(a) "Authority" means the water development authority provided for in section four [§ 22C-1-4], article one of this chapter.

(b) "Cost" as applied to any project financed under the provisions of this article means the total of all costs incurred by a local entity that are reasonable and necessary for carrying out all works and undertakings necessary or incident to the accomplishment of any project including:

(1) Developmental, planning and feasibility studies, surveys, plans and specifications;

(2) Architectural, engineering, financial, legal or other special services;

(3) Acquisition of land and any buildings and improvements on the land or buildings, including the discharge of any obligations of the sellers of the land, buildings or improvements;

(4) Site preparation and development, including demolition or removal of existing structures, construction and reconstruction, labor, materials, machinery and equipment;

(5) The reasonable costs of financing incurred by the local entity in the course of the development of the project, carrying charges incurred before placing the project in service, interest on funds borrowed to finance the project to a date subsequent to the estimated date the project is to be placed in service, necessary expenses incurred in connection with placing the project in service, and the funding of accounts and reserves which the authority may require; and

(6) Other items that the division of environmental protection determines to be reasonable and necessary.

(c) "Fund" means the state water pollution control revolving fund provided for in this article as it may be expanded or modified from time to time pursuant to the clean water act, as amended, the federal safe drinking water act, as amended or by the executive order of the governor issued to comply with federal laws relating to the acts.

(d) "Instrumentality" means the division of environmental protection or the agency designated by an order of the governor as having the primary responsibility for administering the fund pursuant to the federal clean water act, as amended, and the federal safe drinking water act, as amended, or other federal laws.

(e) "Local entity" means any county, city, town, municipal corporation, authority, district, public service district, commission, banking institution or political subdivision in West Virginia.

(f) "Project" means any public water or wastewater treatment facility located or to be located in or outside this state by a local entity and includes:

(1) Sewage and wastewater collection, treatment and disposal facilities;

(2) Public water transportation, treatment and distribution facilities;

(3) Drainage facilities and projects;

(4) Administrative, maintenance, storage and laboratory facilities related to the facilities delineated in subdivisions (1), (2) and (3) of this subsection;

(5) Interests in land related to the facilities delineated in subdivisions (1), (2), (3) and (4) of this subsection; and

(6) Other projects allowable under federal law. (1994, c. 61; 1996, c. 257.)

§ 22C-2-2. Designation of division of environmental protection as state instrumentality for purposes of capitalization agreements with the United States environmental protection agency.

The division of environmental protection shall act as the instrumentality that is empowered to enter into capitalization agreements with the United States environmental protection agency, to accept capitalization grant awards made under the federal clean water act, as amended, the safe drinking water act, as amended, and other federal laws and to otherwise manage the fund provided for in this article in accordance with the requirements of said federal laws. (1994, c. 61.)

§ 22C-2-3. West Virginia water pollution control revolving fund; disbursement of fund moneys; administration of the fund.

(a) Under the direction of the division of environmental protection, the water development authority shall establish, administer and manage a permanent and perpetual fund, to be known as the "West Virginia Water Pollution Control Revolving Fund." The fund shall be comprised of moneys appropriated

to the fund by the Legislature, moneys allocated to the state by the federal government expressly for the purposes of establishing and maintaining a state water pollution control revolving fund, all receipts from loans made from the fund to local entities, all income from the investment of moneys held in the fund, and all other sums designated for deposits to the fund from any source, public or private. Moneys in the fund shall be used solely to make loans to local entities to finance or refinance the costs of a project: Provided, That moneys in the fund shall be utilized to defray the costs incurred by the authority and the division of environmental protection in administering the provisions of this article: Provided, however, That moneys in the fund shall be used to make grants for projects to the extent allowed or authorized by federal law.

(b) The director of the division of environmental protection, in consultation with the authority, shall promulgate legislative rules in accordance with the provisions of article three [§§ 29A-3-1 et seq.], chapter twenty-nine-a of this code, to:

(1) Govern the disbursement of moneys from the fund; and

(2) Establish a state water pollution control revolving fund program to direct the distribution of grants or loans from the fund to particular local entities and establish the interest rates and repayment terms of the loans.

(c) In order to carry out the administration and management of the fund, the authority is authorized to employ officers, employees, agents, advisers and consultants, including attorneys, financial advisers, engineers, other technical advisers and public accountants and, notwithstanding any provisions of this code to the contrary, to determine their duties and compensation without the approval of any other agency or instrumentality.

(d) The authority shall promulgate legislative rules in accordance with the provisions of article three [§§ 29A-3-1 et seq.], chapter twenty-nine-a of this code to govern the pledge of loans to secure bonds of the authority.

(e) All moneys belonging to the fund shall be kept in appropriate depositories and secured in conformance with this code. Disbursements from the fund shall be authorized for payment by the director of the authority or the director's designee. Any depository or officer of the depository to which moneys of the fund are paid shall act as trustee of the moneys and shall hold and apply them solely for the purposes for which the moneys are provided under this article. Moneys in the fund shall not be commingled with other money of the authority. If not needed for immediate use or disbursement, moneys in the fund may be invested or reinvested by the authority in obligations or securities which are considered lawful investments for public funds under this code. (1994, c. 61; 1996, c. 257.)

Code of State Rules References. — State water pollution control revolving fund program, 47 CSR 31, effective May 4, 2000.

§ 22C-2-4. Annual audit.

The authority shall cause an audit of its books and accounts to be made at least once each fiscal year by certified public accountants, and the cost thereof

may be defrayed as a part of the cost of construction of a project or as an administrative expense under the provisions of subsection (a), section three [§ 22C-2-3] of this article. (1994, c. 61.)

§ 22C-2-5. Collection of money due to the fund.

In order to ensure the timely payment of all sums due and owing to the fund under a revolving fund loan agreement between the state and a local entity, and notwithstanding any provisions of this code to the contrary, the authority has and may, at its option, exercise the following rights and remedies in the event of any default by a local entity under a loan agreement:

(a) The authority may directly impose, in its own name and for its own benefit, service charges upon all users of a project funded by a loan distributed to a local entity pursuant to this article, and may proceed directly to enforce and collect the service charges, together with all necessary costs of the enforcement and collection.

(b) The authority may exercise, in its own name or in the name of and as the agent for a particular local entity, all of the rights, powers and remedies of the local entity with respect to the project or which may be conferred upon the local entity by statute, rule, regulation or judicial decision, including all rights and remedies with respect to users of the project funded by the loan distributed to that local entity pursuant to this article.

(c) The authority may, by civil action, mandamus or other judicial or administrative proceeding, compel performance by a local entity of all of the terms and conditions of the loan agreement between the state and that local entity including:

(1) The adjustment of service charges as required to repay the loan or otherwise satisfy the terms of the loan agreement;

(2) The enforcement and collection of service charges; and

(3) The enforcement by the local entity of all rights and remedies conferred by statute, rule, regulation or judicial decision.

The rights and remedies enumerated in this section are in addition to rights and remedies conferred upon the authority by law or pursuant to the loan agreement. (1994, c. 61; 1996, c. 257.)

§ 22C-2-6. State construction grants program established; special fund.

(a) The director of the division of environmental protection shall promulgate rules in accordance with the provisions of chapter twenty-nine-a [§§ 29A-1-1 et seq.] of this code to establish a state construction grants program that is designed to complement and supplement the state water pollution control revolving fund program established pursuant to subsection (b), section three [§ 22C-2-3] of this article.

(b) The special fund designated "The West Virginia Construction Grants Fund" established in the state treasury is continued. The special fund shall be comprised of moneys appropriated to said fund by the Legislature, assess-

ments on existing wastewater treatment facilities, and all other sums designated for deposit to the special fund from any source, public or private: Provided, That such assessments shall be made and collected in accordance with fee schedules to be established by legislative rules promulgated by the director of the division of environmental protection, in accordance with chapter twenty-nine-a of this code. Moneys in the special fund shall be used solely for the state construction grants program established under subsection (a) of this section: Provided, however, That moneys in the special fund may be utilized to defray the costs incurred by the division of environmental protection in administering the provisions of this section. (1994, c. 61.)

Code of State Rules References. — State construction grants program rule, 47 CSR 33, effective May 7, 1999.

§ 22C-2-7. Environmental review of funded projects.

(a) The division of environmental protection shall conduct an environmental review on each project funded under this article. The director of the division of environmental protection shall promulgate legislative rules in accordance with the provisions of article three [§§ 29A-3-1 et seq.], chapter twenty-nine-a of this code to implement the environmental review of funded projects: Provided, That the rules shall be consistent with the regulations promulgated by the United States environmental protection agency pursuant to the federal clean water act, as amended.

(b) The director of the division of environmental protection is authorized to direct a local entity, or its agent, to implement all measures that, in the judgment of the director, are necessary in order to mitigate or prevent adverse impacts to the public health, safety or welfare or to the environment that may result from a project funded under this article. The director is further authorized to require all projects to comply with all other appropriate federal laws and regulations that are required of the projects under the federal clean water act, as amended. (1994, c. 61; 1996, c. 257.)

Code of State Rules References. — State water pollution control revolving fund program, 47 CSR 31, effective May 4, 2000.

§ 22C-2-8. Conflicting provisions.

The provisions of this article shall be liberally construed to the end that its beneficial purposes may be effectuated. Insofar as the provisions of this article are inconsistent with the provisions of any other general, special or local law, the provisions of this article are controlling. (1994, c. 61.)

BEFORE THE COUNTY COMMISSION OF MORGAN COUNTY, WEST VIRGINIA

IN RE: The Enlargement of the Boundaries of
the Warm Springs Public Service District,
as a Provider of Public Sewer Services, and the
Creation of the Warm Springs Public Service District,
as a Provider of Public Water

SUPPLEMENTAL ORDER
OF THE COUNTY COMMISSION OF MORGAN COUNTY, WEST VIRGINIA,
SPECIFYING WHICH EXISTING WATER AND SEWER UTILITIES ARE EXCLUDED
FROM THE ENLARGEMENT OF
THE WARM SPRINGS PUBLIC SERVICE DISTRICT,
AS A PROVIDER OF PUBLIC SEWER SERVICES
and
FROM THE CREATION OF
THE WARM SPRINGS PUBLIC SERVICE DISTRICT
AS A PROVIDER OF PUBLIC WATER

By ORDER entered on the 6th day of December, the County Commission of Morgan County ordered the enlargement of the Warm Springs Public Service District as a provider of public sewer services within Morgan County, to include the entire county or Morgan, except for those areas that were currently served by an existing sewer utility.

By the same ORDER entered on the 6th day of December, the County Commission of Morgan County ordered the creation of the Warm Springs Public Service District as a provider of public water services within Morgan County, to include the entire county of Morgan, except for those areas that were currently served by an existing water utility.

By ORDER of the Public Service Commission of West Virginia (the "PSC") entered on the 29th day of May, 2003, the PSC approved the ORDER of the Morgan County Commission enlarging the boundaries of the Warm Springs Public Service District as a provider of public sewer services and creating the Warm Springs Public Service District as a

provider of public water services, but requiring within sixty (60) days after entry of said ORDER the entry by the County Commission of Morgan County, West Virginia of a supplemental ORDER, specifying "the existing water and sewer utilities in Morgan County which are excluded from the enlarged district."

Accordingly, it is HEREBY ORDERED and ADJUDGED, that the following public water and sewer utilities and their current and existing service areas are excluded from the enlarged public service district for sewer services and from the newly created public service district for water services, to-wit:

1. The Berkeley Springs Municipal Water System
2. The Paw Paw Municipal Water and Sewer Systems;
3. The Coolfont Mountainside Association Water and Sewer Systems.

This ORDER is made to supplement the ORDER previously entered by this County Commission on the 6th day of December, 2002, and to comply with the ORDER of the Public Service Commission of West Virginia. It is further ORDERED that the Clerk of the County Commission of Morgan County shall cause attested copies of this ORDER to be filed with the Public Service Commission of West Virginia, and further that an attested copy of this ORDER will be provided to the Warm Springs Public Service District.

Entered this 13 day of June, 2003:

President of the County Commission of
Morgan County, West Virginia

Attest: Debra A. Kesecker
Clerk of the Morgan County Commission

COPY

022006alj052903.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: May 29, 2003

FINAL
06-18-03

CASE NO. 02-2006-PSWD-PC

MORGAN COUNTY COMMISSION
Petition for approval of the enlargement of Warm Springs Public Service District for sewer service and creation of Warm Springs Public Service District as a public water provider.

RECOMMENDED DECISION

On December 16, 2002, the Morgan County Commission (Applicant) filed its Order dated December 6, 2002, pursuant to West Virginia Code §16-13A-2, enlarging the current sewer boundaries and creating water service boundaries for the Warm Springs Public Service District to cover all areas of Morgan County that are not already served by a municipality or public or private systems.

On January 21, 2003, Staff Attorney Ronald E. Robertson, Jr., filed an Initial Joint Staff Memorandum to which was attached the Initial Internal Memorandum prepared by Mr. James Boggess, Utilities Analyst, Water and Wastewater Division. Staff advised that a public hearing was held by the Morgan County Commission on November 22, 2002. Staff requested that the Morgan County Commission provide the Commission with a copy of the published notice, an affidavit of publication of the notice and a list of at least five places where the notice of hearing was posted in the territory affected by the proposed actions. In addition, Staff requested that a map of the proposed boundaries be provided. Staff would complete its review and file its final recommendation in this case with the Commission upon receipt of this additional information. Staff recommended that the case be referred to the Division of Administrative Law Judges.

By Order dated January 29, 2003, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before July 14, 2003.

On February 11, 2003, the Morgan County Commission, by counsel, filed the information requested in the Staff Memorandum filed January 21, 2003.

In accordance with the Commission's case processing memorandum of June 10, 1999, the Final Joint Staff Memorandum would have been due March

MKM

allowing the creation of multiple public service districts, each having its own administrative costs and operational expenses. The petition is to decide who serves the entire county. (Tr., p. 12). If infrastructure is improved, this will also increase property values and property taxes. (Tr., p. 13).

Mr. O'Brien was concerned that, if a project was built, it would not be paid for through sewer bills, but paid for in his taxes. (Tr., p. 13). He objected to the fact that such a petition will accelerate growth in the county. (Tr., p. 14).

Staff Attorney Toon advised Mr. O'Brien that, if water and sewer facilities are constructed past his house, while the health law may require that he hook onto the sewer system, if it can be done by gravity flow, there is no requirement to hook onto the water facilities in any part of the County. (Tr., p. 15).

Ms. Evelyn Sims of Hedgesville, West Virginia, in the eastern part of Morgan County, identified herself as having a protest to the water expansion, as she has good water and a septic system. She withdrew her protest, upon learning that she wouldn't be forced to connect to any new water system that might be constructed. (Tr., p. 21).

Mr. Robert Ford, a Morgan County Commissioner, commented that the County Commission's intent by this action is to eliminate some of the problems that Berkeley County had experienced. Overdevelopment of the rural parts of the County cannot be stopped, but the Morgan County Commission can prepare for it. Action can be taken to keep the ground water from being polluted because of septic system failures. However, no water or sewer system is going to be put into the Protestants' part of the County within the next twenty to thirty years. (Tr., p. 24).

The Morgan County Commission is developing an overall plan for Morgan County to prevent the hodgepodge development of small systems as experienced by Berkeley County. The Morgan County Commission stipulated to Staff's Final Joint Staff Memorandum as filed on April 14, 2003. (Tr., p. 26).

FINDINGS OF FACT

1. On December 16, 2002, the Morgan County Commission filed, for Public Service Commission approval, its Order entered December 6, 2002, to enlarge the current sewer boundaries and create water service boundaries for the Warm Springs Public Service District to cover all areas of Morgan County that are not already served by a municipality or public or private system. (See, petition).

2. Staff recommended approval of the Order, but also recommended that the Morgan County Commission enact a supplemental Order identifying the specific sewer utilities and water utilities that will be excluded from the expanded sewer and newly-created water service boundaries of the Warm Springs Public Service District, i.e., Berkeley Municipal Water, Coolfont Mountainside Association and Paw Paw Municipal Water. (See, Final Joint Staff Memorandum filed April 14, 2003).

3. By Order dated March 28, 2003, this matter was set for a hearing to be held in Berkeley Springs, West Virginia, in accordance with the provisions of West Virginia Code §16-13A-2. Said Order also required that the Morgan County Commission give notice of the hearing set for May 13, 2003, by publishing a Notice of Hearing, once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Morgan County. The Notice of Hearing was published in the Morgan Messenger on April 30, 2003. (See, Order dated March 28, 2003; affidavit of publication; case file generally).

4. At the hearing held on May 13, 2003, Mr. David O'Brien gave comments and objections to the petition, citing that, because he has good water at his residence, it is unfair to have to take public water, particularly if he has to pay a tax increase. He expressed objection to development in the county that would be paid for by the taxpayer, instead of the developers. (See, Tr., pp. 10, 13, 14).

5. Ms. Evelyn Sims withdrew her protest upon Staff's explanation of the purpose for the project and petition. (See, Tr., p. 21).

6. Mr. Robert Ford, a Morgan County Commissioner, indicated that the County Commission's Order is to alleviate problems experienced by Berkeley County caused by overdevelopment of the rural areas, causing a hodgepodge of small public service districts and private utilities to be developed to serve the developments. (See, Tr., pp. 23-25).

7. The Morgan County Commission stipulated to the Staff's Final Joint Staff Memorandum filed on April 14, 2003. (See, Tr., p. 26).

CONCLUSION OF LAW

Since, at the hearing held in this matter on May 13, 2003, no substantive protest was received to the Morgan County Commission's Order, the Order of the Morgan County Commission dated December 6, 2002, should be approved.

ORDER

IT IS, THEREFORE, ORDERED that the Order of the Morgan County Commission dated December 6, 2002, enlarging the boundaries of the Warm Springs Public Service District for sewer service and creating the Warm Springs Public Service District as a county-wide public water provider, as filed on December 16, 2002, be, and the same hereby is, approved.

IT IS FURTHER ORDERED that the Morgan County Commission enact a supplemental order, within sixty (60) days of the date that this Order becomes final, specifying the existing water and sewer utilities in Morgan County which are excluded from the enlarged district.

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

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

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

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

Robert W. Glass
Administrative Law Judge

RWG:pst
022006aa.wpd

Morgan County Commission

P.O. Box 28
Berkeley Springs, West Virginia 25411
258-8540
-COMMISSIONERS-

THOMAS R. SWAIM
2737 FAIRVIEW DRIVE
BERKELEY SPRINGS
WV 25411
258-3109

ROBERT L. FORD
9 BARBECUE DRIVE
BERKELEY SPRINGS
WV 25411
258-4178

GLEN R. STOTLER
706 MONTE VISTA LANE
BERKELEY SPRINGS
WV 25411
258-3540

May 23, 2003

COURT ORDER

The Morgan County Commission hereby appoints PAUL S. ZORICH to the WARM SPRINGS PUBLIC SERVICE DISTRICT to fill the vacancy created by the death of Philip C. Maggio, Jr.

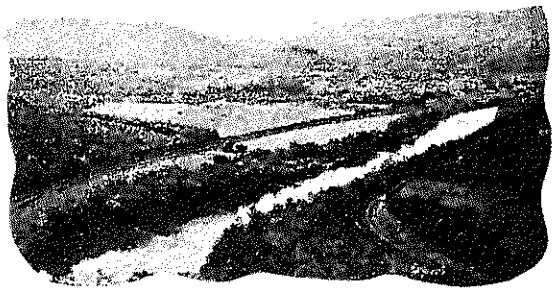
This appointment is effective immediately and will expire February 1, 2008.

Glen R. Stotler, President
Morgan County Commission

Thomas R. Swaim
Morgan County Commission

Robert L. Ford
Morgan County Commission

ATTEST:
Debra Kesecker
Clerk of the County Commission



Morgan County Commission

P.O. Box 28
Berkeley Springs, West Virginia 25411
258-8540

-COMMISSIONERS-

THOMAS R. SWAIM
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BERKELEY SPRINGS
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ROBERT L. FORD
9 BARBECUE DRIVE
BERKELEY SPRINGS
WV 25411
258-4178

GLEN R. STOTLER
706 MONTE VISTA LANE
BERKELEY SPRINGS
WV 25411
258-3540

February 15, 2006

COURT ORDER

The Morgan County Commission hereby reappoints ANDREW JURICK to the WARM SPRINGS PUBLIC SERVICE DISTRICT to serve a six year term.

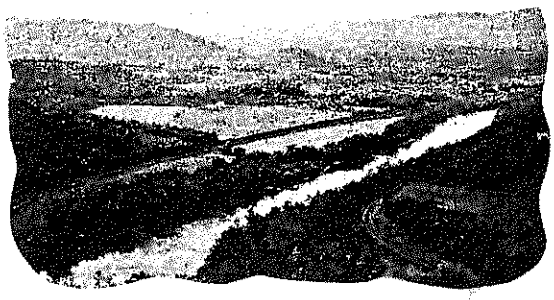
This appointment is effective immediately and will expire February 1, 2012.

Glen R. Stotler, President
Morgan County Commission

Thomas R. Swaim
Morgan County Commission

Robert L. Ford
Morgan County Commission

ATTEST:
Debra Kesecker
Clerk of the County Commission



Morgan County Commission

P.O. Box 28
Berkeley Springs, West Virginia 25411
258-8540

-COMMISSIONERS-

THOMAS R. SWAIM
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ROBERT L. FORD
9 BARBECUE DRIVE
BERKELEY SPRINGS
WV 25411
258-4178

GLEN R. STOTLER
706 MONTE VISTA LANE
BERKELEY SPRINGS
WV 25411
258-3540

July 7, 2006

COURT ORDER

The Morgan County Commission hereby appoints Issac Bohrer to the WARM SPRINGS PUBLIC SERVICE DISTRICT to serve the remainder of Thomas Rokisky's six year term.

This appointment is effective immediately and will expire February 1, 2010.

Glen R. Stotler, President
Morgan County Commission

Thomas R. Swaim
Morgan County Commission

Robert L. Ford
Morgan County Commission

ATTEST:
Debra Kesecker
Clerk of the County Commission

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OATH OF OFFICE AND CERTIFICATE

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

I, Isaac T. Bohrer, 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 Warm Spring Public Service District of Morgan Co. to the best of my skill and judgment, SO HELP ME GOD.

Isaac T. Bohrer

Subscribed and sworn to before me in the said County and State this 12th day of July, 2006.

Debra A. Kesecker, Clerk
Morgan County Commission
Morgan County, West Virginia

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OATH OF OFFICE AND CERTIFICATE

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

I, PAUL J. ZORICH, 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 Warm Springs Public Service District to the best of my skill and judgment, SO HELP ME GOD.

Paul J. Zorich

Subscribed and sworn to before me in the said County and State this 5th day of May, 2003.

Debra A. Kesecker

Debra A. Kesecker, Clerk
Morgan County Commission
Morgan County, West Virginia

County Clerk's Office JUN 05 2003
Morgan County, West Virginia
The foregoing writing, was this day presented in said office and thereupon admitted to record.
at N/A. **Testes** Debra A. Kesecker **Clerk**

OATH OF OFFICE AND CERTIFICATE

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

I, ANDREW JURICK, 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 Morgan County WARM Spring Public Service District to the best of my skill and judgment, SO HELP ME GOD.

Andrew Jurick

Subscribed and sworn to before me in the said County and State this 25th day of September, 2006.

Debra A. Kesecker

Debra A. Kesecker, Clerk
Morgan County Commission
Morgan County, West Virginia

RULES OF PROCEDURE

WARM SPRINGS PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. The name of this Public Service District shall be WARM SPRINGS PUBLIC SERVICE DISTRICT (the "District").

Section 2. The principal office of the District will be located in Berkeley Springs, West Virginia.

Section 3. The official seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Warm Springs Public Service District, and in the center "seal" as follows:

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

ARTICLE II

PURPOSE

Section 1. The District is organized and operated exclusively for the purposes set forth in Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (the "Act").

ARTICLE III

MEMBERSHIP

Section 1. The members of the Public Service Board of the District (the "Board") shall be those persons appointed by The County Commission of Morgan 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 Board resign or otherwise become legally disqualified to serve as a member of the Board, the District shall immediately notify the County Commission or other entity provided under the Act and request the appointment of a qualified person to fill such vacancy. Prior to the end of the term of any member of the Board, the District shall notify the County Commission or other entity provided under the Act of the pending termination and request the County Commission or other entity provided under the Act to enter an order of appointment or re-appointment to maintain a fully qualified membership of the Board.

Section 3. The District shall provide to the Public Service Commission of West Virginia, within 30 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, and such other information required under the Act.

Section 4. Each board member shall, within 6 months of taking office, successfully complete the training program established and administered by the Public Service Commission of West Virginia in conjunction with the West Virginia Department of Environmental Protection and the West Virginia Bureau for Public Health.

Section 5. 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 12 months after such board member's term has expired or after such board member has resigned from the Board.

Section 6. Salaries of the board members shall be established as provided in Chapter 16, Article 13A, Section 4 of the Act. The District shall certify the number of customers served to the Public Service Commission of West Virginia on the first day of July

each year. Board members may be reimbursed for all reasonable and necessary expenses actually incurred in the performance of their duties.

Section 7. The members of the Board are not personally liable or responsible for any obligations of the District or the Board but are answerable only for willful misconduct in the performance of their duties.

ARTICLE IV

MEETINGS OF THE BOARD

Section 1. The members of the Board shall hold regular monthly meetings on such days of each month and at such place and hour as the members shall determine from time to time. If the day stated shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Board may be called at any time by the Chairperson or by a quorum of the Board.

Section 2. At any meeting of the Board, a majority of the members of the Board shall constitute a quorum. Each member of the Board shall have one vote at any 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 of regular meetings shall be by letter or telephone. Unless otherwise waived, notice to members of each special meeting shall be by letter or telephone not less than 72 hours before the date fixed for such special meeting. The notice of any special meeting shall state briefly the purposes of such meeting and the nature of the business to be transacted at such meeting, and no business other than that stated in the notice shall be transacted at such special meeting.

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

Rule No. 1. Notice of Regularly Scheduled Meetings. Immediately after adoption of these Rules of Procedure and in July of each year thereafter, the Board shall instruct the Secretary to, and the Secretary shall, post, and leave posted throughout the year to which it applies, at the regular meeting place of the Board and at the Morgan County

Courthouse, where notices customarily are posted, a notice setting forth the date, time and place of the Board's regularly scheduled meetings for the ensuing year. In addition, a copy of the agenda for each regularly scheduled meeting shall also be posted at the same location by the Secretary not less than 72 hours before such regular meeting is to be held.

The Board shall also instruct the Secretary to, and the Secretary shall, distribute to each of the newspapers and other news media listed below a notice identical to that posted:

News Media	Address
The Morgan Messenger	P.O. Box 567 Berkeley Springs, WV 25411

A notice shall be considered distributed to a news medium when it has been addressed to such news medium at the address listed above, or at such other address as the news medium has in writing requested be used, marked or stamped with first class postage and deposited in the United States mail. In July of each year after the adoption of these Rules of Procedure, the Board shall review the above list and shall amend such list as needed, in the opinion of the Board, to reflect properly all the newspapers and other news media that customarily cover news of the area served by the Board. In addition, a copy of the agenda for each regularly scheduled meeting shall also be distributed to the news media by the Secretary not less than 72 hours before such regular meeting is to be held.

In the event of any modification to the date, time, place or agenda of a regularly scheduled meeting of the Board, notice of such modification shall immediately be given to the public and news media by posting at the places and distributing to the news media in the manner set forth above not less than 48 hours before such regular meeting is to be held. A copy of the notice of such modification shall be attached to and made a part of the minutes of the meeting for which such notice was given.

Rule No. 2. Notice of Special Meetings. Not less than 72 hours prior to the date set for any special meeting of the Board, the Board shall instruct the Secretary to, and the Secretary shall, post at the regular meeting place of the Board and at the Morgan County Courthouse, where notices customarily are posted, a notice setting forth the date, time, place and purpose or purposes of such special meeting. Business at such special meeting shall be limited to the purpose or purposes specified in said notice.

As soon as practical after the posting of said notice, but not less than 72 hours

prior to the date set for such special meeting, the Secretary shall distribute to each of the newspapers and other news media listed in Rule No. 1 hereof, a notice identical to that posted. Amendments made to such news media list, as provided for in said Rule No. 1, shall be incorporated by reference in this Rule No. 2. A notice shall be considered distributed to a news medium when it has been addressed to such news medium at the address listed in said Rule No. 1, or at such other address as the news medium has in writing requested be used, marked or stamped with first class postage and deposited in the United States mail.

A copy of such notice posted and distributed pursuant to this Rule No. 2 shall be attached to and made a part of the minutes of the meeting for which such notice was given.

Rule No. 3. Emergency Meetings. The Board may hold a meeting without providing the notice to the public and news media required by Rule No. 1 and Rule No. 2 hereof only in the event of an emergency requiring immediate official action. The existence for such an emergency requiring immediate official action shall be determined by the Board and shall be attested to in a certificate by the Secretary describing such emergency and setting forth the reason or reasons immediate official action is required, which certificate shall be attached to and made a part of the minutes of such emergency meeting.

Rule No. 4. Executive Sessions. The Board may hold an executive session during a regular, special or emergency meeting in accordance with Chapter 6, Article 9A, Section 4 of the Code of West Virginia, 1931, as amended. During the open portion of the meeting, prior to convening an executive session, the Chairperson shall identify the authorization under Chapter 6, Article 9A, Section 4 of the Code of West Virginia, 1931, as amended, for holding the executive session and present it to the Board and to the general public, but no decision may be made in the executive session. An executive session may be held only upon a majority affirmative vote of the Board members present. The Board may hold an executive session and exclude the public only when a closed session is required for any of the actions permitted under Chapter 6, Article 9A, Section 4 of the Code of West Virginia, 1931, as amended.

Rule No. 5. Minutes. The Board shall provide for the preparation of written minutes of all of its meetings. Subject to the exceptions set forth in Chapter 6, Article 9A, Section 4 of the Code of West Virginia, 1931, as amended, minutes of all meetings except minutes of executive sessions, if any are taken, shall be available to the public within a reasonable time after the meeting and shall include, at least, the following information:

(1) The date, time and place of the meeting;
(2) The name of each Board member present and absent;

(3) All motions, proposals, resolutions, orders, ordinances and measures proposed, the name of the person proposing the same and their disposition; and

(4) The results of all votes and, upon the request of a Board member, the vote of each Board member, by name.

Rule No. 6. No Actions by Reference. Except as otherwise expressly provided by law, the Board may not deliberate, vote, or otherwise take official action upon any matter by reference to a letter, number or other designation or other secret device or method, which may render it difficult for persons attending a meeting to understand what is being deliberated, voted or acted upon. However, this rule does not prohibit the Board from deliberating, voting or otherwise taking action by reference to an agenda, if copies of the agenda, sufficiently worded to enable the public to understand what is being deliberated, voted or acted upon, are available for public inspection at the meeting. The Board may not vote by secret or written ballot.

Rule No. 7. Broadcasting of Meetings. Except as otherwise provided in this rule, any radio or television station is entitled to broadcast all or any part of a Board meeting required to be open. The Board may regulate the placement and use of equipment necessary for broadcasting, photographing, filming or recording a meeting, so as to prevent undue interference with the meeting. The Board shall allow the equipment to be placed within the meeting room in such a way as to permit its intended use, and the ordinary use of the equipment may not be declared to constitute undue interference; provided, that if the Board, in good faith, determines that the size of the meeting room is such that all the members of the public present and the equipment and personnel necessary for broadcasting, photographing, filming and tape-recording the meeting cannot be accommodated in the meeting room without unduly interfering with the meeting and an adequate alternative meeting room is not readily available, then the Board, acting in good faith and consistent with the purposes of this rule, may require the pooling of the equipment and the personnel operating it.

Rule No. 8. Telephonic Meetings. Board meetings may be held by telephone conference or other electronic means. All Board members participating by telephone or other electronic means must be audible to all those personally present.

Section 5. All meetings of any committee of the Board shall be subject to the Rules of Procedure set forth in Section 4 above.

ARTICLE V

OFFICERS

Section 1. The officers of the Board shall be a Chairperson, Secretary and Treasurer. The Chairperson shall be elected from the members of the Board. The Secretary and Treasurer need not be members of the Board.

Section 2. The officers of the Board shall be elected each year by the members at the first meeting after the first day of January of each 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 Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the next annual organizational meeting of the Board when their successors shall be elected as hereinabove provided.

ARTICLE VI

DUTIES OF OFFICERS

Section 1. When present, the Chairperson shall preside as Chairperson at all meetings of the Board. He/She shall, together with the Secretary, sign the minutes of all meetings at which he/she shall preside. He/She shall attend generally to the executive business of the Board and exercise such powers as may be conferred upon him/her by the Board, by these Rules of Procedure, or prescribed by law. He/She shall execute, and if necessary, acknowledge for record, any deeds, deeds of trust, contracts, notes, bonds, agreements, or other documents 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 Chairperson is absent from any meeting, the remaining members of the Board shall select a temporary chairperson.

Section 3. 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. He/She shall, together with the Chairperson, sign the minutes of the meetings at which he/she is

present. The Secretary shall have charge of the minute book, be the custodian of deeds and other documents and papers of the Board. He/She shall also perform such other duties as may be required of him/her by law or as may be conferred upon him/her 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/her 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. The Treasurer shall keep and preserve all financial records of the District for 10 years and shall at all times have such records readily available for public inspection. At the end of his/her term of office, the Treasurer shall promptly deliver all financial records of the District to his successor in office. He/She shall also perform such other duties as may be required of him/her by law or as may be conferred upon him/her from time to time by the members of the Board. The Treasurer shall furnish bond in an amount to be fixed by the Board for the use and benefit of the District.

Section 5. No money may be paid out by the District except upon an order signed by the Chairperson and Secretary, or such other person or persons authorized by the Chairperson or the Secretary, as the case may be, to sign such orders on their behalf. Each order for the payment of money shall specify the purposes for which the amount thereof is to be paid, with sufficient clearness to indicate the purpose for which the order is issued, and there shall be endorsed thereon the name of the particular fund out of which it is payable and it shall be payable from the fund constituted for such purpose, and no other. All such orders shall be reflected in the minutes of the next meeting of the Board.

Section 6. The members and officers of the Board 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.

ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

Section 1. These Rules of Procedure may be altered, changed, amended or added to at any regular or special meeting of the Board when a quorum is present and a majority of those present vote for the alteration, change, amendment or addition; but no such

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

Adopted this 18th day of June, 2002.

Chairperson and Member

Member

Member

CERTIFICATION

Certified a true copy of the Rules of Procedure duly adopted by the Board of Warm Springs Public Service District on June 18, 2002.

Dated this 25th day of June, 2002.

[SEAL]

Secretary

5/23/02
00858/00301

MINUTES
WARM SPRINGS PUBLIC SERVICE DISTRICT
January 10, 2007

A regular meeting of the Public Service Board of the Warm Springs Public Service District was held on Wednesday, January 10, 2007, at the Morgan County Commission Office, Berkeley Springs, West Virginia, at 3:30 p.m.

Members present were Andrew Jurick and Isaac Bohrer. Mr. Zorich was unable to attend. Also in attendance were Glenn Johnston, Mark Harpster, Cara Halloran, and John Fagan of Glenn Johnston, Inc., Sylvia Clark, and Rodney Hovermale.

The first matter of business was the election of officers for the new year. Upon a motion by Mr. Bohrer, the same officers as last year (Mr. Jurick - chairman, Mr. Zorich - vice-chairman, and Mr. Bohrer - Secretary/Treasurer) were elected.

The next matter of business was the approval of the Minutes of the December 13, 2006, regular meeting. The Minutes were approved upon a motion by Mr. Bohrer.

The third matter of business was the consideration of the invoices received. The following twenty-eight operating and four construction invoices were approved for payment upon a motion by Mr. Bohrer:

Operating		
1.	B.S.W.W.(Jan. books)	125.00
2.	Verizon(12/19/02/19/06)	462.79
3.	Postmaster(Jan .1 billing)	346.66
4.	Allegheny Power(11/26/06-12/30/06)	2,533.78
5.	Cintas(uniforms(12/12/06-01/12/07)	196.04
6.	Town of Bath(Jan. rent)	400.00
7.	AT&T(12/01/06-12/30/06)	26.74
8.	U. S. Cellular(12/24/06-01/23/07)	40.14
9.	Platinum(earthlink, flash drive for plant)	94.33
10.	Morgan Sanitation(Jan. Container)	141.75
11.	Napa(oil, belt, tape,etc.)	103.90
12.	Roy's(gas for sewer truck)	80.00
13.	CSX(annual fee for 8" pipeline crossing)	113.41
14.	Pifer(diary, pens, desk pads)	61.45
15.	G.H.S.(Thomas St. line repair, move belt press)	405.00
16.	Shives Electric(belt press trailer)	1,081.53
17.	DEP(lab recertification fee)	125.00
18.	B.S.W.W.(water, reconnect)	1,261.00
19.	USABluebook(brush,skimmer,pump,filter)	756.61
20.	WV DOT(gas, 11/03-11/27)	220.60
22.	Scott Crunkleton(cell phone reimburse Oct-Dec '06)	60.00
23.	John Francis(cell phone reimburse Oct-Dec '06)	60.00
24.	Rodney Hovermale(mileage)	11.57
25.	Hunter's HW(bulbs,belts,batteries,heater,lime)	140.10
26.	Univar(chlorine, bisulfite)	886.85
27.	Kauffelt & Kauffelt (19A rate increase)	2,383.73
28.	Steptoe & Johnson(messenger expense)	22.87
Construction		
1.	Kauffelt(expenses thru 11/30/06)	893.60

2. CET Engineering(11/01/06-11/30/06)	544.00
3. Kesecker Appraisal(12/22/06)	2,800.00
4. Morgan Messenger(notice of hearings)	442.80

Mr. Hovermale reported that the Public Service Commission hearing for the Plant upgrade/line extension project was held last Friday (January 5). The has been granted expedited status because of the nearing bid expiration date (it is has been extended a second time and now expires February 16, 2007) for the two construction contracts. An order is expected to be issued withing the next two weeks. Upon a motion by Mr. Bohrer, a Resolution (attached as a part of these Minutes) was passed authorizing Mr. Jurick to act on behalf of the WSPSD for the planning and construction of wastewater facilities. Upon a motion by Mr. Bohrer, the Bond Purchase Agreement was approved with the Water Development Authority for the $3 million Clean Water State Revolving Fund loan.

There were no new sewer connection requests to be considered.

The financial reports were discussed. Mr. Jurick reported that there would be approximately ten cases the PSD will file in Magistrate Court for collecting delinquent accounts. The budget comparison report looks good.

Glenn Johnston introduced the other members of his company that will doing the line extension contract. He noted they have agreed to two bid extensions and the PSD has agreed to additional costs associated with this extension. Mr. Johnston wants to have a partnership with the community and engineer that will result in a good job.

The meeting was adjourned at 4:00 p.m. upon a motion by Mr. Bohrer.

Chairman

Secretary/Treasurer

MINUTES
WARM SPRINGS PUBLIC SERVICE DISTRICT
January 11, 2006

A regular meeting of the Public Service Board of the Warm Springs Public Service District was held on Wednesday, January 11, 2006, at the Morgan County Courthouse in Berkeley Springs, West Virginia, at 3:30 p.m.

Members present were Andrew Jurick, Paul S. Zorich, and Tom Rokisky. Also in attendance were Tim Doyle (*Martinsburg Journal*), Kate Shunney (*Morgan Messenger*), Sylvia Clark, and Rodney Hovermale.

The first matter of business was the election of officers for the new year. Upon a motion by Mr. Zorich, the same officers as last year (Mr. Jurick - chairman, Mr. Zorich - vice-chairman, and Mr. Rokisky - Secretary/Treasurer) were elected.

The next matter of business was the approval of the Minutes of the December 14, 2005, regular meeting. The Minutes were approved upon a motion by Mr. Rokisky.

The third matter of business was the consideration of the invoices received. The following twenty-one operating and three construction invoices were approved for payment upon motions by Mr. Zorich and Mr. Rokisky respectively:

Operating	
1. B.S.W.W.(Jan. books, water)	2,548.44
2. Verizon(12/18/05-01/18/05	465.22
3. Postmaster(Jan .1 billing)	339.55
4. Allegheny Power(11/25/05-12/28/05)	3,172.94
5. Cintas(uniforms(12/20/05-01/03/05)	251.43
6. Town of Bath(Dec. rent)	400.00
7. AT&T(long distance)	48.88
8. Apparatus Repair(1/05/06, compressor/pump)	468.56
9. U. S. Cellular(12/24/05-01/23/06)	41.09
10. Beddow's(tank G.C., Inv. #1590)	175.00
11. Morgan Sanitation(Jan. Container)	141.75
12. Kelly Services(oil change, inspection)	45.19
13. Hunter's HW(fittings,thermostat,fernco,pvc,hose,etc.)	346.26
14. Pifer(dairy,comp. paper,printer ribbons,calander, etc.)	205.77
15. Rick's Welding(generator repairs, 12/01)	520.98
16. Reliance(12/07-12/21)	122.00
17. Univar(12/14 & 12/20;chemicals,)	2,396.05
18. REIC(sludge samples)	180.00
19. Steptor & Johnson(thru 11/30/.05)	935.90
20. Platinum(earthlink,)	72.90
21. WV Dot(gas, 11/04-11/20)	281.14
Construction	
1. Trump & Trump(services, Inv. #26509,12/07)	125.00
2. Kauffelt & Kauffelt(thru 12/31/05)	165.00
3. CET Eng.(11/01-11/30)	156.00

Mr. Hovermale reported that "offer" letters had been mailed on December 29, 2005, to thirty-three property owners in an attempt to obtain the necessary easements for the sewer line

extension project. The offers were based on the appraised value as determined by Kent Kesecker. Five of the property owners had responded so far, with four of them willing to accept the offer. There will be another five letters ready to mail later this week. Upon a motion by Mr. Zorich, the revised engineering agreement with CET was approved pending PSC approval. This new agreement contains the following changes: Bidding and Negotiation Phase went from $20,786 to $23,868, Construction Phase went from $252,805 to $256,960, and the Inspection Services went from $345,930 down to $335,649. The net change for the new agreement is a decrease of $3,044. The changes are due to updated rates and times.

There was one new sewer connection request to consider. A new connection was approved for Kevin Duckwall (1400 block of Fairfax Street) upon a motion by Mr. Zorich.

The financial reports were discussed. A breakdown of the Great Cacapon trial balance will be reviewed at the next meeting.

The Board considered a proposal from Appalachian Software to provide the budgetary accounting and payroll software for a fee of $5,900. The annual license fee would be an additional $1,330, and installation and training would be approximately $3,500. This would put all the office software (including utility billing) under one provider. The proposal was approved upon a motion by Mr. Zorich.

The meeting was adjourned at 4:05 p.m. upon a motion by Mr. Rokisky.

Chairman

~~Vice-chairman~~ SECRETARY/TREASURER

~~Secretary/Treasurer~~ VICE-CHAIRMAN

040131alj011007.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

1/21/2007

Entered: January 10, 2007

CASE NO. 04-0131-PSD-CN (REOPENED)

WARM SPRINGS PUBLIC SERVICE DISTRICT,
P.O. Box 456, Berkeley Springs,
Morgan County.
Application for a certificate of convenience and necessity for the construction, operation and maintenance of an expanded wastewater treatment facility and collection system to serve approximately 1,500 customers in the Berkeley Springs area of Morgan County, West Virginia.

RECOMMENDED DECISION

By Recommended Decision entered November 1, 2004, the Commission approved the application for a certificate of convenience and necessity filed by the Warm Springs Public Service District (Utility) on February 4, 2004. Among the conclusions of that order was that the project was necessary to eliminate discharges of raw or inadequately treated sewage into area waterways and to eliminate ineffective and failing septic systems in the new customer area.

On September 14, 2006, the Utility filed a motion to reopen and requested a change in financing and increased rates. The Utility indicated that the bids it received in July 2005 significantly exceeded the estimated cost. The Utility indicated that it had filed an application with the West Virginia Infrastructure and Jobs Development Council (IJDC) for increased borrowing. The Utility calculated that the increased borrowing would increase the post-project rates previously approved by the Commission by 4.4%.

On October 2, 2006, Jim Slough filed an objection to the Utility's filing.

On December 1, 2006, the Utility filed an amended Notice of Filing. The amended Notice of Filing indicated that bids received on August 16, 2006, resulted in a project cost of $15,759,000. The Utility indicated that it would finance the project with a grant from IJDC in the amount of $2,450,000, a conventional loan from IJDC in the amount of $8,290,000 and a Wrap loan from IJDC in the amount not to exceed $2,019,000 with both loans for 40 years at an interest rate of 0%. The Utility will also

utilize a Wrap loan from the West Virginia Clean Water State Revolving Fund (SRF) in the amount of $3,000,000 with an administrative fee not to exceed 0.5%. The Utility included in its Notice of Filing its proposed post-project rates.

On December 4, 2006, the Commission ordered the Utility to publish the amended Notice of Filing. The Commission has received several protests pursuant to the amended Notice of Filing.

On December 20, 2006, the Utility filed a motion with the Commission requesting that it refer the matter to the Division of Administrative Law Judges for an immediate hearing. The Utility indicated that its bids were set to expire on January 16, 2007, and the Utility's only hope of retaining the bids was to have the matter considered on an expedited basis.

On December 21, 2006, Staff filed its final recommendation. Staff indicated that the bids on the project came in at $15,759,000, which amounted to an overrun from the original estimate of $10,740,000, in the amount of $5,019,000. The bid overrun will be financed by a loan from the SRF in the amount of $3,000,000 and a Wrap loan from the IJDC in the amount of $2,019,000. The SRF loan will be for 30 years at 0% interest and 0.5% administrative fee. The IJDC loan will be for 40 years at 0% interest. The Utility will not be required to make payments on the Wrap loan until September 1, 2015. The Utility is proposing a 25% increase in rates and charges over and above the levels established in the Utility's rate Case No. 06-0311-PSD-19A. Staff recommends adopting the Utility's proposed rates. The proposed rates will generate approximately $1,121,832 in operating revenue and result in a cash flow surplus of $43,344 and a debt service coverage of 119.61%.

Staff recommended that the Utility's request to increase the cost of the project and the necessary additional funding be approved. Staff recommended the Utility reopen the case in the event that the plans or scope of the project change in the future resulting in a financing change which affects rates. Staff recommended that the Utility be required to seek a rate review 18 months after the project is on line.

On December 21, 2006, the Commission referred the matter. The Commission indicated that the ALJ Division should "endeavor to hold the hearing and issue a recommended decision within the constraints of the District's bid closing, if possible." Despite this statement, the Commission established a deadline of July 18, 2007.

By Procedural Order issued December 21, 2006, the matter was set for hearing on January 5, 2007. The Order required the Executive Secretary to immediately publish a notice of the hearing in a newspaper published and of general circulation in Morgan County. The notice was properly published. (See filing of January 3, 2006).

The hearing was held as scheduled. Mark E. Kauffelt, Esquire, appeared on behalf of the Utility. Ronald E. Robertson, Esquire, appeared on behalf of Staff. James Slough appeared on his own behalf.

EVIDENCE and PUBLIC COMMENT

Counting the Intervenor, nine people offered public comment opposing the project. There have also been a large number of letters opposing the project. The majority of the individuals who spoke at the recent hearing had also offered similar comments at the hearing in 2004. The individuals primarily opposed the extension of sewer service believing that their septic systems are adequate. They also expressed concern with the proposed rates. Many expressed a lack of confidence in the Utility's management. (Tr. 10 to 21, 65 to 67).

The bids on the project came in at $15,759,000, which amounted to an overrun from the original estimate of $10,740,000, in the amount of $5,019,000. The bid overrun will be financed by a loan from the SRF in the amount of $3,000,000 and a Wrap loan from the IJDC in the amount of $2,019,000. The SRF loan will be for 30 years at 0% interest and 0.5% administrative fee. The IJDC loan will be for 40 years at 0% interest. The Utility will not be required to make payments on the Wrap loan until September 1, 2015. The Utility is proposing a 25% increase in rates and charges over and above the levels established in the Utility's rate Case No. 06-0311-PSD-19A. Staff recommends adopting the Utility's proposed rates. The proposed rates will generate approximately $1,121,832 in operating revenue and result in a cash flow surplus of $43,344 and a debt service coverage of 119.61%. (Staff Ex. 1).

DISCUSSION

The Commission has already determined that this project is desperately needed. (See Recommended Decision final 11/21/04). The evidence presented to the Commission in the first hearing included the fact that the Utility's treatment plant, which went on-line in 1980, was operating over its capacity even in dry weather and was under a consent decree from the Department of Environmental Protection (DEP). (Id.). During wet weather the flows are more than twice the capacity of the plant. (Id.). The evidence showed that 50% to 70% of the area's septic tanks are either failing or will fail. (Id.). The soils in the area are not compatible with septic tanks. (Id.). Even properly working septic systems only provide primary treatment of the waste which is far less treatment than that provided by a centralized treatment plant. (Tr. 54).

There can be no doubt that the need for the plant has increased in the two years since the project was originally approved by the Commission. It is unfortunate that the project has taken this long to get to this stage. The Utility, at the first hearing, indicated that it hoped to have the project up and running in early 2006. Construction and material prices escalate. Further delay will likely result in even higher prices and higher rates. It is unfortunate, but not surprising, that the bids came in over those anticipated by the Commission two years ago. The Utility, however, has obtained very favorable financing to cover the amount of the overrun. The resulting rate, $49.29 a month for a 4,500 gallon customer, is not unreasonable given the fact that the Utility is undertaking a major project.

The modifications to the cost of the project and rates should be approved by the Commission.

FINDINGS OF FACT

1. The Commission has already found that there is a need for this project in that it will provide sewer service to at least 255 new customers; allow for appropriate and orderly development; rehabilitate and improve sewer treatment facilities for existing customers; eliminate discharges of raw or inadequately treated sewage from area waterways; and eliminate ineffective and failing septic systems. (See Recommended Decision Final 11/21/04).

2. The Commission previously approved the project, its financing and resulting rates based on the estimated project cost of $10,740,000. (Id.).

3. The bids came in at $15,759,000. (See Utility filing of December 1, 2006; Staff Ex. 1).

4. The Utility proposes to finance the bid overrun with a loan from the SRF in the amount of $3,000,000 for 30 years at .05% administrative fee, and a Wrap loan from the IJDC in the amount of $2,019,000 for 40 years at 0% interest. (Id.).

5. The Utility proposes and Staff supports post-project rates that are 25% higher than the rates developed in the Utility's current rate proceeding, Case No. 06-0311-PSD-19A. (Staff Ex. 1).

6. The proposed rates will generate approximately $1,121,832 in operating revenue and result in a cash flow surplus of $43,344 and a debt service coverage of 119.61%. The District's bonds require a minimum debt service coverage of 115%. (Staff Ex. 1; Tr. pp. 76-77).

CONCLUSIONS OF LAW

1. The proposed post-project rates are reasonable, just, adequate and based primarily on the cost of providing service and should be adopted for use by the Utility upon substantial completion of the project.

2. The proposed modifications to the project financing are reasonable and should be approved.

3. The Utility's motion to change its financing and increase the related rates should be granted.

ORDER

IT IS, THEREFORE, ORDERED that the petition of the Warm Springs Public Service District to modify its certificate to reflect project costs of $15,759,000 and to approve modified financing and increased rates be, and hereby is, approved.

IT IS FURTHER ORDERED that the additional funding be approved as follows: a State Revolving Fund Loan in the amount of $3,000,000 for 30 years at 0% interest and a 0.5% administrative fee and a West Virginia Infrastructure and Jobs Development Council wrap loan in the amount of $2,019,000 for 40 years at 0% interest. The previous funding has already been approved by the Commission on November 21, 2004.

IT IS FURTHER ORDERED that the attached rates are approved for use by the Warm Springs Public Service District for all service provided after the substantial completion of the project. The Utility shall file with the Commission a proper tariff and at least five copies within thirty days of the date that this Order becomes a final Order of the Commission. The Utility shall also file with the Commission a copy of the certificate of substantial completion as soon as it is available.

IT IS FURTHER ORDERED that, if there are any additional changes in the plans or scope of the project or if a change in financing affects rates, the Warm Springs Public Service District shall request the reopening of this proceeding. If a change in project cost does not affect rates, the Utility must file an affidavit signed by a Certified Public Accountant verifying that rates are not affected.

IT IS FURTHER ORDERED that the Warm Springs Public Service District file a copy of the certified tabulation of bids within ten days of the bid opening date for each contract or vendor bid to be awarded for the project.

IT IS FURTHER ORDERED that the Warm Springs Public Service District petition the Commission for a rate review eighteen months after completion of the project.

IT IS FURTHER ORDERED that, if this project requires the use of Division of Highways' rights-of-way, the Utility shall 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 Executive Secretary remove this case 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 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 the exceptions.

If no exceptions are filed, this order shall become the order of the Commission, without further action, five (5) days following the expiration of the fifteen (15) day time period, unless it is ordered stayed 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 the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.

K. A. George

Keith A. George
Administrative Law Judge

KAG:kkp
040131ac.wpd

APPROVED RATES

SCHEDULE NO. 1

APPLICABILITY
Applicable within the entire territory served.

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

RATES (Customers with metered water supply)

First	3,000 gallons used per month	$11.19 per 1,000 gallons
Next	4,000 gallons used per month	$10.48 per 1,000 gallons
Next	5,000 gallons used per month	$ 9.37 per 1,000 gallons
Next	8,000 gallons used per month	$ 8.12 per 1,000 gallons
All Over	20,000 gallons used per month	$ 7.27 per 1,000 gallons

MINIMUM CHARGE
No bill will be rendered for less than $33.57 per month

SURCHARGE
$2.37 per bill per month for a period not to exceed two (2) years from the effective date of this tariff will be charged in order to eliminate the arrearage to West Virginia Department of Environmental Protection.

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

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

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

TYPES OF DISCHARGE PROHIBITED
There shall be no connection of roof downspouts, foundation drains, area way drains, or other sources of surface run-off or ground water to a building drain or building sewer which in turn is connected directly or indirectly to the sanitary sewerage system. There shall be no radioactive wastes, oils, flammable or explosive substances, or any other material discharged directly or indirectly into the system which may have a harmful effect on the wastewater treatment facilities.

FLAT RATE–(customer with non-metered water supply)
Berkeley Springs State Park--$1,002.25

DISCONNECT/RECONNECTION/ADMINISTRATION FEE
Whenever water service has been disconnected for non-payment of sewer bills in conjunction with a water service termination agreement with the Town of Bath, a disconnection fee of $22.00 shall be charged: or in the event the delinquent sewer bill is collected by the water company, an administrative fee of $22.00 shall be charged.

Whenever water service, which has been previously disconnected or otherwise withheld for nonpayment of a sewer bill in conjunction with a water service termination agreement with the Town of Bath, is reconnected, a reconnection fee of $22.00 shall be charged.

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

INCREMENTAL LEAK ADJUSTMENT
$1.43 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above the customer's historical average usage.

SCHEDULE NO. 2

APPLICABILITY
Applicable within the entire territory served.

AVAILABILITY
Available for sanitary sewer service to unmetered water users and users who obtain water from wells.

FLAT RATE (customers with non-metered water supply)
Equivalent of 4,500 gallons of water usage, $49.29 per month.

SURCHARGE
$2.37 per bill per month for a period not to exceed two (2) years from the effective date of this tariff will be charged in order to eliminate the arrearage to West Virginia Department of Environmental Protection.

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

TYPES OF DISCHARGE PROHIBITED.
There shall be no connection of roof downspouts, foundation drains, area way drains, or other sources of surface run-off or ground water to a building drain or building sewer which in turn is connected directly or indirectly to the sanitary sewerage system. There shall be no radioactive wastes, oils, flammable or explosive substances, or any other material discharged directly or indirectly into the system which may have a harmful effect on the wastewater treatment facilities.

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

SCHEDULE NO. 3

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE ROOF DRAINS ARE CONNECTED TO THE DISTRICT'S SANITARY SEWER SYSTEM.

APPLICABILITY

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

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

S - The surcharge in dollars

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

R - The measured monthly rainfall, in inches

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

C - The District's approved rate per thousand gallons of wastewater treated.

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

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

rec'd 11/6/06

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

Jefferson E. Brady, PE
Executive Director

Jefferson.Brady@verizon.net

November 2, 2006

Rodney Hovermale
Warm Springs Public Service District
P.O. Box 457
Berkeley Springs, West Virginia 25411

Re: Warm Springs Public Service District
Sewer Project 2003S-736

Dear Mr. Hovermale:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the Warm Springs Public Service District's (the "District") revised preliminary application regarding its proposed project to replace the existing wastewater treatment plant with a new one, extend sewer lines and construct pump stations to serve 255 new customers (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.

Upon consideration of the revised preliminary application, the Infrastructure Council recommends that the District utilize an $8,290,000 Infrastructure Fund loan (0%, 40 yrs), a $2,450,000 Infrastructure Fund grant, a $2,019,000 Infrastructure Fund wrap loan and pursue a $3,000,000 Clean Water State Revolving Fund loan (with a graduated debt) to fund this $15,759,000 project. Please contact the WV Department of Environmental Protection office at 926-0495 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,

Mark Prince

cc: Mike Johnson, P.E., DEP
Region IX Planning & Development Council
CET Engineering

West Virginia Infrastructure & Jobs Development Council

Public Members:
Mark Prince
Hurricane
Dwight Calhoun
Petersburg
C. R. "Rennie" Hill, III
Beckley
Tim Stranko
Morgantown

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

Katy Mallory, PE

Executive Secretary
Katy.Mallory@verizon.net

September 7, 2005

Mr. Rodney Hovermale
Warm Springs Public Service District
P.O. Box 456
Beckley, West Virginia 25411

Re: Warm Springs Public Service District
REVISED Binding Commitment
Wastewater Project 2003S-736

Dear Mr. Hovermale:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act and has reviewed the Warm Springs Public Service District's (the "District") Infrastructure Council's binding commitment offer of January 9, 2004 to the District for financing its project to replace the existing wastewater treatment plant with a new one, extend sewer lines, construct two pump stations to serve 255 new customers and replace two pump stations with a new gravity interceptor line. At its September 7, 2005 meeting, the Infrastructure Council voted to revise the binding commitment as shown on the attached proposed Schedule A to include an additional Infrastructure Fund Loan of $2,019,000.

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

cc: Samme Gee, Esq., Jackson & Kelly
Mike Johnson, DEP
CET Engineering Services

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

Warm Springs Public Service District

By: Andrew Jessick

Its: Chairman

Date: October 13, 2005

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

Warm Springs Public Service District
Wastewater Project 2003S-736
September 7, 2005

SCHEDULE A

A.	Approximate Amount:	$ 8,290,000	Loan
		2,450,000	Grant
		2,019,000	Wrap Loan

B. Loan: $ 8,290,000

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.	Special Conditions:	None

C. Grant: $2,450,000

1.	Grant Advancement Date(s):	Monthly, upon receipt of proper requisition and after complete advancement of all Loan funding.
2.	Special Conditions:	None

D. Wrap Loan: $2,019,000

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:	Immediately upon payoff of CWSRF loan that matures September 1, 2015.
5.	Special Conditions:	None

E. Total Project Cost: $12,759,000

F. Proposed Rates: approximately $45.74 / 4500 gallons

west virginia department of environmental protection

Division of Water & Waste Management
601 57th Street SE
Charleston, WV 25304
Telephone: 304/926-0495
Facsimile: 304/926-0496

Joe Manchin, III, Governor
Stephanie R. Timmermeyer, Cabinet Secretary
www.wvdep.org

November 27, 2006

Mr. Andrew Jurick, Chairman
Warm Springs PSD
P.O. Box 456
Berkeley Springs, West Virginia 25411

RE: Warm Springs PSD - WWTP
SRF No. C-544161-02
Binding Commitment

Dear Mr. Jurick:

This letter is to confirm our intention of providing a portion of the long-term financing through the State Revolving Fund (Fund) Program for the District's wastewater improvement project. The project is for the replacement of the wastewater treatment plant and collection system extension.

The project is estimated to be $15,759,000. We are hereby committing the amount of $3,000,000, to be issued at 0% interest, ½ % administrative fee, for a term of 30 years.

If the District's bonds have not been issued to the Fund prior to March 1, 2007, it is understood that the Fund reserves the right to discontinue processing the District's application and on that day, will have no further responsibilities or obligations hereunder.

Should you have any questions, please do not hesitate to contact Rosalie Brodersen at 304/926-0449 extension #1608 or rbrodersen@wvdep.org, or Carrie Grimm at 304/926-0499

extension #1605 (cgrimm@wvdep.org).

Sincerely,

Mike Johnson

Mike Johnson, P.E.
Program Manager
Clean Water SRF Program

cc: Mr. Jeff Brady, IJDC
Ms. Samme Gee, Jackson Kelly
CET
WVPSC (Case No. 06-04-131-PSD-CN)

IC-1
(11/01/04)

$8,290,000

LOAN AGREEMENT

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

WARM SPRINGS PUBLIC SERVICE DISTRICT – SERIES A

(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Loan;
Issuance of Local Bonds

3.1 The agreement of the Authority and Council to make the Loan is subject to the Governmental Agency's fulfillment, to the satisfaction of the Authority and the Council, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be the date established pursuant to Section 3.4 hereof. Said conditions precedent are as follows:

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

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

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

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

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

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

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

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

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

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

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

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Governmental Agency by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as

possible to the designated date and mutually agreeable to the Authority, the Council and the Governmental Agency. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date of execution of this Loan Agreement by the Authority or such later date as is agreed to in writing by the Council.

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof (which, with an approving opinion of bond counsel to the Governmental Agency, may be with a letter of credit or surety) in an amount

equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

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

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

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

(iv) That, except as otherwise required by State law or with the written consent of the Council and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Local Bonds

outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

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

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

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

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

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

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

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

revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

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

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

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

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

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

Internal Revenue Code of 1986, as amended, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

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

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

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

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

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

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

(xxv) That, unless it qualifies for an exception, the Governmental Agency shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Governmental Agency shall provide the Council and the Authority with a certificate stating that (I) the Governmental Agency will comply with all the requirements of the West Virginia Jobs Act; (II) the Governmental Agency has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (III) the Governmental Agency has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (IV) the Governmental Agency will file with the DOL and the Council copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The monthly requisitions submitted to the Council shall also certify that the Governmental Agency is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

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

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

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

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

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

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

ARTICLE V

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

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

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

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

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

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

ARTICLE VII

Miscellaneous

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

7.2 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the Governmental Agency supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority and the Council.

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

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

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

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

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

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

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

7.10 This Loan Agreement shall terminate upon the earlier of:

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

(ii) termination by the Authority and the Council pursuant to Section 6.1 hereof; or

(iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority, acting on behalf of the Council.

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

WARM SPRINGS PUBLIC SERVICE DISTRICT

(SEAL)

By: _____
Its: Chairman
Date: February 15, 2007

Attest:

_____
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Director
Date: February 15, 2007

Attest:

_____
Its: Secretary-Treasurer

{C1161032.1}

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

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

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

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by [DEP/BPH/PSC] and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least ___years if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and my firm[1] has ascertained that all

[1]If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____,

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

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

[SEAL]

_____

By: _____
West Virginia License No. _____

Esq.] and delete "my firm has ascertained that".

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

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

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

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

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

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

Item 1 You will need a copy of the current fiscal year budget adopted by the Governmental Agency to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of $1,200 are anticipated to be received for the year, each month the base would be increased by $100 ($1,200/12). This is the incremental amount for the Budget Year-to-Date column.

Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of $900 are anticipated to be incurred for the year, each month the base would be increased by $75 ($900/12). This is the incremental amount for the Budget Year-to-Date column.

Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Governmental Agency according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.

Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are $1,200, then $30 (2.5% of $1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Governmental Agency.

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

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	$
Principal	$
Total:	$
Reserve Account:	$

Witness my signature this ___ day of_____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $8,290,000
Purchase Price of Local Bonds $8,290,000

The Local Bonds shall bear no interest. Commencing December 1, 2008, principal on the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

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

(i) Sewer Revenue Bonds, Series 1977, dated August 15, 1978, issued in the original principal amount of $1,326,000;

(ii) Sewer Revenue Bonds, Series 1989, dated August 3, 1989, issued in the original principal amount of $300,000;

(iii) Sewer Revenue Bonds, Series 1994, dated August 26, 1994, issued in the original principal amount of $1,423,158;

(iv) Sewer Revenue Bonds, Series 1998, dated November 19, 1998, issued in the original principal amount of $400,000;

(v) Sewer Revenue Bonds, Series 2002 A (West Virginia SRF Program), dated June 25, 2002, issued in the original principal amount of $1,316,000;

(vi) Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund), dated February 15, 2007, issued in the principal amount of $2,019,000; and

(vii) Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program), dated February 15, 2007, issued in the principal amount of $3,000,000.

SCHEDULE Y

$8,290,000

Warm Springs Public Service District

0% Interest Rate, 40 Years from Closing Date

Closing Date: February 28, 2007

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Total P+I
03/01/2007	-	-	-
06/01/2007	-	-	-
09/01/2007	-	-	-
12/01/2007	-	-	-
03/01/2008	-	-	-
06/01/2008	-	-	-
09/01/2008	-	-	-
12/01/2008	54,184.00	-	54,184.00
03/01/2009	54,183.00	-	54,183.00
06/01/2009	54,183.00	-	54,183.00
09/01/2009	54,183.00	-	54,183.00
12/01/2009	54,183.00	-	54,183.00
03/01/2010	54,183.00	-	54,183.00
06/01/2010	54,183.00	-	54,183.00
09/01/2010	54,183.00	-	54,183.00
12/01/2010	54,183.00	-	54,183.00
03/01/2011	54,183.00	-	54,183.00
06/01/2011	54,183.00	-	54,183.00
09/01/2011	54,183.00	-	54,183.00
12/01/2011	54,183.00	-	54,183.00
03/01/2012	54,183.00	-	54,183.00
06/01/2012	54,183.00	-	54,183.00
09/01/2012	54,183.00	-	54,183.00
12/01/2012	54,183.00	-	54,183.00
03/01/2013	54,183.00	-	54,183.00
06/01/2013	54,183.00	-	54,183.00
09/01/2013	54,183.00	-	54,183.00
12/01/2013	54,183.00	-	54,183.00
03/01/2014	54,183.00	-	54,183.00
06/01/2014	54,183.00	-	54,183.00
09/01/2014	54,183.00	-	54,183.00
12/01/2014	54,183.00	-	54,183.00
03/01/2015	54,183.00	-	54,183.00
06/01/2015	54,183.00	-	54,183.00
09/01/2015	54,183.00	-	54,183.00
12/01/2015	54,183.00	-	54,183.00
03/01/2016	54,183.00	-	54,183.00
06/01/2016	54,183.00	-	54,183.00
09/01/2016	54,183.00	-	54,183.00
12/01/2016	54,183.00	-	54,183.00
03/01/2017	54,183.00	-	54,183.00
06/01/2017	54,183.00	-	54,183.00
09/01/2017	54,183.00	-	54,183.00
12/01/2017	54,183.00	-	54,183.00

$8,290,000
Warm Springs Public Service District
0% Interest Rate, 40 Years from Closing Date
Closing Date: February 28, 2007

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Total P+I
03/01/2018	54,183.00	-	54,183.00
06/01/2018	54,183.00	-	54,183.00
09/01/2018	54,183.00	-	54,183.00
12/01/2018	54,183.00	-	54,183.00
03/01/2019	54,183.00	-	54,183.00
06/01/2019	54,183.00	-	54,183.00
09/01/2019	54,183.00	-	54,183.00
12/01/2019	54,183.00	-	54,183.00
03/01/2020	54,183.00	-	54,183.00
06/01/2020	54,183.00	-	54,183.00
09/01/2020	54,183.00	-	54,183.00
12/01/2020	54,183.00	-	54,183.00
03/01/2021	54,183.00	-	54,183.00
06/01/2021	54,183.00	-	54,183.00
09/01/2021	54,183.00	-	54,183.00
12/01/2021	54,183.00	-	54,183.00
03/01/2022	54,183.00	-	54,183.00
06/01/2022	54,183.00	-	54,183.00
09/01/2022	54,183.00	-	54,183.00
12/01/2022	54,183.00	-	54,183.00
03/01/2023	54,183.00	-	54,183.00
06/01/2023	54,183.00	-	54,183.00
09/01/2023	54,183.00	-	54,183.00
12/01/2023	54,183.00	-	54,183.00
03/01/2024	54,183.00	-	54,183.00
06/01/2024	54,183.00	-	54,183.00
09/01/2024	54,183.00	-	54,183.00
12/01/2024	54,183.00	-	54,183.00
03/01/2025	54,183.00	-	54,183.00
06/01/2025	54,183.00	-	54,183.00
09/01/2025	54,183.00	-	54,183.00
12/01/2025	54,183.00	-	54,183.00
03/01/2026	54,183.00	-	54,183.00
06/01/2026	54,183.00	-	54,183.00
09/01/2026	54,183.00	-	54,183.00
12/01/2026	54,183.00	-	54,183.00
03/01/2027	54,183.00	-	54,183.00
06/01/2027	54,183.00	-	54,183.00
09/01/2027	54,183.00	-	54,183.00
12/01/2027	54,183.00	-	54,183.00
03/01/2028	54,183.00	-	54,183.00
06/01/2028	54,183.00	-	54,183.00
09/01/2028	54,183.00	-	54,183.00
12/01/2028	54,183.00	-	54,183.00

$8,290,000
Warm Springs Public Service District
0% Interest Rate, 40 Years from Closing Date
Closing Date: February 28, 2007

Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Total P+I
03/01/2029	54,183.00	-	54,183.00
06/01/2029	54,183.00	-	54,183.00
09/01/2029	54,183.00	-	54,183.00
12/01/2029	54,183.00	-	54,183.00
03/01/2030	54,183.00	-	54,183.00
06/01/2030	54,183.00	-	54,183.00
09/01/2030	54,183.00	-	54,183.00
12/01/2030	54,183.00	-	54,183.00
03/01/2031	54,183.00	-	54,183.00
06/01/2031	54,183.00	-	54,183.00
09/01/2031	54,183.00	-	54,183.00
12/01/2031	54,183.00	-	54,183.00
03/01/2032	54,183.00	-	54,183.00
06/01/2032	54,183.00	-	54,183.00
09/01/2032	54,183.00	-	54,183.00
12/01/2032	54,183.00	-	54,183.00
03/01/2033	54,183.00	-	54,183.00
06/01/2033	54,183.00	-	54,183.00
09/01/2033	54,183.00	-	54,183.00
12/01/2033	54,183.00	-	54,183.00
03/01/2034	54,183.00	-	54,183.00
06/01/2034	54,183.00	-	54,183.00
09/01/2034	54,183.00	-	54,183.00
12/01/2034	54,183.00	-	54,183.00
03/01/2035	54,183.00	-	54,183.00
06/01/2035	54,183.00	-	54,183.00
09/01/2035	54,183.00	-	54,183.00
12/01/2035	54,183.00	-	54,183.00
03/01/2036	54,183.00	-	54,183.00
06/01/2036	54,183.00	-	54,183.00
09/01/2036	54,183.00	-	54,183.00
12/01/2036	54,183.00	-	54,183.00
03/01/2037	54,183.00	-	54,183.00
06/01/2037	54,183.00	-	54,183.00
09/01/2037	54,183.00	-	54,183.00
12/01/2037	54,183.00	-	54,183.00
03/01/2038	54,183.00	-	54,183.00
06/01/2038	54,183.00	-	54,183.00
09/01/2038	54,183.00	-	54,183.00
12/01/2038	54,183.00	-	54,183.00
03/01/2039	54,183.00	-	54,183.00
06/01/2039	54,183.00	-	54,183.00
09/01/2039	54,183.00	-	54,183.00
12/01/2039	54,183.00	-	54,183.00

$8,290,000
Warm Springs Public Service District
0% Interest Rate, 40 Years from Closing Date
Closing Date: February 28, 2007

Debt Service Schedule

Part 4 of 4

Date	Principal	Coupon	Total P+I
03/01/2040	54,183.00	-	54,183.00
06/01/2040	54,183.00	-	54,183.00
09/01/2040	54,183.00	-	54,183.00
12/01/2040	54,183.00	-	54,183.00
03/01/2041	54,183.00	-	54,183.00
06/01/2041	54,183.00	-	54,183.00
09/01/2041	54,183.00	-	54,183.00
12/01/2041	54,183.00	-	54,183.00
03/01/2042	54,183.00	-	54,183.00
06/01/2042	54,183.00	-	54,183.00
09/01/2042	54,183.00	-	54,183.00
12/01/2042	54,183.00	-	54,183.00
03/01/2043	54,183.00	-	54,183.00
06/01/2043	54,183.00	-	54,183.00
09/01/2043	54,183.00	-	54,183.00
12/01/2043	54,183.00	-	54,183.00
03/01/2044	54,183.00	-	54,183.00
06/01/2044	54,183.00	-	54,183.00
09/01/2044	54,183.00	-	54,183.00
12/01/2044	54,183.00	-	54,183.00
03/01/2045	54,183.00	-	54,183.00
06/01/2045	54,183.00	-	54,183.00
09/01/2045	54,183.00	-	54,183.00
12/01/2045	54,183.00	-	54,183.00
03/01/2046	54,183.00	-	54,183.00
06/01/2046	54,183.00	-	54,183.00
09/01/2046	54,183.00	-	54,183.00
12/01/2046	54,183.00	-	54,183.00
Total	**$8,290,000.00**	-	**$8,290,000.00**

Yield Statistics

Bond Year Dollars	$172,385.93
Average Life	20.794 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	8.84E-11
Bond Yield for Arbitrage Purposes	8.84E-11
All Inclusive Cost (AIC)	8.84E-11

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	20.794 Years

SCHEDULE Z

None.

IC-1
(11/01/04)

$2,019,000

LOAN AGREEMENT

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

WARM SPRINGS PUBLIC SERVICE DISTRICT – SERIES B

(Governmental Agency)

W I T N E S S E T H:

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

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Loan;
Issuance of Local Bonds

3.1 The agreement of the Authority and Council to make the Loan is subject to the Governmental Agency's fulfillment, to the satisfaction of the Authority and the Council, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be the date established pursuant to Section 3.4 hereof. Said conditions precedent are as follows:

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

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

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

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

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

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

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

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

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

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

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

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Governmental Agency by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as

possible to the designated date and mutually agreeable to the Authority, the Council and the Governmental Agency. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date of execution of this Loan Agreement by the Authority or such later date as is agreed to in writing by the Council.

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof (which, with an approving opinion of bond counsel to the Governmental Agency, may be with a letter of credit or surety) in an amount

equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

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

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

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

(iv) That, except as otherwise required by State law or with the written consent of the Council and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Local Bonds

outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

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

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

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

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

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

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

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

revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

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

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

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

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

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

Internal Revenue Code of 1986, as amended, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

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

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

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

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

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

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

(xxv) That, unless it qualifies for an exception, the Governmental Agency shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Governmental Agency shall provide the Council and the Authority with a certificate stating that (I) the Governmental Agency will comply with all the requirements of the West Virginia Jobs Act; (II) the Governmental Agency has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (III) the Governmental Agency has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (IV) the Governmental Agency will file with the DOL and the Council copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The monthly requisitions submitted to the Council shall also certify that the Governmental Agency is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

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

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

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

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

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

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

ARTICLE V

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

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

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

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

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

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

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

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

ARTICLE VII

Miscellaneous

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

7.2 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the Governmental Agency supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority and the Council.

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

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

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

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

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

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

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

7.10 This Loan Agreement shall terminate upon the earlier of:

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

(ii) termination by the Authority and the Council pursuant to Section 6.1 hereof; or

(iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority, acting on behalf of the Council.

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

WARM SPRINGS PUBLIC SERVICE DISTRICT

(SEAL)

By: _____
Its: Chairman
Date: February 15, 2007

Attest:

_____
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: _____
Its: Director
Date: February 15, 2007

Attest:

_____
Its: Secretary-Treasurer

{C1161308.1}

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

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

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

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by [DEP/BPH/PSC] and any change orders approved by the Issuer, the Council and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least ___years if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and my firm[1] has ascertained that all

[1]If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____,

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

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

[SEAL]

_____

By: _____
West Virginia License No. _____

Esq.] and delete "my firm has ascertained that".

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

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

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

Ladies and Gentlemen:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

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

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

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

Item 1 You will need a copy of the current fiscal year budget adopted by the Governmental Agency to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of $1,200 are anticipated to be received for the year, each month the base would be increased by $100 ($1,200/12). This is the incremental amount for the Budget Year-to-Date column.

Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of $900 are anticipated to be incurred for the year, each month the base would be increased by $75 ($900/12). This is the incremental amount for the Budget Year-to-Date column.

Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Governmental Agency according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.

Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are $1,200, then $30 (2.5% of $1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Governmental Agency.

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

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	$
Principal	$
Total:	$
Reserve Account:	$

Witness my signature this ___ day of_____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $2,019,000
Purchase Price of Local Bonds $2,019,000

The Local Bonds shall bear no interest. Commencing September 1, 2015, principal on the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

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

(i) Sewer Revenue Bonds, Series 1977, dated August 15, 1978, issued in the original principal amount of $1,326,000;

(ii) Sewer Revenue Bonds, Series 1989, dated August 3, 1989, issued in the original principal amount of $300,000;

(iii) Sewer Revenue Bonds, Series 1994, dated August 26, 1994, issued in the original principal amount of $1,423,158;

(iv) Sewer Revenue Bonds, Series 1998, dated November 19, 1998, issued in the original principal amount of $400,000;

(v) Sewer Revenue Bonds, Series 2002 A (West Virginia SRF Program), dated June 25, 2002, issued in the original principal amount of $1,316,000;

(vi) Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), dated February 15, 2007, issued in the principal amount of $8,290,000); and

(vii) Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program), dated February 15, 2007, issued in the principal amount of $3,000,000.

SCHEDULE Y

$2,019,000

Warm Springs Public Service District

0% Interest Rate, 40 Years from Closing Date, Wraparound SFR Loan

Closing Date: February 28, 2007

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Total P+I
03/01/2007	-	-	-
06/01/2007	-	-	-
09/01/2007	-	-	-
12/01/2007	-	-	-
03/01/2008	-	-	-
06/01/2008	-	-	-
09/01/2008	-	-	-
12/01/2008	-	-	-
03/01/2009	-	-	-
06/01/2009	-	-	-
09/01/2009	-	-	-
12/01/2009	-	-	-
03/01/2010	-	-	-
06/01/2010	-	-	-
09/01/2010	-	-	-
12/01/2010	-	-	-
03/01/2011	-	-	-
06/01/2011	-	-	-
09/01/2011	-	-	-
12/01/2011	-	-	-
03/01/2012	-	-	-
06/01/2012	-	-	-
09/01/2012	-	-	-
12/01/2012	-	-	-
03/01/2013	-	-	-
06/01/2013	-	-	-
09/01/2013	-	-	-
12/01/2013	-	-	-
03/01/2014	-	-	-
06/01/2014	-	-	-
09/01/2014	-	-	-
12/01/2014	-	-	-
03/01/2015	-	-	-
06/01/2015	-	-	-
09/01/2015	16,024.00	-	16,024.00
12/01/2015	16,024.00	-	16,024.00
03/01/2016	16,024.00	-	16,024.00
06/01/2016	16,024.00	-	16,024.00
09/01/2016	16,024.00	-	16,024.00
12/01/2016	16,024.00	-	16,024.00
03/01/2017	16,024.00	-	16,024.00
06/01/2017	16,024.00	-	16,024.00
09/01/2017	16,024.00	-	16,024.00
12/01/2017	16,024.00	-	16,024.00

$2,019,000

Warm Springs Public Service District

0% Interest Rate, 40 Years from Closing Date, Wraparound SFR Loan

Closing Date: February 28, 2007

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Total P+I
03/01/2018	16,024.00	-	16,024.00
06/01/2018	16,024.00	-	16,024.00
09/01/2018	16,024.00	-	16,024.00
12/01/2018	16,024.00	-	16,024.00
03/01/2019	16,024.00	-	16,024.00
06/01/2019	16,024.00	-	16,024.00
09/01/2019	16,024.00	-	16,024.00
12/01/2019	16,024.00	-	16,024.00
03/01/2020	16,024.00	-	16,024.00
06/01/2020	16,024.00	-	16,024.00
09/01/2020	16,024.00	-	16,024.00
12/01/2020	16,024.00	-	16,024.00
03/01/2021	16,024.00	-	16,024.00
06/01/2021	16,024.00	-	16,024.00
09/01/2021	16,024.00	-	16,024.00
12/01/2021	16,024.00	-	16,024.00
03/01/2022	16,024.00	-	16,024.00
06/01/2022	16,024.00	-	16,024.00
09/01/2022	16,024.00	-	16,024.00
12/01/2022	16,024.00	-	16,024.00
03/01/2023	16,024.00	-	16,024.00
06/01/2023	16,024.00	-	16,024.00
09/01/2023	16,024.00	-	16,024.00
12/01/2023	16,024.00	-	16,024.00
03/01/2024	16,024.00	-	16,024.00
06/01/2024	16,024.00	-	16,024.00
09/01/2024	16,024.00	-	16,024.00
12/01/2024	16,024.00	-	16,024.00
03/01/2025	16,024.00	-	16,024.00
06/01/2025	16,024.00	-	16,024.00
09/01/2025	16,024.00	-	16,024.00
12/01/2025	16,024.00	-	16,024.00
03/01/2026	16,024.00	-	16,024.00
06/01/2026	16,024.00	-	16,024.00
09/01/2026	16,024.00	-	16,024.00
12/01/2026	16,024.00	-	16,024.00
03/01/2027	16,024.00	-	16,024.00
06/01/2027	16,024.00	-	16,024.00
09/01/2027	16,024.00	-	16,024.00
12/01/2027	16,024.00	-	16,024.00
03/01/2028	16,024.00	-	16,024.00
06/01/2028	16,024.00	-	16,024.00
09/01/2028	16,024.00	-	16,024.00
12/01/2028	16,024.00	-	16,024.00

$2,019,000
Warm Springs Public Service District
0% Interest Rate, 40 Years from Closing Date, Wraparound SFR Loan
Closing Date: February 28, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
03/01/2029	16,024.00	-	16,024.00
06/01/2029	16,024.00	-	16,024.00
09/01/2029	16,024.00	-	16,024.00
12/01/2029	16,024.00	-	16,024.00
03/01/2030	16,024.00	-	16,024.00
06/01/2030	16,024.00	-	16,024.00
09/01/2030	16,024.00	-	16,024.00
12/01/2030	16,024.00	-	16,024.00
03/01/2031	16,024.00	-	16,024.00
06/01/2031	16,024.00	-	16,024.00
09/01/2031	16,024.00	-	16,024.00
12/01/2031	16,024.00	-	16,024.00
03/01/2032	16,024.00	-	16,024.00
06/01/2032	16,024.00	-	16,024.00
09/01/2032	16,024.00	-	16,024.00
12/01/2032	16,024.00	-	16,024.00
03/01/2033	16,024.00	-	16,024.00
06/01/2033	16,024.00	-	16,024.00
09/01/2033	16,024.00	-	16,024.00
12/01/2033	16,024.00	-	16,024.00
03/01/2034	16,024.00	-	16,024.00
06/01/2034	16,024.00	-	16,024.00
09/01/2034	16,024.00	-	16,024.00
12/01/2034	16,024.00	-	16,024.00
03/01/2035	16,024.00	-	16,024.00
06/01/2035	16,024.00	-	16,024.00
09/01/2035	16,024.00	-	16,024.00
12/01/2035	16,024.00	-	16,024.00
03/01/2036	16,024.00	-	16,024.00
06/01/2036	16,024.00	-	16,024.00
09/01/2036	16,024.00	-	16,024.00
12/01/2036	16,024.00	-	16,024.00
03/01/2037	16,024.00	-	16,024.00
06/01/2037	16,024.00	-	16,024.00
09/01/2037	16,024.00	-	16,024.00
12/01/2037	16,024.00	-	16,024.00
03/01/2038	16,024.00	-	16,024.00
06/01/2038	16,024.00	-	16,024.00
09/01/2038	16,024.00	-	16,024.00
12/01/2038	16,024.00	-	16,024.00
03/01/2039	16,024.00	-	16,024.00
06/01/2039	16,024.00	-	16,024.00
09/01/2039	16,024.00	-	16,024.00
12/01/2039	16,024.00	-	16,024.00

$2,019,000
Warm Springs Public Service District
0% Interest Rate, 40 Years from Closing Date, Wraparound SFR Loan
Closing Date: February 28, 2007

Debt Service Schedule

Part 4 of 4

Date	Principal	Coupon	Total P+I
03/01/2040	16,024.00	-	16,024.00
06/01/2040	16,024.00	-	16,024.00
09/01/2040	16,024.00	-	16,024.00
12/01/2040	16,024.00	-	16,024.00
03/01/2041	16,023.00	-	16,023.00
06/01/2041	16,023.00	-	16,023.00
09/01/2041	16,023.00	-	16,023.00
12/01/2041	16,023.00	-	16,023.00
03/01/2042	16,023.00	-	16,023.00
06/01/2042	16,023.00	-	16,023.00
09/01/2042	16,023.00	-	16,023.00
12/01/2042	16,023.00	-	16,023.00
03/01/2043	16,023.00	-	16,023.00
06/01/2043	16,023.00	-	16,023.00
09/01/2043	16,023.00	-	16,023.00
12/01/2043	16,023.00	-	16,023.00
03/01/2044	16,023.00	-	16,023.00
06/01/2044	16,023.00	-	16,023.00
09/01/2044	16,023.00	-	16,023.00
12/01/2044	16,023.00	-	16,023.00
03/01/2045	16,023.00	-	16,023.00
06/01/2045	16,023.00	-	16,023.00
09/01/2045	16,023.00	-	16,023.00
12/01/2045	16,023.00	-	16,023.00
03/01/2046	16,023.00	-	16,023.00
06/01/2046	16,023.00	-	16,023.00
09/01/2046	16,023.00	-	16,023.00
12/01/2046	16,023.00	-	16,023.00
Total	**$2,019,000.00**	-	**$2,019,000.00**

Yield Statistics

Bond Year Dollars	$48,797.80
Average Life	24.169 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	4.24E-11
Bond Yield for Arbitrage Purposes	4.24E-11
All Inclusive Cost (AIC)	4.24E-11

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	24.169 Years

SCHEDULE Z

None.

SRF-BPA-1
(11/01/04)

BOND PURCHASE AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND BOND PURCHASE AGREEMENT (the "Bond Purchase Agreement"), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), the WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION (the "DEP"), and the local government designated below (the "Local Government").

WARM SPRINGS PUBLIC SERVICE DISTRICT
(Local Government)

W I T N E S S E T H:

WHEREAS, the United States Congress under Title VI of the federal Clean Water Act, as amended (the "Clean Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining state water pollution control revolving funds for the planning, design, construction, acquisition and/or improvement of wastewater treatment facilities;

WHEREAS, pursuant to the provisions of Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a state water pollution control revolving fund program (the "Program") to acquire bonds of particular local governments pursuant to the Clean Water Act;

WHEREAS, under the Act the DEP is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards (U.S. General Services Administration; Catalog of Federal Domestic Assistance, 32nd Edition § 66.458 (1998)) and DEP has been awarded capitalization grants to partially fund the Program;

WHEREAS, under the Act and under the direction of DEP, the Authority has established a permanent perpetual fund known as the "West Virginia Water Pollution Control Revolving Fund" (hereinafter the "Fund");

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to utilize moneys from the Fund to purchase the bonds of local governments to provide the financing for the acquisition or construction of wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

WHEREAS, the Local Government constitutes a local government as defined by the Act;

WHEREAS, the Local Government is included on the DEP State Project Priority List and the Intended Use Plan and has met DEP's pre-application requirements for the Program;

WHEREAS, the Local Government is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a wastewater treatment project and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Local Government;

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

WHEREAS, the Local Government has completed and filed with the Authority and DEP an Application for Purchase of Bonds with attachments and exhibits and an Amended Application for Purchase of Bonds also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference;

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and DEP are willing to lend the Local Government the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Government with moneys held in the Fund, subject to the Local Government's satisfaction of certain legal and other requirements of the Program; and

WHEREAS, the Local Government meets the "disadvantaged community" provisions of the SRF Regulations.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Local Government, DEP and the Authority hereby agree as follows:

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "fund," "local government," and "project" have the definitions and meanings ascribed to them in the Act or in the SRF Regulations.

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any successor thereto.

1.3 "Local Act" means the official action of the Local Government required by Section 4.1 hereof, authorizing the Local Bonds.

1.4 "Local Bonds" means the revenue bonds to be issued by the Local Government pursuant to the provisions of the Local Statute, as hereinafter defined, and to be purchased by the Authority with money held in the Fund, all in accordance with the provisions of this Bond Purchase Agreement.

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

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

1.7 "Program" means the wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by DEP.

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

1.9 "SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations, as amended.

1.10 "System" means the wastewater treatment facility owned by the Local Government, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

1.11 Additional terms and phrases are defined in this Bond Purchase Agreement as they are used.

ARTICLE II

The Project and the System

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

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

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

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

2.5 The Local Government shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Local Government shall permit the Authority and DEP, acting by and through their Directors or 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 Local Government shall submit to the Authority and DEP such documents and information as it may reasonably require in connection with the construction, acquisition and installation of the Project, the operation and maintenance of the System and the administration of the Local Bonds proceeds or of any State and federal grants or other sources of financing for the Project.

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

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

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

2.9 The Local Government shall provide and maintain competent and adequate engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, DEP and the Local Government at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Government shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

2.10 The Local Government shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Government shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System during the entire term of this Bond Purchase Agreement. The Local Government shall notify DEP in writing of the certified operator employed at the 50% completion stage.

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

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

2.13 The Local Government, during construction of the Project, shall complete Payment Requisition Forms, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward such forms to DEP in compliance with the Local Government's construction schedule.

ARTICLE III

Conditions to Purchase of Local Bonds; Issuance of Local Bonds

3.1 The agreement of the Authority and DEP to purchase the Local Bonds is subject to the Local Government's fulfillment, to the satisfaction of the Authority and DEP, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be the date established pursuant to Section 3.4 hereof. Said conditions precedent are as follows:

(a) The Local Government shall have delivered to the Authority and DEP a report listing the specific purposes for which the proceeds of the Local Bonds will be expended and the procedures as to the disbursement of bond proceeds, including an estimated monthly draw schedule;

(b) The Local Government shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Bond Purchase Agreement;

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

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

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

(f) The Local Government shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the West Virginia Infrastructure and Jobs Development Council necessary for the construction of the Project and operation of the System, with all requisite appeal periods having expired without

successful appeal and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

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

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

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

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

3.2 Subject to the terms and provisions of this Bond Purchase Agreement, the rules and regulations promulgated by the Authority and DEP, including the SRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that

the Authority shall purchase the Local Bonds of the Local Government and the Local Government shall issue and sell the Local Bonds to the Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall purchase the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

3.3 The Local Bonds shall be secured and shall be repaid in the manner hereinafter provided in this Bond Purchase Agreement.

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

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for financing of wastewater treatment projects and that the obligation of the Authority to purchase the Local Bonds is subject to the Local Government's fulfilling all of the terms and conditions of this Bond Purchase Agreement on or prior to the Date of Closing and to the requirements of the Program. The Local Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority may purchase the bonds of other local governments set out in the State Project Priority List, as defined in the SRF

Regulations. The Local Government further specifically recognizes that all bonds will be purchased in conjunction with the SRF Regulations and with the prior approval of DEP.

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions regarding the public release and audit requirements, established by federal and State regulations as set forth in Exhibit E attached hereto at such times as are set forth therein.

ARTICLE IV

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

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to purchase the Local Bonds, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Government in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows:

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

(i) to pay Operating Expenses of the System;

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

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

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

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

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the net or gross revenues of the System as provided in the Local Act;

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

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

(iv) That, except as otherwise required by State law or the SRF Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole or substantially as a whole, provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting

Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

(v) That the Local Government shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on

any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority and DEP; provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

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

(vii) That the Local Government will not render any free services of the System;

(viii) That the Authority may, by proper legal action, compel the performance of the duties of the Local Government under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law and all rights as set forth in Section 5 of the Act;

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

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

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

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

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

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

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Local Government may authorize redemption of the Local Bonds with 30 days written notice to the Authority;

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

(xvii) That the Local Government shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Local Government shall complete the Monthly Payment Form, attached hereto as Exhibit F

and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

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

(xix) That the Local Government shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to

the Authority and DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and DEP is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

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

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

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

4.2 The Local Bonds shall be secured by the pledge and assignment by the Local Government, as effected by the Local Act, of the fees, charges and other revenues of the Local Government from the System.

4.3 At least five percent (5%) of the proceeds of the Local Bonds will be advanced on the Date of Closing. The remaining proceeds of the Local Bonds shall be advanced by the DEP monthly as required by the Local Government to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Government, the DEP and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the SRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall

the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.4 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Local Government. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the SRF Regulations, the Local Government agrees to pay from time to time, if required by the Authority and DEP, the Local Government's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be determined by the Authority and shall include, without limitation, Program expenses, legal fees paid by the Authority and fees paid to the trustee and paying agents for any bonds or notes to be issued by the Authority for contribution to the Fund and the fees and expenses of any corporate trustee for the Fund.

4.6 The obligation of the Authority to purchase the Local Bonds shall be conditioned upon the availability of moneys in the Fund in such amount and on such terms and conditions as, in the sole judgment of the Authority, will enable it to purchase the Local Bonds.

ARTICLE V

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

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

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

such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this Bond Purchase Agreement.

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to this Bond Purchase Agreement, the amount of such default shall bear interest at the interest rate of the installment of the Local Bonds next due, from the date of the default until the date of the payment thereof.

5.4 The Local Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Government, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

ARTICLE VI

Other Agreements of the Local Government

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

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

6.3 The Local Government hereby agrees to repay on or prior to the Date of Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project, provided that such repayment shall not be made from the proceeds of the Local Bonds.

6.4 The Local Government hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Local Government fails to make any such rebates as required, then the Local Government shall pay any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or

desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

6.5 Notwithstanding Section 6.4, the Authority and DEP may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local Government to be monitored or cause the rebate calculations for the Local Government to be prepared, in either case at the expense of the Local Government.

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

6.7 The Local Government hereby agrees to file with the Authority and DEP upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule A to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII

Miscellaneous

7.1 Schedules X and Y shall be attached to this Bond Purchase Agreement by the Authority as soon as practicable after the Date of Closing is established and shall be approved by an official action of the Local Government supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

7.2 If any provision of this Bond Purchase Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall

not affect any of the remaining provisions of this Bond Purchase Agreement, and this Bond Purchase Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

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

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

7.5 This Bond Purchase Agreement supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Local Bonds and constitutes the entire agreement between the parties hereto in respect thereof.

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

7.7 This Bond Purchase Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Government from either the Authority or DEP;

(ii) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by DEP if the Local Government has failed to deliver the Local Bonds to the Authority;

(iii) termination by the Authority and DEP pursuant to Section 6.2 hereof; or

(iv) payment in full of the principal of and interest on the Local Bonds and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Local Bonds purchased under this Bond Purchase Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the State legislature or otherwise being available to purchase the Local Bonds. In the event funds are not appropriated

or otherwise available to purchase all of the Local Bonds, the responsibility of the Authority and DEP to purchase the Local Bonds is terminated; provided further that the obligation of the Local Government to repay the outstanding amount of the Local Bonds is not terminated due to such non-funding on any balance of the Local Bonds. The DEP agrees to use its best efforts to have the amount contemplated under this Bond Purchase Agreement included in its budget. Non-appropriation or non-funding of the Loan shall not be considered an event of default under this Bond Purchase Agreement.

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

WARM SPRINGS PUBLIC SERVICE DISTRICT

(SEAL)

By: Andrew Jurick

Its: Chairman

Attest:

Date: Jan. 10, 2007

Isaac T. Bohrer

Its: Secretary

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, DIVISION OF WATER AND WASTE MANAGEMENT

By: Lisa G. McClung

Its: Director

Date: 1-16-07

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: Daniel B. Yankoski

Its: Director

Attest:

Date: January 9, 2007

Barbara B Meadows

Its: Secretary-Treasurer

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

Name of Local Government _____

Name of Bond Issue(s) _____

Type of Project _____ **Water** _____ **Wastewater**

Fiscal Year _____ **Report Month** _____

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

_____

Name of Person Completing Form

_____

Address

_____

Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

Item 1 — You will need a copy of the current fiscal year budget adopted by the Local Government to complete Items 1 and 2. In Item 1, provide the amount of actual **Gross Revenues** for the current month and the total amount year-to-date in the respective columns. Divide the budgeted annual Gross Revenues by 12. For example, if Gross Revenues of $1,200 are anticipated to be received for the year, each month the base would be increased by $100 ($1,200/12). This is the incremental amount for the Budget Year-to-Date column.

Item 2 — Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any administrative fee should be included in the Operating Expenses. Divide the budgeted annual Operating Expenses by 12. For example, if Operating Expenses of $900 are anticipated to be incurred for the year, each month the base would be increased by $75 ($900/12). This is the incremental amount for the Budget Year-to-Date column.

Item 3 — Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Local Government according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.

Item 4 — Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are $1,200, then $30 (2.5% of $1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Local Government.

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

EXHIBIT C

PAYMENT REQUISITION FORM

(All Copies to Be Provided by DEP for Each Project)

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

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

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meaning set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Bond Purchase Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), dated _____.

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

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

attached hereto as Exhibit A, and my firm[1] has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof[2], the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Bond Purchase Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

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

_____

By _____

West Virginia License No. __

[SEAL]

---

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

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

EXHIBIT E

SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT - The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, ground breaking or project dedication program documents and other documents describing projects or programs funded in whole or in part with Federal money, (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

B. AUDIT REQUIREMENT (Supplement to Article IV 4.1 (b) (xi)) - Effective October 1, 2003, the Local Government that receives $500,000 or more (in federal funds) in a fiscal year must obtain audits in accordance with the Single Audit Act and the applicable OMB Circular or any successor thereto. Financial statement audits are required once all funds have been received by the Local Government.

EXHIBIT F

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	$____
Principal	$____
Total:	$____
Reserve Account:	$____

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Closing]

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

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

Ladies and Gentlemen:

We are bond counsel to _____ (the "Local Government"), a _____.

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a bond purchase agreement dated _____, ___, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), among the Local Government, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the issue of a series of revenue bonds of the Local Government, dated _____, ___ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Local Bonds are issued in the principal amount of $_____, in the form of one bond, registered as to principal only to the Authority, with principal payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning _____ 1, ____, and ending ___ _ 1, ____, all as set forth in the "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Local Bonds.

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

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

Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Bond Purchase Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Bond Purchase Agreement.

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

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

2. The Bond Purchase Agreement inures to the benefit of the Authority and the DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Local Government without the consent of the Authority and the DEP.

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

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

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

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

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds	$3,000,000
Purchase Price of Local Bonds	$3,000,000

The Local Bonds shall bear no interest. Commencing December 1, 2008, principal of the Local Bonds is payable quarterly, with an administrative fee of 0.5%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Local Government shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local Government shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Commission. The Local Government shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

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

The Local Government may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and DEP. The Local Government shall request approval from the Authority and DEP in writing of any proposed debt which will be issued by the Local Government on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Local Government: See next page.

(i) Sewer Revenue Bonds, Series 1977, Dated August 15, 1978, issued in the original principal amount of $1,326,000;

(ii) Sewer Revenue Bonds, Series 1989, dated August 3, 1989, issued in the original principal amount of $300,000;

(iii) Sewer Revenue Bonds, Series 1994, dated August 26, 1994, issued in the original principal amount of $1,423,158;

(iv) Sewer Revenue Bonds, Series 1998, dated November 19, 1998, issued in the original principal amount of $400,000;

(v) Sewer Revenue Bonds, Series 2002A (West Virginia SRF Program), dated June 25, 2002, issued in the original principal amount of $1,316,000;

(vi) Sewer Revenue Bonds, Series 2007A (West Virginia Infrastructure Fund), dated February 15, 2007, issued in the original principal amount of $8,290,000; and

(vii) Sewer Revenue Bonds, Series 2007B (West Virginia Infrastructure Fund), dated February 15, 2007, issued in the original principal amount of $2,019,000.

SCHEDULE Y

$3,000,000

Warm Springs Public Service District

0% Interest Rate, 0.5% Administrative Fee

Closing Date: February 28, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
03/01/2007	-	-	-
06/01/2007	-	-	-
09/01/2007	-	-	-
12/01/2007	-	-	-
03/01/2008	-	-	-
06/01/2008	-	-	-
09/01/2008	-	-	-
12/01/2008	9,468.00	-	9,468.00
03/01/2009	9,468.00	-	9,468.00
06/01/2009	9,468.00	-	9,468.00
09/01/2009	9,468.00	-	9,468.00
12/01/2009	9,468.00	-	9,468.00
03/01/2010	9,468.00	-	9,468.00
06/01/2010	9,468.00	-	9,468.00
09/01/2010	9,468.00	-	9,468.00
12/01/2010	9,468.00	-	9,468.00
03/01/2011	9,468.00	-	9,468.00
06/01/2011	9,468.00	-	9,468.00
09/01/2011	9,468.00	-	9,468.00
12/01/2011	9,468.00	-	9,468.00
03/01/2012	9,468.00	-	9,468.00
06/01/2012	9,468.00	-	9,468.00
09/01/2012	9,468.00	-	9,468.00
12/01/2012	9,468.00	-	9,468.00
03/01/2013	9,468.00	-	9,468.00
06/01/2013	9,468.00	-	9,468.00
09/01/2013	9,468.00	-	9,468.00
12/01/2013	9,468.00	-	9,468.00
03/01/2014	9,468.00	-	9,468.00
06/01/2014	9,468.00	-	9,468.00
09/01/2014	9,468.00	-	9,468.00
12/01/2014	9,468.00	-	9,468.00
03/01/2015	9,468.00	-	9,468.00
06/01/2015	9,468.00	-	9,468.00
09/01/2015	9,468.00	-	9,468.00
12/01/2015	9,468.00	-	9,468.00
03/01/2016	9,468.00	-	9,468.00
06/01/2016	9,468.00	-	9,468.00
09/01/2016	9,468.00	-	9,468.00
12/01/2016	9,468.00	-	9,468.00
03/01/2017	9,468.00	-	9,468.00
06/01/2017	9,468.00	-	9,468.00
09/01/2017	9,468.00	-	9,468.00
12/01/2017	9,468.00	-	9,468.00

$3,000,000
Warm Springs Public Service District
0% Interest Rate, 0.5% Administrative Fee
Closing Date: February 28, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
03/01/2018	9,468.00	-	9,468.00
06/01/2018	9,468.00	-	9,468.00
09/01/2018	9,468.00	-	9,468.00
12/01/2018	9,468.00	-	9,468.00
03/01/2019	9,468.00	-	9,468.00
06/01/2019	9,468.00	-	9,468.00
09/01/2019	9,468.00	-	9,468.00
12/01/2019	29,001.00	-	29,001.00
03/01/2020	29,001.00	-	29,001.00
06/01/2020	29,001.00	-	29,001.00
09/01/2020	29,001.00	-	29,001.00
12/01/2020	29,001.00	-	29,001.00
03/01/2021	29,001.00	-	29,001.00
06/01/2021	29,001.00	-	29,001.00
09/01/2021	29,001.00	-	29,001.00
12/01/2021	29,001.00	-	29,001.00
03/01/2022	29,001.00	-	29,001.00
06/01/2022	29,001.00	-	29,001.00
09/01/2022	29,001.00	-	29,001.00
12/01/2022	29,001.00	-	29,001.00
03/01/2023	29,001.00	-	29,001.00
06/01/2023	29,001.00	-	29,001.00
09/01/2023	29,001.00	-	29,001.00
12/01/2023	29,001.00	-	29,001.00
03/01/2024	29,001.00	-	29,001.00
06/01/2024	29,001.00	-	29,001.00
09/01/2024	29,001.00	-	29,001.00
12/01/2024	29,001.00	-	29,001.00
03/01/2025	29,001.00	-	29,001.00
06/01/2025	29,001.00	-	29,001.00
09/01/2025	29,001.00	-	29,001.00
12/01/2025	29,001.00	-	29,001.00
03/01/2026	29,001.00	-	29,001.00
06/01/2026	29,001.00	-	29,001.00
09/01/2026	29,001.00	-	29,001.00
12/01/2026	29,001.00	-	29,001.00
03/01/2027	29,001.00	-	29,001.00
06/01/2027	29,001.00	-	29,001.00
09/01/2027	29,001.00	-	29,001.00
12/01/2027	29,001.00	-	29,001.00
03/01/2028	29,001.00	-	29,001.00
06/01/2028	29,001.00	-	29,001.00
09/01/2028	29,001.00	-	29,001.00
12/01/2028	29,001.00	-	29,001.00

$3,000,000
Warm Springs Public Service District
0% Interest Rate, 0.5% Administrative Fee
Closing Date: February 28, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
03/01/2029	29,001.00	-	29,001.00
06/01/2029	29,001.00	-	29,001.00
09/01/2029	29,001.00	-	29,001.00
12/01/2029	29,001.00	-	29,001.00
03/01/2030	29,001.00	-	29,001.00
06/01/2030	33,879.50	-	33,879.50
09/01/2030	33,879.50	-	33,879.50
12/01/2030	33,879.50	-	33,879.50
03/01/2031	33,879.50	-	33,879.50
06/01/2031	33,879.50	-	33,879.50
09/01/2031	33,879.50	-	33,879.50
12/01/2031	33,879.50	-	33,879.50
03/01/2032	33,879.50	-	33,879.50
06/01/2032	33,879.50	-	33,879.50
09/01/2032	33,879.50	-	33,879.50
12/01/2032	33,879.50	-	33,879.50
03/01/2033	33,879.50	-	33,879.50
06/01/2033	33,879.50	-	33,879.50
09/01/2033	33,879.50	-	33,879.50
12/01/2033	33,879.50	-	33,879.50
03/01/2034	33,879.50	-	33,879.50
06/01/2034	45,675.00	-	45,675.00
09/01/2034	45,675.00	-	45,675.00
12/01/2034	45,675.00	-	45,675.00
03/01/2035	45,675.00	-	45,675.00
06/01/2035	45,675.00	-	45,675.00
09/01/2035	45,675.00	-	45,675.00
12/01/2035	45,675.00	-	45,675.00
03/01/2036	45,675.00	-	45,675.00
06/01/2036	45,675.00	-	45,675.00
09/01/2036	45,675.00	-	45,675.00
12/01/2036	45,675.00	-	45,675.00
03/01/2037	45,675.00	-	45,675.00
06/01/2037	45,675.00	-	45,675.00
09/01/2037	45,675.00	-	45,675.00
12/01/2037	45,675.00	-	45,675.00
03/01/2038	45,675.00	-	45,675.00
06/01/2038	45,675.00	-	45,675.00
09/01/2038	45,675.00	-	45,675.00
12/01/2038	1,144.00	-	1,144.00
Total	**$3,000,000.00**	-	**$3,000,000.00** *

Plus $2,398.65 one-half percent Administrative Fee paid quarterly. Total fee over life of loan is $290,236.65.

WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 B
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 C
(WEST VIRGINIA SRF PROGRAM)

BOND RESOLUTION

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WARM SPRINGS PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWER FACILITIES OF WARM SPRINGS PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $9,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA INFRASTRUCTURE FUND), NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2007 B (WEST VIRGINIA INFRASTRUCTURE FUND) AND NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2007 C (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENTS AND A BOND PURCHASE 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 WARM SPRINGS PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, DEFINITIONS AND FINDINGS

Section 1.01. Authority for this Resolution. This Resolution (together with any order or supplemental hereto or amendatory hereof, the "Bond Legislation") is adopted

pursuant to the provisions of the Chapter 16, Article 13A, Chapter 22C, Article 2 and Chapter 31, Article 15A of the Code of West Virginia, 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. Warm Springs Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Morgan County of said State.

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health, safety, advantage, convenience and welfare of the inhabitants of the Issuer that there be acquired and constructed certain improvements and extensions to the existing public sewer facilities of the Issuer, consisting of an upgrade of the wastewater treatment plant and an extension to serve 225 new customers in Berkeley Springs, Morgan County, together with all appurtenant facilities (collectively, the "Project"), which constitute public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the existing public sewer facilities of the Issuer, the Project and any further improvements thereto or extensions thereof are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer has received bids for the Project. It is deemed necessary for the Issuer to issue its Bond being its Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund) in an aggregate principal amount of not more than $9,000,000 (the "Series 2007 A Bonds"), Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund) in an aggregate principal amount of not more than $3,000,000 (the "Series 2007 B Bonds") and the Sewer Revenue Bonds, Series 2007 C in an aggregate principal amount of not more than $3,000,000 (West Virginia SRF Program) (the "Series 2007 C Bonds", and collectively with the Series 2007 A Bonds and the Series 2007 B Bonds, the "Series 2007 Bonds") to permanently finance a portion of the costs of the Project and the costs of issuance of the Bonds and related costs. Such costs shall be deemed to include the cost of acquisition and 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, if any, upon the Series 2007 Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2007 A Bonds Reserve Account, the Series 2007 B Bonds Reserve Account and the Series 2007 C Bonds Reserve Account (as hereinafter defined); engineering and legal

expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2007 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition and construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2007 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

E. It is in the best interests of the Issuer that the Series 2007 A Bonds and the Series 2007 B Bonds be sold to the Authority pursuant to the terms and provisions of loan agreements by and between the Issuer and the Authority, on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and that the Series 2007 C Bonds be sold to Authority pursuant to the terms and provisions of a bond purchase agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), (the "Bond Purchase Agreement"), both loan agreements and the bond purchase agreement in forms satisfactory to the respective parties (collectively, the "Loan Agreements"), approved hereby if not previously approved by resolution of the Issuer.

F. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2007 Bonds as to liens, pledge and source of and security for payment, being the (i) Sewer Revenue Bonds, Series 1977, dated August 15, 1978, issued in the original aggregate principal amount of $1,326,000 (the "Series 1977 Bonds"); (ii) Sewer Revenue Bonds, Series 1989, dated August 3, 1989, issued in the original aggregate principal amount of $300,000 (the "Series 1989 Bonds"); (iii) Sewer Revenue Bonds, Series 1994, dated August 26, 1994, issued in the original aggregate principal amount of $1,423,158 (the "Series 1994 Bonds"); (iv) Sewer Revenue Bonds, Series 1998, dated November 19, 1998, issued in the original aggregate principal amount of $400,000 (the "Series 1998 Bonds"); and (v) Sewer Revenue Bonds, Series 2002 A (West Virginia SRF Program), dated June 25, 2002, issued in the original aggregate principal amount of $1,316,000 (the "Series 2002 A Bonds") (collectively, the "Prior Bonds").

The Series 2007 Bonds shall be issued on a parity with the Prior Bonds, with respect to liens, pledge and source of security for payment and in all other respects. Prior to

the issuance of the Series 2007 Bonds, the Issuer will obtain (a) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and (b) the written consent of the Registered Owners of the Prior Bonds to the issuance of the Series 2007 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

G. The estimated revenues to be derived in each year following completion of the Project from the operation of the System will be sufficient to pay all Operating Expenses of the System and the principal of and interest on the Prior Bonds and the Series 2007 Bonds and to make payments into all funds and accounts and other payments provided for herein.

H. The Issuer has complied with all requirements of West Virginia law and the Loan Agreements relating to authorization of the design of the Project and issuance of the Series 2007 Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Project and the financing thereof by the Council and the obtaining of approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia (the "PSC") by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2007 Bonds or such final order will not be subject to appeal or rehearing.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2007 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 such Series 2007 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond and any other of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13A; Chapter 31, Article 15A and Chapter 22C, Article 2 of the Code of West Virginia 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 2007 Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority.

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

"Bondholders," "Holder of the Bonds," "Holder," "Registered Owner," "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 Issuer, the bank or other entity to be designated as such in this Bond Resolution, or the Supplemental Resolution and its successors and assigns.

"Bonds" means, collectively, the Series 2007 Bonds and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2007 Bonds for all or a portion of the proceeds of the Series 2007 Bonds.

"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.

"Construction Trust Fund" means the Series 2007 Bonds Construction Trust Fund.

"Consulting Engineers" means Commonwealth Engineering and Technology, Inc., Harrisburg, Pennsylvania or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System or portion thereof in accordance with Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended; provided however, that the Consulting Engineers shall not be a

regular full-time employee of the State or any of its agencies, commissions or political subdivisions.

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

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

"DEP" means the West Virginia Department of Environmental Protection or any other agency, board or department of the State that succeeds to the functions of the DEP.

"Depository Bank" means the bank 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 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 money received by the Issuer on account of any grant for the Project.

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

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

"Independent Certified Public Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System

or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

"Investment Property" means:

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

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

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

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

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

"Loan Agreements" means the loan agreements heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the Council, providing for the purchase of the Series 2007 A Bonds and the Series 2007 B Bonds from the Issuer by the Authority, and the bond purchase agreement by and among Issuer, the Authority and DEP providing for the purchase of the Series 2007 C Bonds, the forms 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 2007 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Reserve Accounts. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2007 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

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

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

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

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2007 Bonds in the Supplemental Resolution.

"Prior Bonds" shall have the meaning described in Section 1.02F hereof.

"Prior Resolutions" means, collectively, the resolutions and supplemental resolutions of the Issuer adopted on October 4, 1977, August 3, 1989, August 10, 1994, November 19, 1998, and June 18, 2002, authorizing the Prior Bonds.

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

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

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

"PSC Order" means, collectively, the final order or orders of the PSC 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; Governmental National Mortgage Association; Tennessee Valley Authority; or the Washington Metropolitan Area Transit Authority;

(d) Any bond, debenture, note, participation certificate or other similar obligation 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, shall be secured by a pledge of Government Obligations, provided, that such Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time account 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, the only assets are investments of the type described in paragraphs (a) through (e) above; and

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

(h) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6(c) of the Code of West Virginia, 193 1, as amended; and

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

"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.

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund created by the Prior Resolutions and continued hereby.

"Reserve Accounts" means, collectively, the respective reserve accounts created for the Series 2007 Bonds and the Prior Bond.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts.

"Revenue Fund" means the Revenue Fund created by the Prior Resolutions and continued hereby.

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

"Series 2007 A Bonds" means the Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 2007 Bonds Construction Trust Fund" means the Series 2007 Bonds Construction Fund created by Section 6.01 hereof.

"Series 2007 A Bonds Reserve Account" means the Series 2007 A Bonds Reserve Account created by Section 5.02 hereof.

"Series 2007 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2007 A Bonds in the then current or any succeeding year.

"Series 2007 A Bonds Sinking Fund" means the Series 2007 A Bonds Sinking Fund created by Section 5.02 hereof.

"Series 2007 B Bonds" means the Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund), of the Issuer, authorized by this Resolution.

"Series 2007 B Bonds Reserve Account" means the Series 2007 B Bonds Reserve Account created by Section 5.02 hereof.

"Series 2007 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2007 B Bonds in the then current or any succeeding year.

"Series 2007 B Bonds Sinking Fund" means the Series 2007 B Bonds Sinking Fund created by Section 5.02 hereof.

"Series 2007 C Bonds" means the Sewer Revenue Bonds, Series 2007 C (West West Virginia SRF Program), of the Issuer, authorized by this Resolution.

"Series 2007 C Bonds Reserve Account" means the Series 2007 C Bonds Reserve Account created by Section 5.02 hereof.

"Series 2007 C Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2007 C Bonds in the then current or any succeeding year.

"Series 2007 C Bonds Sinking Fund" means the Series 2007 C Bonds Sinking Fund created by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds created for the Series 2007 Bonds and the Prior Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid under the Bond Purchase Agreement.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local government entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 2007 Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect the Series 2007 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 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 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 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 Code of West Virginia, 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; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Chairperson or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairperson or Acting Secretary.

ARTICLE II

AUTHORIZATION OF THE PROJECT, APPROVAL OF THE LOAN AGREEMENTS AND PAYMENT OF DESIGN LOAN

Section 2.01. Authorization of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $15,759,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The Costs of the Project will be paid as follows: approximately $9,000,000 will be paid from proceeds of the Series 2007 A Bonds, approximately $3,000,000 will be paid from proceeds of the Series 2007 B Bonds, $3,000,000 will be paid from proceeds of the Series 2007 C Bonds and $2,450,000 will be obtained from proceeds of a grant by the Council. The proceeds of the Series 2007 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, in an amount and otherwise compatible with the financing plan submitted to the Authority and the Council.

Section 2.02. Approval of Loan Agreements. The Issuer hereby approves the Loan Agreements and the sale of the Series 2007 Bonds pursuant to the Loan Agreements. The Issuer is hereby authorized and directed to execute and deliver the Loan Agreements to the Authority. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreements.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2007 Bonds and related costs, or any or all of such purposes as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2007 A Bonds, the Series 2007 B Bonds and Series 2007 C Bonds of the Issuer. The Series 2007 A Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund)," in the principal amount of not more than $9,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The Series 2007 B Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund)," in the principal amount of not more than $3,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The Series 2007 C Bonds shall be issued as a single bond, designated "Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program)," in the principal amount of not more than $3,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution.

The aggregate principal amount of the Series 2007 Bonds need not be paid to the Issuer upon delivery of the Series 2007 Bonds but may be advanced to the Issuer as requested by the Issuer from time to time; and the Series 2007 Bonds shall evidence only the indebtedness recorded on the Record of Advances attached hereto and incorporated therein.

Section 3.02. Terms of Bonds. A. The Series 2007 Bonds shall be issued in such principal amount; shall bear interest at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreements. The Series 2007 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 2007 Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2007 A Bonds, the Series 2007 B Bonds and the Series 2007 C Bonds shall each 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 2007 A Bonds, the Series 2007 B Bonds and the Series 2007 C Bonds, respectively. The Series 2007 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 the aggregate principal amount equal to the amount of said Bonds then outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2007 Bonds shall be executed in the name of the Issuer by the Chairperson, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed any of the Series 2007 Bonds shall cease to be such officer of the Issuer before the Series 2007 Bonds so signed and sealed have been actually sold and delivered, such Series 2007 Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds has not ceased to hold such office. Any Series 2007 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. Bond Registrar; Authentication and Registration. The Bond Registrar for the Series 2007 Bonds shall be the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns. No such Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.10, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any 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 such Bonds shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of such Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2007 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 2007 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that such Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2007 Bonds remain Outstanding, the Issuer, through the Bond Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Series 2007 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 the Series 2007 Bonds or transferring the registered Series 2007 Bonds is exercised, all such Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All such Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of such 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 the Bonds during the period commencing on the 15th day of the month preceding an interest payment date on the Bonds or, in the case of any proposed redemption of such Bonds, next preceding the date of the selection of the 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 2007 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 canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2007 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 on parity with the lien of the Prior Bonds. No Holder or Holders of such Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay such Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2007 Bonds shall be secured forthwith equally and ratably with the Prior Bonds by a first lien on the Net Revenues derived from the System. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Prior Bonds and the Series 2007 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 2007 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2007 Bonds to the original purchasers upon receipt of a request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver such Bonds to the original purchasers.

Section 3.10. Form of Bonds. The text of each series of the Series 2007 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 2007 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-__ $_____

KNOW ALL MEN BY THESE PRESENTS: That WARM SPRINGS PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Morgan 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 EXHBIT B hereto and incorporated herein by reference, bearing interest at the rate set forth in Exhibit B.

Principal installments of this Bond and interest 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 Agreements by and between the Issuer and the Authority, on behalf of the Council, dated _____, _____.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of new public sewer facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of this Bond 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 Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, _____, and a Supplemental Resolution duly adopted by the Issuer on _____, _____, (collectively, the "Bond Legislation"), and is

subject to all the terms and conditions thereof. This Bond is being issued simultaneously with the Issuer's Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund) (the "Series 2007 B Bonds") and the Issuer's Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program) (the "Series 2007 C Bonds"). 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 this Bond under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S SERIES 2007 B BONDS, THE ISSUER'S SERIES 2007 C BONDS AND THE ISSUER'S (i) SEWER REVENUE BONDS, SERIES 1977, DATED AUGUST 15, 1978, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,326,000 (the "Series 1977 Bonds"); (ii) SEWER REVENUE BONDS, SERIES 1989, DATED AUGUST 3, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $300,000 (the "Series 1989 Bonds"); (iii) SEWER REVENUE BONDS, SERIES 1994, DATED AUGUST 26, 1994, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,423,158 (the "Series 1994 Bonds"); (iv) SEWER REVENUE BONDS, SERIES 1998, DATED NOVEMBER 19, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $400,000 (the "Series 1998 Bonds"); AND (v) SEWER REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 25, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,316,000 (the "Series 2002 A Bonds") (collectively, the "Prior Bonds").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the holders of the Series 2007 A Bonds, and from moneys in the reserve account created under the Bond Legislation for this Bond (the "Series 2007 A Bonds Reserve Account") and unexpended proceeds of this 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 2007 A Bonds Reserve Account and unexpended Bond Proceeds of this Bond. 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 of principal of and interest, if any, on this Bond payable in any year and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Series 2007 B Bonds and the Series 2007 C Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2007 A Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the

then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Series 2007 B Bonds, the Series 2007 C Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner (as defined in the Bond Legislation) of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owner of this Bond 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, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and the costs of issuance hereof as described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the Registered Owner of this Bond.

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

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

IN WITNESS WHEREOF, WARM SPRINGS 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 _____, _____.

[SEAL]

_____
Chairperson

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2007 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: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $	_____, ____	(7) $	
(2) $		(8) $	
(3) $		(9) $	
(4) $		(10) $	
(5) $		(11) $	
(6) $		(12) $	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

_____

_____

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

Dated: _____, _____.

_____

In the presence of:

_____

(FORM OF SERIES 2007 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2007 B
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-__ $_____

KNOW ALL MEN BY THESE PRESENTS: That WARM SPRINGS PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Morgan 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 EXHBIT B hereto and incorporated herein by reference, bearing interest at the rate set forth in Exhibit B.

Principal installments of this Bond and interest 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 Agreements by and between the Issuer and the Authority, on behalf of the Council, dated _____, _____.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of new public sewer facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of this Bond 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 Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, _____, and a Supplemental Resolution duly adopted by the Issuer on _____, _____, (collectively, the "Bond Legislation"), and is

subject to all the terms and conditions thereof. This Bond is being issued simultaneously with the Issuer's Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund) (the "Series 2007 A Bonds") and the Issuer's Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program) (the "Series 2007 C Bonds"). 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 this Bond under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S SERIES 2007 A BONDS, THE ISSUER'S SERIES 2007 C BONDS AND THE ISSUER'S (i) SEWER REVENUE BONDS, SERIES 1977, DATED AUGUST 15, 1978, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,326,000 (the "Series 1977 Bonds"); (ii) SEWER REVENUE BONDS, SERIES 1989, DATED AUGUST 3, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $300,000 (the "Series 1989 Bonds"); (iii) SEWER REVENUE BONDS, SERIES 1994, DATED AUGUST 26, 1994, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,423,158 (the "Series 1994 Bonds"); (iv) SEWER REVENUE BONDS, SERIES 1998, DATED NOVEMBER 19, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $400,000 (the "Series 1998 Bonds"); AND (v) SEWER REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 25, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,316,000 (the "Series 2002 A Bonds") (collectively, the "Prior Bonds").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the holders of the Series 2007 B Bonds, and from moneys in the reserve account created under the Bond Legislation for this Bond (the "Series 2007 B Bonds Reserve Account") and unexpended proceeds of this 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 2007 A Bonds Reserve Account and unexpended Bond Proceeds of this Bond. 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 of principal of and interest, if any, on this Bond payable in any year and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Series 2007 A Bonds, the Series 2007 C Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2007 B Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the

then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Series 2007 A Bonds, the Series 2007 C Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner (as defined in the Bond Legislation) of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owner of this Bond 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, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and the costs of issuance hereof as described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the Registered Owner of this Bond.

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

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

IN WITNESS WHEREOF, WARM SPRINGS 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 _____, _____.

[SEAL]

_____
Chairperson

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2007 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: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $	_____, _____	(7) $	
(2) $		(8) $	
(3) $		(9) $	
(4) $		(10) $	
(5) $		(11) $	
(6) $		(12) $	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

_____

_____

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

Dated: _____, _____.

_____

In the presence of:

_____

(FORM OF SERIES 2007 C BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2007 C
(WEST VIRGINIA SRF PROGRAM)

No. BR-__ $_____

KNOW ALL MEN BY THESE PRESENTS: That WARM SPRINGS PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Morgan 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 EXHBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated _____, _____.

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

under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on _____, _____, and a Supplemental Resolution duly adopted by the Issuer on _____, _____, (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. This Bond is being issued simultaneously with the Issuer's Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund) (the "Series 2007 A Bonds") and the Issuer's Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund) (the "Series 2007 B Bonds"). 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 this Bond under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S SERIES 2007 A BONDS, THE ISSUER'S SERIES 2007 B BONDS AND THE ISSUER'S (i) SEWER REVENUE BONDS, SERIES 1977, DATED AUGUST 15, 1978, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,326,000 (the "Series 1977 Bonds"); (ii) SEWER REVENUE BONDS, SERIES 1989, DATED AUGUST 3, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $300,000 (the "Series 1989 Bonds"); (iii) SEWER REVENUE BONDS, SERIES 1994, DATED AUGUST 26, 1994, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,423,158 (the "Series 1994 Bonds"); (iv) SEWER REVENUE BONDS, SERIES 1998, DATED NOVEMBER 19, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $400,000 (the "Series 1998 Bonds"); AND (v) SEWER REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 25, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,316,000 (the "Series 2002 A Bonds") (collectively, the "Prior Bonds").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2007 C Bonds Reserve Account") and unexpended proceeds of this 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 2007 C Bonds Reserve Account and unexpended Bond Proceeds of this Bond. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a

lien on or payable from such revenues on a parity with the Bonds, including the Series 2007 A Bonds, the Series 2007 A Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2007 C Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2007 A Bonds, the Series 2007 B Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the 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, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and the costs of issuance hereof as 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.

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 be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

[SEAL]

_____
Chairperson

ATTEST:

_____
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2007 C Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $	_____, _____	(7) $	
(2) $		(8) $	
(3) $		(9) $	
(4) $		(10) $	
(5) $		(11) $	
(6) $		(12) $	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

_____

_____

_____the within Bond and does hereby irrevocably constitute and appoint _____ Attorney to transfer said Bond on the books kept for registration thereof 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 Agreements. The Series 2007 Bonds shall be sold to the Authority pursuant to the terms and conditions of the Loan Agreements. If not so authorized by previous resolution, the Chairperson is specifically authorized and directed to execute the Loan Agreements and the Secretary is directed to affix the seal of the Issuer thereto, attest the same and deliver the Loan Agreements to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreements, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Bond Legislation.

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

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (created by the Prior Resolutions and hereby continued);

(2) Renewal and Replacement Fund (created by the Prior Resolutions and hereby continued); and

(3) Series 2007 Bonds Construction Trust Fund

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

(1) Series 1977 Bonds Reserve Account (created by the Prior Resolutions);

(2) Series 1989 Bonds Reserve Account (created by the Prior Resolutions);

(3) Series 1994 Bonds Reserve Account (created by the Prior Resolutions);

(4) Series 1998 Bonds Reserve Account (created by the Prior Resolutions);

(5) Series 2002 A Bonds Sinking Fund (created by the Prior Resolutions);

(6) Series 2002 A Bonds Reserve Account (created by the Prior Resolutions);

(7) Series 2007 A Bonds Sinking Fund;

(8) Series 2007 A Bonds Reserve Account;

(9) Series 2007 B Bonds Sinking Fund; and

(10) Series 2007 B Bonds Reserve Account.

(11) Series 2007 C Bonds Sinking Fund; and

(12) Series 2007 C Bonds Reserve Account

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

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously with the required payments for the Prior Bonds (i) remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2007 A Bonds, the Series 2007 B Bonds and the Series 2007 C Bonds, for deposit in the Series 2007 A Bonds Sinking Fund, the Series 2007 B Bonds Sinking Fund and the Series 2007 C Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will mature and become due, if any, on the Series 2007 A Bonds, the Series 2007 B Bonds and on the Series 2007 C Bonds, respectively, 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 2007 A Bonds Sinking Fund, the Series 2007 B Bonds Sinking Fund and the Series 2007 C Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; and (ii) remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2007 A Bonds, the Series 2007 B Bonds and the Series 2007 C Bonds, for deposit in the Series 2007 A Bonds Sinking Fund, the Series 2007 B Bonds Sinking Fund and the Series 2007 C Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2007 A Bonds, the Series 2007 B Bonds and the Series 2007 C Bonds, respectively, 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 2007 A Bonds Sinking Fund, the Series 2007 B Bonds Sinking Fund and the Series 2007 C Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment 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, commencing 3 months after the completion of design of the Project, as certified by the Consulting Engineers, with the requirements for the Prior Bonds, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 2007 A Bonds Reserve Account, the Series 2007 B Bonds Reserve Account and the Series 2007 C Bonds Reserve Account, an amount equal to $1/120^{th}$ of the Series 2007 A Bonds Reserve Requirement, the Series 2007 B Bonds Reserve Requirement and the Series 2007 C Bonds Reserve Requirement, respectively, until the amount in the Series 2007 A Bonds Reserve Account, the Series 2007 B Bonds Reserve Account and the Series 2007 C Bonds Reserve Account equals the Series 2007 A Bonds Reserve Requirement, the Series 2007 B Bonds Reserve Requirement and the Series 2007 C Bonds Reserve Requirement, respectively; provided that, no further payments shall be made into the Series 2007 A Bonds Reserve Account, the Series 2007 B Bonds Reserve Account or the and the Series 2007 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 2007 A Bonds Reserve Requirement, the Series 2007 B Bonds Reserve Requirement and the Series 2007 C Bonds Reserve Requirement, respectively.

(4) The Issuer shall next, on the first day of each month, commencing 3 months after the completion of design of the Project, as certified by the Consulting Engineers, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2 ½% of the Gross Revenues each month (as set forth in the Prior Resolutions and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the 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, repairs, improvements or extensions to the System; provided that, any deficiencies in any Reserve Account, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof, shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 2007 A Bonds Sinking Fund, the Series 2007 B Bonds Sinking Fund and the Series 2007 C Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2007 A Bonds, the Series 2007 B Bonds and the Series 2007 C Bonds, respectively, as the same shall become due. Moneys in the Series 2007 A Bonds Reserve Account, the Series 2007 B Bonds Reserve Account and the Series 2007 C Bonds Reserve Account shall be used only for the purposes of paying principal of and interest on the Series 2007 A Bonds, the Series 2007 B Bonds and the Series 2007 C Bonds, respectively, as the same shall become due, when other moneys in the Series 2007 A Sinking Fund, the Series 2007 B Bonds Sinking Fund and the Series 2007 C Bonds Sinking Fund, respectively, are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2007 A Bonds Sinking Fund, and the Series 2007 A Bonds Reserve Account (if fully funded) shall be returned, not less

than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Construction Trust Fund, and following completion of construction of the Project, 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 2007 A Bonds and then to the next ensuing principal payment due thereon, all on a pro rata basis. All investment earnings on moneys in the Series 2007 B Bonds Sinking Fund, and the Series 2007 B Bonds Reserve Account (if fully funded) shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Construction Trust Fund, and following completion of construction of the Project, 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 2007 B Bonds and then to the next ensuing principal payment due thereon, all on a pro rata basis. All investment earnings on moneys in the Series 2007 C Bonds Sinking Fund, and the Series 2007 C Bonds Reserve Account (if fully funded) shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Construction Trust Fund, and following completion of construction of the Project, 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 2007 C Bonds and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2007 A Bonds Reserve Account, the Series 2007 B Bonds Reserve Account or the Series 2007 C Bonds Reserve Account which result in a reduction in the balance thereto below the Series 2007 A Bonds Reserve Requirement, the Series 2007 B Bonds Reserve Requirement or the Series 2007 C Bonds Reserve Requirement, respectively, 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 2007 Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay any 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 2007 A Bonds Sinking Fund, the Series 2007 B Bonds Sinking Fund, the Series 2007 C Bonds Sinking Fund, the Series 2007 A Bonds Reserve Account, the Series 2007 B Bonds Reserve Account or the Series 2007 C Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the respective aggregate principal amount of the Series 2007 A Bonds, the Series 2007 B Bonds or the Series 2007 C Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

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 Prior Bonds and the Series 2007 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 2007 A Bonds Sinking Fund, the Series 2007 B Bonds Sinking Fund, the Series 2007 C Bonds Sinking Fund, the Series 2007 A Bonds Reserve Account, the Series 2007 B Bonds Reserve Account and the Series 2007 C Bonds Reserve Account created hereunder, and all amounts required for such accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at any time, the Issuer shall make the necessary arrangements whereby required payments into such accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2007 A Bonds Sinking Fund, the Series 2007 B Bonds Sinking Fund, the Series 2007 C Bonds Sinking Fund, the Series 2007 A Bonds Reserve Account, the Series 2007 B Bonds Reserve Account and the Series 2007 C Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2007 A Bonds Sinking Fund, the Series 2007 B Bonds Sinking Fund, the Series 2007 C Bonds Sinking Fund, the Series 2007 A Bonds Reserve Account, the Series 2007 B Bonds Reserve Account and the Series 2007 C Bonds Reserve Account shall be used solely and only for, and is hereby pledged for, the purpose of servicing the Series 2007 A Bonds, the Series 2007 B Bonds and the Series 2007 C Bonds, respectively, under the conditions and restrictions set forth herein.

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

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

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinabove 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 longer period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

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

shall, if required by the Authority or the Government at any time, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

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 the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds. From the moneys received from the sale of the Series 2007 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2007 A Bonds, the Series 2007 B Bonds and the Series 2007 C Bonds, there shall first be deposited with the Commission in the Series 2007 A Bonds Sinking Fund, the Series 2007 B Bonds Sinking Fund and the Series 2007 C Bonds Sinking Fund, respectively, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2007 A Bonds, the Series 2007 B Bonds and the Series 2007 C Bonds, there shall be deposited with the Commission in the Series 2007 A Bonds Reserve Account, the Series 2007 B Bonds Reserve Account and the Series 2007 C Bonds Reserve Account, respectively, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2007 A Bonds Reserve Account, the Series 2007 B Bonds Reserve Account and the Series 2007 C Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2007 A Bonds, the Series 2007 B Bonds and the Series 2007 C Bonds, such monies shall be deposited with the Depository Bank in the Construction Trust Fund and applied solely to the payment of the costs of the design of the Project and the costs of issuance and related costs, and until so expended, are hereby pledged as additional security for the Series 2007 A Bonds, the Series 2007 B Bonds and the Series 2007 C Bonds.

D. After completion of design of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2007 A Bonds shall be used to fund the Series 2007 A Bonds Reserve Account, if not funded upon issuance of the Series 2007 A Bonds, in an amount not to exceed the Series 2007 A Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 2007 A Bonds be deposited in the Series 2007 A Bonds Reserve Account. Any remaining proceeds of the Series 2007 A Bonds thereafter shall be used as directed by the Council. Any remaining proceeds of the Series 2007 B Bonds shall be used to fund the Series 2007 B Bonds Reserve Account, if not funded upon issuance of the Series 2007 B Bonds, in an amount not to exceed the Series 2007 B Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 2007 B Bonds be deposited in the Series 2007 B Bonds Reserve Account. Any remaining proceeds of the Series 2007 B Bonds thereafter shall be used as directed by the Council. Any remaining proceeds of the Series 2007 C Bonds shall be used to fund the Series 2007 C Bonds Reserve Account, if not funded upon issuance of the Series 2007 C Bonds, in an amount not to exceed the Series 2007 C

Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 2007 C Bonds be deposited in the Series 2007 C Bonds Reserve Account. Any remaining proceeds of the Series 2007 C Bonds thereafter shall be used as directed by the DEP.

Section 6.02. Disbursements From the Construction Trust Fund. A. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 2007 C Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments of all Costs of Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Construction Trust Fund, to be allocated from the Series 2007 C Bonds proceeds, shall be made only after submission to and approval from, the Authority and the DEP of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Bond Purchase Agreement for the Series 2007 C Bonds, in compliance with the construction schedule, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

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

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

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

B. The Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Construction Trust Fund, to be allocated from the Series 2007 Bonds and Series 2007 B Bonds proceeds, shall be made only after submission and approval from the Council, of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

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

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

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

Pending such application, moneys in the Project Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

The Issuer shall expend all proceeds of the Series 2007 A Bonds and the Series 2007 B Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loan to the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2007 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 2007 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 2007 Bonds, or the interest, if any, thereon, is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2007 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 2007 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2007 Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of the Series 2007 Bonds and the Prior Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the operation of the System. The Net Revenues in an amount sufficient to pay the principal of and interest on the Series 2007 Bonds and the Prior 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 Agreements. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in and approved by the PSC Order and such rates are hereby adopted.

So long as the Series 2007 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and in compliance with the Loan Agreements. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2007 Bonds shall provide to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreements, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such

schedule of rates, 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 Agreements.

Section 7.05. Sale of the System. So long as the Series 2007 Bonds are outstanding and except as otherwise required by law or with the written consent of the Council and the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to 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 be remitted to the respective Sinking Funds and applied to the payment of principal of and interest, if any, on the Series 2007 Bonds. Any balance remaining after the payment of the Series 2007 Bonds and interest, if any, thereon 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, duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of$10,000 but not in excess of $50,000, the Issuer shall first, in writing, determine upon consultation with the Managing Engineer that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said fund by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof and in the Prior Bonds, 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 2007 Bonds. All obligations issued by the Issuer after the issuance of the Series 2007 Bonds and payable from the revenues of the System, except such additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2007 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 2007 Bonds, and the interest thereon, if any, upon any of the income and revenues of the System pledged for payment of the Series 2007 Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2007 Bonds pursuant to this Bond Legislation, except with the prior written consent of the Authority and the Council 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 2007 Bonds.

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

So long as the Series 1977 Bonds, the Series 1989 Bonds and the Series 1998 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 1977 Bonds, the Series 1989 Bonds and the Series 1998 Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when the Series 1977 Bonds, the Series 1989 Bonds and the Series 1998 Bonds are no longer outstanding, the following parity requirement shall be met:

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

(1) The Bonds and Prior 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 the financed by such Parity Bonds and (b) 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, 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 revenues of the System is subject to the prior and superior liens of the Series 2007 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 at 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 Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the Council, or their agents and representatives, to inspect all books, documents, papers and records relating to the Projects 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 design of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

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

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and

correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

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

The Issuer shall file with the Council and the Authority, or any other original purchaser of the Series 2007 Bonds, and shall mail in each year to any Holder or Holders of the Series 2007 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 completely 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 2007 Bonds, and shall submit said report to the Council and the Authority, or any other original purchaser of the Series 2007 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 Act, the Loan Agreements and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

Section 7.09. Rates. Prior to the issuance of Series 2007 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 2007 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2007 Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Reserve Accounts and the reserve accounts for obligations on a parity with the Series 2007 Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of he maximum amount required in any year for payment of principal of and interest, if any, on the Series 2007 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2007 Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 30 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the managing 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 the managing engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the Council and to any Holder of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the DEP, the Authority, the Council and the Government and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

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

Section 7.11. Engineering Services. The Issuer will obtain a certificate of Consulting Engineers in the form attached to the Loan Agreements, stating, among other things, that the Project has or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority, the Council and the DEP; the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the DEP, 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 adequate and competent engineering services satisfactory to the DEP, the Authority and the Council covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the DEP, the Authority, the Council and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

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, rates, 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, rates, rentals or other charges that 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 of West Virginia.

Whenever any fees, rates, rentals or charges for the services or 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 PSC, 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 any rules and regulations promulgated by the PSC, discontinue and shut off the

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 PSC and all rules, regulations and orders of the PSC.

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

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

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will required 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 Agreements, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

protect the Issuer from claims arising out of operation or ownership of motor vehicles 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 Chapter 38, Article 2, Section 39 of the Code of West Virginia, 1931, as amended.

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

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

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

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

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

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and 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 PSC, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.17. Completion and Operation of Project; Permits and Orders. The Issuer shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by state and federal laws for the operation of the System, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the design of the Project and the operation of the System and all approvals for issuance of the Series 2007 Bonds required by state law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. [Reserved]

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2007 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 2007 Bonds.

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

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

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2007 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council and the DEP for written approval. The Issuer shall obtain the written approval of the Council the DEP before expending any proceeds of the Series 2007 Bonds held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the DEP and the Council before expending any proceeds of the Series 2007 Bonds made available due to bid or construction or project underruns.

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

Section 7.22. 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

INVESTMENTS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2007 Bonds are Outstanding.

Section 8.02. Certificate as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2007 Bonds as a condition to issuance of the Series 2007 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 2007 Bonds as may be necessary in order to maintain the status of the Series 2007 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 2007 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, the DEP and the Council, as the case may be,

from which the proceeds of the Series 2007 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, the DEP and the Council, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2007 A Bonds and the Series 2007 B Bonds and any additional information requested by the Authority. The Issuer shall annually furnish to the DEP information with respect to the Issuer's use of the proceeds of the Series 2007 C Bonds and any additional information requested by the DEP.

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 2007 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on any series of the Series 2007 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 2007 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2007 Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

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

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 at law 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 Registered Owners of the Series 2007 Bonds and the Prior Bonds shall be on a parity with each other.

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 this 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 Bonds 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 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 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 exercise.

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Series 2007 Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2007 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 2007 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Resolution. Prior to issuance of the Series 2007 Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2007 Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Series 2007 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2007 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2007 Bonds from the 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 2007 Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 2007 Bonds.

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

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

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been

performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the 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 adoption.

Adopted this 26th day of February, 2007.

Chairperson

Member

Member

CERTIFICATION

Certified as a true copy of a Resolution adopted by the Public Service Board of WARM SPRINGS PUBLIC SERVICE DISTRICT on the 26th day of February, 2007.

Dated: February 28, 2007 .

[SEAL]

Isaac T. Bohrer
Secretary

WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 B
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 C
(WEST VIRGINIA SRF PROGRAM)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE WARM SPRINGS PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA INFRASTRUCTURE FUND), THE WARM SPRINGS PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 2007 B (WEST VIRGINIA INFRASTRUCTURE FUND) AND THE WARM SPRINGS PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 2007 C (WEST VIRGINIA SRF PROGRAM); AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; APPROVING AND RATIFYING THE LOAN AGREEMENT WITH RESPECT TO THE BONDS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Warm Springs Public Service District (the "Issuer") has duly and officially adopted a Bond Resolution on February 26, 2007 (the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWER FACILITIES OF WARM SPRINGS PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN

$9,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA INFRASTRUCTURE FUND), NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2007 B (WEST VIRGINIA INFRASTRUCTURE FUND) AND NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2007 C (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENTS AND A BOND PURCHASE 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 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 2007 A (West Virginia Infrastructure Fund), of the Issuer, in an aggregate principal amount not to exceed $9,000,000 (the "Series 2007 A Bonds"), the Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund), of the Issuer, in an aggregate principal amount not to exceed $3,000,000 (the "Series 2007 B Bonds") and the Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program), of the Issuer, in an aggregate principal amount not to exceed $3,000,000 (the "Series 2007 C Bonds," and together with the Series 2007 A Bonds and the Series 2007 B Bonds, the "Bonds"), and has authorized the execution and delivery of loan agreements, including all schedules and exhibits attached thereto, entered, into 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"), providing for the purchase of the Series 2007 A Bonds and the Series 2007 B Bonds from the Issuer by the Authority (the "Loan Agreements"), and the bond purchase agreement, including all schedules and exhibits attached thereto, by and among Issuer, the Authority and West Virginia Department of Environmental Protection (the "DEP") providing for the purchase of the Series 2007 C

Bonds by the Authority, on behalf of the DEP (the "Bond Purchase Agreement," and together with the Loan Agreements in forms satisfactory to the respective parties collectively, the "Loan Agreements"), all in accordance with Chapter 16, Article 13A; Chapter 31, Article 15A and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, 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 herein provided for;

WHEREAS, the Loan Agreements have been presented to the Issuer at this meeting;

WHEREAS, the Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreements; and

WHEREAS, the Governing Body deems it essential and desirable that this resolution (the "Supplemental Resolution") be adopted, that the Loan Agreements be approved and ratified, 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 WARM SPRINGS 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 Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single bond, numbered AR-1, in the original principal amount of $8,290,000, the Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single bond, numbered BR-1, in the original principal amount of $2,019,000 and the Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program), of the Issuer, originally represented by a single bond, numbered CR-1, in the original principal amount of $3,000,000. The Series 2007 A Bonds shall be dated the date of delivery, shall finally mature December 1, 2046, and shall bear no interest. The principal of the Series 2007 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2008, in the amounts set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Series 2007 A Bonds. The Series 2007 B Bonds shall be dated the date of delivery, shall finally mature December 1, 2046, and shall bear no interest. The principal of the Series 2007 B Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each

year, commencing September 1, 2015, in the amounts set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Series 2007 B Bonds. The Series 2007 C Bonds shall be dated the date of delivery, shall finally mature December 1, 2038, and shall bear no interest. The principal of the Series 2007 C Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2008, in the amounts set forth in the Schedule Y attached to the Bond Purchase Agreement and incorporated in and made a part of the Series 2007 C Bonds. The SRF Administrative Fee for the Series 2007 C Bonds shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2008, in the amounts set forth in the Schedule Y attached to the Bond Purchase Agreement and incorporated in and made a part of the Series 2007 C Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreements, so long as the Authority shall be the Registered Owner of the 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 Resolution.

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

Section 4. The Issuer hereby appoints and designates CNB Bank, Inc. of Berkeley Springs, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Resolution and approves and accepts 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 Chairperson, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed and approved.

Section 5. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Commission"), to serve as Paying Agent for the Bonds under the Resolution.

Section 6. The Issuer hereby appoints and designates CNB Bank, Inc. of Berkeley Springs, West Virginia, to serve as Depository Bank under the Resolution.

Section 7. Series 2007 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2007 A Bonds Sinking Fund as capitalized interest. Series 2007 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2007 B Bonds Sinking Fund as capitalized interest. Series 2007 C Bonds proceeds in the amount of $-0- shall be deposited in the Series 2007 C Bonds Sinking Fund as capitalized interest.

Section 8. Series 2007 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2007 A Bonds Reserve Account. Series 2007 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 2007 B Bonds Reserve Account. Series 2007 C Bonds proceeds in the amount of $-0- shall be deposited in the Series 2007 C Bonds Reserve Account.

Section 9. The remaining proceeds of the Series 2007 A Bonds, as advanced from time to time, shall be deposited in or credited to the Series 2007 Bonds Construction Trust Fund, as received by the Issuer for payment of costs of the Project, including costs of issuance of the Series 2007 A Bonds. The remaining proceeds of the Series 2007 B Bonds, as advanced from time to time, shall be deposited in or credited to the Series 2007 Bonds Construction Trust Fund, as received by the Issuer for payment of costs of the Project, including costs of issuance of the Series 2007 B Bonds. The remaining proceeds of the Series 2007 C Bonds, as advanced from time to time, shall be deposited in or credited to the Series 2007 Bonds Construction Trust Fund, as received by the Issuer for payment of costs of the Project, including costs of issuance of the Series 2007 C Bonds.

Section 10. 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 Authority pursuant to the Loan Agreements on or about February 28, 2007.

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

Section 12. The Issuer hereby determines 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 2007 A Bonds Sinking Fund, the Series 2007 A Bonds Reserve Account, the Series 2007 B Bonds Sinking Fund, the Series 2007 B Bonds Reserve Account, the Series 2007 C Bonds Sinking Fund and the Series 2007 C Bonds Reserve Account shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 13. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project and the Chairperson is hereby authorized and directed to execute and deliver all such contracts.

Section 14. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

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

Adopted this 26th day of February, 2007.

Chairperson and Member

Member

Member

{T0332878.1}

CERTIFICATION

Certified as a true copy of a Supplemental Resolution duly adopted by the Public Service Board of WARM SPRINGS PUBLIC SERVICE DISTRICT on the 26th day of February, 2007.

Dated this 28th day of February, 2007.

[SEAL]

Isaac T. Bohrer
Secretary

WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 B
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 C
(WEST VIRGINIA SRF PROGRAM)

MINUTES ON ADOPTION OF BOND RESOLUTION, SUPPLEMENTAL RESOLUTION AND FIRST DRAW RESOLUTION

On this 26th day of February, 2007, the undersigned duly appointed Secretary of the Public Service Board of Warm Springs Public Service District hereby certifies that the following is a true and correct excerpt of the minutes of a special meeting of said Public Service Board:

*** *** ***

The Public Service Board of Warm Springs Public Service District met in special session, pursuant to notice duly posted, on the 26th day of February, 2007, in Berkeley Springs, West Virginia, at the hour of 3:30 p.m.

PRESENT:	Andrew Jurick	-	Chairperson and Member
	Paul S. Zorich	-	Vice-Chairman and Member
	Isaac Bohrer	-	Secretary - Treasurer and Member

ABSENT:

Andrew Jurick, Chairperson, presided, and Isaac Bohrer, acted as Secretary. The Chairperson announced that a quorum of members was present and that the meeting was open for any business properly before it.

*** *** ***

Thereupon, the Chairperson presented a proposed Bond Resolution in writing

entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWER FACILITIES OF WARM SPRINGS PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN $9,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA INFRASTRUCTURE FUND), NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2007 B (WEST VIRGINIA INFRASTRUCTURE FUND) AND NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2007 C (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING LOAN AGREEMENTS AND A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, on motion duly made and seconded, it was unanimously ordered that said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Chairperson presented a proposed 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 WARM SPRINGS PUBLIC

SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 2007 A (WEST VIRGINIA INFRASTRUCTURE FUND), THE WARM SPRINGS PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 2007 B (WEST VIRGINIA INFRASTRUCTURE FUND) AND THE WARM SPRINGS PUBLIC SERVICE DISTRICT SEWER REVENUE BONDS, SERIES 2007 C (WEST VIRGINIA SRF PROGRAM); AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; APPROVING AND RATIFYING THE LOAN AGREEMENT WITH RESPECT TO THE BONDS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, on motion duly made and seconded, it was unanimously ordered that said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Chairperson presented a proposed First Draw Resolution in writing entitled:

RESOLUTION OF THE WARM SPRINGS PUBLIC SERVICE DISTRICT APPROVING INVOICES RELATING TO CONSTRUCTION AND OTHER SERVICES FOR THE PROPOSED SEWER PROJECT AND AUTHORIZING PAYMENT THEREOF

and caused the same to be read and there was discussion. Thereupon, on motion duly made and seconded, it was unanimously ordered that said First Draw Resolution be adopted and be in full force and effect on and from the date hereof.

*** *** ***

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

Chairperson

Isaac T. Bohrer
Secretary

CERTIFICATION

I hereby certify that the foregoing action of WARM SPRINGS PUBLIC SERVICE DISTRICT remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature as of the date first written above.

Isaac T. Bohrer
Secretary

CERTIFICATE OF PUBLICATION

THIS IS TO CERTIFY that a legal publication

Notice of Special Meeting

Warm Springs Public Service

District

placed by

JacksonKelly

appeared for 1 consecutive weeks in THE MORGAN MESSENGER, a newspaper published in Berkeley Springs, WV, in its issue beginning

February 14, 2007

and ending

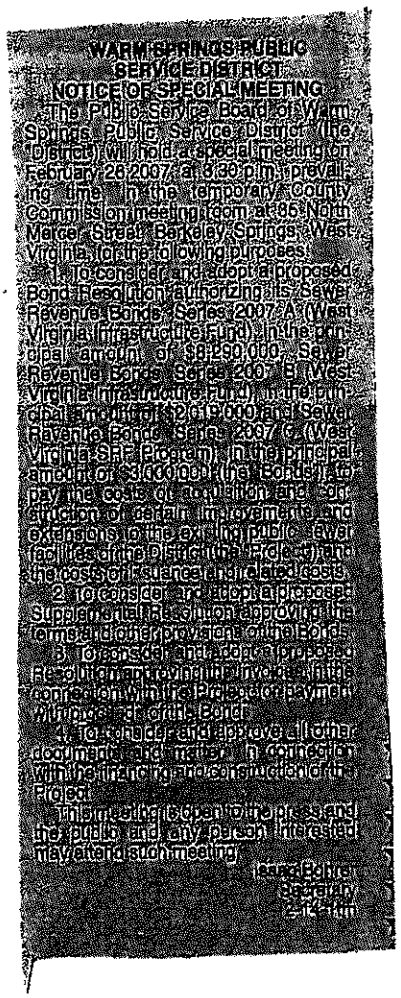
February 14, 2007

Per Dip Henry

THE MORGAN MESSENGER, INC.

Words 300

Charge $ 36.00



WARM SPRINGS PUBLIC SERVICE DISTRICT

NOTICE OF SPECIAL MEETING

The Public Service Board of Warm Springs Public Service District (the "District") will hold a special meeting on February 26 2007, at 3:30 p.m., prevailing time, in the temporary County Commission meeting room at 85 North Mercer Street, Berkeley Springs, West Virginia, for the following purposes:

1. To consider and adopt a proposed Bond Resolution authorizing its Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), in the principal amount of $8,290,000, Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund), in the principal amount of $2,019,000 and Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program), in the principal amount of $3,000,000 (the "Bonds"), to pay the costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the District (the "Project") and the costs of issuance and related costs.

2. To consider and adopt a proposed Supplemental Resolution approving the terms and other provisions of the Bonds.

3. To consider and adopt a proposed Resolution approving the invoices in the connection with the Project for payment with proceeds of the Bonds.

4. To consider and approve all other documents and matters in connection with the financing and construction of the Project.

This meeting is open to the press and the public and any person interested may attend such meeting.

Isaac Bohrer
Secretary
2-14-1tm

CERTIFICATE OF PUBLICATION

THIS IS TO CERTIFY that a legal publication

Advertisement For Bids

Conveyance System

placed by

Warm Springs Public Service

District

appeared for 2 consecutive weeks in THE MORGAN MESSENGER, a newspaper published in Berkeley Springs, WV, in its issue beginning

June 28, 2006

and ending

July 5, 2006

Per

THE MORGAN MESSENGER, INC.

Words 675

Charge $ 141.75

ADVERTISEMENT FOR BIDS
WARM SPRINGS
PUBLIC SERVICE DISTRICT
MORGAN COUNTY, WEST VIRGINIA
WASTEWATER COLLECTION AND
CONVEYANCE SYSTEM

Sealed bids for Wastewater Collection and Conveyance System will be received by the Warm Springs Public Service District at the County Commission Room of the Morgan County Courthouse, 83 Fairfax Street, Berkeley Springs, Morgan County, West Virginia, 25411, until 2 p.m. L.P.T., on Wednesday, August 9, 2006 for furnishing labor and materials and performing all work set forth in the Contract Documents prepared by CET Engineering Services. Immediately following the scheduled closing time for the reception of bids, all proposals which have been submitted in accordance with the conditions of the Contract Documents will be publicly opened and read aloud. The work consists of approximately 60,000 feet of gravity sewer; 5,000 feet of force main and collection system appurtenances as shown on the Drawings Collection System.

Construction time limit is 395 Calendar Days. Liquidated damages shall be $500 per day as provided in Article 4 of the Agreement.

Contract Documents may be examined at the following places:

Warm Springs PSD
271 Wilkes Street
Berkeley Springs, WV 25411
CET Engineering Services
1240 North Mountain Road
Harrisburg, PA 17112
Dodge Reports
#2 Players Club Drive
Charleston, WV 25311
Contractor's Association of WV
2114 Kanawha Boulevard East
Charleston, WV 25311

Plans and specifications may be obtained from the office of CET Engineering Services, 1240 North Mountain Road, Harrisburg, PA 17112, upon payment of $200 per set of plans and specifications. Additional sets of plans or specifications may be obtained at a cost of $200 per set which is not subject to refund.

All Contractors who submit a Bid for this project must obtain the Contract Documents from CET Engineering Services and must be a registered Contract Documents holder.

A two envelope system will be used. The envelopes shall be prepared as specified in Article 15 Bid Opening Requirements of the Information for Bidders.

Both envelopes must have the following information in the lower left hand corner.

Name and address of Bidder, Bidder's WV Contractor's License Number, Bid on Wastewater Collection and Conveyance System for the Warm Springs PSD, Morgan County, WV To Be Opened at 2 p.m., L.P.T., Wednesday, August 9, 2006.

A bidder may not withdraw his bid for a period of ninety (90) days after the date set for the opening of bids.

Bids shall be accompanied by a certified check or bid bond payable to Warm Springs Public Service District, in an amount equal to five percent (5%) of the base bid.

Bids received after the scheduled closing time for the reception of bids will be returned unopened to the bidders.

The Warm Springs PSD reserves the right to reject any and all bids and to waive any informalities.

A pre-bid conference will be held at the County Commission Room of the Morgan County Courthouse, 83 Fairfax Street, Berkeley Springs, Morgan County, West Virginia on Wednesday, July 19, 2006 at 2 p.m., L.P.T.

Andrew Jurick
Warm Springs Public Service District
6-28-2tm

CERTIFICATE OF PUBLICATION

THIS IS TO CERTIFY that a legal publication
Advertisement for Bid

Remote Pumping Stations

placed by
Warm Springs Public Service

District

appeared for 2 consecutive weeks in THE MORGAN MESSENGER, a newspaper published in Berkeley Springs, WV, in its issue beginning

June 28, 2006

and ending

July 5, 2006

Per _____
THE MORGAN MESSENGER, INC.

Words 690

Charge $ 144.90

ADVERTISEMENT FOR BIDS
WARM SPRINGS
PUBLIC SERVICE DISTRICT
MORGAN COUNTY, WEST VIRGINIA
ADDITIONS AND ALTERATIONS
WASTEWATER TREATMENT
FACILITIES AND
REMOTE PUMPING STATIONS

Sealed bids for Additions and Alterations Wastewater Treatment Facilities and Remote Pumping Stations will be received by the Warm Springs Public Service District at the County Commission Room of the Morgan County Courthouse, 83 Fairfax Street, Berkeley Springs, Morgan County, West Virginia, 25411, until 2 p.m. L.P.T., on Wednesday, August 9, 2006 for furnishing labor and materials and performing all work set forth in the Contract Documents prepared by CET Engineering Services. Immediately following the scheduled closing time for the reception of bids, all proposals which have been submitted in accordance with the conditions of the Contract Documents will be publicly opened and read aloud.

Construction time limit is 395 Calendar Days. Liquidated damages shall be $500 per day as provided in Article 4 of the Agreement.

Contract Documents may be examined at the following places:

Warm Springs PSD
271 Wilkes Street
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CET Engineering Services
1240 North Mountain Road
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Bids received after the scheduled closing time for the reception of bids will be returned unopened to the bidders.

The Warm Springs PSD reserves the right to reject any and all bids and to waive any informalities.

A pre-bid conference will be held at the Warm Springs PSD Wastewater Treatment Plant, 1226 Hancock Road (U.S. 522 approximately one-half mile north of Berkeley Springs), Berkeley Springs, Morgan County, West Virginia on Wednesday, July 19, 2006 at 10 a.m., L.P.T.

ADVERTISEMENT FOR BIDS

WARM SPRINGS PUBLIC SERVICE DISTRICT
MORGAN COUNTY, WEST VIRGINIA
WASTEWATER COLLECTION AND CONVEYANCE SYSTEM

Sealed bids for Wastewater Collection and Conveyance System will be received by the Warm Springs Public Service District at the County Commission Room of the Morgan County Courthouse, 83 Fairfax Street, Berkeley Springs, Morgan County, West Virginia 25411, unitl 2:00 P.M., L.P.T, on Wednesday, August 9, 2006, for furnishing labor and materials and performing all work set forth in the Contract Documents prepared bu the CET Engineering Services. Immediately following the scheduled closing time for the reception of bids, all proposals which have been submitted in accordance with the conditions of the Contract Documents will be publicly opened and read aloud.

Construction time limit is 395 Claendar Days. Liquidated damages shall be $500 per day as provided in Article 4 of the Agreement.

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Warm Springs PSD
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Berkeley Springs, WV 25411

CET Engineering Services
1240 North Mountain Road
Harrisburg, PA 17112

Dodge Reports
#2 Players Club Drive
Charleston, WV 25311

Contractor's Association of WV
2114 Kanawha Boulevard East
Charleston, WV 25311

Plans and specifications may be obtained from the office of CET Engineering Services, 1240 North Mountain Road, Harrisburg, PA 17112, upon payment of $200.00 per set of plans and specifications. Additional sets of plans or specifications may be obtained at a cost of $200.00 per set which is not subject to refund.

All Contractors who submit a Bid for this project must obtain the Contract Documents from CET Engineering Serivces and must be a registered Contract Documents holder.

A two envelope system will be used. The envelopes shall be prepared as specified in Article 15 Bid Opening Requirements Infrastructure Jobs Development Council Project of the Information for Bidders.

Both envelopes must have the following information in

Certificate of Publication

This is to certify the annexed advertisement

Warm Springs PSD

Bids

appeared for 2 consecutive days/weeks in The Journal Publishing Company, a newspaper published in the City of Martinsburg, WV in its issue beginning:

6/30/06

and ending

7/7/06

The Journal
207 W. King Street
Martinsburg, WV 25401

Fee$ 176.94

THE STATE OF WEST VIRGINIA
COUNTY OF BERKELEY

The foregoing instrument was acknowledged before me this 8-1-08 by

[signature]

My commission expires Nov 16, 2014

[signature]
Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JANET M. LUTMAN
5566 MARTINSBURG ROAD
BERKELEY SPRINGS, WV 25411
My commission expires November 16, 2014

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Both envelopes must have the following information in the lower left hand corner:

Name and address of Bidder, Bidder's WV Contractor's License Number, Bid on Additions and Alterations Wastewater Treatment Faciclities and Remote Pumping Stations for the Warm Springs PSD, Morgan County, WV To Be Opened at 2:00 P.M., L.P.T., Wednesday, August 9, 2006.

A bidder may not withdraw his bid for a period of ninety (90) days after the date set for the opening bids.

Bids shall be accompanied by a certified check or bid bond payable to Warm Springs Public Service District, in an amount equal to five percent (5%) of the base bid.

Bids received after the scheduled closing time for the reception of bids will be returned unopened to the bidders.

The Warm Springs PSD reserves the right to reject any and all bids and to waive any informalities

A pre-bid conference will be held at the Warm Springs PSD Wastewater Treatment Plant, 1226 Hancock Road (U.S. Rt. 522, approximately one-half mile norht of Berkeley Springs), Berkeley Springs, Morgan County, West Virginia, on Wednesday, July 19, 2006, at 10:00 A.M., L.P.T.

ANDREW JURICK
WARM SPRINGS PUBLIC
SERVICE DISTRICT

CET Engineering Services
1240 North Mountain Road
Harrisburg, PA 17112
6:30;7:7 (2t)

BIDS

WARM SPRINGS PUBLIC SERVICE DISTRICT MORGAN COUNTY, WEST VIRGINIA ADDITIONS AND ALTERATIONS WASTEWATER TREATMENT FACILITIES AND REMOTE PUMPING STATIONS

Sealed bids for Additions and Alterations Wastewater Treatment Facilities and Remote Pumping Stations will be received by the Warm Springs Public Service District at the County Commission Room of the Morgan County Courthouse, 83 Fairfax Street, Berkeley Springs, Morgan County, West Virginia 25411, until 2:00 P.M., L.P.T, on Wednesday, August 9, 2006, for furnishing labor and materials and performing all work set forth in the Contract Documents prepared bu the CET Engineering Services. Immediately following the scheduled closing time for the reception of bids, all proposals which have been submitted in accordance with the conditions of the Contract Documents will be publicly opened and read aloud.

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Berkeley Springs, WV 25411

CET Engineering Services
1240 North Mountain Road
Harrisburg, PA 17112

Dodge Reports
#2 Players Club Drive
Charleston, WV 25311

Contractor's Association of WV
2114 Kanawha Boulevard East
Charleston, WV 25311

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All Contractors who submit a Bid for this project must obtain the Contract Documents from CET Engineering Serivces and must be a registered Contract Documents holder.

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Certificate of Publication

This is to certify the annexed advertisement

Warm Spring Public Service District

advertisement for bids

appeared for 2 consecutive days/weeks in The Journal Publishing Company, a newspaper published in the City of Martinsburg, WV in its issue beginning:

6/30/06

and ending

7/7/06

The Journal
207 W. King Street
Martinsburg, WV 25401

Fee$ 182.18

THE STATE OF WEST VIRGINIA
COUNTY OF BERKELEY

The foregoing instrument was acknowledged before me this 7-11-06 by

My commission expires Nov 16, 2014

Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JANET M. LUTMAN
6566 MARTINSBURG ROAD
BERKELEY SPRINGS, WV 25411
My commission expires November 16, 2014

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The Warm Springs PSD reserves the right to reject any and all bids and to waive any informalities.

A pre-bid conference will be held at the Warm Springs PSD Wastewater Treatment Plant, 1226 Hancock Road (U.S. Rt. 522, approximately one-half mile north of Berkeley Springs), Berkeley Springs, Morgan County, West Virginia, on Wednesday, July 19, 2006, at 10:00 A.M., L.P.T.

ANDREW JURICK
WARM SPRINGS PUBLIC
SERVICE DISTRICT

CET Engineering Services
1240 North Mountain Road
Harrisburg, PA 17112
6:30;7:7 (2t)

CERTIFICATE OF PUBLICATION

THIS IS TO CERTIFY that a legal publication

Advertisement For Bids

Conveyance System

placed by

Warm Springs Public Service

District

appeared for 2 consecutive weeks in THE MORGAN MESSENGER, a newspaper published in Berkeley Springs, WV, in its issue beginning

June 28, 2006

and ending

July 5, 2006

Per [signature]

THE MORGAN MESSENGER, INC.

Words 675

Charge $ 141.75

ADVERTISEMENT FOR BIDS
WARM SPRINGS
PUBLIC SERVICE DISTRICT
MORGAN COUNTY, WEST VIRGINIA
WASTEWATER COLLECTION AND CONVEYANCE SYSTEM

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Andrew Jurick
Warm Springs Public Service District
6-28-2tm

CET Engineering Services
1240 North Mountain Road
Harrisburg, PA 17112

CERTIFICATE OF PUBLICATION

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Advertisement for Bid

Remote Pumping Stations

placed by
Warm Springs Public Service District

appeared for 2 consecutive weeks in THE MORGAN MESSENGER, a newspaper published in Berkeley Springs, WV, in its issue beginning

June 28, 2006

and ending

July 5, 2006

Per _____
THE MORGAN MESSENGER, INC.

Words 690

Charge $ 144.90

ADVERTISEMENT FOR BIDS
WARM SPRINGS
PUBLIC SERVICE DISTRICT
MORGAN COUNTY, WEST VIRGINIA
ADDITIONS AND ALTERATIONS
WASTEWATER TREATMENT
FACILITIES AND
REMOTE PUMPING STATIONS

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Andrew Jurick
Warm Springs Public Service District
6-28-2tm

CET Engineering Services
1240 North Mountain Road
Harrisburg, PA 17112

CERTIFICATE OF PUBLICATION

THIS IS TO CERTIFY that a legal publication

Notice of Pre-Filing

placed by

Warm Springs Public Service District

appeared for 2 consecutive weeks in THE MORGAN MESSENGER, a newspaper published in Berkeley Springs, WV, in its issue beginning

January 7, 2004

and ending

January 14, 2004

Per

THE MORGAN MESSENGER, INC.

Words 5250

Charge $ 918.75

PUBLIC NOTICES

"BECAUSE THE PEOPLE MUST KNOW"

Form No. 13
PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
CHARLESTON
NOTICE OF PRE-FILING

NOTICE IS HEREBY GIVEN that the Warm Springs Public Service District of Berkeley Springs, West Virginia, whose mailing address is P.O. Box 456, Berkeley Springs, WV 25411, a public utility, has given notice to the Public Service Commission of West Virginia of its intent to file an Application for a Certificate of Convenience and Necessity for the construction, operation and maintenance of an expanded wastewater treatment facility, and collection system to serve approximately 1500 customers in the Berkeley Springs area of Morgan County, West Virginia.

The project will consist of expanding the wastewater treatment facility from a 400,000 gallons per day facility to a 1.2 million gallons per day facility, and includes, but is not limited to, adding a raw wastewater pump station, preliminary treatment (screening and grit/grease removal), 2 aeration tanks, 2 clarifiers, ultraviolet disinfection systems, effluent aeration systems, biosolid treatment and storage, 2 additional pump stations, and constructing 12.5 miles of gravity sewer and 0.9 mile of force main, with the costs of the project not to exceed $10,740,000.

The District intends to finace the project with a grant from the West Virginia Infrastructure and Jobs Development Council in an amount not to exceed $2,450,000, and a loan from the West Virginia Infrastructure and Jobs Development Council in an amount not to exceed $8,290,000 at a term not to exceed 38 years at an interest rate not to exceed 0%. No interim financing is planned.

The proposed project-related rates for the project are not to exceed the following:

SCHEDULE 1

APPLICABILITY
Applicable inside and out of the boundaries of the District.
AVAILABILITY OF SERVICE
Available for sanitary sewer service.
RATES (Based on water consumption of metered waste placed in the sewer system.)
First 3,000 gallons, $9.69 per thousand gallons.
Next 4,000 gallons, $9.08 per thousand gallons.
Next 5,000 gallons, $8.12 per thousand gallons.
Next 8,000 gallons, $7.02 per thousand gallons.
All over 20,000 gallons, $6.29 per thousand gallons.
MIMIMUM CHARGE
$29.07
TAP FEE
$250.00
DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.
TYPES OF DISCHARGE PROHIBITED
There shall be no connection of roof downspouts, foundation drains, area way drains, or other sources of surface run-off or ground water to a building drain or building sewer which in turn is connected directly or indirectly to the sanitary sewerage system. There shall be no radioactive wastes, oils, flammable or explosive substances, or any other material discharged directly or indirectly into the system which may have a harmful effect on the wastewater treatment facilities.
FLAT RATE
Berkeley Springs State Park - $867.38
RECONNECTION FEE
$22.00 - This fee is to be collected from sewer customers whose water service has been disconnected by the Town of Bath, for nonpayment of sewer bills, according to a termination agreement approved by the Public Service Commission.
DISCONNECT FEE
$22.00 - to apply to all users in the event of any disconection of water service for non-payment of water bills.
RETURN CHECK CHARGE
If a check received is returned by the bank for any reason, the bank's charge to the District shall be the District's charge to the customer for such a bad check, but the charge to the customer shall not exceed $15.00.
INCREMENTAL LEAK ADJUSTMENTS
$1.62 per M gallons. To be used when the bill reflects unusual consumption, which can be attributed to eligible water leakage on the customer's side of the meter. This rate is to be used to calculate consumption above the customer's historical average usage.

SCHEDULE 2

APPLICABILITY
Applicable inside and out of the boundaries of the District.
AVAILABILITY OF SERVICE
Available for sanitary sewer service to unmetered water users and users who obtain water from wells.
FLAT RATE
$34.63 per month
DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty days, 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.
TYPE OF DISCHARGE PROHIBITED
There shall be no connection of roof downspouts, foundation drains, area way drains, or other sources of surface run-off or ground water to a building drain or building sewer which in turn is connected directly or indirectly to the sanitary sewerage system. There shall be no radioactive wastes, oils, flammable or explosive substances, or any other material discharged directly or indirectly into the system which may have a harmful effect on the wastewater treatment facilities.

SCHEDULE 3

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE ROOF DRAINS ARE CONNECTED TO THE DISTRICT'S SANITARY SYSTEM
APPLICABILITY
Wherever the District has discovered that a customer's roof drain, downspout, storm sewer or similar facilities conducting surface water have been connected to the District's sewer system, and such a customer has failed to take appropriate action, within thirty (30) days of receipt of a demand by the District in accordance with the Rules and Regulations of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:
S - A x R x .0006233 x C
S - The surcharge in dollars.
A - The area under roof and/or in the area of any other water collecting surface connected to the sanitary sewer, in square feet.
R - The measured monthly rainfall, in inches.
.0006233 - A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.
C - The District's approved rate per thousand gallons of waste water treated.

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

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

These rates represent the following increases:

	($) INCREASE	(%) INCREASE
Residential	$2.43	7.5%
Commercial	$2.43	7.5%
Industrial	$2.43	7.5%
Resale	N/A	N/A
Other	$2.43	7.5%

The rate increase combining both project-related costs and non project-related costs, and the rates which the District will be seeking in its Application, are not to exceed the following:

SCHEDULE 1

APPLICABILITY
Applicable inside and out of the boundaries of the District.
AVAILABILITY OF SERVICE
Available for sanitary sewer service.
RATES (Based on water consumption of metered waste placed in the sewer system.)
First 3,000 gallons, $10.24 per thousand gallons.
Next 4,000 gallons, $9.59 per thousand gallons.
Next 5,000 gallons, $8.58 per thousand gallons.
Next 8,000 gallons, $7.42 per thousand gallons.
All over 20,000 gallons, $6.65 per thousand gallons.
Minimum Bill: $30.72
TAP FEE
$250.00
DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.
TYPES OF DISCHARGE PROHIBITED
There shall be no connection of roof downspouts, foundation drains, area

service for non-payment of water bills.
RETURN CHECK CHARGE
If a check received is returned by the bank for any reason, the bank's charge to the District shall be the District's charge to the customer for such a bad check, but the charge to the customer shall not exceed $15.00.
INCREMENTAL LEAK ADJUSTMENTS
$1.62 per M gallons. To be used when the bill reflects unusual consumption, which can be attributed to eligible water leakage on the customer's side of the meter. This rate is to be used to calculate consumption above the customer's historical average usage.

SCHEDULE 2

APPLICABILITY
Applicable inside and out of the boundaries of the District.
AVAILABILITY OF SERVICE
Available for sanitary sewer service to unmetered water users and users who obtain water from wells.
FLAT RATE
$42.68 per month
DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty days, 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.
TYPE OF DISCHARGE PROHIBITED
There shall be no connection of roof downspouts, foundation drains, area way drains, or other sources of surface run-off or ground water to a building drain or building sewer which in turn is connected directly or indirectly to the sanitary sewerage system. There shall be no radioactive wastes, oils, flammable or explosive substances, or any other material discharged directly or indirectly into the system which may have a harmful effect on the wastewater treatment facilities.

SCHEDULE 3

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE ROOF DRAINS ARE CONNECTED TO THE DISTRICT'S SANITARY SYSTEM
APPLICABILITY
Wherever the District has discovered that a customer's roof drain, downspout, storm sewer or similar facilities conducting surface water have been connected to the District's sewer system, and such a customer has failed to take appropriate action, within thirty (30) days of receipt of a demand by the District in accordance with the Rules and Regulations of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:
S - A x R x .0006233 x C
S - The surcharge in dollars.
A - The area under roof and/or in the area of any other water collecting surface connected to the sanitary sewer, in square feet.
R - The measured monthly rainfall, in inches.
.0006233 - A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.
C - The District's approved rate per thousand gallons of waste water treated.
The District shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary system at the customer's location, and that the customer has not acted within thirty days from receipt of such notice to divert water from the sanitary sewer system.
Said surcharge shall be calculated and imposed for each month said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.
These rates represent the following increases:

	($) INCREASE	(%) INCREASE
Residential	$10.47	32.5%
Commercial	$10.47	32.5%
Industrial	$10.47	32.5%
Resale	N/A	N/A
Other	$10.47	32.5%

Rate increases may also be proposed for non project-related costs. Non project-related rate increases are not to exceed the following:

SCHEDULE 1

APPLICABILITY
Applicable inside and out of the boundaries of the District.
AVAILABILITY OF SERVICE
Available for sanitary sewer service.
RATES (Based on water consumption of metered waste placed in the sewer system.)
First 3,000 gallons, $7.86 per thousand gallons.
Next 4,000 gallons, $7.36 per thousand gallons.
Next 5,000 gallons, $6.59 per thousand gallons.
Next 8,000 gallons, $5.70 per thousand gallons.
All over 20,000 gallons, $5.11 per thousand gallons.
MIMIMUM CHARGE
$23.58
TAP FEE
$250.00
DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.
TYPES OF DISCHARGE PROHIBITED
There shall be no connection of roof downspouts, foundation drains, area way drains, or other sources of surface run-off or ground water to a building drain or building sewer which in turn is connected directly or indirectly to the sanitary sewerage system. There shall be no radioactive wastes, oils, flammable or explosive substances, or any other material discharged directly or

Available for sanitary sewer service.
RATES (Based on water consumption of metered waste placed in the sewer system.)
First 3,000 gallons, $10.24 per thousand gallons.
Next 4,000 gallons, $9.59 per thousand gallons.
Next 5,000 gallons, $8.58 per thousand gallons.
Next 8,000 gallons, $7.42 per thousand gallons.
All over 20,000 gallons, $6.65 per thousand gallons.
Minimum Bill: $30.72
TAP FEE
$250.00
DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.
TYPES OF DISCHARGE PROHIBITED
There shall be no connection of roof downspouts, foundation drains, area way drains, or other sources of surface run-off or ground water to a building drain or building sewer which in turn is connected directly or indirectly to the sanitary sewerage system. There shall be no radioactive wastes, oils, flammable or explosive substances, or any other material discharged directly or indirectly into the system which may have a harmful effect on the wastewater treatment facilities.
FLAT RATE
Berkeley Springs State Park - $916.48
RECONNECTION FEE
$22.00 - This fee is to be collected from sewer customers whose water service has been disconnected by the Town of Bath, for nonpayment of sewer bills, according to a termination agreement approved by the Public Service Commission.
DISCONNECT FEE
$22.00 - to apply to all users in the event of any disconection of water service for non-payment of water bills.
RETURN CHECK CHARGE
If a check received is returned by the bank for any reason, the bank's charge to the District shall be the District's charge to the customer for such a bad check, but the charge to the customer shall not exceed $15.00.
INCREMENTAL LEAK ADJUSTMENTS
$1.71 per M gallons. To be used when the bill reflects unusual consumption, which can be attributed to eligible water leakage on the customer's side of the meter. This rate is to be used to calculate consumption above the customer's historical average usage.

SCHEDULE 2

APPLICABILITY
Applicable inside and out of the boundaries of the District.
AVAILABILITY OF SERVICE
Available for sanitary sewer service to unmetered water users and users who obtain water from wells.
FLAT RATE
$45.11 per month
DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty days, 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.
TYPE OF DISCHARGE PROHIBITED
There shall be no connection of roof downspouts, foundation drains, area way drains, or other sources of surface run-off or ground water to a building drain or building sewer which in turn is connected directly or indirectly to the sanitary sewerage system. There shall be no radioactive wastes, oils, flammable or explosive substances, or any other material discharged directly or indirectly into the system which may have a harmful effect on the wastewater treatment facilities.
RETURN CHECK CHARGE
If a check received is returned by the bank for any reason, the bank's charge to the District shall be the District's charge to the customer for such a bad check, but the charge to the customer shall not exceed $15.00.

SCHEDULE 3

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE ROOF DRAINS ARE CONNECTED TO THE DISTRICT'S SANITARY SYSTEM
APPLICABILITY
Wherever the District has discovered that a customer's roof drain, downspout, storm sewer or similar facilities conducting surface water have been connected to the District's sewer system, and such a customer has failed to take appropriate action, within thirty (30) days of receipt of a demand by the District in accordance with the Rules and Regulations of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:
S - A x R x .0006233 x C
S - The surcharge in dollars.
A - The area under roof and/or in the area of any other water collecting surface connected to the sanitary sewer, in square feet.
R - The measured monthly rainfall, in inches.
.0006233 - A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.
C - The District's approved rate per thousand gallons of metered water usage.
The District shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or other surface water is being introduced into the sanitary system at the customer's location, and that the customer has not acted within thirty days from receipt of such notice to divert water from the sanitary sewer system.
Said surcharge shall be calculated and imposed for each month said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules and Regulations of the Public Service Commission of West Virginia.
These rates represent the following increases:

PUBLIC NOTICES

"BECAUSE THE PEOPLE MUST KNOW"

Form No. 13
PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
CHARLESTON
NOTICE OF PRE-FILING

S HEREBY GIVEN that the Warm Springs Public Service District Springs, West Virginia, whose mailing address is P.O. Box 456, rings, WV 25411, a public utility, has given notice to the Public nmission of West Virginia of its intent to file an Application for a f Convenience and Necessity for the construction, operation and e of an expanded wastewater treatment facility and collection rve approximately 1500 customers in the Berkeley Springs area ounty, West Virginia.

ct will consist of expanding the wastewater treatment facility from allons per day facility to a 1.2 million gallons per day facility, and is not limited to, adding a raw wastewater pump station, prelimi- nt (screening and grit/grease removal), 2 aeration tanks, 2 clari- olet disinfection systems, effluent aeration systems, biosolid id storage, 2 additional pump stations, and constructing 12.5 ity sewer and 0.9 mile of force main, with the costs of the project d $10,740,000.

ct intends to finace the project with a grant from the West Virginia e and Jobs Development Council in an amount not to exceed and a loan from the West Virginia Infrastructure and Jobs Devel- ncil in an amount not to exceed $8,290,000 at a term not to ears at an interest rate not to exceed 0%. No interim financing is

ised project-related rates for the project are not to exceed the fol-

SCHEDULE 1

BILITY
inside and out of the boundaries of the District.
LITY OF SERVICE
or sanitary sewer service.
Based on water consumption of metered waste placed in the n.)
) gallons, $9.69 per thousand gallons.
) gallons, $9.08 per thousand gallons.
) gallons, $8.12 per thousand gallons.
) gallons, $7.02 per thousand gallons.
),000 gallons, $6.29 per thousand gallons.
CHARGE

PAYMENT PENALTY
tariff is net. On all current usage billings not paid within twenty percent (10%) will be added to the net current amount unpaid. payment penalty is not interest and is to be collected only once where it is appropriate.
DISCHARGE PROHIBITED
be no connection of roof downspouts, foundation drains, area r other sources of surface run-off or ground water to a building ing sewer which in turn is connected directly or indirectly to the erage system. There shall be no radioactive wastes, oils, flam-

charge to the District shall be the District's charge to the customer for such a bad check, but the charge to the customer shall not exceed $15.00.

INCREMENTAL LEAK ADJUSTMENTS

$1.31 per M gallons. To be used when the bill reflects unusual consumption, which can be attributed to eligible water leakage on the customer's side of the meter. This rate is to be used to calculate consumption above the customer's historical average usage.

SCHEDULE 2

APPLICABILITY

Applicable inside and out of the boundaries of the District.

AVAILABILITY OF SERVICE

Available for sanitary sewer service to unmetered water users and users who obtain water from wells.

FLAT RATE

$34.63 per month

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty days, 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.

TYPE OF DISCHARGE PROHIBITED

There shall be no connection of roof downspouts, foundation drains, area way drains, or other sources of surface run-off or ground water to a building drain or building sewer which in turn is connected directly or indirectly to the sanitary sewerage system. There shall be no radioactive wastes, oils, flammable or explosive substances, or any other material discharged directly or indirectly into the system which may have a harmful effect on the wastewater treatment facilities.

SCHEDULE 3

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE ROOF DRAINS ARE CONNECTED TO THE DISTRICT'S SANITARY SYSTEM

APPLICABILITY

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

S - A x R x .0006233 x C

S - The surcharge in dollars.

A - The area under roof and/or in the area of any other water collecting surface connected to the sanitary sewer, in square feet.

R - The measured monthly rainfall, in inches.

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

C - The District's approved rate per thousand gallons of waste water treated.

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

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

These rates represent the following increases:

($) INCREASE (%) INCREASE

Service Commission in its review of this filing.

TAP FEE

$250.00

CUSTOMER SECURITY DEPOSIT

Twice average monthly bill amount.

Any increase in rates and charges will not become effective until authorized and approved by the Public Service Commission in the Certificate of Convenience and Necessity Application. Following the filing of the formal Application there will be an additional public notice and opportunity for the submission of public protest. It is anticipated that the formal Application will be filed within 30 days of the publication of this notice.

WARM SPRINGS PUBLIC SERVICE DISTRICT,
a public utility in Morgan County.
Andrew Jurick, Chairman
1-7-2tm

NOTICE
Storage Bins #2 and #19
COBLE'S MINI STORAGE

The contents of this storage bin will be sold for back rent if not paid in full by January 14, 2004.

1-7-1tm

In the Circuit Court of Morgan County, West Virginia

Mill Creek Holdings,
Limited Liability Company,
Plaintiff,
vs.
Frank Luckett, his unknown heirs, successors and assigns,
Cedar Run Property Owners Association, its unknown successors and assigns,
Defendants.

CIVIL ACTION NO. 03-C-56
Judge Gray Silver, III

ORDER OF PUBLICATION

The object of the above entitled action is to obtain quiet title to the following described land, situate in Cacapon District, Morgan County, West Virginia, together with the improvements thereon and the appurtenances thereunto belonging, and more particularly bounded and described as follows:

All that certain tract or parcel of real

NOTE OF THANKS

The family of **Robert Benner Banks** wishes to thank everyone for their visits, flowers, prayers and food during our time of sorrow. Thank you to Helsley-Johnson Funeral Home, Rev. Andrew Cooney and Rev. James McMahan.

The Robert F. Banks Family

IN THE COUNTY COMMISSION,
IN AND FOR
MORGAN COUNTY, WEST VIRGINIA
PROBATE DIVISION
NOTICE OF ADMINISTRATION

Notice is hereby given that in the estate of the decedents set forth below, the Morgan County Commission has granted Letters Testamentary or of Administration to the person(s) named. Any claims against the estate must be filed in accordance with the provisions of Chapter 44, Article 2 of the West Virginia code as amended. Any interested person objecting to the validity of the will must

CERTIFICATE OF PUBLICATION

THIS IS TO CERTIFY that a legal publication

Notice of filing, Increased

Rates and Hearing

placed by

Warm Springs Public Service

District

appeared for 2 consecutive weeks in THE MORGAN MESSENGER, a newspaper published in Berkeley Springs, WV, in its issue beginning

July 28, 2004

and ending

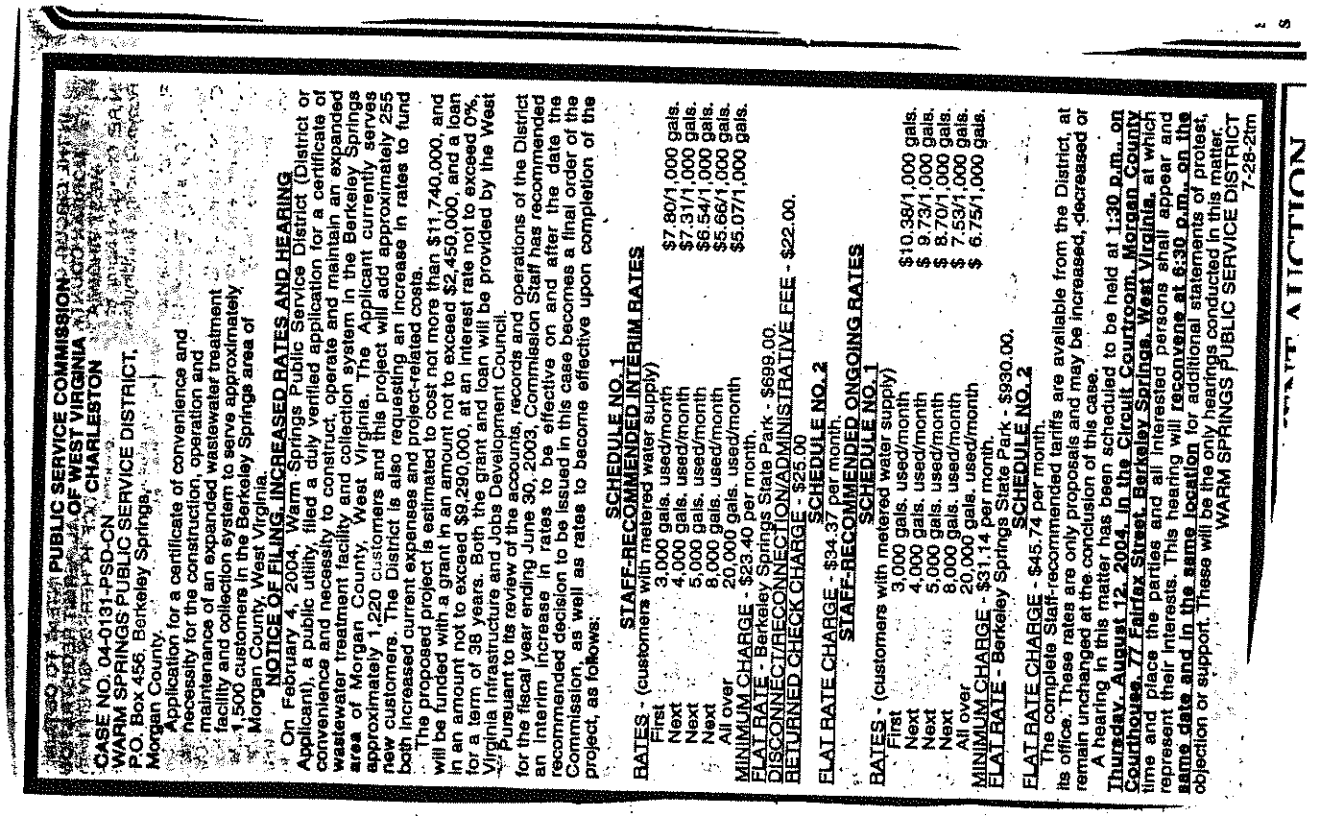
August 4, 2004

Per

THE MORGAN MESSENGER, INC.

Words 990

Charge $190.57



PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
CASE NO. 04-0131-PSD-CN
WARM SPRINGS PUBLIC SERVICE DISTRICT,
P.O. Box 456, Berkeley Springs,
Morgan County.

Application for a certificate of convenience and necessity for the construction, operation and maintenance of an expanded wastewater treatment facility and collection system to serve approximately 1,500 customers in the Berkeley Springs area of Morgan County, West Virginia.

NOTICE OF FILING, INCREASED RATES AND HEARING

On February 4, 2004, Warm Springs Public Service District (District or Applicant), a public utility, filed a duly verified application for a certificate of convenience and necessity to construct, operate and maintain an expanded wastewater treatment facility and collection system in the Berkeley Springs area of Morgan County, West Virginia. The Applicant currently serves approximately 1,220 customers and this project will add approximately 255 new customers. The District is also requesting an increase in rates to fund both increased current expenses and project-related costs.

The proposed project is estimated to cost not more than $11,740,000, and will be funded with a grant in an amount not to exceed $2,450,000, and a loan in an amount not to exceed $9,290,000, at an interest rate not to exceed 0%, for a term of 38 years. Both the grant and loan will be provided by the West Virginia Infrastructure and Jobs Development Council.

Pursuant to its review of the accounts, records and operations of the District for the fiscal year ending June 30, 2003, Commission Staff has recommended an interim increase in rates to be effective on and after the date the recommended decision to be issued in this case becomes a final order of the Commission, as well as rates to become effective upon completion of the project, as follows:

SCHEDULE NO. 1
STAFF-RECOMMENDED INTERIM RATES

BATES - (customers with metered water supply)

First	3,000 gals. used/month	$7.80/1,000 gals.
Next	4,000 gals. used/month	$7.31/1,000 gals.
Next	5,000 gals. used/month	$6.54/1,000 gals.
Next	8,000 gals. used/month	$5.66/1,000 gals.
All over	20,000 gals. used/month	$5.07/1,000 gals.

MINIMUM CHARGE - $23.40 per month.
FLAT RATE - Berkeley Springs State Park - $699.00.
DISCONNECT/RECONNECTION/ADMINISTRATIVE FEE - $22.00.
RETURNED CHECK CHARGE - $25.00

SCHEDULE NO. 2
FLAT RATE CHARGE - $34.37 per month.

STAFF-RECOMMENDED ONGOING RATES
SCHEDULE NO. 1

BATES - (customers with metered water supply)

First	3,000 gals. used/month	$10.38/1,000 gals.
Next	4,000 gals. used/month	$ 9.73/1,000 gals.
Next	5,000 gals. used/month	$ 8.70/1,000 gals.
Next	8,000 gals. used/month	$ 7.53/1,000 gals.
All over	20,000 gals. used/month	$ 6.75/1,000 gals.

MINIMUM CHARGE - $31.14 per month.
FLAT RATE - Berkeley Springs State Park - $930.00.

SCHEDULE NO. 2
FLAT RATE CHARGE - $45.74 per month.

The complete Staff-recommended tariffs are available from the District, at its office. These rates are only proposals and may be increased, decreased or remain unchanged at the conclusion of this case.

A hearing in this matter has been scheduled to be held at 1:30 p.m. on Thursday, August 12, 2004, in the Circuit Courtroom, Morgan County Courthouse, 77 Fairfax Street, Berkeley Springs, West Virginia, at which time and place the parties and all interested persons shall appear and represent their interests. This hearing will reconvene at 6:30 p.m. on the same date and in the same location for additional statements of protest, objection or support. These will be the only hearings conducted in this matter.

WARM SPRINGS PUBLIC SERVICE DISTRICT
7-28-2tm

CERTIFICATE OF PUBLICATION

THIS IS TO CERTIFY that a legal publication
Notice of Filing

placed by
Warm Springs Public Service
District

appeared for 1 consecutive weeks in THE MORGAN MESSENGER, a newspaper published in Berkeley Springs, WV, in its issue beginning

February 18, 2004

and ending

February 18, 2004

Per

THE MORGAN MESSENGER, INC.

Words 5,250

Charge $ 525.00

PUBLIC NOTICES

"BECAUSE THE PEOPLE MUST KNOW"

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 5th day of February 2004.

CASE NO. 04-0131-PSD-CN
WARM SPRINGS PUBLIC SERVICE DISTRICT
P.O. Box 456
Berkeley Springs, WV 25411

Application for a Certificate of Convenience and Necessity for the construction, operation and maintenance of an expanded wastewater treatment facility and collection system to serve approximately 1500 customers in the Berkeley Springs area of Morgan County, West Virginia.

NOTICE OF FILING

WHEREAS, on February 4, 2004, Warm Springs Public Service District, a public utility, filed an application, duly verified for a Certificate for the construction, operation and maintenance of an expanded wastewater treatment facility and collection system in Morgan County. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

WHEREAS, Warm Springs Public Service District estimates that construction will cost approximately $11,740,000.00. The District intends to finance the project with a grant from the West Virginia Infrastructure and Jobs Development Council in an amount not to exceed $2,450,000.00, and a loan from the West Virginia Infrastructure and Jobs Development Council in an amount not to exceed $9,290,000.00, at a term not to exceed 38 years at an interest rate not to exceed 0%. No interim financing is planned.

WHEREAS, the utility anticipates charging the following rates for its customers:

PROJECT-RELATED RATES (not to exceed the following)

APPLICABILITY

Applicable inside and out of the boundaries of the District.

AVAILABILITY OF SERVICE

Available for sanitary sewer service.

RATES (Based on water consumption of metered waste placed in the sewer system.)

First 3,000 gallons	$9.69 per thousand gallons
Next 4,000 gallons	$9.08 per thousand gallons
Next 5,000 gallons	$8.12 per thousand gallons
Next 8,000 gallons	$7.02 per thousand gallons
All over 20,000 gallons	$6.29 per thousand gallons

MINIMUM CHARGE

$29.07 for 3,000 gallons of water.

TAP FEE

$250.00

DELAYED PAYMENT PENALTY

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

TYPES OF DISCHARGE PROHIBITED

There shall be no connection of roof downspouts, foundation drains, area way drains, or other sources of surface run-off or ground water to a building drain or building sewer which in turn is connected directly or indirectly to the sanitary sewerage system. There shall be no radioactive wastes, oils, flammable or explosive substances, or any other material discharged directly or indirectly into the system which may have a harmful effect on the wastewater treatment facilities.

FLAT RATE

Berkeley Springs State Park - $867.38

RECONNECTION FEE

$22.00 - This fee is to be collected from sewer customers whose water service has been disconnected by the Town of Bath, for nonpayment of sewer bills, according to a termination agreement approved by the Public Service Commission.

DISCONNECT FEE

$22.00 - To apply to all users in the event of any disconnection of water service for non-payment of water bills.

RETURN CHECK CHARGE

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

INCREMENTAL LEAK ADJUSTMENTS

$1.62 per 1,000 gallons. To be used when the bill reflects unusual consumption, which can be attributed to eligible water leakage on the customer's side of the meter. This rate is to be used to calculate consumption above the customer's historical average usage.

SCHEDULE 2

APPLICABILITY

Applicable inside and out of the boundaries of the District.

AVAILABILITY OF SERVICE

Available for sanitary sewer service to unmetered water users and users who obtain water from wells.

FLAT RATE

$42.68 per month

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty days, 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.

TYPE OF DISCHARGE PROHIBITED

There shall be no connection of roof downspouts, foundation drains, area way drains, or other sources of surface run-off or ground water to a building drain or building sewer which in turn is connected directly or indirectly to the sanitary sewerage system. There shall be no radioactive wastes, oils, flammable or explosive substances, or any other material discharged directly or indirectly into the system which may have a harmful effect on the wastewater treatment facilities.

SCHEDULE 3

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE ROOF DRAINS ARE CONNECTED TO THE DISTRICT'S SANITARY SYSTEM.

APPLICABILITY

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

S = A x R x 00062333 x C

S - The surcharge in dollars.

A - The area under roof and/or in the area of any other water collecting surface

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty days, 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.

TYPE OF DISCHARGE PROHIBITED

There shall be no connection of roof downspouts, foundation drains, area way drains, or other sources of surface run-off or ground water to a building drain or building sewer which in turn is connected directly or indirectly to the sanitary sewerage system. There shall be no radioactive wastes, oils, flammable or explosive substances, or any other material discharged directly or indirectly into the system which may have a harmful effect on the wastewater treatment facilities.

SCHEDULE 3

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE ROOF DRAINS ARE CONNECTED TO THE DISTRICT'S SANITARY SYSTEM

APPLICABILITY

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

S = A x R x 0006233 x C

S - The surcharge in dollars.

A - The area under roof and/or in the area of any other water collecting surface connected to the sanitary sewer, in square feet.

R - The measured monthly rainfall, in inches.

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

C - The District's approved rate per thousand gallons of waste water treated.

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

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

COMBINED PROJECT-RELATED AND NON PROJECT-RELATED RATES (not to exceed the following):

SCHEDULE 1

APPLICABILITY

Applicable inside and out of the boundaries of the District.

AVAILABILITY OF SERVICE

Available for sanitary sewer service.

RATES (Based on water consumption of metered waste placed in the sewer system.)

First 3,000 gallons	$10.24 per thousand gallons
Next 4,000 gallons	$ 9.59 per thousand gallons
Next 5,000 gallons	$ 8.58 per thousand gallons
Next 8,000 gallons	$ 7.42 per thousand gallons
All over 20,000 gallons	$ 6.65 per thousand gallons.

MINIMUM BILL: $30.72 for 3,000 gallons of water.

TAP FEE

$250.00

DELAYED PAYMENT PENALTY

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

TYPES OF DISCHARGE PROHIBITED

There shall be no connection of roof downspouts, foundation drains, area way drains, or other sources of surface run-off or ground water to a building drain or building sewer which in turn is connected directly or indirectly to the sanitary sewerage system. There shall be no radioactive wastes, oils, flammable or explosive substances, or any other material discharged directly or indirectly into the system which may have a harmful effect on the wastewater treatment facilities.

FLAT RATE

Berkeley Springs State Park - $916.48

RECONNECTION FEE

$22.00 - This fee is to be collected from sewer customers whose water service has been disconnected by the Town of Bath, for nonpayment of sewer bills, according to a termination agreement approved by the Public Service Commission.

DISCONNECT FEE

$22.00 - To apply to all users in the event of any disconnection of water service for non-payment of water bills.

RETURN CHECK CHARGE

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

INCREMENTAL LEAK ADJUSTMENTS

$1.71 per 1,000 gallons. To be used when the bill reflects unusual consumption, which can be attributed to eligible water leakage on the customer's side of the meter. This rate is to be used to calculate consumption above the customer's historical average usage.

SCHEDULE 2

APPLICABILITY

Applicable inside and outside of the boundaries of the District.

AVAILABILITY OF SERVICE

Available for sanitary sewer service to unmetered water users and users who obtain water from wells.

FLAT RATE

$45.11 per month

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty days, 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.

TYPE OF DISCHARGE PROHIBITED

There shall be no connection of roof downspouts, foundation drains, area way drains, or other sources of surface run-off or ground water to a building drain or building sewer which in turn is connected directly or indirectly to the sanitary sewerage system. There shall be no radioactive wastes, oils, flammable or explosive substances, or any other material discharged directly or indirectly into the system which may have a harmful effect on the wastewater treatment facilities.

RETURN CHECK CHARGE

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

SCHEDULE 3

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE ROOF DRAINS

which can be attributed to eligible water leakage on the customer's side of the meter. This rate is to be used to calculate consumption above the customer's historical average usage.

SCHEDULE 2

APPLICABILITY

Applicable inside and out of the boundaries of the District.

AVAILABILITY OF SERVICE

Available for sanitary sewer service to unmetered water users and users who obtain water from wells.

FLAT RATE

$42.68 per month

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty days, 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.

TYPE OF DISCHARGE PROHIBITED

There shall be no connection of roof downspouts, foundation drains, area way drains, or other sources of surface run-off or ground water to a building drain or building sewer which in turn is connected directly or indirectly to the sanitary sewerage system. There shall be no radioactive wastes, oils, flammable or explosive substances, or any other material discharged directly or indirectly into the system which may have a harmful effect on the wastewater treatment facilities.

SCHEDULE 3

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE ROOF DRAINS ARE CONNECTED TO THE DISTRICT'S SANITARY SYSTEM

APPLICABILITY

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

S = A x R x 00062333 x C

S - The surcharge in dollars.

A - The area under roof and/or in the area of any other water collecting surface connected to the sanitary sewer, in square feet.

R - The measured monthly rainfall, in inches.

.00062333 - A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.

C - The District's approved rate per thousand gallons of wastewater treated.

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

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

NON PROJECT-RELATED RATES (not to exceed the following);

SCHEDULE 1

APPLICABILITY

Applicable inside and out of the boundaries of the District.

AVAILABILITY OF SERVICE

Available for sanitary sewer service.

RATES (Based on water consumption of metered waste placed in the sewer system.)

First 3,000 gallons	$7.86 per thousand gallons
Next 4,000 gallons	$7.36 per thousand gallons
Next 5,000 gallons	$6.59 per thousand gallons
Next 8,000 gallons	$5.70 per thousand gallons
All over 20,000 gallons	$5.11 per thousand gallons

MINIMUM CHARGE

$23.58 for 3,000 gallons of water.

TAP FEE

$250.00

DELAYED PAYMENT PENALTY

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

TYPES OF DISCHARGE PROHIBITED

There shall be no connection of roof downspouts, foundation drains, area way drains, or other sources of surface run-off or ground water to a building drain or building sewer which in turn is connected directly or indirectly to the sanitary sewerage system. There shall be no radioactive wastes, oils, flammable or explosive substances, or any other material discharged directly or indirectly into the system which may have a harmful effect on the wastewater treatment facilities.

FLAT RATE

Berkeley Springs State Park - $703.73

RECONNECTION FEE

$22.00 - This fee is to be collected from sewer customers whose water service has been disconnected by the Town of Bath, for nonpayment of sewer bills, according to a termination agreement approved by the Public Service Commission.

DISCONNECT FEE

$22.00 - To apply to all users in the event of any disconnection of water service for non-payment of water bills.

RETURN CHECK CHARGE

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

INCREMENTAL LEAK ADJUSTMENTS

$1.31 per 1,000 gallons. To be used when the bill reflects unusual consumption, which can be attributed to eligible water leakage on the customer's side of the meter. This rate is to be used to calculate consumption above the customer's historical average usage.

SCHEDULE 2

APPLICABILITY

Applicable inside and outside of the boundaries of the District.

AVAILABILITY OF SERVICE

Available for sanitary sewer service to unmetered water users and users who obtain water from wells.

FLAT RATE

$34.63 per month

RETURN CHECK CHARGE

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

INCREMENTAL LEAK ADJUSTMENTS

$1.71 per 1,000 gallons. To be used when the bill reflects unusual consumption, which can be attributed to eligible water leakage on the customer's side of the meter. This rate is to be used to calculate consumption above the customer's historical average usage.

SCHEDULE 2

APPLICABILITY

Applicable inside and outside of the boundaries of the District.

AVAILABILITY OF SERVICE

Available for sanitary sewer service to unmetered water users and users who obtain water from wells.

FLAT RATE

$45.11 per month

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty days, 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.

TYPE OF DISCHARGE PROHIBITED

There shall be no connection of roof downspouts, foundation drains, area way drains, or other sources of surface run-off or ground water to a building drain or building sewer which in turn is connected directly or indirectly to the sanitary sewerage system. There shall be no radioactive wastes, oils, flammable or explosive substances, or any other material discharged directly or indirectly into the system which may have a harmful effect on the wastewater treatment facilities.

RETURN CHECK CHARGE

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

SCHEDULE 3

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE ROOF DRAINS ARE CONNECTED TO THE DISTRICT'S SANITARY SYSTEM

APPLICABILITY

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

S = A x R x 0006233 x C

S - The surcharge in dollars.

A - The area under roof and/or in the area of any other water collecting surface connected to the sanitary sewer, in square feet.

R - The measured monthly rainfall, in inches.

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

C - The District's approved rate per thousand gallons of metered water usage.

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

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

TAP FEE

$250.00

CUSTOMER SECURITY DEPOSIT

Twice average monthly bill amount.

These rates represent the following project-related increases:

	($) INCREASE	(%) INCREASE
Residential	$10.47	32.5%
Commercial	$10.47	32.5%
Industrial	$10.47	32.5%
Resale	NA	NA
Other	$10.47	32.5%

These rates represent the following non project-related increases:

	($) INCREASE	(%) INCREASE
Residential	$2.43	7.5%
Commercial	$2.43	7.5%
Industrial	$2.43	7.5%
Resale	NA	NA
Other	$2.43	7.5%

These rates represent combined project-related increases and non-project-related increases:

	($) INCREASE	(%) INCREASE
Residential	$12.90	40.0%
Commercial	$12.90	40.0%
Industrial	$12.90	40.0%
Resale	NA	NA
Other	$12.90	40.0%

There are no sale-for-resale customers.

The proposed increased rates and charges will produce annual income and reflect a percentage increase as follows:

	ANNUAL REVENUE INCREASE	(%) INCREASE
Project-Related	$236,437.50	32.5%
Non Project-Related	$ 54,562.50	7.5%
Combined Project and Non-Project-Related	$291,000.00	40.0%

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing.

Pursuant to §24-2-11, West Virginia Code, IT IS ORDERED that Warm Springs Public Service District, a public utility, give notice of the filing of said application, by publishing a copy of this order once in a newspaper duly qualified by the Secretary of State, published and of general circulation in Morgan County, making due return to this Commission of proper certification of publication immediately after publication.

PUBLIC NOTICES

"BECAUSE THE PEOPLE MUST KNOW"

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 5th day of February 2004.

CASE NO. 04-0131-PSD-CN

WARM SPRINGS PUBLIC SERVICE DISTRICT
P.O. Box 456
Berkeley Springs, WV 25411

Application for a Certificate of Convenience and Necessity for the construction, operation and maintenance of an expanded wastewater treatment facility and collection system to serve approximately 1500 customers in the Berkeley Springs area of Morgan County, West Virginia.

NOTICE OF FILING

WHEREAS, on February 4, 2004, Warm Springs Public Service District, a public utility, filed an application, duly verified for a Certificate for the construction, operation and maintenance of an expanded wastewater treatment facility and collection system in Morgan County. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

WHEREAS, Warm Springs Public Service District estimates that construction will cost approximately $11,740,000.00. The District intends to finance the project with a grant from the West Virginia Infrastructure and Jobs Development Council in an amount not to exceed $2,450,000.00, and a loan from the West Virginia Infrastructure and Jobs Development Council in an amount not to exceed $9,290,000.00, at a term not to exceed 38 years at an interest rate not to exceed 0%. No interim financing is planned.

WHEREAS, the utility anticipates charging the following rates for its customers:

PROJECT-RELATED RATES (not to exceed the following)

APPLICABILITY

Applicable inside and out of the boundaries of the District.

AVAILABILITY OF SERVICE

Available for sanitary sewer service.

RATES (Based on water consumption of metered waste placed in the sewer system.)

First 3,000 gallons	$9.69 per thousand gallons
Next 4,000 gallons	$9.08 per thousand gallons
Next 5,000 gallons	$8.12 per thousand gallons
Next 8,000 gallons	$7.02 per thousand gallons
All over 20,000 gallons	$6.29 per thousand gallons

MINIMUM CHARGE

$29.07 for 3,000 gallons of water.

TAP FEE

$250.00

DELAYED PAYMENT PENALTY

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

TYPES OF DISCHARGE PROHIBITED

There shall be no connection of roof downspouts, foundation drains, area way drains, or other sources of surface run-off or ground water to a building drain or building sewer which in turn is connected directly or indirectly to the sanitary sewerage system. There shall be no radioactive wastes, oils, flammable or explosive substances, or any other material discharged directly or indirectly into the system which may have a harmful effect on the wastewater treatment facilities.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty days, 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.

TYPE OF DISCHARGE PROHIBITED

There shall be no connection of roof downspouts, foundation drains, area way drains, or other sources of surface run-off or ground water to a building drain or building sewer which in turn is connected directly or indirectly to the sanitary sewerage system. There shall be no radioactive wastes, oils, flammable or explosive substances, or any other material discharged directly or indirectly into the system which may have a harmful effect on the wastewater treatment facilities.

SCHEDULE 3

SURCHARGE FORMULA TO BE APPLIED IN CASES WHERE ROOF DRAINS ARE CONNECTED TO THE DISTRICT'S SANITARY SYSTEM

APPLICABILITY

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

S = A x R x 0006233 x C

S - The surcharge in dollars.

A - The area under roof and/or in the area of any other water collecting surface connected to the sanitary sewer, in square feet.

R - The measured monthly rainfall, in inches.

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

C - The District's approved rate per thousand gallons of waste water treated.

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

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

COMBINED PROJECT-RELATED AND NON PROJECT-RELATED RATES (not to exceed the following):

SCHEDULE 1

APPLICABILITY

Applicable inside and out of the boundaries of the District.

AVAILABILITY OF SERVICE

Available for sanitary sewer service.

RATES (Based on water consumption of metered waste placed in the sewer system.)

First 3,000 gallons	$10.24 per thousand gallons
Next 4,000 gallons	$ 9.59 per thousand gallons
Next 5,000 gallons	$ 8.58 per thousand gallons
Next 8,000 gallons	$ 7.42 per thousand gallons
All over 20,000 gallons	$ 6.65 per thousand gallons.

MINIMUM BILL: $30.72 for 3,000 gallons of water.

TAP FEE

$250.00

DELAYED PAYMENT PENALTY

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

Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or intervention. Requests to intervene must comply with the Commission's rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and interventions should be addressed to Sandra Squire, Executive Secretary, P.O. Box 812, Charleston, West Virginia 25323.

IT IS FURTHER ORDERED that if no protests are received within said thirty (30) day period, the Commission may waive formal hearing and grant the application based on the evidence submitted with said application and its review thereof.

FOR THE COMMISSION:

Sandra Squire
Executive Secretary
2-18-1tm

NUMBER
AR-1

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $8,290,000

KNOW ALL MEN BY THESE PRESENTS: That WARM SPRINGS PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Morgan 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 EIGHT MILLION TWO HUNDRED NINETY THOUSAND DOLLARS ($8,290,000) 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 December 1, 2008, as set forth on the " Debt Service Schedule" attached as EXHBIT B hereto and incorporated herein by reference, bearing interest at the rate set forth in Exhibit B.

Principal installments of this Bond and interest are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated February 15, 2007.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of new public sewer facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The Project and any further

AR-1

SPECIMEN

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of new public sewer facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of this Bond 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 Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on February 26, 2007 and a Supplemental Resolution duly adopted by the Issuer on February 26, 2007 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. This Bond is being issued simultaneously with the Issuer's Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund) (the "Series 2007 B Bonds") and the Issuer's Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program) (the "Series 2007 C Bonds"). 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 this Bond under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S SERIES 2007 B BONDS, THE ISSUER'S SERIES 2007 C BONDS AND THE ISSUER'S (i) SEWER REVENUE BONDS, SERIES 1977, DATED AUGUST 15, 1978, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,326,000 (the "Series 1977 Bonds"); (ii) SEWER REVENUE BONDS, SERIES 1989, DATED AUGUST 3, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $300,000 (the "Series 1989 Bonds"); (iii) SEWER REVENUE BONDS, SERIES 1994, DATED AUGUST 26, 1994, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,423,158 (the "Series 1994 Bonds"); (iv) SEWER REVENUE BONDS, SERIES 1998, DATED NOVEMBER 19, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $400,000 (the "Series 1998 Bonds"); AND (v) SEWER REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 25, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,316,000 (the "Series 2002 A Bonds") (collectively, the "Prior Bonds").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the holders of the Series 2007 A Bonds, and from moneys in the reserve account created under the Bond Legislation for this Bond (the "Series 2007 A Bonds Reserve Account") and unexpended proceeds of this 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 2007 A Bonds Reserve Account and unexpended Bond Proceeds of this Bond. 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 of principal of and interest, if any, on this Bond payable in any year and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Series 2007 B Bonds and the Series 2007 C Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2007 A Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Series 2007 B Bonds, the Series 2007 C Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner (as defined in the Bond Legislation) of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owner of this Bond 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, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and the costs of issuance hereof as described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the Registered Owner of this Bond.

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

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

IN WITNESS WHEREOF, WARM SPRINGS 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 February 28, 2007.

[SEAL]

Chairperson

ATTEST:

Isaac T. Bokee
Secretary

AR-1

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2007 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: February 28, 2007

CNB Bank, Inc.,
as Registrar

By _____
Its Authorized Officer

AR-1

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $265,234	2/28/2007	(7) $	
(2) $		(8) $	
(3) $		(9) $	
(4) $		(10) $	
(5) $		(11) $	
(6) $		(12) $	

TOTAL $_____

AR-1

EXHIBIT B

DEBT SERVICE SCHEDULE

IF Water/Wastewater Lottery

$8,290,000
Warm Springs Public Service District
0% Interest Rate, 40 Years from Closing Date
Closing Date: February 28, 2007

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Total P+I
03/01/2007	-	-	-
06/01/2007	-	-	-
09/01/2007	-	-	-
12/01/2007	-	-	-
03/01/2008	-	-	-
06/01/2008	-	-	-
09/01/2008	-	-	-
12/01/2008	-	-	-
03/01/2009	54,184.00	-	54,184.00
06/01/2009	54,183.00	-	54,183.00
09/01/2009	54,183.00	-	54,183.00
12/01/2009	54,183.00	-	54,183.00
03/01/2010	54,183.00	-	54,183.00
06/01/2010	54,183.00	-	54,183.00
09/01/2010	54,183.00	-	54,183.00
12/01/2010	54,183.00	-	54,183.00
03/01/2011	54,183.00	-	54,183.00
06/01/2011	54,183.00	-	54,183.00
09/01/2011	54,183.00	-	54,183.00
12/01/2011	54,183.00	-	54,183.00
03/01/2012	54,183.00	-	54,183.00
06/01/2012	54,183.00	-	54,183.00
09/01/2012	54,183.00	-	54,183.00
12/01/2012	54,183.00	-	54,183.00
03/01/2013	54,183.00	-	54,183.00
06/01/2013	54,183.00	-	54,183.00
09/01/2013	54,183.00	-	54,183.00
12/01/2013	54,183.00	-	54,183.00
03/01/2014	54,183.00	-	54,183.00
06/01/2014	54,183.00	-	54,183.00
09/01/2014	54,183.00	-	54,183.00
12/01/2014	54,183.00	-	54,183.00
03/01/2015	54,183.00	-	54,183.00
06/01/2015	54,183.00	-	54,183.00
09/01/2015	54,183.00	-	54,183.00
12/01/2015	54,183.00	-	54,183.00
03/01/2016	54,183.00	-	54,183.00
06/01/2016	54,183.00	-	54,183.00
09/01/2016	54,183.00	-	54,183.00
12/01/2016	54,183.00	-	54,183.00
03/01/2017	54,183.00	-	54,183.00
06/01/2017	54,183.00	-	54,183.00
09/01/2017	54,183.00	-	54,183.00
12/01/2017	54,183.00	-	54,183.00

AR-1

$8,290,000
Warm Springs Public Service District
0% Interest Rate, 40 Years from Closing Date
Closing Date: February 28, 2007

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Total P+I
03/01/2018	54,183.00	-	54,183.00
06/01/2018	54,183.00	-	54,183.00
09/01/2018	54,183.00	-	54,183.00
12/01/2018	54,183.00	-	54,183.00
03/01/2019	54,183.00	-	54,183.00
06/01/2019	54,183.00	-	54,183.00
09/01/2019	54,183.00	-	54,183.00
12/01/2019	54,183.00	-	54,183.00
03/01/2020	54,183.00	-	54,183.00
06/01/2020	54,183.00	-	54,183.00
09/01/2020	54,183.00	-	54,183.00
12/01/2020	54,183.00	-	54,183.00
03/01/2021	54,183.00	-	54,183.00
06/01/2021	54,183.00	-	54,183.00
09/01/2021	54,183.00	-	54,183.00
12/01/2021	54,183.00	-	54,183.00
03/01/2022	54,183.00	-	54,183.00
06/01/2022	54,183.00	-	54,183.00
09/01/2022	54,183.00	-	54,183.00
12/01/2022	54,183.00	-	54,183.00
03/01/2023	54,183.00	-	54,183.00
06/01/2023	54,183.00	-	54,183.00
09/01/2023	54,183.00	-	54,183.00
12/01/2023	54,183.00	-	54,183.00
03/01/2024	54,183.00	-	54,183.00
06/01/2024	54,183.00	-	54,183.00
09/01/2024	54,183.00	-	54,183.00
12/01/2024	54,183.00	-	54,183.00
03/01/2025	54,183.00	-	54,183.00
06/01/2025	54,183.00	-	54,183.00
09/01/2025	54,183.00	-	54,183.00
12/01/2025	54,183.00	-	54,183.00
03/01/2026	54,183.00	-	54,183.00
06/01/2026	54,183.00	-	54,183.00
09/01/2026	54,183.00	-	54,183.00
12/01/2026	54,183.00	-	54,183.00
03/01/2027	54,183.00	-	54,183.00
06/01/2027	54,183.00	-	54,183.00
09/01/2027	54,183.00	-	54,183.00
12/01/2027	54,183.00	-	54,183.00
03/01/2028	54,183.00	-	54,183.00
06/01/2028	54,183.00	-	54,183.00
09/01/2028	54,183.00	-	54,183.00
12/01/2028	54,183.00	-	54,183.00

AR-1

$8,290,000
Warm Springs Public Service District
0% Interest Rate, 40 Years from Closing Date
Closing Date: February 28, 2007

Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Total P+I
03/01/2029	54,183.00	-	54,183.00
06/01/2029	54,183.00	-	54,183.00
09/01/2029	54,183.00	-	54,183.00
12/01/2029	54,183.00	-	54,183.00
03/01/2030	54,183.00	-	54,183.00
06/01/2030	54,183.00	-	54,183.00
09/01/2030	54,183.00	-	54,183.00
12/01/2030	54,183.00	-	54,183.00
03/01/2031	54,183.00	-	54,183.00
06/01/2031	54,183.00	-	54,183.00
09/01/2031	54,183.00	-	54,183.00
12/01/2031	54,183.00	-	54,183.00
03/01/2032	54,183.00	-	54,183.00
06/01/2032	54,183.00	-	54,183.00
09/01/2032	54,183.00	-	54,183.00
12/01/2032	54,183.00	-	54,183.00
03/01/2033	54,183.00	-	54,183.00
06/01/2033	54,183.00	-	54,183.00
09/01/2033	54,183.00	-	54,183.00
12/01/2033	54,183.00	-	54,183.00
03/01/2034	54,183.00	-	54,183.00
06/01/2034	54,183.00	-	54,183.00
09/01/2034	54,183.00	-	54,183.00
12/01/2034	54,183.00	-	54,183.00
03/01/2035	54,183.00	-	54,183.00
06/01/2035	54,183.00	-	54,183.00
09/01/2035	54,183.00	-	54,183.00
12/01/2035	54,183.00	-	54,183.00
03/01/2036	54,183.00	-	54,183.00
06/01/2036	54,183.00	-	54,183.00
09/01/2036	54,183.00	-	54,183.00
12/01/2036	54,183.00	-	54,183.00
03/01/2037	54,183.00	-	54,183.00
06/01/2037	54,183.00	-	54,183.00
09/01/2037	54,183.00	-	54,183.00
12/01/2037	54,183.00	-	54,183.00
03/01/2038	54,183.00	-	54,183.00
06/01/2038	54,183.00	-	54,183.00
09/01/2038	54,183.00	-	54,183.00
12/01/2038	54,183.00	-	54,183.00
03/01/2039	54,183.00	-	54,183.00
06/01/2039	54,183.00	-	54,183.00
09/01/2039	54,183.00	-	54,183.00
12/01/2039	54,183.00	-	54,183.00

AR-1

$8,290,000
Warm Springs Public Service District
0% Interest Rate, 40 Years from Closing Date
Closing Date: February 28, 2007

Debt Service Schedule

Part 4 of 4

Date	Principal	Coupon	Total P+I
03/01/2040	54,183.00	-	54,183.00
06/01/2040	54,183.00	-	54,183.00
09/01/2040	54,183.00	-	54,183.00
12/01/2040	54,183.00	-	54,183.00
03/01/2041	54,183.00	-	54,183.00
06/01/2041	54,183.00	-	54,183.00
09/01/2041	54,183.00	-	54,183.00
12/01/2041	54,183.00	-	54,183.00
03/01/2042	54,183.00	-	54,183.00
06/01/2042	54,183.00	-	54,183.00
09/01/2042	54,183.00	-	54,183.00
12/01/2042	54,183.00	-	54,183.00
03/01/2043	54,183.00	-	54,183.00
06/01/2043	54,183.00	-	54,183.00
09/01/2043	54,183.00	-	54,183.00
12/01/2043	54,183.00	-	54,183.00
03/01/2044	54,183.00	-	54,183.00
06/01/2044	54,183.00	-	54,183.00
09/01/2044	54,183.00	-	54,183.00
12/01/2044	54,183.00	-	54,183.00
03/01/2045	54,183.00	-	54,183.00
06/01/2045	54,183.00	-	54,183.00
09/01/2045	54,183.00	-	54,183.00
12/01/2045	54,183.00	-	54,183.00
03/01/2046	54,183.00	-	54,183.00
06/01/2046	54,183.00	-	54,183.00
09/01/2046	54,183.00	-	54,183.00
12/01/2046	54,183.00	-	54,183.00
Total	$8,290,000.00	-	$8,290,000.00

Yield Statistics

Bond Year Dollars	$172,385.93
Average Life	20.794 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	8.84E-11
Bond Yield for Arbitrage Purposes	8.84E-11
All Inclusive Cost (AIC)	8.84E-11

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	20.794 Years

{T0339150.1}

NUMBER
AR-1

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:

_____

NUMBER
BR-1

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2007 B
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. BR-1

$2,019,000

KNOW ALL MEN BY THESE PRESENTS: That WARM SPRINGS PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Morgan County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of TWO MILLION NINETEEN THOUSAND DOLLARS ($2,019,000) 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 September 1, 2015, as set forth on the " Debt Service Schedule" attached as EXHBIT B hereto and incorporated herein by reference, bearing interest at the rate set forth in Exhibit B.

Principal installments of this Bond and interest are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the Council, dated February 15, 2007.

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

BR-1 SPECIMEN

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of new public sewer facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of this Bond 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 Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on February 26, 2007 and a Supplemental Resolution duly adopted by the Issuer on February 26, 2007 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. This Bond is being issued simultaneously with the Issuer's Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund) (the "Series 2007 A Bonds") and the Issuer's Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program) (the "Series 2007 C Bonds"). 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 this Bond under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S SERIES 2007 A BONDS, THE ISSUER'S SERIES 2007 C BONDS AND THE ISSUER'S (i) SEWER REVENUE BONDS, SERIES 1977, DATED AUGUST 15, 1978, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,326,000 (the "Series 1977 Bonds"); (ii) SEWER REVENUE BONDS, SERIES 1989, DATED AUGUST 3, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $300,000 (the "Series 1989 Bonds"); (iii) SEWER REVENUE BONDS, SERIES 1994, DATED AUGUST 26, 1994, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,423,158 (the "Series 1994 Bonds"); (iv) SEWER REVENUE BONDS, SERIES 1998, DATED NOVEMBER 19, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $400,000 (the "Series 1998 Bonds"); AND (v) SEWER REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 25, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,316,000 (the "Series 2002 A Bonds") (collectively, the "Prior Bonds").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the holders of the Series 2007 B Bonds, and from moneys in the reserve account created under the Bond Legislation for this Bond (the "Series 2007 B Bonds Reserve Account") and unexpended proceeds of this 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 an indebtedness of the

Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 2007 A Bonds Reserve Account and unexpended Bond Proceeds of this Bond. 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 of principal of and interest, if any, on this Bond payable in any year and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Series 2007 A Bonds, the Series 2007 C Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2007 B Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, including the Series 2007 A Bonds, the Series 2007 C Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the Registered Owner (as defined in the Bond Legislation) of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owner of this Bond 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, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and the costs of issuance hereof as described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the Registered Owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the

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

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

SPECIMEN

IN WITNESS WHEREOF, WARM SPRINGS 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 February 28, 2007.

[SEAL]

Chairperson

SPECIMEN

ATTEST:

Isaac V. Bolden
Secretary

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2007 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: February 28, 2007

CNB Bank, Inc.
as Registrar

By _____
Its Authorized Officer

BR-1

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $265,234	2/28/2007	(7) $	
(2) $		(8) $	
(3) $		(9) $	
(4) $		(10) $	
(5) $		(11) $	
(6) $		(12) $	

TOTAL $_____

BR-1

EXHIBIT B

DEBT SERVICE SCHEDULE

IF Water/Wastewater Projects Account

$2,019,000
Warm Springs Public Service District
0% Interest Rate, 40 Years from Closing Date, Wraparound SFR Loan
Closing Date: February 28, 2007

Debt Service Schedule

Part 1 of 4

Date	Principal	Coupon	Total P+I
03/01/2007	-	-	-
06/01/2007	-	-	-
09/01/2007	-	-	-
12/01/2007	-	-	-
03/01/2008	-	-	-
06/01/2008	-	-	-
09/01/2008	-	-	-
12/01/2008	-	-	-
03/01/2009	-	-	-
06/01/2009	-	-	-
09/01/2009	-	-	-
12/01/2009	-	-	-
03/01/2010	-	-	-
06/01/2010	-	-	-
09/01/2010	-	-	-
12/01/2010	-	-	-
03/01/2011	-	-	-
06/01/2011	-	-	-
09/01/2011	-	-	-
12/01/2011	-	-	-
03/01/2012	-	-	-
06/01/2012	-	-	-
09/01/2012	-	-	-
12/01/2012	-	-	-
03/01/2013	-	-	-
06/01/2013	-	-	-
09/01/2013	-	-	-
12/01/2013	-	-	-
03/01/2014	-	-	-
06/01/2014	-	-	-
09/01/2014	-	-	-
12/01/2014	-	-	-
03/01/2015	-	-	-
06/01/2015	-	-	-
09/01/2015	16,024.00	-	16,024.00
12/01/2015	16,024.00	-	16,024.00
03/01/2016	16,024.00	-	16,024.00
06/01/2016	16,024.00	-	16,024.00
09/01/2016	16,024.00	-	16,024.00
12/01/2016	16,024.00	-	16,024.00
03/01/2017	16,024.00	-	16,024.00
06/01/2017	16,024.00	-	16,024.00
09/01/2017	16,024.00	-	16,024.00
12/01/2017	16,024.00	-	16,024.00

BR-1

$2,019,000
Warm Springs Public Service District
0% Interest Rate, 40 Years from Closing Date, Wraparound SFR Loan
Closing Date: February 28, 2007

Debt Service Schedule

Part 2 of 4

Date	Principal	Coupon	Total P+I
03/01/2018	16,024.00	-	16,024.00
06/01/2018	16,024.00	-	16,024.00
09/01/2018	16,024.00	-	16,024.00
12/01/2018	16,024.00	-	16,024.00
03/01/2019	16,024.00	-	16,024.00
06/01/2019	16,024.00	-	16,024.00
09/01/2019	16,024.00	-	16,024.00
12/01/2019	16,024.00	-	16,024.00
03/01/2020	16,024.00	-	16,024.00
06/01/2020	16,024.00	-	16,024.00
09/01/2020	16,024.00	-	16,024.00
12/01/2020	16,024.00	-	16,024.00
03/01/2021	16,024.00	-	16,024.00
06/01/2021	16,024.00	-	16,024.00
09/01/2021	16,024.00	-	16,024.00
12/01/2021	16,024.00	-	16,024.00
03/01/2022	16,024.00	-	16,024.00
06/01/2022	16,024.00	-	16,024.00
09/01/2022	16,024.00	-	16,024.00
12/01/2022	16,024.00	-	16,024.00
03/01/2023	16,024.00	-	16,024.00
06/01/2023	16,024.00	-	16,024.00
09/01/2023	16,024.00	-	16,024.00
12/01/2023	16,024.00	-	16,024.00
03/01/2024	16,024.00	-	16,024.00
06/01/2024	16,024.00	-	16,024.00
09/01/2024	16,024.00	-	16,024.00
12/01/2024	16,024.00	-	16,024.00
03/01/2025	16,024.00	-	16,024.00
06/01/2025	16,024.00	-	16,024.00
09/01/2025	16,024.00	-	16,024.00
12/01/2025	16,024.00	-	16,024.00
03/01/2026	16,024.00	-	16,024.00
06/01/2026	16,024.00	-	16,024.00
09/01/2026	16,024.00	-	16,024.00
12/01/2026	16,024.00	-	16,024.00
03/01/2027	16,024.00	-	16,024.00
06/01/2027	16,024.00	-	16,024.00
09/01/2027	16,024.00	-	16,024.00
12/01/2027	16,024.00	-	16,024.00
03/01/2028	16,024.00	-	16,024.00
06/01/2028	16,024.00	-	16,024.00
09/01/2028	16,024.00	-	16,024.00
12/01/2028	16,024.00	-	16,024.00

$2,019,000
Warm Springs Public Service District
0% Interest Rate, 40 Years from Closing Date, Wraparound SFR Loan
Closing Date: February 28, 2007

Debt Service Schedule

Part 3 of 4

Date	Principal	Coupon	Total P+I
03/01/2029	16,024.00	-	16,024.00
06/01/2029	16,024.00	-	16,024.00
09/01/2029	16,024.00	-	16,024.00
12/01/2029	16,024.00	-	16,024.00
03/01/2030	16,024.00	-	16,024.00
06/01/2030	16,024.00	-	16,024.00
09/01/2030	16,024.00	-	16,024.00
12/01/2030	16,024.00	-	16,024.00
03/01/2031	16,024.00	-	16,024.00
06/01/2031	16,024.00	-	16,024.00
09/01/2031	16,024.00	-	16,024.00
12/01/2031	16,024.00	-	16,024.00
03/01/2032	16,024.00	-	16,024.00
06/01/2032	16,024.00	-	16,024.00
09/01/2032	16,024.00	-	16,024.00
12/01/2032	16,024.00	-	16,024.00
03/01/2033	16,024.00	-	16,024.00
06/01/2033	16,024.00	-	16,024.00
09/01/2033	16,024.00	-	16,024.00
12/01/2033	16,024.00	-	16,024.00
03/01/2034	16,024.00	-	16,024.00
06/01/2034	16,024.00	-	16,024.00
09/01/2034	16,024.00	-	16,024.00
12/01/2034	16,024.00	-	16,024.00
03/01/2035	16,024.00	-	16,024.00
06/01/2035	16,024.00	-	16,024.00
09/01/2035	16,024.00	-	16,024.00
12/01/2035	16,024.00	-	16,024.00
03/01/2036	16,024.00	-	16,024.00
06/01/2036	16,024.00	-	16,024.00
09/01/2036	16,024.00	-	16,024.00
12/01/2036	16,024.00	-	16,024.00
03/01/2037	16,024.00	-	16,024.00
06/01/2037	16,024.00	-	16,024.00
09/01/2037	16,024.00	-	16,024.00
12/01/2037	16,024.00	-	16,024.00
03/01/2038	16,024.00	-	16,024.00
06/01/2038	16,024.00	-	16,024.00
09/01/2038	16,024.00	-	16,024.00
12/01/2038	16,024.00	-	16,024.00
03/01/2039	16,024.00	-	16,024.00
06/01/2039	16,024.00	-	16,024.00
09/01/2039	16,024.00	-	16,024.00
12/01/2039	16,024.00	-	16,024.00

$2,019,000
Warm Springs Public Service District
0% Interest Rate, 40 Years from Closing Date, Wraparound SFR Loan
Closing Date: February 28, 2007

Debt Service Schedule

Part 4 of 4

Date	Principal	Coupon	Total P+I
03/01/2040	16,024.00	-	16,024.00
06/01/2040	16,024.00	-	16,024.00
09/01/2040	16,024.00	-	16,024.00
12/01/2040	16,024.00	-	16,024.00
03/01/2041	16,023.00	-	16,023.00
06/01/2041	16,023.00	-	16,023.00
09/01/2041	16,023.00	-	16,023.00
12/01/2041	16,023.00	-	16,023.00
03/01/2042	16,023.00	-	16,023.00
06/01/2042	16,023.00	-	16,023.00
09/01/2042	16,023.00	-	16,023.00
12/01/2042	16,023.00	-	16,023.00
03/01/2043	16,023.00	-	16,023.00
06/01/2043	16,023.00	-	16,023.00
09/01/2043	16,023.00	-	16,023.00
12/01/2043	16,023.00	-	16,023.00
03/01/2044	16,023.00	-	16,023.00
06/01/2044	16,023.00	-	16,023.00
09/01/2044	16,023.00	-	16,023.00
12/01/2044	16,023.00	-	16,023.00
03/01/2045	16,023.00	-	16,023.00
06/01/2045	16,023.00	-	16,023.00
09/01/2045	16,023.00	-	16,023.00
12/01/2045	16,023.00	-	16,023.00
03/01/2046	16,023.00	-	16,023.00
06/01/2046	16,023.00	-	16,023.00
09/01/2046	16,023.00	-	16,023.00
12/01/2046	16,023.00	-	16,023.00
Total	**$2,019,000.00**	**-**	**$2,019,000.00**

Yield Statistics

Bond Year Dollars	$48,797.80
Average Life	24.169 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	4.24E-11
Bond Yield for Arbitrage Purposes	4.24E-11
All Inclusive Cost (AIC)	4.24E-11

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	24.169 Years

NUMBER
BR-1

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:

_____

NUMBER
CR-1

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2007 C
(WEST VIRGINIA SRF PROGRAM)

No. CR-1 $3,000,000

KNOW ALL MEN BY THESE PRESENTS: That WARM SPRINGS PUBLIC SERVICE DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Morgan 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 THREE MILLION DOLLARS ($3,000,000) 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 December 1, 2008, as set forth on the " Debt Service Schedule" attached as EXHBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2008, as set forth on EXHIBIT B attached hereto.

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").

the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated January 9, 2007.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of new public sewer facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public sewerage facilities of the Issuer, the improvements and extensions designed by the Project and any further improvements or extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on February 26, 2007 and a Supplemental Resolution duly adopted by the Issuer on February 26, 2007 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. This Bond is being issued simultaneously with the Issuer's Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund) (the "Series 2007 A Bonds") and the Issuer's Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund) (the "Series 2007 B Bonds"). 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 this Bond under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY AS TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S SERIES 2007 A BONDS, THE ISSUER'S SERIES 2007 B BONDS AND THE ISSUER'S (i) SEWER REVENUE BONDS, SERIES 1977, DATED AUGUST 15, 1978, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,326,000 (the "Series 1977 Bonds"); (ii) SEWER REVENUE BONDS, SERIES 1989, DATED AUGUST 3, 1989, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $300,000 (the "Series 1989 Bonds"); (iii) SEWER REVENUE BONDS, SERIES 1994, DATED AUGUST 26, 1994, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,423,158 (the "Series 1994 Bonds"); (iv) SEWER REVENUE BONDS, SERIES 1998, DATED NOVEMBER 19, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $400,000 (the "Series 1998 Bonds"); AND (v) SEWER REVENUE BONDS, SERIES 2002 A (WEST VIRGINIA SRF PROGRAM), DATED JUNE 25, 2002, ISSUED IN

NUMBER

SPECIMEN

CR-1

THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,316,000 (the "Series 2002 A Bonds") (collectively, the "Prior Bonds").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 2007 C Bonds Reserve Account") and unexpended proceeds of this 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 2007 C Bonds Reserve Account and unexpended Bond Proceeds of this Bond. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Series 2007 A Bonds, the Series 2007 A Bonds and the Prior Bonds; provided however, that so long as there exists in the Series 2007 C Bonds Reserve Account, an amount at least equal to the maximum amount of principal and interest, if any, which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Series 2007 A Bonds, the Series 2007 B Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the 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, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and the costs of issuance hereof as 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.

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 be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

CR-1

IN WITNESS WHEREOF, WARM SPRINGS 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 February 28, 2007.

[SEAL]

Chairperson

ATTEST:

Secretary

SPECIMEN

NUMBER

CR-1

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2007 C 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: February 28, 2007.

CNB Bank, Inc.
as Registrar

By _____
Its Authorized Officer

CR-1

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $ 150,000	2/28/2007	(7) $	
(2) $		(8) $	
(3) $		(9) $	
(4) $		(10) $	
(5) $		(11) $	
(6) $		(12) $	

TOTAL $ _____

EXHIBIT B

DEBT SERVICE SCHEDULE

$3,000,000
Warm Springs Public Service District
0% Interest Rate, 0.5% Administrative Fee
Closing Date: February 28, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
03/01/2007	-	-	-
06/01/2007	-	-	-
09/01/2007	-	-	-
12/01/2007	-	-	-
03/01/2008	-	-	-
06/01/2008	-	-	-
09/01/2008	-	-	-
12/01/2008	9,468.00	-	9,468.00
03/01/2009	9,468.00	-	9,468.00
06/01/2009	9,468.00	-	9,468.00
09/01/2009	9,468.00	-	9,468.00
12/01/2009	9,468.00	-	9,468.00
03/01/2010	9,468.00	-	9,468.00
06/01/2010	9,468.00	-	9,468.00
09/01/2010	9,468.00	-	9,468.00
12/01/2010	9,468.00	-	9,468.00
03/01/2011	9,468.00	-	9,468.00
06/01/2011	9,468.00	-	9,468.00
09/01/2011	9,468.00	-	9,468.00
12/01/2011	9,468.00	-	9,468.00
03/01/2012	9,468.00	-	9,468.00
06/01/2012	9,468.00	-	9,468.00
09/01/2012	9,468.00	-	9,468.00
12/01/2012	9,468.00	-	9,468.00
03/01/2013	9,468.00	-	9,468.00
06/01/2013	9,468.00	-	9,468.00
09/01/2013	9,468.00	-	9,468.00
12/01/2013	9,468.00	-	9,468.00
03/01/2014	9,468.00	-	9,468.00
06/01/2014	9,468.00	-	9,468.00
09/01/2014	9,468.00	-	9,468.00
12/01/2014	9,468.00	-	9,468.00
03/01/2015	9,468.00	-	9,468.00
06/01/2015	9,468.00	-	9,468.00
09/01/2015	9,468.00	-	9,468.00
12/01/2015	9,468.00	-	9,468.00
03/01/2016	9,468.00	-	9,468.00
06/01/2016	9,468.00	-	9,468.00
09/01/2016	9,468.00	-	9,468.00
12/01/2016	9,468.00	-	9,468.00
03/01/2017	9,468.00	-	9,468.00
06/01/2017	9,468.00	-	9,468.00
09/01/2017	9,468.00	-	9,468.00
12/01/2017	9,468.00	-	9,468.00

$3,000,000
Warm Springs Public Service District
0% Interest Rate, 0.5% Administrative Fee
Closing Date: February 28, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
03/01/2018	9,468.00	-	9,468.00
06/01/2018	9,468.00	-	9,468.00
09/01/2018	9,468.00	-	9,468.00
12/01/2018	9,468.00	-	9,468.00
03/01/2019	9,468.00	-	9,468.00
06/01/2019	9,468.00	-	9,468.00
09/01/2019	9,468.00	-	9,468.00
12/01/2019	29,001.00	-	29,001.00
03/01/2020	29,001.00	-	29,001.00
06/01/2020	29,001.00	-	29,001.00
09/01/2020	29,001.00	-	29,001.00
12/01/2020	29,001.00	-	29,001.00
03/01/2021	29,001.00	-	29,001.00
06/01/2021	29,001.00	-	29,001.00
09/01/2021	29,001.00	-	29,001.00
12/01/2021	29,001.00	-	29,001.00
03/01/2022	29,001.00	-	29,001.00
06/01/2022	29,001.00	-	29,001.00
09/01/2022	29,001.00	-	29,001.00
12/01/2022	29,001.00	-	29,001.00
03/01/2023	29,001.00	-	29,001.00
06/01/2023	29,001.00	-	29,001.00
09/01/2023	29,001.00	-	29,001.00
12/01/2023	29,001.00	-	29,001.00
03/01/2024	29,001.00	-	29,001.00
06/01/2024	29,001.00	-	29,001.00
09/01/2024	29,001.00	-	29,001.00
12/01/2024	29,001.00	-	29,001.00
03/01/2025	29,001.00	-	29,001.00
06/01/2025	29,001.00	-	29,001.00
09/01/2025	29,001.00	-	29,001.00
12/01/2025	29,001.00	-	29,001.00
03/01/2026	29,001.00	-	29,001.00
06/01/2026	29,001.00	-	29,001.00
09/01/2026	29,001.00	-	29,001.00
12/01/2026	29,001.00	-	29,001.00
03/01/2027	29,001.00	-	29,001.00
06/01/2027	29,001.00	-	29,001.00
09/01/2027	29,001.00	-	29,001.00
12/01/2027	29,001.00	-	29,001.00
03/01/2028	29,001.00	-	29,001.00
06/01/2028	29,001.00	-	29,001.00
09/01/2028	29,001.00	-	29,001.00
12/01/2028	29,001.00	-	29,001.00

$3,000,000
Warm Springs Public Service District
0% Interest Rate, 0.5% Administrative Fee
Closing Date: February 28, 2007

Debt Service Schedule

Date	Principal	Coupon	Total P+I
03/01/2029	29,001.00	-	29,001.00
06/01/2029	29,001.00	-	29,001.00
09/01/2029	29,001.00	-	29,001.00
12/01/2029	29,001.00	-	29,001.00
03/01/2030	29,001.00	-	29,001.00
06/01/2030	33,879.50	-	33,879.50
09/01/2030	33,879.50	-	33,879.50
12/01/2030	33,879.50	-	33,879.50
03/01/2031	33,879.50	-	33,879.50
06/01/2031	33,879.50	-	33,879.50
09/01/2031	33,879.50	-	33,879.50
12/01/2031	33,879.50	-	33,879.50
03/01/2032	33,879.50	-	33,879.50
06/01/2032	33,879.50	-	33,879.50
09/01/2032	33,879.50	-	33,879.50
12/01/2032	33,879.50	-	33,879.50
03/01/2033	33,879.50	-	33,879.50
06/01/2033	33,879.50	-	33,879.50
09/01/2033	33,879.50	-	33,879.50
12/01/2033	33,879.50	-	33,879.50
03/01/2034	33,879.50	-	33,879.50
06/01/2034	45,675.00	-	45,675.00
09/01/2034	45,675.00	-	45,675.00
12/01/2034	45,675.00	-	45,675.00
03/01/2035	45,675.00	-	45,675.00
06/01/2035	45,675.00	-	45,675.00
09/01/2035	45,675.00	-	45,675.00
12/01/2035	45,675.00	-	45,675.00
03/01/2036	45,675.00	-	45,675.00
06/01/2036	45,675.00	-	45,675.00
09/01/2036	45,675.00	-	45,675.00
12/01/2036	45,675.00	-	45,675.00
03/01/2037	45,675.00	-	45,675.00
06/01/2037	45,675.00	-	45,675.00
09/01/2037	45,675.00	-	45,675.00
12/01/2037	45,675.00	-	45,675.00
03/01/2038	45,675.00	-	45,675.00
06/01/2038	45,675.00	-	45,675.00
09/01/2038	45,675.00	-	45,675.00
12/01/2038	1,144.00	-	1,144.00
Total	$3,000,000.00	-	$3,000,000.00 *

Plus $2,398.66 one-half percent Administrative Fee paid quarterly. Total fee over life of loan is $290,236.66.

$3,000,000
Warm Springs Public Service District
0% Interest Rate, 0.5% Administrative Fee
Closing Date: February 28, 2007

Debt Service Schedule

Part 4 of 4

Yield Statistics

Bond Year Dollars	$62,955.59
Average Life	20.985 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	-3.53E-11
Bond Yield for Arbitrage Purposes	-5.55E-11
All Inclusive Cost (AIC)	0.459275%

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	20.985 Years

NUMBER
CR-1

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:

_____

BOND REGISTER

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

Bond Number	Principal Amount	Date of Bond
No. AR-1	$8,290,000	February 28, 2007

NO WRITING ON THIS BOND REGISTER EXCEPT BY THE REGISTRAR

Name of Registered Owner:

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

Signature of Registrar:

Citizens National Bank of Berkeley Springs

Authorized Representative

BOND REGISTER

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2007 B
(WEST VIRGINIA INFRASTRUCTURE FUND)

Bond Number	Principal Amount	Date of Bond
No. BR-1	$2,019,000	February 28, 2007

NO WRITING ON THIS BOND REGISTER EXCEPT BY THE REGISTRAR

Name of Registered Owner:

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

Signature of Registrar:

Citizens National Bank of Berkeley Springs

Authorized Representative

BOND REGISTER

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BOND, SERIES 2007 C
(WEST VIRGINIA SRF PROGRAM)

Bond Number	Principal Amount	Date of Bond
No. CR-1	$3,000,000	February 28, 2007

NO WRITING ON THIS BOND REGISTER EXCEPT BY THE REGISTRAR

Name of Registered Owner:

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

Signature of Registrar:

Citizens National Bank of Berkeley Springs

Authorized Representative

United States Department of Agriculture
Rural Development
West Virginia State Office

WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 B
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 C
(WEST VIRGINIA SRF PROGRAM)

CONSENT TO ISSUANCE OF PARITY BONDS

The undersigned duly authorized representative of the United States of America, acting through the United States Department of Agriculture, Rural Development, the registered owner of the Prior Bonds, hereinafter defined and described, hereby (i) consents to the issuance of the Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), in an aggregate principal amount not to exceed $9,000,000 (the "Series 2007 A Bonds"), the Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund), in an aggregate principal amount not to exceed $3,000,000 (the "Series 2007 B Bonds") and the Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program), in an aggregate principal amount not to exceed $3,000,000 (the "Series 2007 C Bonds") and together with the Series 2007 A Bonds and the Series 2007 B Bonds, (the "Series 2007 Bonds") by Warm Springs Public Service District (the "Issuer"), under the terms of the resolutions authorizing the Series 2007 Bonds (collectively, the "Resolution"), on a parity as to liens, pledge and source of and security for payment with the Issuer's Sewer Revenue Bonds, Series 1977, dated August 15, 1978; Sewer Revenue Bonds, Series 1989, dated August 3, 1989; and Sewer Revenue Bonds, Series 1998, dated November 19, 1998 (collectively, the "Prior Bonds"); (ii) waives any requirements imposed by the Prior Bonds or the resolutions authorizing the Prior Bonds (the "Prior Resolutions"), regarding the issuance of parity bonds which are not met by the Series 2007 Bonds or the Resolution; and (iii) consents to any amendments made to the Prior Resolutions by the Resolution.

WITNESS my signature on this 1st day of February, 2007.

UNITED STATES OF AMERICA,
UNITED STATES DEPARTMENT OF
AGRICULTURE, RURAL DEVELOPMENT

ROBERT M. STEPTOE III
State Director

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WEST VIRGINIA
Water Development Authority

Celebrating 32 Years of Service ***1974 - 2006***

WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 B
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 C
(WEST VIRGINIA SRF PROGRAM)

CONSENT TO ISSUANCE OF PARITY BONDS

In reliance upon the certificate of CoxHollida LLP, an independent certified public accountant, and the opinion of Jackson Kelly PLLC, bond counsel, stating that the coverage and parity requirements have been met (copy attached), 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 2007 A (West Virginia Infrastructure Fund), in the original aggregate principal amount of $8,290,000 (the "Series 2007 A Bonds"), the Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund), in the original aggregate principal amount of $2,019,000 (the "Series 2007 B Bonds") and the Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program), in the original aggregate principal amount of $3,000,000 (the "Series 2007 C Bonds," and together with the Series 2007 A Bonds and the Series 2007 B Bonds, the "Series 2007 Bonds") by Warm Springs Public Service District (the "Issuer"), under the terms of the resolutions authorizing the Series 2007 Bonds (collectively, the "Resolution"), on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Sewer Revenue Bonds, Series 1994; and Sewer Revenue Bonds, Series 2002 A (West Virginia SRF Program) (collectively, the "Prior Bonds").

WITNESS my signature on this 28th day of February, 2007.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Authorized Representative

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

WARM SPRINGS PUBLIC SERVICE DISTRICT 3.1
SEWER REVENUE BONDS, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 B
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 C
(WEST VIRGINIA SRF PROGRAM)

GENERAL CERTIFICATE ON:

1. TERMS
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. LOAN AGREEMENT
13. SPECIMEN BOND
14. BOND PROCEEDS
15. CONFLICTS OF INTEREST
16. VERIFICATION OF SCHEDULE
17. PROCUREMENT OF ENGINEERING SERVICES
18. COMPLIANCE WITH WEST VIRGINIA JOBS ACT
19. WETLANDS COVENANT
20. GRANT
21. COUNTERPARTS

On this 28th day of February, 2007, we, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Warm Springs Public Service District (the "Issuer") and the undersigned ATTORNEY for the Issuer, hereby certify in connection with the Warm Springs Public Service District Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), the Warm Springs Public Service District Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund) and the Warm Springs

Public Service District Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program) all dated the date hereof (collectively, the "Bonds" or the "Series 2007 Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined shall have the same meaning set forth in the Bond Resolution duly adopted by the Issuer on February 26, 2007, the Supplemental Resolution duly adopted by the Issuer on February 26, 2007 (collectively, the "Resolution"), and the loan agreements dated February 15, 2007, including all schedules and exhibits attached thereto, entered, into 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"), providing for the purchase of the Series 2007 A Bonds and the Series 2007 B Bonds from the Issuer by the Authority (together, the "Loan Agreements"), and the bond purchase agreement dated January 9, 2007, by and among Issuer, the Authority and West Virginia Department of Environmental Protection (the "DEP") providing for the purchase of the Series 2007 C Bonds by and between the Issuer and the Authority, on behalf of the DEP (the "Bond Purchase Agreement," and together with the Loan Agreements, the "Loan Agreements")

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; nor affecting the validity of the Bonds or any provisions made or authorized for the payment thereof; nor 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; nor 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, permits, exemptions, consents, authorizations, registrations, licenses, orders 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 the acquisition and 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.

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

There are outstanding obligations of the Issuer which will rank on a parity with the Bonds as to liens, pledge and source of and security for payment, being the (i) Sewer Revenue Bonds, Series 1977, dated August 15, 1978, issued in the original aggregate principal amount of $1,326,000; (ii) Sewer Revenue Bonds, Series 1989, dated August 3, 1989, issued in the original aggregate principal amount of $300,000; (iii) Sewer Revenue Bonds, Series 1994, dated August 26, 1994, issued in the original aggregate principal amount of $1,423,158; (iv) Sewer Revenue Bonds, Series 1998, dated November 19, 1998, issued in the original aggregate principal amount of $400,000; and (v) Sewer Revenue Bonds, Series 2002 A (West Virginia SRF Program), dated June 25, 2002, issued in the original aggregate principal amount of $1,316,000 (collectively, the "Prior Bonds").

The Bonds shall be issued on a parity with the Prior Bonds, with respect to liens, pledge and source of security for payment and in all other respects. The Issuer has obtained (a) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and (b) 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 other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

5. SIGNATURES AND DELIVERY: The undersigned Chairman 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 Chairman did officially sign all of the Bonds, consisting upon original issuance of a single Bond, 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 Registrar did officially authenticate, register and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreements.

6. PUBLIC SERVICE COMMISSION ORDER: Final Order of the Public Service Commission of West Virginia dated November 1, 2004, in Case No. 04-0131-PSD-CN, and Commission Order dated January 22, 2007, in Case No. 04-0131-PSD-CN,

granting the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Final Order has expired prior to the date hereof without any appeal having been filed. Such Final Order remains in full force and effect. The time for appeal of the Commission Order has not expired prior to the date hereof. However, the Issuer has certified that it does not intend to appeal such Order and the other parties to such Order have stated that they do not intend to appeal such Order. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervener or other person not a party to such Order.

7. RATES: The rates for the System, as approved by the Final Order of the Public Service Commission of West Virginia dated November 1, 2004, in Case No. 04-0131-PSD-CN, and Commission Order dated January 22, 2007, in Case No. 04-0131-PSD-CN, will become effective when the Project is substantially complete. The time for appeal of such Order has expired prior to the date hereof and such Order remains in full force and effect.

8. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Warm Springs Public Service District." The Issuer is a public service district and public corporation duly created by The County Commission of Morgan County and existing under the laws of, and a political subdivision of, the State of West Virginia in Morgan 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 commencement and termination of their current terms are as follows:

Name	Date Of Commencement Of Office	Date of Termination Of Office
Andrew Jurick	February 15, 2006	February 1, 2012
Paul S. Zorich	May 23, 2003	February 1, 2008
Isaac T. Bohrer	July 7, 2006	February 1, 2010

The duly elected or appointed officers of the Board for 2007 are as follows:

Andrew Jurick	-	Chairman
Paul S. Zorich	-	Vice-Chairman
Isaac T. Bohrer	-	Secretary/Treasurer

The duly appointed and acting attorney for the Issuer is Trump & Trump, Berkeley Springs, West Virginia. The duly appointed and acting Public Service Commission counsel for the Issuer is Kauffelt & Kauffelt, Charleston, 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 and the acquisition, construction, operation and financing of the Project or 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 worker's compensation, public liability insurance, 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 Loan Agreement. All insurance for the System required by the Resolution and the Loan Agreement are in full force and effect.

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

13. SPECIMEN BOND: Attached hereto as Exhibit A is a specimen of the Bonds which, except as to execution and authentication, is identical in all respects with the

Bonds this day delivered to the Authority and being substantially in the form prescribed in the Resolution.

14. BOND PROCEEDS: On the date hereof, the Issuer received the sum of $265,234 from the Authority and the Council, being a portion of the principal amount of the Series 2007 A Bonds, the sum of $265,234 from the Authority and the Council, being a portion of the principal amount of the Series 2007 B Bonds and the sum of $150,000 from the Authority and the DEP, being a portion of the principal amount of the Series 2007 C 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.

15. CONFLICTS 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. VERIFICATION OF SCHEDULE: The final amended Schedule B attached to the Certificate of Consulting Engineer, with the signature of the Chairman and the Consulting Engineer, accurately represents the estimated costs of the Project, the sources of funds available to pay the costs of the Project and the costs of financing of the Bonds.

17. 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.

18. COMPLIANCE WITH WEST VIRGINIA JOBS ACT: Unless it shall hereafter be qualified for an exception, the Issuer shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act"), and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Issuer hereby certifies to the Council and the Authority that (I) the Issuer will comply with all the requirements of the West Virginia Jobs Act; (II) the Issuer has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (III) the Issuer has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia

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

19. 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.

20. GRANT: As of the date hereof, the grant from the Council in the amount of $2,450,000 is committed for the Project and in full force and effect.

21. 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 WARM SPRINGS PUBLIC SERVICE DISTRICT as of the date first written above.

[SEAL]

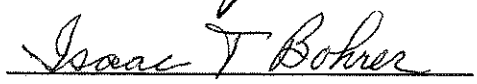
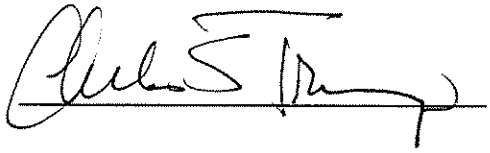
Signature	Official Title
	Chairman
	Secretary
	Attorney

EXHIBIT A

See Specimen Bonds (Tab No. 15).

WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 B
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 C)
(WEST VIRGINIA SRF PROGRAM

CERTIFICATE AS TO USE OF PROCEEDS

On this 28th day of February, 2007, the undersigned Chairperson of the Public Service Board of Warm Springs Public Service District in Morgan County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $8,290,000 Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund) (the "Series 2007 A Bonds"), $2,019,000 Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund) (the "Series 2007 B Bonds") and $3,000,000 Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program) (the "Series 2007 C Bonds"), of the Issuer, dated February 28, 2007 (collectively, the "Bonds" or the "Series 2007 Bonds"), hereby certifies as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Resolution duly adopted by the Issuer on February 26, 2007 (the "Bond Resolution"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on February 28, 2007, the date on which the Bonds are being physically delivered in exchange for an initial advance of the principal amount of the Bonds and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Resolution pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the

interest on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority"), the West Virginia Infrastructure and Jobs Development Council (the "Council") or the West Virginia Department of Environmental Protection (the "DEP"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Series 2007 A Bonds were sold on February 28, 2007, to the Authority, pursuant to a loan agreement dated February 15, 2007, by and between the Issuer and the Authority, on behalf of the Council, for an aggregate purchase price of $8,290,000 (100% of par), at which time, the Issuer received $265,234 from the Authority and the Council, being the first advance of the principal amount of the Series 2007 A Bonds. The Series 2007 B Bonds were sold on February 28, 2007, to the Authority, pursuant to a loan agreement dated February 15, 2007, by and between the Issuer and the Authority, on behalf of the Council, for an aggregate purchase price of $2,019,000 (100% of par), at which time, the Issuer received $265,234 from the Authority and the Council, being the first advance of the principal amount of the Series 2007 B Bonds. The Series 2007 C Bonds were sold on February 28, 2007, to the Authority, pursuant to a bond purchase agreement dated January 9, 2007, by and between the Issuer and the Authority, on behalf of the DEP, for an aggregate purchase price of $3,000,000 (100% of par), at which time, the Issuer received $150,000 from the Authority and the DEP, being the first advance of the principal amount of the Series 2007 C Bonds. No accrued interest has been or will be paid on the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2007 A Bonds are being delivered simultaneously with the delivery of this Certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Project") and (ii) paying certain costs of issuance of the Series 2007 A Bonds and related costs.

7. The Series 2007 B Bonds are being delivered simultaneously with the delivery of this Certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project and (ii) paying certain costs of issuance of the Series 2007 B Bonds and related costs.

8. The Series 2007 C Bonds are being delivered simultaneously with the delivery of this Certificate and are issued for the purposes of (i) paying a portion of the costs

of acquisition and construction of the Project and (ii) paying certain costs of issuance of the Series 2007 C Bonds and related costs.

9. The Issuer shall, on the date hereof or immediately hereafter, enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds for the acquisition and construction of the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Reserve Accounts for the Bonds, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before April 29, 2008. The acquisition and construction of the Project is expected to be completed by March 30, 2008.

10. The total cost of the Project is estimated at $15,759,000. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of Bonds	$ 13,309,000
Council Grant	$ 2,450,000
Total Sources	$ 15,759,000

USES

Costs of the Project	$ 15,694,500
Costs of Issuance	$ 64,500
Total Uses	$ 15,759,000

11. Pursuant to Article V of the Bond Resolution, the following special funds or accounts have been created or continued with respect to the Series 2007 Bonds:

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Series 2007 Bonds Construction Trust Fund;

(4) Series 2007 A Bonds Sinking Fund;

(5) Series 2007 A Bonds Reserve Account;

(6) Series 2007 B Bonds Sinking Fund;

(7) Series 2007 B Bonds Reserve Account;

(8) Series 2007 C Bonds Sinking Fund; and

(9) Series 2007 C Bonds Reserve Account.

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

(1) Series 2007 A Bonds proceeds in the amount of $-0- will be deposited in the Series 2007 A Bonds Reserve Account.

(2) The balance of the proceeds of the Series 2007 A Bonds will be deposited in the Series 2007 Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Bonds and related costs.

(3) Series 2007 B Bonds proceeds in the amount of $-0- will be deposited in the Series 2007 B Bonds Reserve Account.

(4) The balance of the proceeds of the Series 2007 B Bonds will be deposited in the Series 2007 Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2007 B Bonds and related costs.

(5) Series 2007 C Bonds proceeds in the amount of $-0- will be deposited in the Series 2007 C Bonds Reserve Account.

(6) The balance of the proceeds of the Series 2007 C Bonds will be deposited in the Series 2007 Bonds Construction

Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2007 C Bonds and related costs.

13. Moneys held in the Series 2007 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2007 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 2007 A Bonds Sinking Fund and the Series 2007 A Bonds Reserve Account shall be returned, after fully funded, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2007 Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due, if any, on the Series 2007 A Bonds and then to the next ensuing principal payment due thereon.

14. Moneys held in the Series 2007 B Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2007 B Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 2007 B Bonds Sinking Fund and the Series 2007 B Bonds Reserve Account shall be returned, after fully funded, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2007 Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due, if any, on the Series 2007 B Bonds and then to the next ensuing principal payment due thereon.

15. Moneys held in the Series 2007 C Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2007 C Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 2007 C Bonds Sinking Fund and the Series 2007 C Bonds Reserve Account shall be returned, after fully funded, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2007 Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due, if any, on the Series 2007 C Bonds and then to the next ensuing principal payment due thereon.

16. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 13 months of the date hereof.

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

18. With the exception of the amount deposited in the Series 2007 A Bonds Reserve Account, the Series 2007 B Reserve Account and the Series 2007 C Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 14 months from the date of issuance thereof.

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

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

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

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

23. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issue. The Issuer covenants that it shall maintain thorough and accurate accounting records, in conformance with generally accepted accounting principles, relative to the proceeds of the Bonds so that use of the proceeds of the Bonds can be accounted for.

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

25. The Bonds are not federally guaranteed.

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

27. The Issuer has either (a) funded the Series 2007 A Bonds Reserve Account at the maximum amount of principal and interest, if any, which will mature and become due on the Series 2007 A Bonds in the then current or any succeeding year with the

proceeds of the Series 2007 A Bonds, or (b) created the Series 2007 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2007 A Bonds Reserve Account hold an amount equal to the maximum amount of principal and interest, if any, which will mature and become due on the Series 2007 A Bonds in the then current or any succeeding year. Moneys in the Series 2007 A Bonds Reserve Account and the Series 2007 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2007 A Bonds and will not be available to pay costs of the Project.

28. The Issuer has either (a) funded the Series 2007 B Bonds Reserve Account at the maximum amount of principal and interest, if any, which will mature and become due on the Series 2007 B Bonds in the then current or any succeeding year with the proceeds of the Series 2007 B Bonds, or (b) created the Series 2007 B Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2007 B Bonds Reserve Account hold an amount equal to the maximum amount of principal and interest, if any, which will mature and become due on the Series 2007 B Bonds in the then current or any succeeding year. Moneys in the Series 2007 B Bonds Reserve Account and the Series 2007 B Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2007 B Bonds and will not be available to pay costs of the Project.

29. The Issuer has either (a) funded the Series 2007 C Bonds Reserve Account at the maximum amount of principal and interest, if any, which will mature and become due on the Series 2007 C Bonds in the then current or any succeeding year with the proceeds of the Series 2007 C Bonds, or (b) created the Series 2007 C Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2007 C Bonds Reserve Account hold an amount equal to the maximum amount of principal and interest, if any, which will mature and become due on the Series 2007 C Bonds in the then current or any succeeding year. Moneys in the Series 2007 C Bonds Reserve Account and the Series 2007 C Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2007 C Bonds and will not be available to pay costs of the Project.

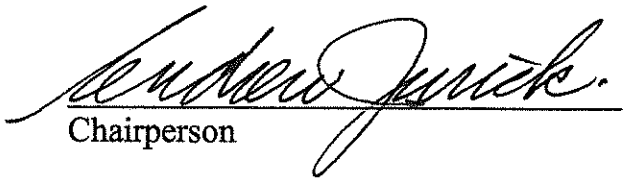
30. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with the Bonds and (c) will be paid out of substantially the same sources of funds or will have substantially the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

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

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

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

WITNESS my signature as of the date first written above.



Chairperson

WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 B
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 C
(WEST VIRGINIA SRF PROGRAM)

CERTIFICATE OF SECRETARY
AS TO TRUTH AND ACCURACY OF DOCUMENTS DELIVERED

On this 28th day of February, 2007, the undersigned duly appointed Secretary of Warm Springs Public Service District (the "Issuer") hereby certifies that the copies of the following documents being delivered in connection with the closing of the sale of the Warm Springs Public Service District Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), the Warm Springs Public Service District Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund) and the are, Warm Springs Public Service District Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program) 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 of The County Commission of Morgan County Creating and Enlarging the Issuer.

2. Orders of The County Commission of Morgan County 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. Infrastructure Council Approval Letter.

8. Department of Environmental Protection State Revolving Fund Program Letter

9. Loan Agreements.

10. Bond Purchase Agreement

11. Bond Resolution.

12. Supplemental Resolution.

13. Minutes of the Board Meeting on Adoption of Bond Resolution, Supplemental Resolution and First Draw Resolution.

14. Affidavits of Publication on Notice of Filing and Notice of Meeting to Adopt Bond Resolution and Supplemental Resolution.

15. USDA Consent to Issuance of Parity Bonds.

16. WDA Consent to Issuance of Parity Bonds.

17. NPDES Permit.

18. Infrastructure Council Grant Agreement.

19. Insurance Certificates.

20. Department of Environmental Protection Approval of Plans and Specifications

WITNESS my signature and the official seal of the Issuer as of the date first written above.

[SEAL]

Isaac T. Bohrer

Secretary

WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 B
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 C
(WEST VIRGINIA SRF PROGRAM)

CERTIFICATE OF CONSULTING ENGINEER

On this 28th day of February, 2007, I, William A. LaDieu, Registered Professional Engineer, West Virginia License No. 10641, of Commonwealth Engineering & Technology, Inc., Consulting Engineers, Harrisburg, Pennsylvania, 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 Warm Springs Public Service District (the "Issuer"), to be constructed primarily in Morgan 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 February 26, 2007 (the "Resolution"), and the loan agreements by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council") and the bond purchase agreement by and between the Issuer and the Authority, on behalf of the West Virginia Department of Environmental Protection (the "DEP"), dated January 9, 2007 (collectively, the "Loan Agreement").

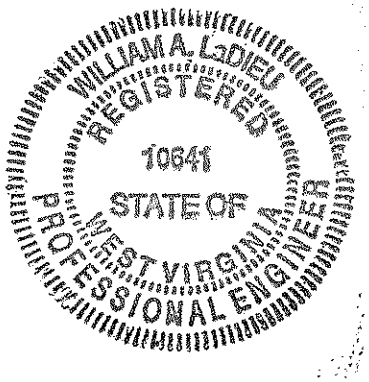
2. The Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; and (ii) paying certain costs of issuance and related costs.

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 (the "DEP"), and any change orders approved by the Issuer, the Council and all necessary

governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and 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 Schedule B attached hereto as Exhibit A, and in reliance upon the opinion of the Issuer's counsel, Trump & Trump, 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 DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) in reliance upon the certificate of CoxHollida LLP, 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 Loan Agreement and the Resolution; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the Council; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal as of the date first written above.

[SEAL]



COMMONWEALTH ENGINEERING & TECHNOLOGY, INC.

William A. LaDieu, P.E.
West Virginia License No. 10641

SCHEDULE B

WARM SPRINGS PUBLIC SERVICE DISTRICT

A. COST OF PROJECT	TOTAL	IJDC	SRF
1. Construction			
a. WWTP (Beitzel)	9,686,000	6,686,000	3,000,000
b. Lines (Glenn Johnston)	4,403,364	4,403,364	
2. Technical Services (CET)			
Design	Note: Design paid with SRF Design Loan Series 2002		
Construction	264,497	264,497	
Inspection	345,930	345,930	
3. Legal & Fiscal			
a. Legal (PSC) Kauffelt	2,000	2,000	
b. Legal (Title) Trump	35,000	35,000	
c. Accounting (CoxHollida)	2,000	2,000	
4. Administrative	5,000	5,000	
5. Sites and Land	5,000	5,000	
6. Loan Repayment			
a. BB&T line of credit *see attached	491,525	491,525	
7. Miscellaneous	0		
8. Contingency	493,184	493,184	
9. TOTAL of Lines 1 through 8	15,733,500	12,733,500	3,000,000
B. SOURCE OF FUNDS			
10. Federal Grants			
11. State Grants (IJDC)	2,450,000	2,450,000	
12. Other Grants			
13. Any Other Source			
14. TOTAL Lines 10-15	2,450,000		
15. Net Proceeds from Bond Issue	13,283,500	10,283,500	3,000,000
C. COST OF FINANCING			
16. Funded Reserve			
a. SRF Funded Reserve			
b. Other Funded Reserve			
17. Other Costs			
a. Bond Counsel	25,000	25,000	
b. Registrar Fees	500	500	
18. Total Cost of Financing	25,500	25,500	0
19. Size of Bond Issue	13,309,000	10,309,000	3,000,000

Warm Springs PSD — Date 3/1/07

CET Engineering — Date 2/28/07

201 E. Burke Street
Martinsburg, WV 25401
114 E. German Street, Suite 201
Shepherdstown, WV 25443
Phone 304.263.0891
Fax 304.263.0897

CoxHollidaPrice LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

February 28, 2007

WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 B
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 C
(WEST VIRGINIA SRF PROGRAM)

Warm Springs Public Service District
Berkeley Springs, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have reviewed the sewer rates of Warm Springs Public Service District (the "Issuer"), as approved by the Final Order of the Public Service Commission of West Virginia dated November 1, 2004, and Commission Order dated January 22, 2007, in Case No. 04-0131-PSD-CN, granting the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project., the projected operating expenses and the anticipated customer usage provided by Commonwealth Engineering & Technology, Inc., the consulting engineer of the Issuer. It is our opinion that such rates, together with other revenues of the sewer facilities of the Issuer (the "System"), are sufficient (i) to provide for operating expenses of the System and (ii) to leave a balance each fiscal year equal to at least 115% of the maximum amount required in any succeeding fiscal year for the payment of principal of and interest, if any, on the Issuer's Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund) (the "Series 2007 A Bonds"), Sewer Revenue Bonds, Series 2007 B (West Virginia

Infrastructure Fund) (the "Series 2007 B Bonds") and Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program) (the "Series 2007 C Bonds," and together with the Series 2007 A Bonds and the Series 2007 B Bonds, the "Series 2007 Bonds"), and Sewer Revenue Bonds, Series 1977 (the "Series 1977 Bonds"), Sewer Revenue Bonds, Series 1989 (the "Series 1989 Bonds"), Sewer Revenue Bonds, Series 1994 (the "Series 1994 Bonds"), Sewer Revenue Bonds, Series 1998 (the "Series 1998 Bonds") and Sewer Revenue Bonds, Series 2002 A (West Virginia SRF Program) (the "Series 2002 A Bonds," and together with the Series 1977 Bonds, the Series 1989 Bonds, the Series 1994 Bonds, the Series 1998 Bonds and the Series 2002 A Bonds, the "Prior Bonds").

It is further our opinion that (i) the Net Revenues for the fiscal year following the year in which the Series 2007 Bonds are to be issued will be at least 120% of the average annual debt service requirements on the Prior Bonds and the Series 2007 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 2007 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 2007 Bonds, will not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Prior Bonds and the Series 2007 Bonds.

Very truly yours,

CoxHollidaPrice LLP

CoxHollidaPrice LLP

WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 B
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 C
(WEST VIRGINIA SRF PROGRAM)

RECEIPT FOR BONDS

On this 28th day of February, 2007, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, hereby certifies as follows:

1. On the date hereof, in Charleston, West Virginia, the Authority received the Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), dated February 28, 2007, issued in the principal amount of $8,290,000, in the form of one bond, fully registered to the Authority, and numbered AR-1 (the "Series 2007 A Bonds"); Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund), dated February 28, 2007, issued in the principal amount of $2,019,000, in the form of one bond, fully registered to the Authority, and numbered BR-1 (the "Series 2007 B Bonds") and Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program), dated February 28, 2007, issued in the principal amount of $3,000,000, in the form of one bond, fully registered to the Authority, and numbered CR-1 (the "Series 2007 C Bonds," and together with the Series 2007 A Bonds and the Series 2007 B Bonds, the "Bonds") (collectively, the "Bonds") of Warm Springs Public Service District (the "Issuer").

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.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Barbara B Meadows
Authorized Representative

WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 B
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 C
(WEST VIRGINIA SRF PROGRAM)

REQUEST AND AUTHORIZATION TO
AUTHENTICATE, REGISTER AND DELIVER BONDS

CNB Bank, Inc.
Berkeley Springs, West Virginia

Ladies and Gentlemen:

On this 28th day of February, 2007, we herewith hand to you, duly executed, the $8,290,000 Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), in the form of one bond, numbered AR-1, dated February 28, 2007 (the "Series 2007 A Bonds"); $2,019,000 Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund), in the form of one bond, numbered BR-1, dated February 28, 2007 (the "Series 2007 B Bonds") and $3,000,000 Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program), in the form of one bond, numbered CR-1, dated February 28, 2007 (the "Series 2007 C Bonds," together with the Series 2007 A Bonds and the Series 2007 B Bonds, the "Bonds"), of Warm Springs Public Service District (the "Issuer"), authorized to be issued under and pursuant to a Bond Resolution and a Supplemental Resolution duly adopted by the Issuer on February 26, 2007.

You are hereby requested and authorized to authenticate, register and deliver the Bonds on behalf of the Issuer to the West Virginia Water Development Authority.

WITNESS our signatures as of the date first written above.

WARM SPRINGS PUBLIC SERVICE DISTRICT

Andrew Jurick .

Chairperson

(SEAL)

Attest:

Isaac T Bohrer

Secretary

WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 B
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 C
(WEST VIRGINIA SRF PROGRAM)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 28th day of February, 2007, by and between WARM SPRINGS PUBLIC SERVICE DISTRICT, a public corporation (the "Issuer"), and CNB BANK, INC., Berkeley Springs, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $8,290,000 Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), in the form of one bond, numbered AR-1; $2,019,000 Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund), in the form of one bond, numbered BR-1; and $3,000,000 Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program), in the form of one bond, numbered CR-1, dated the date hereof (collectively, the "Bonds"), in fully registered form, pursuant to a Bond Resolution and a Supplemental Resolution, both adopted by the Issuer on February 26, 2007 (collectively, the "Resolution");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Resolution, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Resolution provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Resolution and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Resolution and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Resolution, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest, if any, on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation heretofore agreed by the parties and set forth in the attached invoice.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Resolution with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Resolution, the terms of the Resolution shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Resolution will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective address:

ISSUER:

Warm Springs Public Service District
P.O. Box 456
Berkeley Springs, WV 25411
Attention: Chairperson

REGISTRAR:

CNB Bank, Inc.
P.O. Box 130
Berkeley Springs, WV 25411
Attention: Corporate Trust Department

The Issuer and the Registrar shall notify the other in writing of any change of address.

8. The Registrar is hereby requested and authorized to authenticate, register and deliver the Bonds in accordance with the Resolution.

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IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the date first written above.

WARM SPRINGS PUBLIC SERVICE DISTRICT

Chairperson

CNB Bank, Inc.

Authorized Officer

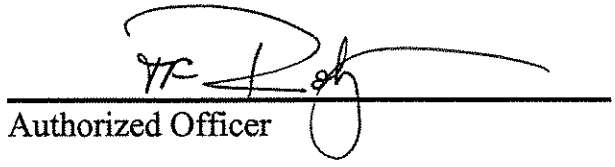
WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 B
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 C
(WEST VIRGINIA SRF PROGRAM)

CERTIFICATE OF REGISTRATION OF BONDS

On this 28th day of February, 2007, CNB Bank, Inc., Berkeley Springs, West Virginia, as Registrar (the "Registrar"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), of Warm Springs Public Service District (the "Issuer"), dated February 28, 2007, in the principal amount of $8,290,000, numbered AR-1; Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund), of the Issuer, dated February 28, 2007, in the principal amount of $2,019,000, numbered BR-1, and Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program), of the Issuer, dated February 28, 2007, in the principal amount of $3,000,000, numbered CR-1, were registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of the Registrar.

WITNESS my signature as of the date first written above.

CNB Bank, Inc.
as Registrar



Authorized Officer

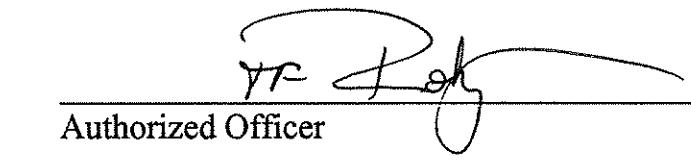
WARM SPRINGS PUBLIC SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2007 A
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 B
(WEST VIRGINIA INFRASTRUCTURE FUND)
SEWER REVENUE BONDS, SERIES 2007 C
(WEST VIRGINIA SRF PROGRAM)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

On this 28th day of February, 2007, CNB Bank, Inc., Berkeley Springs, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Resolution and a Supplemental Resolution adopted by Warm Springs Public Service District (the "Issuer") on February 26, 2007 (collectively, the "Resolution"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), in the aggregate principal amount of $8,290,000, dated February 28, 2007; Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund), in the aggregate principal amount of $2,019,000, dated February 28, 2007 and Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program), in the aggregate principal amount of $3,000,000, dated February 28, 2007, and agrees to serve as Depository Bank, all as set forth in the Resolution.

WITNESS my signature as of the date first written above.

CNB Bank, Inc.



Authorized Officer

WV MUNICIPAL BOND COMMISSION
Suite 500
8 Capitol Street, Charleston, WV 25301
(304) 558-3971

3.12(A)
NEW ISSUE REPORT FORM
Date of Report: February 28, 2007

ISSUE: Warm Springs Public Service District Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund)

ADDRESS: P.O. Box 456, Berkeley Springs, WV 25411
COUNTY: Morgan

PURPOSE OF ISSUE: New Money X
Refunding
Refunds issue(s) dated:

ISSUE DATE: February 28 , 2007
CLOSING DATE: February 28, 2007

ISSUE AMOUNT: $8,290,000
RATE: 0%

1st DEBT SERVICE DUE: December 1, 2008
1st PRINCIPAL DUE: December 1, 2008

1st DEBT SERVICE AMOUNT: $ 54,184.00
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Jackson Kelly PLLC
Contact Person: Samme L. Gee, Esquire
Phone: (304) 340-1318

UNDERWRITERS COUNSEL:
Contact Person:
Phone:

CLOSING BANK: CNB Bank, Inc.
Contact Person: Tom Rokisky
Phone: (304) 258-1520

ESCROW TRUSTEE:
Contact Person:
Phone:

KNOWLEDGEABLE ISSUER CONTACT:

Contact Person: Rodney Hovermale
Position: Manager
Phone: (304) 258-4118

OTHER: West Virginia Infrastructure Council
Contact Person: Jeff Brady
Function: Executive Secretary
Phone: (304) 558-4607

DEPOSITS TO MBC AT CLOSE:

By Wire
Check

Accrued Interest: $
Capitalized Interest: $
Reserve Account: $
Other: $

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By Wire
Check
IGT

To Escrow Trustee: $
To Issuer: $
To Cons. Invest. Fund $
To Other: $

NOTES: The Series 2007 A Bonds Reserve Account will be funded over 10 years.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required:
Transfers Required:

WV MUNICIPAL BOND COMMISSION
Suite 500
8 Capitol Street, Charleston, WV 25301
(304) 558-3971

3.12(B)
NEW ISSUE REPORT FORM
Date of Report: February 28, 2007

ISSUE: Warm Springs Public Service District Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund)

ADDRESS: P.O. Box 456, Berkeley Springs, WV 25411
COUNTY: Morgan

PURPOSE OF ISSUE: New Money X
Refunding
Refunds issue(s) dated:

ISSUE DATE: February 28 , 2007
CLOSING DATE: February 28, 2007

ISSUE AMOUNT: $2,019,000
RATE: 0%

1st DEBT SERVICE DUE: September 1, 2015
1st PRINCIPAL DUE: September 1, 2015

1st DEBT SERVICE AMOUNT: $ 16,024
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Jackson Kelly PLLC
Contact Person: Samme L. Gee, Esquire
Phone: (304) 340-1318

UNDERWRITERS COUNSEL:
Contact Person:
Phone:

CLOSING BANK: CNB Bank, Inc.
Contact Person: Tom Rokisky
Phone: (304) 258-1520

ESCROW TRUSTEE:
Contact Person:
Phone:

KNOWLEDGEABLE ISSUER CONTACT:

Contact Person: Rodney Hovermale
Position: Manager
Phone: (304) 258-4118

OTHER: West Virginia Infrastructure Council
Contact Person: Jeff Brady
Function: Executive Secretary
Phone: (304) 558-4607

DEPOSITS TO MBC AT CLOSE:

By Wire
Check

Accrued Interest: $
Capitalized Interest: $
Reserve Account: $
Other: $

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By Wire
Check
IGT

To Escrow Trustee: $
To Issuer: $
To Cons. Invest. Fund $
To Other: $

NOTES: The Series 2007 B Bonds Reserve Account will be funded over 10 years.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required:
Transfers Required:

WV MUNICIPAL BOND COMMISSION
Suite 500
8 Capitol Street, Charleston, WV 25301
(304) 558-3971

3.12(C)
NEW ISSUE REPORT FORM
Date of Report: February 28, 2007

ISSUE: Warm Springs Public Service District Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program)

ADDRESS: P.O. Box 456, Berkeley Springs, WV 25411
COUNTY: Morgan

PURPOSE OF ISSUE: New Money X
Refunding
Refunds issue(s) dated:

ISSUE DATE: February 28 , 2007
CLOSING DATE: February 28, 2007

ISSUE AMOUNT: $3,000,000
RATE: 0% . . . .5% Admin Fee

1st DEBT SERVICE DUE: December 1, 2008
1st PRINCIPAL DUE: December 1, 2008

1st DEBT SERVICE AMOUNT: $ 9,468
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Jackson Kelly PLLC
Contact Person: Samme L. Gee, Esquire
Phone: (304) 340-1318

UNDERWRITERS COUNSEL:
Contact Person:
Phone:

CLOSING BANK: CNB Bank, Inc.
Contact Person: Tom Rokisky
Phone: (304) 258-1520

ESCROW TRUSTEE:
Contact Person:
Phone:

KNOWLEDGEABLE ISSUER CONTACT:

Contact Person: Rodney Hovermale
Position: Manager
Phone: (304) 258-4118

OTHER: WV Dept. of Environmental Protection
Contact Person: Rose Brodersen
Function: Program Manager
Phone: (304) 926-0449

DEPOSITS TO MBC AT CLOSE:

By Wire
Check

Accrued Interest: $
Capitalized Interest: $
Reserve Account: $
Other: $

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By Wire
Check
IGT

To Escrow Trustee: $
To Issuer: $
To Cons. Invest. Fund $
To Other: $

NOTES: The Series 2007 C Bonds Reserve Account will be funded over 10 years.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required:
Transfers Required:

west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, WV 25304-2345
Telephone Number: (304) 926-0495
Fax Number: (304) 926-0463

Joe Manchin, III
Governor
www.wvdep.org

January 14, 2005

Mr. Andrew Jurick, Chairman
Warm Springs Public Service District
271 Wilkes Street
P.O. Box 456
Berkeley Springs, WV 25411

CERTIFIED RETURN RECEIPT REQUESTED

Re: WV NPDES Permit No.WV0027707
Modification No 3 - Morgan County

Dear Mr. Jurick:

This correspondence serves as Modification No. 3 of your existing WV/NPDES Water Pollution Control Permit No. WV0027707 issued the 23rd day of January 2003.

After review and consideration of the information submitted on and with WV/NPDES Water Pollution Control Permit Application No. WV0027707-C, dated the 12th day of November 2003, additional information provided on the 29th day of July, 2004, additional information provided on the 7th day of October 2004, and other relevant information, the subject Permit is hereby modified as follows:

To acquire, construct, install, operate, and maintain approximately 12 ½ miles of additional gravity sewer and 0.9 miles of new force main. The existing raw pump station and approximately 865 feet of ductile iron force main will be replaced with a 24 inch gravity line to a new pump station located adjacent to the wastewater treatment plant. The existing Howard Street Pump Station and approximately 290 feet of eight (8) inch ductile force main will be abandoned and replaced with gravity sewer. Two new pump stations will be constructed to serve the new connections in the northern part of the service area.

To acquire, construct, install, operate, maintain, and expand an existing 0.4 mgd Orbal activated sludge treatment plant to a 1.74 mgd extended aeration wastewater treatment plant consisting of two (2) 575,000 gallon aeration tanks, two (2) clarifiers, a new raw water pump station, preliminary treatment (screening and grit/grease removal)

ultraviolet disinfection system, biosolids treatment and storage, and all necessary appurtenances.

Outlet No. 003 has been created to represent the new 1.74 MGD extended aeration wastewater treatment facility. The new plant will be classified as a major facility. Major facilities require increased sampling and monitoring of sludge. Section A.S02 has been added to reflect these changes.

Section A.003 and Section A.S02, attached, show the monitoring requirements for the new plant. Enclosed find pages 11a, 11b, 11c, 12a, 13a, and 14a of 23 for WV/NPDES Permit Number WV0027707 reflecting this modification. Sample DMRs for the new Outlet and sludge requirements are also enclosed.

Sections C.3, C.4, C.9, C.10, C.13, C.14, C.15, C.16, and C.18 have been changed and Sections C.20, C.21, C.22, C.23, C.24, C.25, C.26, C.27and C.28 have been added to reflect the operational requirements of the new plant. A new Section C, pages 16a, 17a, 18a, 19a, 20a, 21a, and 22a of 23, is attached and will be effective when the new plant is operational. Current Section C will become void at that time.

PROPOSED SEWAGE COLLECTION AND TREATMENT FACILITY TO BE CONSTRUCTED IN ACCORDANCE WITH:

Plans, Specifications, and Reports:

Date Approvable:	July 29, 2004
Prepared by:	CET Engineering Services
	1204 North Mountain Road
	Harrisburg, Pa 17112
Title:	Warm Springs PSD
	Plans and Specifications Approval
	IJDC No. 2003S – 736

Nutrient testing for Total Phosphorus and Total Nitrogen has been added to Outlet No.002. A new Section A.002, pages 10 and 11 of 23, and new DMRs are enclosed. These become effective at the date of issue of the Permit Modification.

All other terms and conditions of the subject WV/NPDES Water Pollution Control Permit No. WV0027707 shall remain in effect and unchanged.

Sincerely,

Ken Ellison
Acting Director

KE/wjs

enclosures

Inspectable Unit	Latitude	Longitude	Receiving Stream	Dist. to Stream Mouth (in Mile)	Milepost
001	39°38'30"	78°13'05"	WARM SPRING RN	N/A	5.6
002	39°37'09"	78°16'58"	CACAPON RV	N/A	0.1
003	39°38'30"	78°13'05"	WARM SPRING RN	N/A	5.6
S01	39°38'30"	78°13'05"	N/A	N/A	N/A
S02	39°38'30"	78°13'05"	N/A	N/A	N/A

A.002 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Interim Limitations

Year Round

During the period beginning /begin_date/ and lasting through midnight /end_date/ the permittee is authorized to discharge from Outlet Number(s) 002 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations Quantity		Units		Other Units		Units	Monitoring Requirements Measurement Frequency	Sample Type
Flow,in Conduit or thru plant (Year Round) (ML-1) See Section C.10 and C.11.	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mgd	Continuous	measured
BOD, 5-Day 20 Deg.C (Year Round) (ML-B)	15 Avg. Monthly	30 Max. Daily	Lbs/Day	N/A	30 Avg. Monthly	60 Max. Daily	mg/l	1/month	8 hr comp
Total Suspended Solids (Year Round) (ML-A)	15 Avg. Monthly	30 Max. Daily	Lbs/Day	N/A	30 Avg. Monthly	60 Max. Daily	mg/l	1/month	8 hr comp
Ammonia Nitrogen (Year Round) (ML-A)	7.5 Avg. Monthly	15 Max. Daily	Lbs/Day	N/A	15 Avg. Monthly	30 Max. Daily	mg/l	1/month	8 hr comp
Coliform, Fecal (Year Round) (ML-A) See Section C.14.	N/A	N/A	N/A	N/A	200 Avg. Monthly	400 Max. Daily	Cnts/100ml	1/month	Grab
pH (Year Round) (ML-A)	N/A	N/A	N/A	6 Inst. Min.	N/A	9 Inst. Max.	S.U.	1/month	Grab
Chlorine, Total Residual (Year Round) (ML-A) See Section C.15.	N/A	N/A	N/A	N/A	28 Avg. Monthly	57 Max. Daily	ug/l	1/month	Grab
Zinc, Total Recoverable (Year Round) (ML-A) See Section C.12 and C.16.	N/A	N/A	N/A	N/A	175 Avg. Monthly	350 Max. Daily	ug/l	1/quarter	8 hr comp
Lead, Total Recoverable (Year Round) (ML-A) See Section C.12 and C.16.	N/A	N/A	N/A	N/A	13.1 Avg. Monthly	26.2 Max. Daily	ug/l	1/quarter	8 hr comp

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Effluent BOD5 sampling shall be collected at a location immediately preceding disinfection. All other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.002 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Interim Limitations

Year Round

During the period beginning /begin_date/ and lasting through midnight /end_date/ the permittee is authorized to discharge from Outlet Number(s) 002 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units		Other Units		Units	Measurement Frequency	Sample Type
Copper, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	26.4 Avg. Monthly	53 Max. Daily	ug/l	1/quarter	8 hr comp
See Section C.12 and C.16.									
BOD, % Removal (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
See Section C.6.									
Suspended Solids, % Removal (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
See Section C.6.									

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Effluent BOD5 sampling shall be collected at a location immediately preceding disinfection. All other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.002 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Year Round

During the period beginning January 14, 2005 and lasting through midnight January 22, 2008 the permittee is authorized to discharge from Outlet Number(s) 002 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units		Other Units		Units	Measurement Frequency	Sample Type
Flow,in Conduit or thru plant (Year Round) (ML-1)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mgd	Continuous	measured
See Section C.10 and C.11.									
BOD, 5-Day 20 Deg.C (Year Round) (ML-B)	15 Avg. Monthly	30 Max. Daily	Lbs/Day	N/A	30 Avg. Monthly	60 Max. Daily	mg/l	1/month	8 hr comp
Total Suspended Solids (Year Round) (ML-A)	15 Avg. Monthly	30 Max. Daily	Lbs/Day	N/A	30 Avg. Monthly	60 Max. Daily	mg/l	1/month	8 hr comp
Ammonia Nitrogen (Year Round) (ML-A)	7.5 Avg. Monthly	15 Max. Daily	Lbs/Day	N/A	15 Avg. Monthly	30 Max. Daily	mg/l	1/month	8 hr comp
Coliform, Fecal (Year Round) (ML-A)	N/A	N/A	N/A	N/A	200 Avg. Monthly	400 Max. Daily	Cnts/100ml	1/month	Grab
See Section C.14.									
pH (Year Round) (ML-A)	N/A	N/A	N/A	6 Inst. Min.	N/A	9 Inst. Max.	S.U.	1/month	Grab
Chlorine, Total Residual (Year Round) (ML-A)	N/A	N/A	N/A	N/A	28 Avg. Monthly	57 Max. Daily	ug/l	1/month	Grab
See Section C.15.									
Zinc, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	90.6 Avg. Monthly	117 Max. Daily	ug/l	1/quarter	8 hr comp
See Section C.12 and C.16.									
Lead, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	1.8 Avg. Monthly	5.5 Max. Daily	ug/l	1/quarter	8 hr comp
See Section C.12 and C.16.									

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Effluent BOD5 sampling shall be collected at a location immediately preceding disinfection. All other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.002 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Year Round

During the period beginning January 14, 2005 and lasting through midnight January 22, 2008 the permittee is authorized to discharge from Outlet Number(s) 002 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units	Other Units		Units		Measurement Frequency	Sample Type
Copper, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	7.9 Avg. Monthly	17.7 Max. Daily	ug/l	1/quarter	8 hr comp
See Section C.12 and C.16.									
Phosphorus, Total (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
BOD, % Removal (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
See Section C.6.									
Suspended Solids, % Removal (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
See Section C.6.									
Nitrogen, Total (AS N) (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Effluent BOD5 sampling shall be collected at a location immediately preceding disinfection. All other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.003 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Year Round

During the period beginning start-up of expansion and lasting through midnight January 22, 2008 the permittee is authorized to discharge from Outlet Number(s) 003 (Sanitary, Storm Water Runoff)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations						Monitoring Requirements		
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Flow,in Conduit or thru plant (Year Round) (ML-1)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mgd	Continuous	measured
BOD, 5-Day 20 Deg.C (Year Round) (ML-B)	181.5 Avg. Monthly	363 Max. Daily	Lbs/Day	N/A	12.5 Avg. Monthly	25 Max. Daily	mg/l	1/week	8 hr comp
Total Suspended Solids (Year Round) (ML-A)	435 Avg. Monthly	870 Max. Daily	Lbs/Day	N/A	30 Avg. Monthly	60 Max. Daily	mg/l	1/week	8 hr comp
Ammonia Nitrogen (Year Round) (ML-A)	72.6 Avg. Monthly	144.6 Max. Daily	Lbs/Day	N/A	4.98 Avg. Monthly	9.99 Max. Daily	mg/l	1/week	8 hr comp
Coliform, Fecal (Year Round) (ML-A)	N/A	N/A	N/A	N/A	200 Mo. Geo. Mean	400 Max. Daily	Cnts/100ml	1/week	Grab
pH (Year Round) (ML-A)	N/A	N/A	N/A	6 Inst. Min.	N/A	9 Inst. Max.	S.U.	1/week	Grab
Dissolved Oxygen (Year Round) (ML-A)	N/A	N/A	N/A	6 Inst. Min.	N/A	N/A	mg/l	1/week	Grab
Arsenic, Total (As AS) (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	8 hr comp
Toxicity, Acute Daphnia (Year Round) (ML-A)	N/A	N/A	N/A	N/A	1 Avg. Monthly	N/A	TUa	1/quarter	8 hr comp

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Effluent BOD5 sampling shall be collected at a location immediately preceding disinfection. All other samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.003 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Year Round

During the period beginning start-up of expansion and lasting through midnight January 22, 2008 the permittee is authorized to discharge from Outlet Number(s) 003 (Sanitary, Storm Water Runoff)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units		Other Units		Units	Measurement Frequency	Sample Type
Toxicity, Acute Pimephales (Year Round) (ML-A)	N/A	N/A	N/A	N/A	1 Avg. Monthly	N/A	TUa	1/quarter	8 hr comp
Zinc, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	8 hr comp
Lead, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	8 hr comp
Copper, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	8 hr comp
Cyanide, Weak Acid Dissociable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	8 hr comp
Silver, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Monthly Geo.	Rpt Only Max. Daily	mg/l	1/month	8 hr comp
Mercury, Total (As Hg) (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	8 hr comp
Iron Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	8 hr comp
Nickel, Total Recoverable (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	8 hr comp

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Effluent BOD5 sampling shall be collected at a location immediately preceding disinfection. All other samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.003 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Year Round

During the period beginning start-up of expansion and lasting through midnight January 22, 2008 the permittee is authorized to discharge from Outlet Number(s) 003 (Sanitary, Storm Water Runoff)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units	Other Units		Units		Measurement Frequency	Sample Type
Phosphorus, Total (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp
BOD, % Removal (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
Suspended Solids, % Removal (Year Round) (ML-K)	N/A	N/A	N/A	85 Month. Avg. Min.	N/A	N/A	Percent	1/month	Calculated
Chromium, Hexavalent (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	8 hr comp
Nitrogen, Total (AS N) (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/quarter	8 hr comp

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
Effluent BOD5 sampling shall be collected at a location immediately preceding disinfection. All other samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.S02 SEWAGE SLUDGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Year Round

During the period beginning start-up of expansion and lasting through midnight January 22, 2008 the permittee is authorized to dispose sludge in accordance with the following from Outlet Number S02 (Sludge)

Effluent Characteristic	Quantity		Units	Limitations	Other Units		Units	Monitoring Requirements: Measurement Frequency	Monitoring Requirements: Sample Type
pH (Year Round) (ML-+)	N/A	N/A	N/A	Rpt Only Min.	N/A	Rpt Only Max.	S.U.	1/quarter	Grab
Arsenic, Sludge Tot. Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp
Cadmium,Sludge,Tot Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp
Chromium, Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp
Copper,Sludge,Tot,Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp
Lead, Dry. Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp
Mercury, Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp
Molybdenum,Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp
Nickel, Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp

Section C - Other Requirements

01. The herein-described treatment works, structures, electrical and mechanical equipment shall be adequately protected from physical damage by the maximum expected one hundred (100) year flood level and operability be maintained during the twenty-five (25) year flood level.

02. The entire sewage treatment facility shall be adequately protected by fencing.

03. a. The proper operation and maintenance of the Berkeley Springs (Outlet No. 003) sewage treatment facility shall be performed, or supervised, by a certified operator possessing at least a Class III certificate for Waste Water Treatment Plant Operators as issued by the State of West Virginia. The on-site attendance of this facility's Class III operator shall be determined and directed by the Bureau for Public Health, Office of Environmental Health Services.

    b. The proper operation and maintenance of the Great Cacapon (Outlet No. 002) sewage treatment facility shall be performed, or supervised, by a certified operator possessing at least a Class II certificate for Waste Water Treatment Plant Operators as issued by the State of West Virginia. The on-site attendance of this facility's Class II operator shall be determined and directed by the Bureau for Public Health, Office of Environmental Health Services.

04. a. For Great Cacapon: The arithmetic mean of values for effluent samples collected in a seven consecutive day period shall not exceed 45.0 mg/l for BOD5 and TSS. Furthermore, the permittee may submit mitigating factors as an attachment to its DMRs related to an excursion of this requirement. The Director may choose to take those mitigating factors into consideration in determining whether enforcement action is required.

    b. For Berkeley Springs: The arithmetic mean of values for effluent samples collected in a seven consecutive day period shall not exceed 45.0 mg/l for TSS. Furthermore, the permittee may submit mitigating factors as an attachment to its DMRs related to an excursion of this requirement. The Director may choose to take those mitigating factors into consideration in determining whether enforcement action is required.

05. The permittee shall be required to test the sewage treatment plant's influent in order to calculate the percent (%) removal parameters for BOD5 and TSS contained in Section A.002 and Section A.003 of this permit. Influent sampling requirements include:

    a. Percent removal shall be defined as a percentage expression of the removal efficiency across the wastewater treatment plant for a given pollutant parameter, as determined from the thirty day average values of the influent concentrations to the facility and the thirty day average effluent pollutant concentrations. Only influent and effluent samples taken concurrently as specified below shall be used for reporting.

    b. Influent BOD5 and TSS samples shall be collected using the permittee's established sampling schedule at least four(4)times per month for the wastewater treatment facility.

    c. The permittee shall collect representative BOD and TSS influent samples using their established sampling procedures over an 8 hour period.

    d. Influent BOD5 and TSS sampling shall be performed over the same 8 hour time period as the effluent BOD5 and TSS sampling.

06. The permittee shall not accept any new non-domestic discharges without first obtaining approval from the Director of the Division of Water and Waste Management as provided in Title 47, Series 10, Section 14 of the West Virginia Legislative Rules.

07. If any existing non-domestic discharge causes, or is suspected of causing, interference or pass through (as defined by 40 CFR 403.3) or otherwise violates any provision of 40 CFR 403, the permittee shall notify the Director of such violation or suspected violation.

08. If any existing non-domestic discharge is identified as being subject to Categorical Pretreatment Standard under 40 CFR Chapter 1, Subchapter N, and the discharge is not regulated by this permit, the permittee shall notify the Director of such identification.

Section C - Other Requirements

09. a. The average daily design flow of the Publicly Owned Treatment Works (Berkeley Springs) has been established at 1.74 million gallons per day. When the average monthly effluent flow reported on Discharge Monitoring Reports reaches, or exceeds, 90 percent of the average design flow, 1.566 million gallons per day, during three (3) consecutive monthly periods, the permittee shall submit a Plan of Action to the Director. The Plan of Action shall present, at a minimum, an analysis of current hydraulic and organic loadings on the plant, an analysis of the future projected loadings, and a Schedule of Tasks to accomplish procedures necessary to maintain required treatment levels.

    b. The average daily design flow of the Publicly Owned Treatment Works (Great Cacapon) has been established at 0.060 million gallons per day. When the average monthly effluent flow reported on Discharge Monitoring Reports reaches, or exceeds, 90 percent of the average design flow, 0.054 million gallons per day, during three (3) consecutive monthly periods, the permittee shall submit a Plan of Action to the Director. The Plan of Action shall present, at a minimum, an analysis of current hydraulic and organic loadings on the plant, an analysis of the future projected loadings, and a Schedule of Tasks to accomplish procedures necessary to maintain required treatment levels.

10. a. Any future collection system extensions to Berkeley Springs projected to cause an increase in the wastewater flow, equal to, or greater than, 87,000 gallons per day shall require the permittee to contact the Director to secure approval of the extension. After consideration of the complexity of the project, and the available treatment capacity of the facility, the Director may require the permittee to seek approval through Modification of the Permit.

    b. Any future collection system extensions to Great Cacapon projected to cause an increase in the wastewater flow, equal to, or greater than, 3000 gallons per day shall require the permittee to contact the Director to secure approval of the extension. After consideration of the complexity of the project, and the available treatment capacity of the facility, the Director may require the permittee to seek approval through Modification of the Permit.

11. The analytical test procedures, set forth in 40 CFR Part 136, prescribe colorimetric methods for certain parameters. The digestion process for the performance of total recoverable is not sufficient for the utilization of a colorimetric procedure. Therefore, colorimetric procedures shall not be acceptable for the analysis of parameters prescribed as total recoverable.

12. The Warm Springs PSD shall continue to implement a program to identify and eliminate sources of inflow and infiltration. On or before 90 days, the Permittee shall submit to the Director a written Plan of Action that stipulates specific tasks and compliance dates for the implementation of the program. A written progress report shall be provided on a quarterly basis, as an attachment to the Discharge Monitoring Report, detailing what has been performed in relation to the implementation and accomplishments of the inflow and infiltration elimination program. Failure of the permittee to comply with this requirement shall result in subsequent administrative and/or legal action, as may be necessary in order to obtain the compliance sought herein.

13. Over the term of this permit, the permittee is allowed three (3) excursions of the maximum daily fecal coliform effluent limitation prescribed in Section A.003 for the Berkeley Springs plant and is allowed one (1) excursion of the maximum daily fecal coliform limitation prescribed in Section A.002. The number of allowed excursions is based upon one (1) percent of the number of required self-monitoring events. Utilization of the excursion allowance is conditioned as follows.

    a. Excursion allowances are afforded only to self-monitoring results and only when self-monitoring activities assess compliance with the maximum daily effluent limitation by analysis of an individual grab sample. No excursion allowance can be applied to analytical results obtained by representatives of the Director in the performance of their compliance assessment activities. Additionally, representatives of the Director may assess compliance with the maximum daily effluent limitation by collection and analysis of an individual grab sample.

    b. No more than one excursion may be utilized in any calendar month.

    c. The excursion allowance is contingent upon the permittee's prompt return to compliance as evidenced by the next required fecal coliform self-monitoring event.

    d. The result for which an excursion allowance is claimed shall be included in the calculation of the average monthly effluent value.

Section C - Other Requirements

13. e. Should an excursion allowance be utilized by the permittee, said allowance must be reported as an attachment to the Discharge Monitoring Report. This attachment should state that (1) an excursion allowance was taken in accordance with the conditions outlined above, (2) the total number of allowances taken to date during the term of this permit, and (3) the total number of allowances remaining during the term of this permit. The permittee shall maintain an on-site record of the excursion allowances utilized during the term of the permit.

14. Available sampling methods for total residual chlorine (TRC) are currently not sensitive enough to confirm compliance with the permit limitations imposed for the new treatment plant. Total residual chlorine (TRC) samples shall be taken, preserved and analyzed in accordance with the latest edition of 40 CFR Part 136. Because the permittee does not operate a certified wastewater laboratory at the plant site but still must comply with the instantaneous sample-type requirements, the permittee shall use an EPA Approved Method with at least a method detection level (MDL) of 100 ug/l. Any TRC sampling result reported as less than the MDL stated above shall be assumed to confirm compliance for purposes of permit compliance. Should a more sensitive EPA approved method become available for field analysis of TRC, the permittee shall perform TRC self-monitoring in accordance with the new method. If the new method is not sensitive enough to determine compliance with specified TRC limits, analytical results reported as "not detected" at the MDL of the new method will be deemed compliant for purposes of permit compliance. Note: This applies to the Great Cacapon facility only.

15. Effluent monitoring for Total Recoverable Cadmium, Hexavalent Chromium, Total Recoverable Copper, Total Recoverable Lead, Total Recoverable Nickel, Total Recoverable Silver, Total Recoverable Zinc, Total Mercury, Total Arsenic, Free Cyanide, and Total Hardness shall be conducted using the most sensitive methods and detection levels commercially available and economically feasible. (This applies to Berkely Springs only.) The following methods and detection levels are offered as a guide:

Parameter No.	EPA Method (ug/l)	Recommended Detection Level
Copper, Total Recoverable	220.2	1
Lead, Total Recoverable	239.2	1
Zinc, Total Recoverable	289.2	1
Chromium, Hexavalent	218.4	1
Arsenic, Total	206.2	2
Nickel, Total Recoverable	249.2	3
Cadmium, Total Recoverable	213.2	0.2
Silver, Total Recoverable	272.2	0.2
Mercury, Total	245.1	0.2
Cyanide, Free	Refer to Section C.22	

16. The Director is required to include effluent limitations in WV/NPDES Water Pollution Control Permits for all priority pollutants that are present in amounts that could potentially cause violation of Water Quality Standards. At the time of issuance of the previous Permit, the Director prescribed effluent discharge limitations for certain pollutants, and the permittee has been performing analytical analyses in an effort to determine if the pollutants are present in the effluent in amounts that would jeopardize Water Quality Standards.

    A phased approach has been utilized, and further implementation, is to be persued herein. The first phase involved the collection of effluent data to determine if pollution were potentially present in the effluent in amounts exceeding Water Qualtity Standards. The Director performed a reasonable potential assessment, based upon the effluent data collected and generated by the permittee, and in accordance with the statistical procedures of the Environmental Protection Agency's Technical Support Document for Water Quality-based Toxics Control. The specifics relative to the effluent monitoring, and the reasonable potential assessment are contained in Section C.16.a. below. If the effluent potentially contains priority pollutants in amounts above Water Quality Standards, then the Director must institute the appropriate enforcement action, in order to attain compliance.

    Great Cacapon WWTP:

    a. The reasonable potential assessment is indicative that copper, lead, and zinc could be present in Outlet No.002 in amounts exceeding applicable Water Quality Standards at the point of discharge. The permittee is, hereby, authorized to proceed to the next phase of data generation for the receiving stream in order to potentially request a ZID and/or mixing zone.

        1. The permittee shall continue to monitor the effluent discharge of Outlet No.002 for Total Recoverable Copper, Total Recoverable Lead, and Total Recoverable Zinc.

Section C - Other Requirements

16. a. 2. Unless otherwise specified herein, sample collection, preservation, and analysis shall be conducted in accordance with the procedures of 40 CFR Part 136. The permittee shall assure that the test procedure being utilized has an appropriate method detection level (MDL) for the parameters. Analyses shall be conducted using the most sensitive methods and detection levels commercially availalbe, and economically feasible. Analytical test results obtained that are less than the MDL, shall, at this time, be reported as less than the MDL, on the Discharge Monitoring Reports. The following methods and detection levels are offered as a guide.

Parameter	EPA Method No.	Detection Level (ug/l)
Copper, Total Recoverable	220.2	1
Lead, Total Recoverable	239.2	1
Zinc, Total Recoverable	289.2	1

3. The analytical test procedures, set forth in 40 CFR Part 136, prescribe colorimetric methods for certain parameters. The digestion process for the perfomance of toal recoverable is not sufficient for the utilization of a colorimetric procedure. Therefore, colorimetric procedures shall not be acceptable for the anaysis of parameters prescribed as total recoverable.

4. The Director will consider reduction of the self-monitoring measurement frequency and/or establishment of effluent monitoring only requirements. If the permittee desires a reduction of the self-monitoring measurement frequency and/or establishment of effluent monitoring only requirements, the permittee must request such by filing a Permit Modification Application.

b. The permittee is authorized to pursue a mixing zone and/or Zone of Initial Dilution (ZID) for the purpose of determining the appropriate effluent limitations for the following parameters: toal Recoverable Copper, Total Recoverable Lead, and Total Recoverable Zinc. If the permittee desires a mixing zone and/or a ZID to be granted by the Director, then the information detailed below must be generated, and a Permit Modification Application submitted to the Director on, or before, 18 months from the issuance date of the permit (January 23, 2003).

If the permittee opts not to provide the information below, the water quality point of discharge limitations for Copper, Lead, and Zinc found in Section A.002 Final Limitations, will become effective twenty-four (24) months from the permit issuance date.

If the permittee submits a complete modification application by the date specified, and the Director fails to process the application prior to the effective date of the final effluent discharge limitations for the toxic pollutants prescribed in Section A.002, then such final limitations shall not become effective until the Director takes final action.

The permittee shall monitor the receiving stream, upstream of Outlet No.002 (Cacapon River), for the purpose of generating data relative to the background concentrations of pollutants in the receiving stream. Such monitoring shall be conducted in accordance with the following conditions:

1. The receiving stream shall be monitored for each pollutant that has a reasonable potential to violate Water Quality Standards at the end of pipe. Where applicable, the "total recoverable" form of copper, lead, and zinc. Receiving stream hardness shall alos be monitored, since Water Quality Standards for certain metal pollutants are hardness-based.

2. The sampling location shall be upstream and outside the influence of Outlet No.002 Samples shall be collected at approximately one tird the width of the receiving stream from the bank. Samples shall be collected at approximately mid-depth. The precise latitude and longtitude of the sampling location shall be recorded. If practicable, the sampling location shall be identified through the use of the Global Positioning System.

2. 3. Grab samples shall be obtained.

4. Unless otherwise specified herein, sample collection, preservation and analysis shall be conducted in accordance with the procedures of 40 CFR Part 136. Analyses shall be conducted using the most sensitive approved methods and detection levels commercially available and economically feasible. Refer to guidance prescribed in Section C.16.a.2. above.

Section C - Other Requirements

16. 2. 5. Sampling frequency shall be twice per month (2/month) during calendar months of July through October, inclusive, and once per two (2) months during the period November through June. Monitoring shall be representative of an entire caaaalendar year, and a minimum of 12 samples shall be obtained.

6. The receiving stream discharges, on monitoring dates, should be obtained from utilizing a USGS Gauging Station, if possible, and practicable. An instantaneous gauge height at a station should be obtained immediately before sample collection, converted to discharge, and recorded. The permittee shall make a reasonable effort to perform background monitoring on days the receiving stream discharge is at, or below normal, for the period. Monitoring should not be performed in the 72-hour period following a significant precipitation event, nor at any time, a plant bypass may be active.

c. The permittee shall provide the following information relative to physical characteristics of the receiving stream in proximity Outlet No. 002.
In lieu of the following Phase 2 data collection, the permittee may choose to accept default dilutions for establishing mixing zones.

1. The receiving stream width at low flow conditions.
2. The average depth across the receiving stream at low flow conditions.
3. The receiving stream depth at low flow conditions.
4. The slope of the bottom of the receiving stream channel. The required slope is in the direction perpendicular to the downstream bank.
5. Cross-sectional profiles of the receiving stream at low flow conditions, at two downstream locations. Said profiles should be provided at Outlet No. 002 and at a downstream distance of approximately two (2) stream widths.
6. A description of channel uniformity downstream of Outlet No. 002 (i.e. straight and uniform, moderately winding and nonuniform, strongly winding and irregular.)
7. A description of the roughness characteristics of the receiving streams including the type of substrate, the magnitude of aquatic vegetation, and the degree of channel winding. The permittee may propose a Manning's (n) or Darcy-Weisbach (f) based on the characteristics, or defer to the Office's judgment in that regard.
8. The permittee should attempt to use a USGS Gauging Station, if possible and practicable, to determine the appropriate time for collection of the information requested by this Section.

d. The permittee shall provide the following information relative to the physical characteristics of Outlet No. 002 and its discharge. In lieu of the following Phase 2 data collection, the permittee may choose to accept default dilutions for establishing a mixing zone.

1. The bank closest to the outlet (left or right to an observer facing downstream.)
2. The dimensions of the outlet structure. If the outlet structure is a round pipe, the pipe diameter should be provided. If the outlet structure is a rectangular channel, the width and depth should be provided. In addition, the permittee shall provide information concerning the depth of flow within the pipe/discharge structure at peak, average, and low flows
3. The velocity of the discharge at peak, average and low effluent flow rates.
4. The location of the outlet in relation to the receiving stream during low flow conditions. Provide the configuration of the outlet (i.e. flush with bank, protruding, coflowing). If the structure protrudes into the receiving stream, provide the distance from the bank. If the outlet is submerged, provide the height of the outlet centerline above the stream bottom. Also, provide the vertical angle of the discharge channel centerline with respect to the downstream bank and the horizontal angle of the discharge channel centerline from the stream surface.

17. The permittee shall submit each month according to the enclosed format, a Discharge Monitoring Report (DMR) indicating in terms of concentration and/or quantities the values of the constituents listed in Section A analytically determined to be in the plant effluent(s). Additional information pertaining to effluent monitoring and reporting can be found in Section III of Appendix A.

Section C - Other Requirements

18. The required DMRs should be received no later than 20 days following the end of the reporting period and be addressed to:

Director	U. S. Environmental Protection Agency
Division of Water and Waste Management	Region III, Water Protection Division
Permitting and Engineering Branch	NPDES Branch (3WP31)
601 57th Street SE	1650 Arch Street
Charleston, West Virginia 25304	Philadelphia, PA 19103

19. Certain characteristics of sewage, industrial wastes, and other wastes cause pollution and are objectionable in all waters of the State. The Environmental Quality Board has proclaimed that there are certain general conditions that are not to be allowed in any of the waters of the State. Therefore, the effluent discharge from the permittee's treatment facility shall not cause violation of any of the following conditions not allowed in State waters as stated below (pursuant to Chapter 22B, Article 3):
    a. Distinctly visible floating or setteable solids, suspended solids, scum, foam, or oily slicks;
    b. Deposits or sludge banks on the bottom;
    c. Odors in the vicinity of the waters;
    d. Taste or odor that would adversely affect the designated uses of the affected waters;
    e. Materials in concentrations which are harmful, hazardous or toxic to man, animal, or aquatic life;
    f. Distinctly visible color;
    g. Concentrations of bacteria which may impair or interfere with the designated uses of the affected waters;
    h. Requiring an unreasonable degree of treatment for the production of potable water by modern water treatment processes as commonly employed; and
    i. Any other condition, including radiological exposure, which adversely alters the integrity of the waters of the State including wetlands; no significant adverse impact to the chemical, physical, hydrologic, or biological components of aquatic ecosystems shall be allowed.
20. Because the permittee is using ultraviolet light as their disinfection method, no Total Residual Chlorine (TRC) effluent limitation shall currently be imposed. Should the permittee in the future decide to use chlorine as a disinfection method, a TRC effluent limitation shall be promulgated and imposed. (This applies to Berkeley Springs only.)
21. The Division has started to analyze the impacts of nutrients upon water quality and whether there is a need to establish nutrient water quality standards. Therefore, the Division shall impose effluent sampling for Total Nitrogen and Total Phosphorus in order to assist in this analysis. The Division recognizes there is not an EPA approved method to directly test for Total Nitrogen. The Total Nitrogen value to be reported on the permittee's Discharge Monitoring Reports (DMRs) shall be the sum of the following parameters; Total Kjeldahl Nitrogen, Nitrate and Nitrite.
22. For the measurement of Free Cyanide, the permittee shall use the standard method for weak acid dissociable cyanide, as specified in the latest edition of Standard Methods. (This applies to Berkely Springs only.)
23. For any noncompliance reports required to be submitted in writing by Appendix A, Part IV, of this Permit, a copy shall also be forwarded to the Environmental Protection Agency at the location specified in Section C.18.
24. The permittee shall perform acute whole effluent toxicity testing at Outlet No.003 in accordance with the following.
    a. The acute toxicity testing shall be performed on a quarterly basis beginning on the starting date of the expansion, and ending on the expiration date of the Permit.
    b. The tests shall be a seven (7) day Pimephales Promelas, fathead minnow, larval survival and growth test, and a three (3) brood Ceriodaphnia survival and reproduction test.
    c. The monitoring required, herein, shall be conducted in accordance with the sample collection, preservation, and analytical procedures specified in 40 CFR Part 136.
    d. 8-hour composite samples of the effluent shall be utilized for testing.
    e. Tests results shall be reported on the attached Discharge Monitoring Reports and copies of all test results provided as an attachment, thereto.

Section C - Other Requirements

24. e. 1) In addition to the data reporting requirements of 40 CFR Part 136, the exact age of the test organisms at the initiation of the test shall be reported. Values of less than, or equal to, 24 hours are acceptable for Pimephales Promelas, fathead minnow. The age of the Ceriodaphnia must be reported as a range in hours. Values reported as less than 24 hours and from an eight (8) hour window are not acceptable.

2) The acute toxicity units, TUa, required to be reported, are calculated by dividing 100 by the no observed effect concentration. The permittee shall utilize the no observed effect concentration data results for growth, for the Pimephales Promelas, fathead minnow, and for reproduction for the Ceriodaphnia, when calculating the chronic toxicity units to be reported.

f. If whole effluent toxicity testing shows noncompliance with the specified limitations prescribed in Section A.003, the permittee shall immediately resample and test the effluent. This shall be performed within 30 days of the initial demonstration of noncompliance with the whole effluent toxicity discharge limitations prescribed herein. Copies of the retesting results shall be provided to the Director immediately upon completion of the test.

g. If the second test shows compliance, whole effluent toxicity testing shall continue in accordance with the requirements, as prescribed herein. However, if the second test shows noncompliance, the Director shall impose further requirements, as may be necessary, in order to obtain compliance with the whole effluent toxicity discharge limitations.

h. The Director shall impose further requirements should the whole effluent toxicity testing results demonstrate an irregular pattern of noncompliance.

i. The permittee will be afforded an opportunity to request the following reductions in the chronic whole effluent toxicity testing program. However, consideration shall only be given to such requests after four (4) consecutive tests have demonstrated compliance with the whole effluent toxicity discharge limitations.

1) Reduction in the monitoring frequency of the testing.

2) Limiting the testing to the more sensitive test species, if such a sensitivity determination can be made.

25. Any "not detected (ND)" results by the permittee must be "ND" at the method detection limit (MDL) for the test method used for that parameter and must be reported as less than the MDL used. The permittee may not report the result as zero, "ND", or report the result as less than a minumum level (ML), reporting limit (RL), or practical quantitation limit (PQL).

When averaging values of analytical results for DMR reporting purposes for monthly averages, the permittee should use actual analytical results when these results are greater than or equal to the MDL and should use zero (0) when these results are less than the MDL. If all analytical results are non-detect at the MDL (<MDL), then the permittee should use the actual MDL in the calculation for averaging and report the result as less than the average calculation.

26. Sludge requirements will change to sample and report on a quarterly basis at the start-up of the expansion. All parameters will remain the same.

27. The permittee has thirty (30) days from the start-up of the new facilities to be in compliance with the limits for Outlet No. 003.

28. The permittee shall inform this agency in writing of the startup of operation of the expanded plant. At that time references to Outlet 001 will become null and those associated with Outlet 003 will become active.

WRD 2A-82

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

Final Limitations
Year Round

FACILITY NAME: (WARM SPRINGS PSD) WARM SPRINGS PSD
LOCATION OF FACILITY: BERKELEY SPRINGS; Morgan County
PERMIT NO.: WV0027707 OUTLET NO.: 002
WASTELOAD FOR THE MONTH OF: _____

CERTIFIED LABORATORY NAME: _____
CERTIFIED LABORATORY ADDRESS: _____
INDIVIDUAL PERFORMING ANALYSIS: _____

Parameter		Quantity		Units	N.E.	Other Units			CEL*	Units	N.E.	Measurement Frequency	Sample Type
50050 (ML-1) RF-A Flow,in Conduit or thru plant Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mgd		Continuous	measured
00310 (ML-B) RF-A BOD, 5-Day 20 Deg.C Year Round	Reported												
	Permit Limits	15 Avg. Monthly	30 Max. Daily	Lbs/Day		N/A	30 Avg. Monthly	60 Max. Daily	N/A	mg/l		1/month	8 hr comp
00530 (ML-A) RF-A Total Suspended Solids Year Round	Reported												
	Permit Limits	15 Avg. Monthly	30 Max. Daily	Lbs/Day		N/A	30 Avg. Monthly	60 Max. Daily	N/A	mg/l		1/month	8 hr comp
00610 (ML-A) RF-A Ammonia Nitrogen Year Round	Reported												
	Permit Limits	7.5 Avg. Monthly	15 Max. Daily	Lbs/Day		N/A	15 Avg. Monthly	30 Max. Daily	N/A	mg/l		1/month	8 hr comp
74055 (ML-A) RF-A Coliform, Fecal Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	200 Avg. Monthly	400 Max. Daily	N/A	Cnts/100m		1/month	Grab
00400 (ML-A) RF-A pH Year Round	Reported												
	Permit Limits	N/A	N/A			6 Inst. Min.	N/A	9 Inst. Max.	N/A	S.U.		1/month	Grab
50060 (ML-A) RF-A Chlorine, Total Residual Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	28 Avg. Monthly	57 Max. Daily	N/A	ug/l		1/month	Grab
01094 (ML-A) RF-B Zinc, Total Recoverable Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	90.6 Avg. Monthly	117 Max. Daily	N/A	ug/l		1/quarter	8 hr comp

* CEL = Compliance Evaluation Level

Name of Principal Executive Officer	I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of a fine and imprisonment for knowing violations.	Date Completed
Title of Officer		Signature of Principal Executive Officer or Authorized Agent

WRD 2A-82

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

Final Limitations
Year Round

FACILITY NAME: (WARM SPRINGS PSD) WARM SPRINGS PSD
LOCATION OF FACILITY: BERKELEY SPRINGS; Morgan County
PERMIT NO.: WV0027707 OUTLET NO.: 002
WASTELOAD FOR THE MONTH OF:

CERTIFIED LABORATORY NAME:
CERTIFIED LABORATORY ADDRESS:
INDIVIDUAL PERFORMING ANALYSIS:

Parameter		Quantity				Other Units						Measurement Frequency	Sample Type
				Units	N.E.				CEL*	Units	N.E.		
01114 (ML-A) RF-B Lead, Total Recoverable Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	1.8 Avg. Monthly	5.5 Max. Daily	N/A	ug/l		1/quarter	8 hr comp
01119 (ML-A) RF-B Copper, Total Recoverable Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	7.9 Avg. Monthly	17.7 Max. Daily	N/A	ug/l		1/quarter	8 hr comp
00665 (ML-A) RF-B Phosphorus, Total Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
81010 (ML-K) RF-A BOD, % Removal Year Round	Reported												
	Permit Limits	N/A	N/A			85 Month. Avg. Min.	N/A	N/A	N/A	Percent		1/month	Calculated
81011 (ML-K) RF-A Suspended Solids, % Removal Year Round	Reported												
	Permit Limits	N/A	N/A			85 Month. Avg. Min.	N/A	N/A	N/A	Percent		1/month	Calculated
00600 (ML-A) RF-B Nitrogen, Total (AS N) Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
									N/A				
									N/A				

* CEL = Compliance Evaluation Level

Name of Principal Executive Officer	I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of a fine and imprisonment for knowing violations.	Date Completed
Title of Officer		Signature of Principal Executive Officer or Authorized Agent

WRD 2A-82

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

Final Limitations
Year Round

FACILITY NAME: (WARM SPRINGS PSD) WARM SPRINGS PSD
LOCATION OF FACILITY: BERKELEY SPRINGS; Morgan County
PERMIT NO.: WV0027707 OUTLET NO.: 003
WASTELOAD FOR THE MONTH OF:

CERTIFIED LABORATORY NAME:
CERTIFIED LABORATORY ADDRESS:
INDIVIDUAL PERFORMING ANALYSIS:

Parameter		Quantity		Units	N.E.	Other Units			CEL*	Units	N.E.	Measurement Frequency	Sample Type
50050 (ML-1) RF-A Flow,in Conduit or thru plant Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mgd		Continuous	measured
00310 (ML-B) RF-A BOD, 5-Day 20 Deg.C Year Round	Reported												
	Permit Limits	181.5 Avg. Monthly	363 Max. Daily	Lbs/Day		N/A	12.5 Avg. Monthly	25 Max. Daily	N/A	mg/l		1/week	8 hr comp
00530 (ML-A) RF-A Total Suspended Solids Year Round	Reported												
	Permit Limits	435 Avg. Monthly	870 Max. Daily	Lbs/Day		N/A	30 Avg. Monthly	60 Max. Daily	N/A	mg/l		1/week	8 hr comp
00610 (ML-A) RF-A Ammonia Nitrogen Year Round	Reported												
	Permit Limits	72.6 Avg. Monthly	144.6 Max. Daily	Lbs/Day		N/A	4.98 Avg. Monthly	9.99 Max. Daily	N/A	mg/l		1/week	8 hr comp
74055 (ML-A) RF-A Coliform, Fecal Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	200 Mo. Geo. Mean	400 Max. Daily	N/A	Cnts/100m		1/week	Grab
00400 (ML-A) RF-A pH Year Round	Reported												
	Permit Limits	N/A	N/A			6 Inst. Min.	N/A	9 Inst. Max.	N/A	S.U.		1/week	Grab
00300 (ML-A) RF-A Dissolved Oxygen Year Round	Reported												
	Permit Limits	N/A	N/A			6 Inst. Min.	N/A	N/A	N/A	mg/l		1/week	Grab
01002 (ML-A) RF-A Arsenic, Total (As AS) Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/month	8 hr comp

* CEL = Compliance Evaluation Level

Name of Principal Executive Officer	I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of a fine and imprisonment for knowing violations.	Date Completed
Title of Officer		Signature of Principal Executive Officer or Authorized Agent

WRD 2A-82

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

Final Limitations
Year Round

FACILITY NAME: (WARM SPRINGS PSD) WARM SPRINGS PSD
LOCATION OF FACILITY: BERKELEY SPRINGS; Morgan County
PERMIT NO.: WV0027707 OUTLET NO.: 003
WASTELOAD FOR THE MONTH OF:

CERTIFIED LABORATORY NAME:
CERTIFIED LABORATORY ADDRESS:
INDIVIDUAL PERFORMING ANALYSIS:

Parameter		Quantity				Other Units						Measurement Frequency	Sample Type
				Units	N.E.				CEL*	Units	N.E.		
61425 (ML-A) RF-B	Reported												
Toxicity, Acute Daphnia	Permit Limits	N/A	N/A			N/A	1 Avg. Monthly	N/A	N/A	TUa		1/quarter	8 hr comp
Year Round													
61427 (ML-A) RF-B	Reported												
Toxicity, Acute Pimephales	Permit Limits	N/A	N/A			N/A	1 Avg. Monthly	N/A	N/A	TUa		1/quarter	8 hr comp
Year Round													
01094 (ML-A) RF-A	Reported												
Zinc, Total Recoverable	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/month	8 hr comp
Year Round													
01114 (ML-A) RF-A	Reported												
Lead, Total Recoverable	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/month	8 hr comp
Year Round													
01119 (ML-A) RF-A	Reported												
Copper, Total Recoverable	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/month	8 hr comp
Year Round													
00718 (ML-A) RF-A	Reported												
Cyanide, Weak Acid Dissociable	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/month	8 hr comp
Year Round													
01079 (ML-A) RF-A	Reported												
Silver, Total Recoverable	Permit Limits	N/A	N/A			N/A	Rpt Only Monthly Geo.	Rpt Only Max. Daily	N/A	mg/l		1/month	8 hr comp
Year Round													
71900 (ML-A) RF-A	Reported												
Mercury, Total (As Hg)	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/month	8 hr comp
Year Round													

* CEL = Compliance Evaluation Level

Name of Principal Executive Officer	I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of a fine and imprisonment for knowing violations.	Date Completed
Title of Officer		Signature of Principal Executive Officer or Authorized Agent

WRD 2A-82

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

Final Limitations
Year Round

FACILITY NAME: (WARM SPRINGS PSD) WARM SPRINGS PSD
LOCATION OF FACILITY: BERKELEY SPRINGS; Morgan County
PERMIT NO.: WV0027707 OUTLET NO.: 003
WASTELOAD FOR THE MONTH OF:

CERTIFIED LABORATORY NAME:
CERTIFIED LABORATORY ADDRESS:
INDIVIDUAL PERFORMING ANALYSIS:

Parameter		Quantity				Other Units						Measurement Frequency	Sample Type
				Units	N.E.				CEL*	Units	N.E.		
00980 (ML-A) RF-A Iron Total Recoverable Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/month	8 hr comp
01074 (ML-A) RF-A Nickel, Total Recoverable Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/month	8 hr comp
00665 (ML-A) RF-B Phosphorus, Total Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
81010 (ML-K) RF-A BOD, % Removal Year Round	Reported												
	Permit Limits	N/A	N/A			85 Month. Avg. Min.	N/A	N/A	N/A	Percent		1/month	Calculated
81011 (ML-K) RF-A Suspended Solids, % Removal Year Round	Reported												
	Permit Limits	N/A	N/A			85 Month. Avg. Min.	N/A	N/A	N/A	Percent		1/month	Calculated
01032 (ML-A) RF-A Chromium, Hexavalent Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/month	8 hr comp
00600 (ML-A) RF-B Nitrogen, Total (AS N) Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	N/A	mg/l		1/quarter	8 hr comp
									N/A				

* CEL = Compliance Evaluation Level

Name of Principal Executive Officer	I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of a fine and imprisonment for knowing violations.	Date Completed
Title of Officer		Signature of Principal Executive Officer or Authorized Agent

WRD 2A-82

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
SEWAGE SLUDGE MONITORING REPORT

Final Limitations
Year Round

FACILITY NAME: (WARM SPRINGS PSD) WARM SPRINGS PSD
LOCATION OF FACILITY: BERKELEY SPRINGS; Morgan County
PERMIT NO.: WV0027707 OUTLET NO.: S02
RESULTS FOR THE MONTH OF:

CERTIFIED LABORATORY NAME:
CERTIFIED LABORATORY ADDRESS:
INDIVIDUAL PERFORMING ANALYSIS:

Parameter		Quantity				Other Units						Measurement Frequency	Sample Type
				Units	N.E.				CEL*	Units	N.E.		
00400 (ML-+) RF-B pH Year Round	Reported												
	Permit Limits	N/A	N/A			Rpt Only Min.	N/A	Rpt Only Max.	N/A	S.U.		1/quarter	Grab
61521 (ML-+) RF-B Arsenic, Sludge Tot. Dry Wt. Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	Rpt Only Max.	N/A	mg/kg		1/quarter	1/wk Comp
78476 (ML-+) RF-B Cadmium,Sludge,Tot Dry Wt. Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	Rpt Only Max.	N/A	mg/kg		1/quarter	1/wk Comp
78473 (ML-+) RF-B Chromium, Dry Wt. Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	Rpt Only Max.	N/A	mg/kg		1/quarter	1/wk Comp
78475 (ML-+) RF-B Copper,Sludge,Tot,Dry Wt. Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	Rpt Only Max.	N/A	mg/kg		1/quarter	1/wk Comp
78468 (ML-+) RF-B Lead, Dry. Wt. Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	Rpt Only Max.	N/A	mg/kg		1/quarter	1/wk Comp
78471 (ML-+) RF-B Mercury, Dry Wt. Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	Rpt Only Max.	N/A	mg/kg		1/quarter	1/wk Comp
78465 (ML-+) RF-B Molybdenum,Dry Wt. Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	Rpt Only Max.	N/A	mg/kg		1/quarter	1/wk Comp

* CEL = Compliance Evaluation Level

Name of Principal Executive Officer	I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of a fine and imprisonment for knowing violations.	Date Completed
Title of Officer		Signature of Principal Executive Officer or Authorized Agent

WRD 2A-82

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
SEWAGE SLUDGE MONITORING REPORT

Final Limitations
Year Round

FACILITY NAME: (WARM SPRINGS PSD) WARM SPRINGS PSD
LOCATION OF FACILITY: BERKELEY SPRINGS; Morgan County
PERMIT NO.: WV0027707 OUTLET NO.: S02
RESULTS FOR THE MONTH OF:

CERTIFIED LABORATORY NAME:
CERTIFIED LABORATORY ADDRESS:
INDIVIDUAL PERFORMING ANALYSIS:

Parameter		Quantity				Other Units						Measurement Frequency	Sample Type
				Units	N.E.				CEL*	Units	N.E.		
78469 (ML-+) RF-B Nickel, Dry Wt. Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	Rpt Only Max.	N/A	mg/kg		1/quarter	1/wk Comp
49031 (ML-+) RF-B Selenium,Sludge,Tot. Dry Wt. Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	Rpt Only Max.	N/A	mg/kg		1/quarter	1/wk Comp
78467 (ML-+) RF-B Zinc, Dry Wt. Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	Rpt Only Max.	N/A	mg/kg		1/quarter	1/wk Comp
00916 (ML-+) RF-B Calcium, Total (as Ca) Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	Rpt Only Max.	N/A	mg/kg		1/quarter	1/wk Comp
61553 (ML-+) RF-B Solids, Total Sludge Percent Year Round	Reported												
	Permit Limits	N/A	N/A			Rpt Only Min.	Rpt Only Avg.	Rpt Only Max.	N/A	Percent		1/quarter	1/wk Comp
78472 (ML-+) RF-B Potassium, Sludge Tot. Dry Wt. Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	Rpt Only Max.	N/A	mg/kg		1/quarter	1/wk Comp
78478 (ML-+) RF-B Phosphorus,Sludge,Tot,Dry Wt. Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	Rpt Only Max.	N/A	mg/kg		1/quarter	1/wk Comp
82294 (ML-+) RF-B Nitrogen, Ammonia Tot. Dry Wt. Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	Rpt Only Max.	N/A	mg/kg		1/quarter	1/wk Comp

* CEL = Compliance Evaluation Level

Name of Principal Executive Officer

Title of Officer

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Date Completed

Signature of Principal Executive Officer or Authorized Agent

WRD 2A-82

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
SEWAGE SLUDGE MONITORING REPORT

Final Limitations
Year Round

FACILITY NAME: (WARM SPRINGS PSD) WARM SPRINGS PSD
LOCATION OF FACILITY: BERKELEY SPRINGS; Morgan County
PERMIT NO.: WV0027707 OUTLET NO.: S02
RESULTS FOR THE MONTH OF:

CERTIFIED LABORATORY NAME:
CERTIFIED LABORATORY ADDRESS:
INDIVIDUAL PERFORMING ANALYSIS:

Parameter		Quantity				Other Units						Measurement Frequency	Sample Type
				Units	N.E.				CEL*	Units	N.E.		
78470 (ML-+) RF-B Nitrogen, Sludge Tot. Dry Wt Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	Rpt Only Max.	N/A	mg/kg		1/quarter	1/wk Comp
51020 (ML-+) RF-B Organic Nitrogen Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	Rpt Only Max.	N/A	mg/kg		1/quarter	1/wk Comp
00927 (ML-+) RF-B Magnesium,Tot (as Mg) Year Round	Reported												
	Permit Limits	N/A	N/A			N/A	N/A	Rpt Only Max.	N/A	mg/kg		1/quarter	1/wk Comp
									N/A				
									N/A				
									N/A				
									N/A				
									N/A				

* CEL = Compliance Evaluation Level

Name of Principal Executive Officer

Title of Officer

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of a fine and imprisonment for knowing violations.

Date Completed

Signature of Principal Executive Officer or Authorized Agent

IC-2
(7/30/01)

GRANT AGREEMENT

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council") and the WARM SPRINGS PUBLIC SERVICE DISTRICT (the "Governmental Agency").

RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed $2,450,000 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit A attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

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

TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

4. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit A.

4. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit A.

5. The Governmental Agency shall comply with and is bound by the Council's rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.

6. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

7. The Governmental Agency shall list the Grant provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

8. This Grant Agreement shall be governed by the laws of the State of West Virginia.

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

WARM SPRINGS PUBLIC SERVICE DISTRICT

By: Andrew Jenrick
Its: Chairman
Date: February 15, 2007

(SEAL)

Attest:
Isaac T Bohrer
Its: Secretary

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: Jennifer B. Wentworth
Its: Director
Date: February 15, 2007

(SEAL)

Attest:
Barbara B Meadows
Its: Secretary-Treasurer

Exhibit A

Project Description

The Project consists of acquiring and constructing certain improvements and extensions to the existing public sewer facilities, consisting of an upgrade of the wastewater treatment plant and an extension to serve approximately 225 new customers in Berkeley Springs, Morgan County, together with all appurtenant facilities.

WARSP6

ACORD™ EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YY) 11/29/06

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

PRODUCER PHONE (A/C, No, Ext): 304 258-1720
Smith-Nadenbousch Ins./BS
28 N Washington Street, Ste A
P O Box 538
Berkeley Springs, WV 25411

CODE: SUB CODE:
AGENCY CUSTOMER ID #: 19239

INSURED
Warm Springs Public Service District
P.O. Box 456
Berkeley Springs, WV 25411

COMPANY
State Auto Insurance Company
P O Box 182822
Columbus, OH 43218-2822

LOAN NUMBER:
POLICY NUMBER: SPP8074265

EFFECTIVE DATE: 09/11/06
EXPIRATION DATE: 09/11/07
☐ CONTINUED UNTIL TERMINATED IF CHECKED

THIS REPLACES PRIOR EVIDENCE DATED:

PROPERTY INFORMATION

LOCATION/DESCRIPTION
E/S of US Rt. 522, 1/2 mile North of
Berkeley Springs, WV 25411
Office & Lab

COVERAGE INFORMATION

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Commercial Property Location Specific Coverages		
Location #: 1 E/S of US Rt. 522, 1/2 mile North of Berkeley Springs, WV 25411		
Building #: 1 Office & Lab		
Coverage: Building	113,568	$ 250
Cause: Special (Including Theft)		
Coverage: Personal Property	42,000	$ 250
Cause: Special (Including Theft)		

REMARKS (Including Special Conditions)

CANCELLATION

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW 10 DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

ADDITIONAL INTEREST

NAME AND ADDRESS
West Virginia Water Development
Authority
180 Association Dr.
Charleston, WV 25311-1571

☐ MORTGAGEE ☐ LOSS PAYEE ☒ ADDITIONAL INSURED

LOAN #

AUTHORIZED REPRESENTATIVE

JXM © ACORD CORPORATION 1993

COVERAGE INFORMATION (Continued from page 1.)

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Building #: 2 Sewage lift pump #1 Coverage: Building Cause: Special (Including Theft)	16,224	$ 250
Building #: 3 Garage Coverage: Building Cause: Special (Including Theft)	56,784	$ 250
Coverage: Personal Property Cause: Special (Including Theft)	5,000	$ 250
Building #: 4 Airation Basin Coverage: Building Cause: Special (Including Theft)	10,816	$ 250
Building #: 5 Clarifier #1 Coverage: Building Cause: Special (Including Theft)	5,408	$ 250
Building #: 6 Clarifier #2 Coverage: Building Cause: Special (Including Theft)	5,408	$ 250
Building #: 7 Sewage lift pump #2 Coverage: Building Cause: Special (Including Theft)	10,816	$ 250
Building #: 8 Sewage lift pump #3 Coverage: Building Cause: Special (Including Theft)	10,816	$ 250
Building #: 9 Polymer bldg. w/pumps & equipment Coverage: Building & Personal Prop Cause: Special (Including Theft)	32,448	$ 250
Building #: 10 Flow meter Coverage: Building Cause: Special (Including Theft)	2,163	$ 250
Building #: 11 Metal fence Coverage: Building Cause: Special (Including Theft)	2,163	$ 250
Fences & Arbors Location #: 2 Jimstown Rd. Berkeley Springs, WV 25411	20,000	$ 250
Building #: 1 Sewage lift pump with fence Coverage: Building Cause: Special (Including Theft) Location #: 3 Howard Ave. Berkeley Springs, WV 25411	27,040	$ 250
Building #: 1 Sewage lift pump with fence Coverage: Building Cause: Special (Including Theft)	27,040	$ 250

WARSP6

ACORD EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YY) 11/30/06

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

PRODUCER
Smith-Nadenbousch Ins./ES
28 N Washington Street, Ste A
P O Box 538
Berkeley Springs, WV 25411

PHONE (A/C, No, Ext): 304 258-1720

CODE: SUB CODE:
AGENCY CUSTOMER ID #: 19239

INSURED
Warm Springs Public Service District
P.O. Box 456
Berkeley Springs, WV 25411

COMPANY
State Auto Insurance Company
P O Box 182822
Columbus, OH 43218-2822

LOAN NUMBER:
POLICY NUMBER: SPP8074265

EFFECTIVE DATE: 09/11/06
EXPIRATION DATE: 09/11/07
CONTINUED UNTIL TERMINATED IF CHECKED

THIS REPLACES PRIOR EVIDENCE DATED:

PROPERTY INFORMATION

LOCATION/DESCRIPTION

Location #: 1 E/S of US Rt. 522, 1/2 mile North of Berkeley Springs, WV 25411
Location #: 2 Jimstown Rd. Berkeley Springs, WV 25411
Location #: 3 Howard Ave. Berkeley Springs, WV 25411

COVERAGE INFORMATION

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Commercial Property Location Specific Coverages		
Location #: 1 E/S of US Rt. 522, 1/2 mile North of Berkeley Springs, WV 25411		
Building #: 1 Office & Lab Coverage: Building Cause: Special (Including Theft)	113,568	$ 250
Coverage: Personal Property Cause: Special (Including Theft)	42,000	$ 250
(See Attached Coverage Info.)		

REMARKS (Including Special Conditions)

Board Members as of 3/9/94:

Robert Hawvermale, Chm. Advisory Committee
Rodney Hovermale, Manager

CANCELLATION

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW _____ DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

ADDITIONAL INTEREST

NAME AND ADDRESS
USDA Rural Development
Randal Center Building 1200
Harrison Avenue, Suite 150
Elkins, WV 26241

[X] MORTGAGEE [ ] ADDITIONAL INSURED
[ ] LOSS PAYEE

LOAN #

AUTHORIZED REPRESENTATIVE

JKM

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COVERAGE INFORMATION (Continued from page 1.)

COVERAGE/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Building #: 2 Sewage lift pump #1		
Coverage: Building	16,224	$ 250
Cause: Special (Including Theft)		
Building #: 3 Garage		
Coverage: Building	56,784	$ 250
Cause: Special (Including Theft)		
Coverage: Personal Property	5,000	$ 250
Cause: Special (Including Theft)		
Building #: 4 Airation Basin		
Coverage: Building	10,816	$ 250
Cause: Special (Including Theft)		
Building #: 5 Clarifier #1		
Coverage: Building	5,408	$ 250
Cause: Special (Including Theft)		
Building #: 6 Clarifier #2		
Coverage: Building	5,408	$ 250
Cause: Special (Including Theft)		
Building #: 7 Sewage lift pump #2		
Coverage: Building	10,816	$ 250
Cause: Special (Including Theft)		
Building #: 8 Sewage lift pump #3		
Coverage: Building	10,816	$ 250
Cause: Special (Including Theft)		
Building #: 9 Polymer bldg. w/pumps & equipment		
Coverage: Building & Personal Prop	32,448	$ 250
Cause: Special (Including Theft)		
Building #: 10 Flow meter		
Coverage: Building	2,163	$ 250
Cause: Special (Including Theft)		
Building #: 11 Metal fence		
Coverage: Building	2,163	$ 250
Cause: Special (Including Theft)		
Fences & Arbors	20,000	$ 250
Location #: 2 Jimstown Rd. Berkeley Springs, WV 25411		
Building #: 1 Sewage lift pump with fence		
Coverage: Building	27,040	$ 250
Cause: Special (Including Theft)		
Location #: 3 Howard Ave. Berkeley Springs, WV 25411		
Building #: 1 Sewage lift pump with fence		
Coverage: Building	27,040	$ 250
Cause: Special (Including Theft)		

DIRECT BILL INSURED FULL PAY 47 R 00 10 *
CB00032093

STATE AUTO®
Insurance Companies

STATE AUTOMOBILE MUTUAL INSURANCE COMPANY

COMMERCIAL GENERAL LIABILITY POLICY DECLARATIONS

POLICY NUMBER SPP 8074265 17

RENEWAL

NAMED INSURED: WARM SPRINGS PUBLIC

AUDIT FREQUENCY: ANNUAL THE INSURED IS: OTHER

LIMITS OF INSURANCE:

EACH OCCURRENCE LIMIT	$500,000	
PERSONAL AND ADVERTISING INJURY	$500,000	ANY ONE PERSON OR ORGANIZATION
MEDICAL EXPENSE LIMIT	$5,000	ANY ONE PERSON
DAMAGE TO PREMISES RENTED TO YOU	$100,000	ANY ONE PREMISES
GENERAL AGGREGATE LIMIT (OTHER THAN PRODUCTS - COMPLETED OPERATIONS)	$1,000,000	
PRODUCTS- COMPLETED OPERATIONS AGGREGATE LIMIT	$500,000	

* TOTAL ADVANCE GENERAL LIABILITY PREMIUM (SUBJECT TO AUDIT): $2,636.00
* INCLUDES TERRORISM INSURANCE COVERAGE PREMIUM $21.00

FORMS AND ENDORSEMENTS APPLICABLE TO THIS POLICY:

CG 21 33 11/85	CG 21 44 07/98	CG 21 16 07/98	CG 22 33 07/98
CG 21 47 07/98	GL 4 07/98	CG 21 49 09/99	CG 20 11 01/96
SL 20 02 01/02	SL 20 04 11/02	CG 21 87 05/04	IL 09 99 05/04
CG 24 26 07/04 *	CG 21 72 12/02 *	CG 21 76 11/02 *	CG 00 01 12/04 *
CG 26 62 12/04 *			

COUNTERSIGNED _____ BY _____
(AUTHORIZED REPRESENTATIVE)

WARSP6

ACORD EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YY) 11/30/06

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

PRODUCER | PHONE (A/C, No, Ext): 304 258-1720
Smith-Nadenbousch Ins./BS
28 N Washington Street, Ste A
P O Box 538
Berkeley Springs, WV 25411

CODE: | SUB CODE:

AGENCY CUSTOMER ID #: 19239

INSURED
Warm Springs Public Service District
P.O. Box 456
Berkeley Springs, WV 25411

COMPANY
State Auto Insurance Company
P O Box 182822
Columbus, OH 43218-2822

LOAN NUMBER:

POLICY NUMBER: SPP8074265

EFFECTIVE DATE: 09/11/06 | EXPIRATION DATE: 09/11/07 | ☐ CONTINUED UNTIL TERMINATED IF CHECKED

THIS REPLACES PRIOR EVIDENCE DATED:

PROPERTY INFORMATION

LOCATION/DESCRIPTION
Location #: 1 E/S of US Rt. 522, 1/2 mile North of Berkeley Springs, WV 25411
Location #: 2 Jimstown Rd. Berkeley Springs, WV 25411
Location #: 3 Howard Ave. Berkeley Springs, WV 25411

COVERAGE INFORMATION

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Commercial Property Location Specific Coverages		
Location #: 1 E/S of US Rt. 522, 1/2 mile North of Berkeley Springs, WV 25411		
Building #: 1 Office & Lab		
Coverage: Building Cause: Special (Including Theft)	113,568	$ 250
Coverage: Personal Property Cause: Special (Including Theft)	42,000	$ 250
(See Attached Coverage Info.)		

REMARKS (Including Special Conditions)

CANCELLATION

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW _____ DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

ADDITIONAL INTEREST

NAME AND ADDRESS
USDA Rural Development
Randal Center Building 1200
Harrison Avenue, Suite 150
Elkins, WV 26241

[X] MORTGAGEE | [ ] ADDITIONAL INSURED
[ ] LOSS PAYEE

LOAN #

AUTHORIZED REPRESENTATIVE

JXM

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COVERAGE INFORMATION (Continued from page 1.)

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Building #: 2 Sewage lift pump #1 Coverage: Building Cause: Special (Including Theft)	16,224	$ 250
Building #: 3 Garage Coverage: Building Cause: Special (Including Theft)	56,784	$ 250
Coverage: Personal Property Cause: Special (Including Theft)	5,000	$ 250
Building #: 4 Airation Basin Coverage: Building Cause: Special (Including Theft)	10,816	$ 250
Building #: 5 Clarifier #1 Coverage: Building Cause: Special (Including Theft)	5,408	$ 250
Building #: 6 Clarifier #2 Coverage: Building Cause: Special (Including Theft)	5,408	$ 250
Building #: 7 Sewage lift pump #2 Coverage: Building Cause: Special (Including Theft)	10,816	$ 250
Building #: 8 Sewage lift pump #3 Coverage: Building Cause: Special (Including Theft)	10,816	$ 250
Building #: 9 Polymer bldg. w/pumps & equipment Coverage: Building & Personal Prop Cause: Special (Including Theft)	32,448	$ 250
Building #: 10 Flow meter Coverage: Building Cause: Special (Including Theft)	2,163	$ 250
Building #: 11 Metal fence Coverage: Building Cause: Special (Including Theft)	2,163	$ 250
Fences & Arbors	20,000	$ 250
Location #: 2 Jimstown Rd. Berkeley Springs, WV 25411		
Building #: 1 Sewage lift pump with fence Coverage: Building Cause: Special (Including Theft)	27,040	$ 250
Location #: 3 Howard Ave. Berkeley Springs, WV 25411		
Building #: 1 Sewage lift pump with fence Coverage: Building Cause: Special (Including Theft)	27,040	$ 250

Client#: 19239 WARSP6

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 12/08/06

PRODUCER
Smith-Nadenbousch Ins./BS
28 N Washington Street, Ste A
P O Box 538
Berkeley Springs, WV 25411

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
Warm Springs Public Service District
P.O. Box 456
Berkeley Springs, WV 25411

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: State Auto Insurance Company	
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 [X] OCP GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [ ] PRO-JECT [ ] LOC	SPP8074265	09/11/06	09/11/07	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$500,000 $100,000 $5,000 $500,000 $1,000,000 $500,000
A		AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] ALL OWNED AUTOS [X] SCHEDULED AUTOS [X] HIRED AUTOS [X] NON-OWNED AUTOS	BAP6541004	09/11/06	09/11/07	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	$ $ $
		EXCESS/UMBRELLA LIABILITY [ ] OCCUR [ ] CLAIMS MADE [ ] DEDUCTIBLE [ ] RETENTION $				EACH OCCURRENCE AGGREGATE	$ $
		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

Miscellaneous Coverage - Business Automobile - Pol.# BAP6541004

Form Information

(See Attached Descriptions)

CERTIFICATE HOLDER

West Virginia Water Development Authority
180 Association Dr
Charleston, WV 25311-1217

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

© ACORD CORPORATION 1988

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

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DESCRIPTIONS (Continued from Page 1)

Form: SL1008 Edt. Date: 01/01/04 Form Description: Common Policy Jacket
Form: CA0001 Edt. Date: 10/01/01
Form Description: Business Auto Coverage Form
Form: CA0183 Edt. Date: 09/01/02 Form Description: West Virginia Changes
Form: CA0252 Edt. Date: 03/01/94
Form Description: West Virginia Changes-Cancellation
Form: CA9944 Edt. Date: 12/01/93 Form Description: Loss Payable Clause
Form: PA0235 Edt. Date: 12/01/00
Form Description: WV Changes- Cancellation
Form: AU615 Edt. Date: 07/01/91 Form Description: Special Deductable
Form: IL0017 Edt. Date: 11/01/98
Form Description: Common Policy Condtions
Form: AU154 Edt. Date: 01/01/91
Form Description: Amendment of Policy Provisions
Form: CA2122A Edt. Date: 10/01/02
Form Description: West Virginia Uninsured Motorists Coverage
Form: IL0021 Edt. Date: 07/01/02
Form Description: Nuclear Energy Liability Exclusion Endt.
Form: IL0003 Edt. Date: 07/01/02
Form Description: Calculation Of Premium
Form: CA0189 Edt. Date: 03/01/94
Form Description: WV Changes-Coverage ext for Temporary Substitute Autos
Form: PN0083 Edt. Date: 08/01/03
Form Description: Policyholder Disclosure-Notice of Terrorism Ins. Coverage
Form: CA2359 Edt. Date: 12/01/02
Form Description: Nuclear, Biological, Chemical Terrorism Exclusion
Form: CA2362 Edt. Date: 11/01/02
Form Description: Exclusion of Punitive Damages-Certified Act of Terrorism
Form: SA1013 Edt. Date: 04/01/04
Form Description: ELECTRONIC EQUIPMENT COVERAGE
Form: CA2376 Edt. Date: 05/01/04
Form Description: Conditional Excl. of Terrorism
Form: SA0051 Edt. Date: 12/01/04
Form Description: MOBILE EQUIPMENT COVERAGE
Form: CA0051 Edt. Date: 12/01/04
Form Description: CHANGES IN MOBILE EQUIPMENT

** Supplemental Name **
Name Printed on DEC Page: Warm Springs Public Service District

Sewage Treatment Facilities

Client#: 19239 WARSP6

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 12/08/06

PRODUCER
Smith-Nadenbousch Ins./BS
28 N Washington Street, Ste A
P O Box 538
Berkeley Springs, WV 25411

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
Warm Springs Public Service District
P.O. Box 456
Berkeley Springs, WV 25411

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: State Auto Insurance Company	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

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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	SPP8074265	09/11/06	09/11/07		
		[X] COMMERCIAL GENERAL LIABILITY				EACH OCCURRENCE	$500,000
		[ ] CLAIMS MADE [X] OCCUR				DAMAGE TO RENTED PREMISES (Ea occurrence)	$100,000
						MED EXP (Any one person)	$5,000
		[X] OCP				PERSONAL & ADV INJURY	$500,000
						GENERAL AGGREGATE	$1,000,000
		GEN'L AGGREGATE LIMIT APPLIES PER:				PRODUCTS - COMP/OP AGG	$500,000
		[ ] POLICY [ ] PRO-JECT [ ] LOC					
A		AUTOMOBILE LIABILITY	BAP6541004	09/11/06	09/11/07		
		[ ] ANY AUTO				COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
		[ ] ALL OWNED AUTOS				BODILY INJURY (Per person)	$
		[X] SCHEDULED AUTOS					
		[X] HIRED AUTOS				BODILY INJURY (Per accident)	$
		[X] NON-OWNED AUTOS					
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
		[ ] ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
		EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE	$
		[ ] OCCUR [ ] CLAIMS MADE				AGGREGATE	$
							$
		[ ] DEDUCTIBLE					$
		[ ] RETENTION $					$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				[ ] WC STATU-TORY LIMITS [ ] OTH-ER	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	$
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	$
						E.L. DISEASE - POLICY LIMIT	$
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Miscellaneous Coverage - Business Automobile - Pol.# BAP6541004

Form Information

(See Attached Descriptions)

CERTIFICATE HOLDER

U S D A Rural Develpoment
Randolph Center Bldg., 1200
Harrison Ave, Suite 150
Elkins, WV 26241

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

© ACORD CORPORATION 1988

IMPORTANT

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DESCRIPTIONS (Continued from Page 1)

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Form: PA0235 Edt. Date: 12/01/00
Form Description: WV Changes- Cancellation
Form: AU615 Edt. Date: 07/01/91 Form Description: Special Deductable
Form: IL0017 Edt. Date: 11/01/98
Form Description: Common Policy Condtions
Form: AU154 Edt. Date: 01/01/91
Form Description: Amendment of Policy Provisions
Form: CA2122A Edt. Date: 10/01/02
Form Description: West Virginia Uninsured Motorists Coverage
Form: IL0021 Edt. Date: 07/01/02
Form Description: Nuclear Energy Liability Exclusion Endt.
Form: IL0003 Edt. Date: 07/01/02
Form Description: Calculation Of Premium
Form: CA0189 Edt. Date: 03/01/94
Form Description: WV Changes-Coverage ext for Temporary Substitute Autos
Form: PN0083 Edt. Date: 08/01/03
Form Description: Policyholder Disclosure-Notice of Terrorism Ins. Coverage
Form: CA2359 Edt. Date: 12/01/02
Form Description: Nuclear, Biological, Chemical Terrorism Exclusion
Form: CA2362 Edt. Date: 11/01/02
Form Description: Exclusion of Punitive Damages-Certified Act of Terrorism
Form: SA1013 Edt. Date: 04/01/04
Form Description: ELECTRONIC EQUIPMENT COVERAGE
Form: CA2376 Edt. Date: 05/01/04
Form Description: Conditional Excl. of Terrorism
Form: SA0051 Edt. Date: 12/01/04
Form Description: MOBILE EQUIPMENT COVERAGE
Form: CA0051 Edt. Date: 12/01/04
Form Description: CHANGES IN MOBILE EQUIPMENT

** Supplemental Name **
Name Printed on DEC Page: Warm Springs Public Service District

Sewage Treatment Facilities

Client#: 19239 WARSP6

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 12/08/06

PRODUCER
Smith-Nadenbousch Ins./BS
28 N Washington Street, Ste A
P O Box 538
Berkeley Springs, WV 25411

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INSURED
Warm Springs Public Service District
P.O. Box 456
Berkeley Springs, WV 25411

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: State Auto Insurance Company	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

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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	SPP8074265	09/11/06	09/11/07	EACH OCCURRENCE	$500,000
		[X] COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	$100,000
		[ ] CLAIMS MADE [X] OCCUR				MED EXP (Any one person)	$5,000
		[X] OCP				PERSONAL & ADV INJURY	$500,000
		GEN'L AGGREGATE LIMIT APPLIES PER:				GENERAL AGGREGATE	$1,000,000
		[ ] POLICY [ ] PRO-JECT [ ] LOC				PRODUCTS - COMP/OP AGG	$500,000
A		AUTOMOBILE LIABILITY	BAP6541004	09/11/06	09/11/07	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
		[ ] ANY AUTO				BODILY INJURY (Per person)	$
		[ ] ALL OWNED AUTOS				BODILY INJURY (Per accident)	$
		[X] SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	$
		[X] HIRED AUTOS					
		[X] NON-OWNED AUTOS					
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
		[ ] ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
		EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE	$
		[ ] OCCUR [ ] CLAIMS MADE				AGGREGATE	$
							$
		[ ] DEDUCTIBLE					$
		[ ] RETENTION $					$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				[ ] WC STATU-TORY LIMITS [ ] OTH-ER	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	$
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	$
						E.L. DISEASE - POLICY LIMIT	$
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Miscellaneous Coverage - Business Automobile - Pol.# BAP6541004

Form Information

(See Attached Descriptions)

CERTIFICATE HOLDER

U S D A Rural Develpoment
Randolph Center Bldg., 1200
Harrison Ave, Suite 150
Elkins, WV 26241

CANCELLATION

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AUTHORIZED REPRESENTATIVE

© ACORD CORPORATION 1988

IMPORTANT

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DESCRIPTIONS (Continued from Page 1)

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Form Description: WV Changes- Cancellation
Form: AU615 Edt. Date: 07/01/91 Form Description: Special Deductable
Form: IL0017 Edt. Date: 11/01/98
Form Description: Common Policy Condtions
Form: AU154 Edt. Date: 01/01/91
Form Description: Amendment of Policy Provisions
Form: CA2122A Edt. Date: 10/01/02
Form Description: West Virginia Uninsured Motorists Coverage
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Form: IL0003 Edt. Date: 07/01/02
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Form Description: WV Changes-Coverage ext for Temporary Substitute Autos
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Form Description: Policyholder Disclosure-Notice of Terrorism Ins.
Coverage
Form: CA2359 Edt. Date: 12/01/02
Form Description: Nuclear, Biological, Chemical Terrorism Exclusion
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Form Description: Exclusion of Punitive Damages-Certified Act of Terrorism
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Form Description: ELECTRONIC EQUIPMENT COVERAGE
Form: CA2376 Edt. Date: 05/01/04
Form Description: Conditional Excl. of Terrorism
Form: SA0051 Edt. Date: 12/01/04
Form Description: MOBILE EQUIPMENT COVERAGE
Form: CA0051 Edt. Date: 12/01/04
Form Description: CHANGES IN MOBILE EQUIPMENT

** Supplemental Name **
Name Printed on DEC Page: Warm Springs Public Service District

Sewage Treatment Facilities

Client#: 19239 WARSP6

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 12/08/06

PRODUCER
Smith-Nadenbousch Ins./BS
28 N Washington Street, Ste A
P O Box 538
Berkeley Springs, WV 25411

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INSURED
Warm Springs Public Service District
P.O. Box 456
Berkeley Springs, WV 25411

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: State Auto Insurance Company	
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	SPP8074265	09/11/06	09/11/07	EACH OCCURRENCE	$500,000
		[X] COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	$100,000
		[ ] CLAIMS MADE [X] OCCUR				MED EXP (Any one person)	$5,000
						PERSONAL & ADV INJURY	$500,000
		[X] OCP				GENERAL AGGREGATE	$1,000,000
		GEN'L AGGREGATE LIMIT APPLIES PER:				PRODUCTS - COMP/OP AGG	$500,000
		[ ] POLICY [ ] PRO-JECT [ ] LOC					
A		AUTOMOBILE LIABILITY	BAP6541004	09/11/06	09/11/07	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
		[ ] ANY AUTO					
		[ ] ALL OWNED AUTOS				BODILY INJURY (Per person)	$
		[X] SCHEDULED AUTOS					
		[X] HIRED AUTOS				BODILY INJURY (Per accident)	$
		[X] NON-OWNED AUTOS					
						PROPERTY DAMAGE (Per accident)	$
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
		[ ] ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	$
						AGG	$
		EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE	$
		[ ] OCCUR [ ] CLAIMS MADE				AGGREGATE	$
							$
		[ ] DEDUCTIBLE					$
		[ ] RETENTION $					$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				[ ] WC STATU-TORY LIMITS [ ] OTH-ER	
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	$
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	$
						E.L. DISEASE - POLICY LIMIT	$
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Miscellaneous Coverage - Business Automobile - Pol.# BAP6541004

Form Information

(See Attached Descriptions)

CERTIFICATE HOLDER

West Virginia Water Development Authority
180 Association Dr
Charleston, WV 25311-1217

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

© ACORD CORPORATION 1988

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

DESCRIPTIONS (Continued from Page 1)

Form: SL1008 Edt. Date: 01/01/04 Form Description: Common Policy Jacket
Form: CA0001 Edt. Date: 10/01/01
Form Description: Business Auto Coverage Form
Form: CA0183 Edt. Date: 09/01/02 Form Description: West Virginia Changes
Form: CA0252 Edt. Date: 03/01/94
Form Description: West Virginia Changes-Cancellation
Form: CA9944 Edt. Date: 12/01/93 Form Description: Loss Payable Clause
Form: PA0235 Edt. Date: 12/01/00
Form Description: WV Changes- Cancellation
Form: AU615 Edt. Date: 07/01/91 Form Description: Special Deductable
Form: IL0017 Edt. Date: 11/01/98
Form Description: Common Policy Condtions
Form: AU154 Edt. Date: 01/01/91
Form Description: Amendment of Policy Provisions
Form: CA2122A Edt. Date: 10/01/02
Form Description: West Virginia Uninsured Motorists Coverage
Form: IL0021 Edt. Date: 07/01/02
Form Description: Nuclear Energy Liability Exclusion Endt.
Form: IL0003 Edt. Date: 07/01/02
Form Description: Calculation Of Premium
Form: CA0189 Edt. Date: 03/01/94
Form Description: WV Changes-Coverage ext for Temporary Substitute Autos
Form: PN0083 Edt. Date: 08/01/03
Form Description: Policyholder Disclosure-Notice of Terrorism Ins.
Coverage
Form: CA2359 Edt. Date: 12/01/02
Form Description: Nuclear, Biological, Chemical Terrorism Exclusion
Form: CA2362 Edt. Date: 11/01/02
Form Description: Exclusion of Punitive Damages-Certified Act of Terrorism
Form: SA1013 Edt. Date: 04/01/04
Form Description: ELECTRONIC EQUIPMENT COVERAGE
Form: CA2376 Edt. Date: 05/01/04
Form Description: Conditional Excl. of Terrorism
Form: SA0051 Edt. Date: 12/01/04
Form Description: MOBILE EQUIPMENT COVERAGE
Form: CA0051 Edt. Date: 12/01/04
Form Description: CHANGES IN MOBILE EQUIPMENT

** Supplemental Name **
Name Printed on DEC Page: Warm Springs Public Service District

Sewage Treatment Facilities

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
Stephanie R. Timmermeyer, Cabinet Secretary
www.wvdep.org

June 12, 2006

Mr. Andrew Jurick, Chairman
Warm Springs Public Service District
271 Wilkes Street
P.O. Box 456
Berkeley Springs, WV 25411

RE: Warm Springs PSD
Plans and Specifications Approval
IJDC No. 2003S – 736

Dear Mr. Jurick:

The plans and specifications for the above referenced project were previously approved by DEP on July 29, 2004. Revisions were submitted on April 7, 2006, and have been found to be acceptable.

This approval DOES NOT constitute authority to advertise for bids. You will be advised by separate letter from the Infrastructure and Jobs Development Council as to when such an advertisement can be initiated.

Please be advised it will be necessary to issue an addendum to the contract documents prior to opening of bids, to include the current State Labor Wage Determinations. This and all addenda and revisions to the contract documents must be telefaxed to this office for approval and issued to plan holders five (5) days prior to bid opening. Failure to submit addenda in a timely manner will automatically nullify approval to open bids. Any addenda issued inside the five (5) day period prior to the bid opening must include an automatic extension to the bid opening date of a minimum of seven (7) days.

If any questions arise, please contact Mike Warwick, P.E., at (304) 926-0499 Ext. 1597.

Sincerely,

Mike Johnson

Mike Johnson, P.E.
Assistant Director
Clean Water SRF Program

JMJ/mwl

cc: Jeff Brady P.E., IJDC
Jodie Reese, CET Engr.

CLOSING MEMORANDUM

To: **Rodney Hovermale**
Jefferson Brady
Barbara Meadows
Samme Gee

From: **Franki Parsons**

Date: **February 28, 2007**

Re: **Warm Springs Public Service District Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund)**
Warm Springs Public Service District Sewer Revenue Bonds, Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund)
Warm Springs Public Service District Sewer Revenue Bonds, Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program)

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1. DISBURSEMENTS TO DISTRICT

Payor:	West Virginia Infrastructure Fund
Source:	Series 2007 A Bonds Proceeds
Amount:	$265,234
Date:	February 28, 2007
Form:	Wire Transfer
Payee:	Warm Springs Public Service District
Bank:	CNB Bank, Inc.
Contact:	Tom Rokisky
Account:	Series 2007 Bonds Construction Trust Fund
Routing No.:	052204359
Account No.:	2270304

Payor:	West Virginia Infrastructure Fund
Source:	Series 2007 B Bonds Proceeds
Amount:	$265,234
Date:	February 28, 2007
Form:	Wire Transfer

Payee:	Warm Springs Public Service District
Bank:	CNB Bank, Inc.
Contact:	Tom Rokisky
Account:	Series 2007 Bonds Construction Trust Fund
Routing No.:	052204359
Account No.:	2270304

Payor:	West Virginia Department of Environmental Protection
Source:	Series 2007 C Bonds Proceeds
Amount:	$150,000
Date:	February 28, 2007
Form:	Check
Payee:	Warm Springs Public Service District
Account:	Series 2007 Bonds Construction Trust Fund
Routing No.:	052204359
Account No.:	2270304

JACKSONKELLY
ATTORNEYS AT LAW PLLC

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www.jacksonkelly.com

February 28, 2007

Warm Springs Public Service District
Berkeley Springs, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Re: Warm Springs Public Service District Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund)

Ladies and Gentlemen:

We have served as bond counsel to Warm Springs Public Service District (the "Issuer") in connection with the issuance of its Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund) (the "Series 2007 A Bonds") issued contemporaneously with its Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund) and Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program), dated the date hereof.

We have examined certified copies of proceedings and other papers relating to the authorization of (i) loan agreement for the Series 2007 A Bonds, dated February 15, 2007, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and (ii) the Series 2007 A Bonds to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Series 2007 A Bonds are issued in the principal amount of $2,019,000, in the form of one bond, registered to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December

1 of each year, commencing December 1, 2008, all as set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Series 2007 A Bonds.

The Series 2007 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), for the purposes of (i) paying the costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and a Bond Resolution duly adopted by the Issuer on February 26, 2007, as supplemented by a Supplemental Resolution duly adopted by the Issuer on February 26, 2007 (collectively, the "Resolution"), pursuant to and under which Act and Resolution the Series 2007 A Bonds are authorized and issued, and the Loan Agreement is entered into. The Series 2007 A Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Resolution and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution and the Loan Agreement when used herein.

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

1. The Issuer is a duly created and validly existing public service district and is a public corporation and a 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 Series 2007 A Bonds, all under the Act and other applicable provisions of law.

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

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

4. The Issuer has legally and effectively adopted the Resolution and all other necessary resolutions in connection with the issuance and sale of the Series 2007 A Bonds. The Resolution constitutes a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms thereof and contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Series 2007 A Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Prior Bonds, all in accordance with the terms of the Series 2007 A Bonds and the Resolution.

6. Under the Act, the Series 2007 A Bonds and any interest thereon are exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

7. The Series 2007 A Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest, if any, from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Series 2007 A Bonds.

No opinion is given herein as to the effect upon the enforceability of the Series 2007 A 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 and authenticated Bond numbered AR-1, and in our opinion, the form of said Series 2007 A Bonds and their execution and authentication are regular and proper.

Very truly yours,

Jackson Kelly PLLC

JACKSONKELLY
ATTORNEYS AT LAW PLLC
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www.jacksonkelly.com

February 28, 2007

Warm Springs Public Service District
Berkeley Springs, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Re: Warm Springs Public Service District Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund)

Ladies and Gentlemen:

We have served as bond counsel to Warm Springs Public Service District (the "Issuer") in connection with the issuance of its Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund) (the "Series 2007 B Bonds") issued contemporaneously with its Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund) and Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program), dated the date hereof.

We have examined certified copies of proceedings and other papers relating to the authorization of (i) loan agreement for the Series 2007 B Bonds, dated February 15, 2007, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and (ii) the Series 2007 B Bonds to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Series 2007 B Bonds are issued in the principal amount of $2,019,000, in the form of one bond, registered to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December

1 of each year, commencing September 1, 2015, all as set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Series 2007 B Bonds.

The Series 2007 B Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), for the purposes of (i) paying the costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and a Bond Resolution duly adopted by the Issuer on February 26, 2007, as supplemented by a Supplemental Resolution duly adopted by the Issuer on February 26, 2007 (collectively, the "Resolution"), pursuant to and under which Act and Resolution the Series 2007 B Bonds are authorized and issued, and the Loan Agreement is entered into. The Series 2007 B Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Resolution and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution and the Loan Agreement when used herein.

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

1. The Issuer is a duly created and validly existing public service district and is a public corporation and a 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 Series 2007 B Bonds, all under the Act and other applicable provisions of law.

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

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

4. The Issuer has legally and effectively adopted the Resolution and all other necessary resolutions in connection with the issuance and sale of the Series 2007 B Bonds. The Resolution constitutes a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms thereof and contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Series 2007 B Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Prior Bonds, all in accordance with the terms of the Series 2007 B Bonds and the Resolution.

6. Under the Act, the Series 2007 B Bonds and any interest thereon are exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

7. The Series 2007 B Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest, if any, from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Series 2007 B Bonds.

No opinion is given herein as to the effect upon the enforceability of the Series 2007 B 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 and authenticated Bond numbered BR-1, and in our opinion, the form of said Series 2007 B Bonds and their execution and authentication are regular and proper.

Very truly yours,

Jackson Kelly PLLC

JACKSONKELLY
ATTORNEYS AT LAW PLLC

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February 28, 2007

Warm Springs Public Service District
Berkeley Springs, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Re: Warm Springs Public Service District Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program)

Ladies and Gentlemen:

We have served as bond counsel to Warm Springs Public Service District (the "Issuer") in connection with the issuance of its Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program) (the "Series 2007 C Bonds") issued contemporaneously with its Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund) and its Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund) all dated the date hereof.

We have examined certified copies of proceedings and other papers relating to the authorization of (i) a bond purchase agreement for the Series 2007 C Bonds, dated January 9, 2007, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the Series 2007 C Bonds to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Series 2007 C Bonds are issued in the principal amount of $2,019,000, in the form of one bond, registered to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2008, all as set forth in

the Schedule Y attached to the Bond Purchase Agreement and incorporated in and made a part of the Series 2007 C Bonds.

The Series 2007 C Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), for the purposes of (i) paying the costs of acquisition and construction of certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and a Bond Resolution duly adopted by the Issuer on February 26, 2007, as supplemented by a Supplemental Resolution duly adopted by the Issuer on February 26, 2007 (collectively, the "Resolution"), pursuant to and under which Act and Resolution the Series 2007 C Bonds are authorized and issued, and the Bond Purchase Agreement is entered into. The Series 2007 C Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Resolution and the Bond Purchase Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Resolution and the Bond Purchase Agreement when used herein.

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

1. The Issuer is a duly created and validly existing public service district and is a public corporation and a 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 Series 2007 C Bonds, all under the Act and other applicable provisions of law.

2. The Bond Purchase Agreement has been duly authorized by and executed on behalf of the Issuer and is a valid and binding special obligation of the Issuer, enforceable in accordance with the terms thereof.

3. The Bond Purchase Agreement inures to the benefit of the Authority and the Council and cannot be amended so as to affect adversely the rights of the Authority and the Council or diminish the obligations of the Issuer without the written consent of the Authority and the Council.

4. The Issuer has legally and effectively adopted the Resolution and all other necessary resolutions in connection with the issuance and sale of the Series 2007 C Bonds. The Resolution constitutes a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms thereof and contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Bond Purchase Agreement.

5. The Series 2007 C Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Prior Bonds, all in accordance with the terms of the Series 2007 C Bonds and the Resolution.

6. Under the Act, the Series 2007 C Bonds and any interest thereon are exempt from taxation by the State of West Virginia and the other taxing bodies of the State.

7. The Series 2007 C Bonds have not been issued on the basis that the interest, if any, thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest, if any, from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Series 2007 C Bonds.

No opinion is given herein as to the effect upon the enforceability of the Series 2007 C 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 and authenticated Bond numbered CR-1 and in our opinion, the form of said Series 2007 C Bonds and their execution and authentication are regular and proper.

Very truly yours,

Jackson Kelly PLLC

TRUMP & TRUMP, L.C.

Attorneys At Law
307 Rock Cliff Drive
Martinsburg, West Virginia 25401
Telephone: (304) 267-7270 • Facsimile: (304) 267-2850

Charles S. Trump IV
George I. McVey
Eric S. Black
Tammy Mitchell McWilliams ♦

Joanna L-S Robinson

♦ *Also admitted in MD and DC*

C.S. Trump, Jr. (1891-1965)
C. Samuel Trump III (1933-1998)

February 28, 2007

Warm Springs Public Service District
Berkeley Springs, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Jackson Kelly PLLC
Charleston, West Virginia

Re: Warm Springs Public Service District Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund) (the "Series 2007 A Bonds"), Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund) (the "Series 2007 B Bonds") and Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program) (the "Series 2007 C Bonds")

Ladies and Gentlemen:

We are counsel to Warm Springs 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"), a loan agreement for the Series 2007 A Bonds, dated February 15, 2007 and a loan agreement for the Series 2007 B Bonds, dated February 15, 2007, including all schedules and exhibits attached thereto (together, the "Infrastructure Loan Agreements"), by and between the Issuer and the West

171 S. Washington Street
Berkeley Springs, WV 25411
Telephone: (304) 258-1414
Facsimile: (304) 258-4069

214 West Liberty Street
Charles Town, WV 25414
Telephone: (304) 725-5522
Facsimile: (304) 728-3806

Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), a bond purchase agreement for the Series 2007 C Bonds dated January 9, 2007, included all schedules and exhibits attached thereto (the "Bond Purchase Agreement," and together with the Infrastructure Loan Agreements, the "Loan Agreements"), by and between the Authority, on behalf of the West Virginia Department of Environmental Protection (the "DEP"), a Bond Resolution duly adopted by the Public Service Board of the Issuer (the "Board") on February 26, 2007, as supplemented by a Supplemental Resolution duly adopted on February 26, 2007 (collectively, the "Resolution"), orders of The County Commission of Morgan 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 meanings set forth in the Loan Agreement and 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 Agreements have 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, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for the use of the System, including, without limitation, all requisite permits, approvals, orders and certificates from The County Commission of Morgan County, the West Virginia Department of Environmental Protection and the Council. 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.

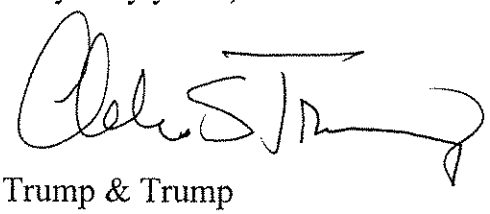
7. To the best of our knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan 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 the payment of the Bonds.

8. All successful bidders have made the required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have

been verified for accuracy. Based upon 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, the Resolution and the Loan Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,



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C.S. Trump, Jr. (1891-1965)
C. Samuel Trump III (1933-1998)

February 28, 2007

Warm Springs Public Service District
Berkeley Springs, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Jackson Kelly PLLC
Charleston, West Virginia

Re: Final Title Opinion for Warm Springs Public Service District

Ladies and Gentlemen:

We are counsel to Warm Springs Public Service District (the "Issuer") in connection with a proposed project to acquire and construct certain improvements and extensions to the existing public sewer facilities of the Issuer (the "Project"). We provide this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council for the Project. Please be advised of the following:

1. The Issuer is a duly created and validly existing public service district possessed with all the powers and authority granted to public service districts under the laws of the State of West Virginia to acquire, construct, operate and maintain the Project as approved by the West Virginia Department of Environmental Protection.

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Berkeley Springs, WV 25411
Telephone: (304) 258-1414
Facsimile: (304) 258-4069

214 West Liberty Street
Charles Town, WV 25414
Telephone: (304) 725-5522
Facsimile: (304) 728-3806

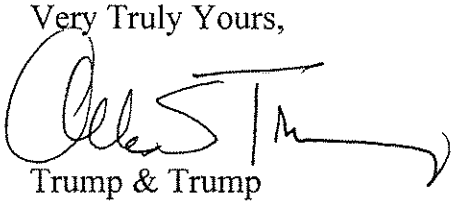
2. The Issuer has obtained all necessary permits and approvals for the construction of the Project.

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

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

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

Very Truly Yours,



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February 23, 2007

Warm Springs Public Service District
Berkeley Springs, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Jackson Kelly PLLC
Charleston, West Virginia

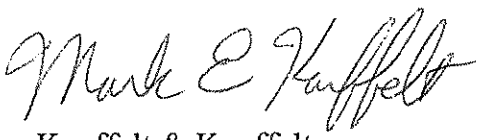
Re: Warm Springs Public Service District Sewer Revenue Bonds, Series 2007 A (West Virginia Infrastructure Fund), Sewer Revenue Bonds, Series 2007 B (West Virginia Infrastructure Fund) and Sewer Revenue Bonds, Series 2007 C (West Virginia SRF Program)

Ladies and Gentlemen:

We are special counsel to Warm Springs Public Service District (the "Issuer") in connection with certain matters before the Public Service Commission of West Virginia (the "PSC"). As such counsel, we are of the opinion that the Issuer has received the Final Order of the PSC dated November 1, 2004, in Case No. 04-0131-PSD-CN, and Commission Order dated January 22, 2007, in Case No. 04-0131-PSD-CN, granting the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Final Order has expired prior to the date hereof without any appeal having been filed. Such Final Order remains in full force and effect. Such Order is not subject to any appeal, further hearing, or rehearing by any customer, protestant, intervenor or other person not a party to such Order.

All counsel to this transaction may rely upon this opinion as if specifically addressed to them. All capitalized terms used in this opinion, and not otherwise defined, shall have the meanings as provided in the Bond Resolution adopted by the Issuer on February 26, 2007.

Very truly yours,



Kauffelt & Kauffelt