BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)

Water Refunding Revenue Bonds, Series 2003 A
(Bank Qualified) and
Water Refunding Revenue Bonds, Series 2003 B
(Non-Bank Qualified)

VOLUME I OF II

Closing Date: April 30, 2003

BOND TRANSCRIPT

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$3,360,000
BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)

Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified)
and
Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified)

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BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)

WATER REFUNDING REVENUE BONDS, SERIES 2003 A (BANK QUALIFIED) AND WATER REFUNDING REVENUE BONDS, SERIES 2003 B (NON-BANK QUALIFIED)

BOND RESOLUTION

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BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)

A RESOLUTION AUTHORIZING THE REFUNDING OF THE WATER REFUNDING REVENUE BONDS, SERIES 1993 A, AND WATER REVENUE BONDS, SERIES 1994, OF BERKELEY COUNTY PUBLIC SERVICE DISTRICT; THE ISSUANCE OF WATER REFUNDING REVENUE BONDS, SERIES 2003 A (BANK QUALIFIED), OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $1,500,000 AND THE ISSUANCE OF WATER REFUNDING REVENUE BONDS, SERIES 2003 B (NON-BANK QUALIFIED), OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $2,500,000, THE PROCEEDS OF WHICH SHALL BE EXPENDED FOR SUCH RESPECTIVE REFUNDINGS OF THE PRIOR BONDS AND TO PAY COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING AN ESCROW AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, Berkeley County Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Berkeley County of said State;

WHEREAS, the Issuer presently owns and operates a public waterworks treatment and distribution system (the "System") in Berkeley County;

WHEREAS, pursuant to the Orders of the Public Service Commission of West Virginia (the "PSC") dated December 28, 2000 and April 26, 2001, in Case No. 00-0893-PWD-PC and the Resolution of The County Commission of Berkeley County (the "Berkeley Commission") dated June 28, 2001, the PSC and the Berkeley Commission approved the merger of Hedgesville Public Service District ("Hedgesville") and Opequon Public Service District ("Opequon") into the District and the dissolution of Hedgesville and Opequon and the System now includes the assets and customers of the Hedgesville and Opequon systems;

WHEREAS, the Issuer is advised that present value debt service savings will be realized as a result of the refunding of certain outstanding bonds of the Issuer, specifically the Issuer's Water Refunding Revenue Bonds, Series 1993 A (the "Series 1993 A Bonds"), dated March 24, 1993, and issued in the original aggregate principal amount of $3,350,000 and presently outstanding in the approximate principal amount of 1,330,000 and the Issuer's Water Revenue Bonds, Series 1994 (the "Series 1994 Bonds"), dated September 1, 1994 and issued in the original aggregate principal amount of $2,275,000 and presently outstanding in the approximate principal amount of $1,835,000;

WHEREAS, the Series 1993 A Bonds were issued pursuant to a resolution of the Issuer duly adopted on March 4, 1993, as supplemented by a resolution of the Issuer duly adopted on March 4, 1993 (collectively, the "1993 A Resolution") and the Series 1994 Bonds were issued pursuant to a resolution of the Issuer duly adopted on October 13, 1994, as supplemented by a resolution of the Issuer duly adopted on October 13, 1994 (collectively, the "1994 Resolution");

WHEREAS, under the provisions of Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), the Issuer is authorized and empowered to issue refunding revenue bonds for the purpose of retiring or refinancing all or any part of the outstanding Series 1993 A Bonds and the Series 1994 Bonds;

WHEREAS, the Issuer has determined and hereby determines that it would therefore be to the benefit of the Issuer and its residents to refund the Series 1993 A Bonds in the manner set forth herein with proceeds of a series of bonds to be designated "Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified)" (the "Series 2003 A Bonds"), in the maximum aggregate principal amount of not more than $1,500,000, and other monies of the Issuer;

WHEREAS, the Issuer has determined and hereby determines that it would therefore be to the benefit of the Issuer and its residents to refund the Series 1994 Bonds in the manner set forth herein with proceeds of a series of bonds to be designated "Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified)" (the "Series 2003 B Bonds" and, collectively with the Series 2003 A Bonds, the "Series 2003 Bonds"), in the maximum aggregate principal amount of not more than $2,500,000, and other monies of the Issuer;

WHEREAS, in addition to the Series 1993 A Bonds and the Series 1994 Bonds, there are outstanding obligations of the Issuer, including those assumed from Hedgesville and Opequon (hereinafter collectively, the "Prior Bonds") which are designated and have the lien positions with respect to the Net Revenues of the merged waterworks system of the Issuer as follows:

Designation	Lien Position
(1) Water Revenue Bonds, Series 1993 B (formerly Hedgesville Public Service District Water Revenue Bonds, Series 1993 A) (the "Series 1993 B Bonds"), dated March 8, 1993, and issued in the aggregate principal amount of $528,871;	First Lien
(2) Water Revenue Bonds, Series 1993 C (formerly Hedgesville Public Service District Water Revenue Bonds, Series 1993 B) (the "Series 1993 C Bonds"), dated March 8, 1993, and issued in the aggregate principal amount of $17,629;	Second Lien
(3) Water Revenue Bonds, Series 1993 D (formerly Opequon Public Service District Water Revenue Bonds, Series 1993) (the "Series 1993 D Bonds"), dated July 29, 1993, and issued in the aggregate principal amount of $10,257,957;	First Lien
(4) Water Revenue Bonds, Series 1996 (formerly Hedgesville Public Service District Water Revenue Bonds, Series 1996) (the "Series 1996 Bonds"), dated August 6, 1996, and issued in the aggregate principal amount of $677,158;	First Lien
(5) Water Revenue Bonds, Series 1997 (formerly Opequon Public Service District Water Revenue Bonds, Series 1997) (the "Series 1997 Bonds"), dated June 25, 1997, and issued in the aggregate principal amount of $3,339,090;	First Lien

(6) Water Revenue Bonds, Series 2001 A (West Virginia Water Development Authority) (the "Series 2001 A Bonds"), dated October 25, 2001, and issued in the aggregate principal amount of $2,010,000; and	First Lien
(7) Water Refunding Bond Anticipation Notes, Series 2001 (formerly Hedgesville Public Service District Water Refunding Bond Anticipation Notes, Series 2001) (the "Series 2001 Notes").	No Lien

The Series 1993 B Bonds, the Series 1993 D Bonds, the Series 1996 Bonds, the Series 1997 Bonds and the Series 2001 A Bonds are hereinafter collectively called the "First Lien Bonds." The Series 1993 C Bonds are hereinafter called the "Second Lien Bonds." The First Lien Bonds are secured by a first lien on and a pledge of the Net Revenues of the System, on a parity with each other, which lien and pledge are senior and prior to the lien on the Net Revenues of the System of the Second Lien Bonds. The Series 2001 Notes are not secured by the assets of the System or the Net Revenues thereof and are junior and subordinate to the First Lien Bonds and the Second Lien Bonds.

WHEREAS, the Issuer now desires to authorize the refunding of the Series 1993 A Bonds and the Series 1994 Bonds as aforesaid, and to provide for the financing thereof by the issuance of the Series 2003 A Bonds and the Series 2003 B Bonds as hereinafter provided;

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF BERKELEY COUNTY PUBLIC SERVICE DISTRICT:

ARTICLE I

DEFINITIONS; STATUTORY AUTHORITY; FINDINGS

Section 1.01. Definitions. All capitalized terms used in this Resolution and not otherwise defined in the recitals or in the text hereof shall have the meanings specified below, unless the context expressly requires otherwise:

"Act" means Chapter 16, Article 13A of the West Virginia Code of 1931, as amended and in effect on the date of delivery of the Series 2003 A Bonds and Series 2003 B Bonds.

"Authority" means the West Virginia Water Development Authority, the original purchaser of the First Lien Bonds and the Second Lien Bonds, or its successor.

"Authorized Newspaper" means a financial journal or newspaper of general circulation in the City of New York, New York, printed in the English language and customarily published on each business day of the Registrar, whether or not published on Saturdays, Sundays or legal holidays, and so long as so published, shall include The Bond Buyer and Redemption Digest.

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

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

"Bond Counsel" shall mean any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed by the Issuer, and shall initially mean Steptoe & Johnson PLLC, Charleston, West Virginia.

"Bondholder," "Holder of the Bonds," "Owner of the Bonds" or any similar term means any person who shall be the registered owner of any outstanding Bond.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Bonds.

"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, or such other period as shall be determined by the Issuer, except that the first Bond Year shall begin on the Closing Date.

"Bonds" means, collectively, the Series 2003 A Bonds, the Series 2003 B Bonds, the First Lien Bonds and the Second Lien Bonds, and any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

"Business Day" means any day other than a Saturday, Sunday or a day on which national banking associations or West Virginia banking corporations are authorized by law to remain closed.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2003 A Bonds and the Series 2003 B Bonds, respectively, in substantially the forms set forth in EXHIBIT A - SERIES 2003 A BOND FORM and EXHIBIT B - SERIES 2003 B BOND FORM, both attached hereto.

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

"Closing Date" means the date upon which there is an exchange of the Series 2003 A Bonds and the Series 2003 B Bonds for the proceeds representing the respective original purchase prices thereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations thereunder.

"Construction Fund" means the Construction Fund created by Section 4.01 hereof.

"Consulting Engineers" means any qualified engineer or engineers or firm or firms of engineers that shall at any time now or hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof.

"Costs" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation, the costs of refunding the Series 1993 A Bonds (which amount shall reflect the Independent Certified Public Accountant's determination of the Redemption Price of the Series 1993 A Bonds), the costs of refunding the Series 1994 Bonds (which amount shall reflect the Independent Certified Public Accountant's determination of the Redemption Price of the Series 1994 Bonds), interest accruing or to accrue thereon, redemption premiums, premiums for bond insurance and reserve account insurance, letter of credit fees, expenses for fiscal or other agents, legal expenses and any other costs or expenses necessary, incidental, desirable or appurtenant to the issuance of the Series 2003 A Bonds and the Series 2003 B Bonds and the refunding of the Series 1993 A Bonds and the Series 1994 Bonds.

"Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

"DTC" means the Depository Trust Company, New York, New York, or its successor thereof.

"DTC-eligible" means, with respect to the Series 2003 A Bonds and the Series 2003 B Bonds, meeting the qualifications prescribed by the Depository Trust Company, New York, New York.

"Event of Default" means any occurrence or event specified in Section 7.01.

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

"Financial Guaranty Insurance Policy" means the financial guaranty insurance policy, if any, issued by a Bond Insurer simultaneously with the delivery of the Series 2003 A Bonds and the Series 2003 B Bonds, insuring the payment of the principal of and interest on all or any of the Series 2003 A Bonds and the Series 2003 B Bonds in accordance with the terms thereof.

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

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

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

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

"Independent Certified Public Accountant" 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 purpose except keeping the accounts of the System in the normal operation of its business and affairs.

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

"Net Proceeds" means the face amount of the Series 2003 A Bonds and the Series 2003 B Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series 2003 A and Series 2003 B Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2003 A Bonds and the Series 2003 B Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any investment property which is acquired with the gross proceeds of the Series 2003 A Bonds or the Series 2003 B Bonds and is not acquired in order to carry out the governmental purpose of the Series 2003 A Bonds or the Series 2003 B Bonds.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the costs, 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.

"Original Purchaser" means Ross, Sinclaire & Associates, Frankfort, Kentucky, as the purchaser of the Series 2003 A Bonds and the Series 2003 B Bonds directly from the Issuer, or, if the Issuer and such Original Purchaser do not agree to the purchase of the Series 2003 A Bonds or the Series 2003 B Bonds with interest rates and other terms allowable under the Act, such other person or persons, firm or firms, bank or banks, corporation or corporations or such other entity or entities as shall purchase the Series

2003 A Bonds or the Series 2003 B Bonds directly from the Issuer, as determined by a resolution supplemental hereto; provided, that the Original Purchaser and the Issuer shall agree to the purchase of the Series 2003 A Bonds and the Series 2003 B Bonds, as hereinafter defined, including the exact principal amount thereof and interest rate or rates thereon as fixed by said supplemental resolution to be adopted by the Issuer at the time of approval of such sale of said Series 2003 A Bonds and Series 2003 B Bonds.

"Outstanding," when used with reference to the Series 2003 A Bonds and the Series 2003 B Bonds and as of any particular date, describes all Bonds theretofore and thereupon being issued and delivered except (a) any Bond canceled by the registrar for such Bond at or prior to said date; (b) any Bond for the payment of which monies, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Resolution and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Bondholders or Bonds for the purpose of consents, notices and the like, any Bond registered to the Issuer. Notwithstanding the foregoing, in the event that a Bond Insurer has paid principal of and/or interest on any Bond, such Bond shall be deemed to be Outstanding until such time as a Bond Insurer has been reimbursed in full.

"Paying Agent" means the Registrar or other entity designated as such for the Series 2003 A Bonds and the Series 2003 B Bonds in the Supplemental Resolution, and any successor thereto appointed in accordance with Section 8.12 hereof.

"Prior Resolutions" means the bond resolution, as supplemented, of the Issuer or the bond resolutions of Hedgesville and Opequon assumed by merger, authorizing the Prior Bonds.

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

"Purchase Price," for the purpose of computation of the Yield of the Series 2003 A Bonds and the Series 2003 B Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2003 A Bonds and the Series 2003 B Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers), at which price a substantial amount of the Series 2003 A Bonds or the Series 2003 B Bonds of each maturity is sold or, if the Series 2003 A Bonds or the Series 2003 B

Bonds are privately placed, the price paid by the first buyer of the Series 2003 A Bonds or the Series 2003 B Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2003 A Bonds or the Series 2003 B Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2003 A Bonds or the Series 2003 B Bonds.

"Qualified Investments" means and includes any of the following, unless otherwise set forth in the Supplemental Resolution:

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must

be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

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

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

"Record Date" means the day of the month which shall be so stated in the Series 2003 A Bonds and the Series 2003 B Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Redemption Date" means the date fixed for redemption of any Bonds of the Issuer called for redemption.

"Redemption Price" means the price at which any Bonds of the Issuer may be called for redemption and includes the principal of and interest on such Bonds to be redeemed, plus the interest and premium, if any, required to be paid to effect such redemption.

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2003 A Bonds and the Series 2003 B Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1954.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund created by the Prior Resolutions and continued hereby.

"Reserve Accounts" means the respective Reserve Accounts established for the Series 2003 A and Series 2003 B Bonds and the Prior Bonds.

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

"1993 Resolution" means, collectively, the resolution and the supplemental resolution of the Issuer duly adopted March 4, 1993, authorizing the Series 1993 A Bonds.

"1994 Resolution" means, collectively, the resolution and the supplemental resolution of the Issuer duly adopted October 13, 1994, authorizing the Series 1994 Bonds.

"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 1993 A Bonds" means the Water Refunding Revenue Bonds, Series 1993 A, as described above.

"Series 1993 B Bonds" means the Water Revenue Bonds, Series 1993 B (formerly Hedgesville Public Service District Water Revenue Bonds, Series 1993 A), as described above.

"Series 1993 C Bonds" means the Water Revenue Bonds, Series 1993 C (formerly Hedgesville Public Service District Water Revenue Bonds, Series 1993 B), as described above.

"Series 1993 D Bonds" means the Water Revenue Bonds, Series 1993 D (formerly Opequon Public Service District Water Revenue Bonds, Series 1993), as described above.

"Series 1994 Bonds" means the Water Revenue Bonds, Series 1994, as described above.

"Series 1996 Bonds" means the Water Revenue Bonds, Series 1996 (formerly Hedgesville Public Service District Water Revenue Bonds, Series 1996), as described above.

"Series 1997 Bonds" means the Water Revenue Bonds, Series 1997 (formerly Opequon Public Service District Water Revenue Bonds, Series 1997), as described above.

"Series 2001 A Bonds" means the Water Revenue Bonds, Series 2001 A (West Virginia Water Development Authority),as described above.

"Series 2003 Bonds" means, collectively, the Series 2003 A Bonds and the Series 2003 B Bonds.

"Series 2003 A Bonds" means the Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified), of the Issuer, originally authorized to be issued pursuant to this Resolution.

"Series 2003 A Bonds Redemption Account" means the Series 2003 A Bonds Redemption Account created by Section 4.02 hereof.

"Series 2003 A and Series 2003 B Bonds Reserve Account" means the Series 2003 A and the Series 2003 B Bonds Reserve Account created by Section 4.02 hereof.

"Series 2003 A and Series 2003 B Bonds Reserve Requirement" means, as of any date of calculation, the lesser of (i) 10% of the original stated principal amount of the Series 2003 A Bonds and the Series 2003 B Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2003 A Bonds and the Series 2003 B Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2003 A Bonds and the Series 2003 B Bonds.

"Series 2003 A Bonds Sinking Fund" means the Series 2003 A Bonds Sinking Fund created by Section 4.02 hereof.

"Series 2003 B Bonds" means the Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified), of the Issuer, originally authorized to be issued pursuant to this Resolution.

"Series 2003 B Bonds Redemption Account" means the Series 2003 B Bonds Redemption Account created by Section 4.02 hereof.

"Series 2003 B Bonds Sinking Fund" means the Series 2003 B Bonds Sinking Fund created by Section 4.02 hereof.

"Series 2001 Notes" means the Water Refunding Bond Anticipation Notes, Series 2001 (formerly Hedgesville Public Service District Water Refunding Bond Anticipation Notes, Series 2001), as described above.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2003 A Bonds, the Series 2003 B Bonds and the Prior Bonds.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution to be adopted by the Issuer following adoption of this Resolution, setting forth the final amounts, maturities, interest rates and other terms of the Series 2003 A Bonds and the Series 2003 B Bonds and authorizing the sale of the Series 2003 A Bonds and the Series 2003 B Bonds to the Original Purchaser and setting forth provisions specific to the Bond Insurer, if any; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Resolution to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

"System" means the complete public waterworks system of the Issuer, as presently existing in its entirety or any integral part thereof, and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system, and shall include any additions, improvements and extensions thereto hereafter constructed or acquired for the System from any sources whatsoever.

"Term Bonds" means Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 hereof.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations and vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa; and any requirement for execution or attestation of the Bond or any certificate or other document by the Chairman or the Secretary shall mean that such Bond, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

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

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

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Resolution so numbered.

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

Section 1.03. Findings. The Governing Body hereby finds and determines as follows:

A. The Issuer intends to refund the Series 1993 A Bonds in their entirety with proceeds of the Series 2003 A Bonds and other funds of the Issuer and refund the Series 1994 Bonds in their entirety with proceeds of the Series 2003 B Bonds and other funds of the Issuer, to issue the Series 2003 A Bonds and the Series 2003 B Bonds and to pledge the Net Revenues of the System for payment thereof on a parity with one another and the First Lien Bonds and senior and prior to the Second Lien Bonds.

B. The Series 2003 A Bonds and the Series 2003 B Bonds shall be issued on a parity with one another and the First Lien Bonds and senior and prior to the Second Lien Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has met the coverage requirements for issuance of parity bonds set forth in the First Lien Bonds and the resolutions authorizing the First Lien Bonds and has substantially complied with all other parity requirements, except to the extent that noncompliance with any such other parity requirements is not of a material nature. Prior to the issuance of the Series 2003 A Bonds and the Series 2003 B Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the First Lien Bonds have been met; and (ii) the written consent of the Holders of the First Lien Bonds and the Second Lien Bonds to the issuance of the Series 2003 A Bonds and the Series 2003 B Bonds on a parity with the First Lien Bonds and senior and prior to the Second Lien Bonds. Other than the Prior Bonds, there are no outstanding bonds or

obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Resolutions.

C. The estimated revenues to be derived in each year from the operation of the System after the refunding and defeasance of the Series 1993 A Bonds and the Series 1994 Bonds will be sufficient to pay all Operating Expenses of the System and the principal of and interest on the Series 2003 A Bonds, the Series 2003 B Bonds, and the Prior Bonds and to make all other payments provided for in this Resolution.

D. Based upon the assumed principal amount, maturity schedule and interest rates for the Series 2003 A Bonds and the Series 2003 B Bonds presented to the Issuer by the Original Purchaser, and after making allowance for the use of cash on hand of the Issuer, the Series 2003 A Bonds and the Series 2003 B Bonds show a net present value debt service savings to the Issuer after deducting all expenses of the refunding of the Series 1993 A Bonds and the Series 1994 Bonds and the costs of issuing the Series 2003 A Bonds and the Series 2003 B Bonds.

E. The Issuer shall not sell the Series 2003 A Bonds or the Series 2003 B Bonds without setting forth in the Supplemental Resolution the determination set forth in paragraph D above, based upon the actual principal amount, maturity schedule and interest rates for the Series 2003 A Bonds and the Series 2003 B Bonds, and the Issuer shall not issue the Series 2003 A Bonds or the Series 2003 B Bonds without having obtained from an Independent Certified Public Accountant a certification that the amount of savings stated to be achieved by the refunding shall in fact be saved, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 2003 A Bonds and the Series 2003 B Bonds and the net interest cost in dollars of the Series 1993 A Bonds and the Series 1994 Bonds, respectively.

F. Subject to the determination and certification required by paragraph E above, it is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2003 A Bonds and secure the Series 2003 A Bonds by a pledge and assignment of the Net Revenues derived from the operation of the System, the monies in the Series 2003 A Bonds Sinking Fund and the Series 2003 A and Series 2003 B Bonds Reserve Account, unexpended proceeds of the Series 2003 A Bonds and as further set forth herein.

Subject to the determination and certification required by paragraph E above, it is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2003 B Bonds and secure the Series 2003 B Bonds by a pledge and assignment of the Net Revenues derived from the operation of the System, the monies in the Series 2003 B Bonds Sinking Fund and the Series 2003 A and Series 2003 B Bonds Reserve Account, unexpended proceeds of the Series 2003 B Bonds and as further set forth herein.

G. The Series 2003 A Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in

EXHIBIT A - SERIES 2003 A BOND FORM attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Resolution or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

The Series 2003 B Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT B - SERIES 2003 B BOND FORM attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Resolution or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

H. All things necessary to make the Series 2003 A Bonds and the Series 2003 B Bonds, when authenticated by the Registrar and issued as in this Resolution provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2003 A Bonds and the Series 2003 B Bonds, will be timely done and duly performed.

I. The adoption of this Resolution, and the execution and issuance of the Series 2003 A Bonds and the Series 2003 B Bonds, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

Section 1.04. Resolution Constitutes Contract. In consideration of the acceptance of the Series 2003 A Bonds and the Series 2003 B Bonds by those who shall own or hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of such Bondholders of any and all of such Series 2003 A Bonds or Series 2003 B Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding of Series 1993 A Bonds. All Series 1993 A Bonds Outstanding as of the date of issuance of the Series 2003 A Bonds are hereby ordered to be refunded, and the pledge of Net Revenues in favor of the Holders of the Series 1993 A Bonds imposed by the 1993 Resolution, the monies in the funds and accounts created by the 1993 Resolution pledged to payment of the Series 1993 A Bonds, and any other funds pledged by the 1993 Resolution to payment of the Series 1993 A Bonds are hereby ordered terminated, discharged and released upon the payment to the Bond Commission for deposit in the Series 1993 A Bonds Sinking Fund from the proceeds of the Series 2003 A Bonds and from other monies available therefor, of the following: (a) an amount equal to the fiscal and paying agent charges to become due and payable in connection with the Series 1993 A Bonds; and (b) an amount which will provide for the payment of the principal of and interest on the Series 1993 A Bonds, plus the premium, if any, as of June 15, 2003. Contemporaneously with the deposit of the proceeds of the Series 2003 A Bonds and other monies into the Series 1993 A Bonds Sinking Fund, the amounts on deposit in the sinking fund, including the reserve account therein, created and maintained on behalf of the Series 1993 A Bonds shall be released from the lien created by the 1993 Resolution and deposited in the Series 1993 A Bonds Sinking Fund, the Series 2003 A and Series 2003 B Bonds Reserve Account or such other fund or account as shall be set forth in the Supplemental Resolution and invested as provided therein.

Section 2.02. Authorization of Refunding of Series 1994 Bonds. All Series 1994 Bonds Outstanding as of the date of issuance of the Series 2003 B Bonds are hereby ordered to be refunded, and the pledge of Net Revenues in favor of the Holders of the Series 1994 Bonds imposed by the 1994 Resolution, the monies in the funds and accounts created by the 1994 Resolution pledged to payment of the Series 1994 Bonds, and any other funds pledged by the 1994 Resolution to payment of the Series 1994 Bonds are hereby ordered terminated, discharged and released upon the payment to the Bond Commission for deposit in the Series 1994 Bonds Sinking Fund from the proceeds of the Series 2003 B Bonds and from other monies available therefor, of the following: (a) an amount equal to the fiscal and paying agent charges to become due and payable in connection with the Series 1994 Bonds; and (b) an amount which will provide for the payment of the principal of and interest on the Series 1994 Bonds, plus the premium, if any, as of September 1, 2004. Contemporaneously with the deposit of the proceeds of the Series 2003 B Bonds and other monies into the Series 1994 Bonds Sinking Fund, the amounts on deposit in the sinking fund, including the reserve account therein, created and maintained on behalf of the Series 1994 Bonds shall be released from the lien created by the 1994 Resolution and deposited in the Series 1994 Bonds Sinking Fund, the Series 2003 A and Series 2003 B Bonds Reserve Account or such other fund or account as shall be set forth in the Supplemental Resolution and invested as provided therein.

ARTICLE III

THE BONDS

Section 3.01. Form and Payment of Bonds. No Bond shall be issued pursuant to this Resolution except as provided in this Article III. Any Bonds issued pursuant to this Resolution after the issuance of the Series 2003 A Bonds or the Series 2003 B Bonds, as hereinafter provided, may be issued only as fully registered Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity. All Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. Series 2003 Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Series 2003 Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Series 2003 Bonds shall be in default, Bonds issued in exchange for Series 2003 Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Series 2003 Bonds surrendered.

The principal of and the premium, if any, on the Series 2003 A Bonds and the Series 2003 B Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Series 2003 Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $500,000 or more of the Series 2003 Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Series 2003 Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Bond in the principal amount of said Series 2003 Bond then Outstanding.

Section 3.02. Execution of Bonds. The Series 2003 A Bonds and the Series 2003 B Bonds shall be executed in the name of the Issuer by the Chairman, by his or her manual or facsimile signature, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary by his or her manual or facsimile signature; provided, that, all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Series 2003 Bonds shall cease to be such officer of the Issuer before the Series 2003 Bonds so signed and sealed have been actually sold and delivered, such Series 2003 Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2003

Bonds had not ceased to hold such office. Any Series 2003 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Series 2003 Bonds shall hold the proper office in the Issuer, although at the date of such Series 2003 Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Series 2003 Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until the Certificate of Authentication and Registration on such Series 2003 Bond, substantially in the form set forth in EXHIBIT A - SERIES 2003 A BOND FORM attached hereto and incorporated herein by reference with respect to the Series 2003 A Bonds, and in EXHIBIT B - SERIES 2003 B BOND FORM attached hereto and incorporated herein by reference with respect to the Series 2003 B Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Series 2003 Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Resolution. The Certificate of Authentication and Registration on any Series 2003 Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Series 2003 Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2003 A Bonds and the Series 2003 B Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder, in accepting any of said Series 2003 Bonds, shall be conclusively deemed to have agreed that such Series 2003 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder shall further be conclusively deemed to have agreed that said Series 2003 Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2003 A Bonds or Series 2003 B Bonds remain Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Series 2003 Bonds. Series 2003 Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Series 2003 Bond, there shall be issued at the option of the Holder or the transferee another Series 2003 Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Bond and of the same series, interest rate and maturity of said transferred Series 2003 Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Series 2003 Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Series 2003 Bonds of the same series, maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Series 2003 A Bond or a Series 2003 B Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Resolution. All Series 2003 Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Series 2003 Bonds, the initial exchange of Series 2003 Bonds and exchanges of Series 2003 Bonds in the event of partial redemption of fully registered Series 2003 Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Series 2003 Bonds, the Registrar may impose a service charge. For every such transfer or exchange of bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Series 2003 Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2003 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Series 2003 Bond of like series, maturity and principal amount as the Series 2003 Bond, so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Bond, or in lieu of and substitution for the Series 2003 Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the Registrar proof of his ownership thereof and that said Series 2003 Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Series 2003 Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Series 2003 Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Series 2003 Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Series 2003 Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Series 2003 Bonds be at any time found by any one, and such duplicate Series 2003 Bonds shall be entitled to equal and proportionate benefits and rights

as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued pursuant to this Resolution, the following provisions shall apply:

A. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Series 2003 A Bonds Redemption Account or the Series 2003 B Bonds Redemption Account, as appropriate, in accordance with Subsection 4.03A(2) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory Redemption Date of said Term Bonds, a sum equal to 1/12th of the amount required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Series 2003 Bonds shall be set forth in the Supplemental Resolution relating thereto.

B. At its option, to be exercised on or before the 60th day next preceding any such mandatory Redemption Date, the Issuer may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

C. The Issuer shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the monies in the Series 2003 A Bonds Redemption Account or the Series 2003 B Bonds Redemption Account, as appropriate, to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order

directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

E. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Series 2003 A Bonds Sinking Fund or the Series 2003 B Bonds Sinking Fund, as appropriate), as will exhaust as nearly as practicable such Series 2003 A Bonds Redemption Account payment or Series 2003 B Bonds Redemption Account payment designated to be made in accordance with paragraph (A) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Series 2003 A Bonds or Series 2003 B Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Bond Insurer, the Original Purchaser and the registered owner of the Series 2003 Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the registered Owner of the Series 2003 A Bonds and the Series 2003 B Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices relating to optional redemption of the Series 2003 A Bonds and the Series 2003 B Bonds shall also be sent to registered securities depositories.

All official notices of redemption shall be dated and shall state:

(1) The Redemption Date;

(2) The Redemption Price;

(3) If less than all outstanding Series 2003 A Bonds or Series 2003 B Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2003 A Bonds or Series 2003 B Bonds, as appropriate, to be redeemed;

(4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such Series 2003 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;

(5) The place where such Series 2003 Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Registrar; and

(6) Such other information, if any, as shall be required for DTC-eligible Series 2003 Bonds.

If funds sufficient to redeem all Series 2003 Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is subject to the deposit of such monies with the Paying Agent on or before the Redemption Date. If such monies are not so deposited, the Registrar shall notify all holders of Series 2003 Bonds called for redemption of such fact.

Official notice of redemption having been given as aforesaid, the Series 2003 Bonds or portions of Series 2003 Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Series 2003 Bonds or portions of Series 2003 Bonds shall cease to bear interest. Upon surrender of such Series 2003 Bonds for redemption in accordance with said notice, such Series 2003 Bonds shall be paid by the Registrar at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 2003 Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unredeemed principal of such Series 2003 Bond. All Series 2003 Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Series 2003 A Bonds or Series 2003 B Bonds, and failure to mail or otherwise send such notice shall not affect the validity of proceedings for the redemption of any portion of Series 2003 A Bonds or Series 2003 B Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Series 2003 A Bond or Series 2003 B Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of, and interest on, such Bond and for all other purposes, whether or not such Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with

appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Resolution. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Authorization of Bonds. A. For the purposes of paying costs of refunding all of the Series 1993 A Bonds of the Issuer, funding a portion of the Series 2003 A and Series 2003 B Bonds Reserve Account, paying costs in connection therewith and paying certain costs of acquisition and construction of certain improvements and additions to the System, there shall be issued the Series 2003 A Bonds of the Issuer, in an aggregate principal amount of not more than $1,500,000. The Series 2003 A Bonds shall be designated "Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified)" and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any year of maturity, not exceeding the aggregate principal amount of Series 2003 A Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2003 A Bonds shall be numbered from AR-1 consecutively upward. The Series 2003 A Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

B. For the purposes of paying a portion of the costs of refunding all of the Series 1994 Bonds of the Issuer, funding a portion of the Series 2003 A and Series 2003 B Bonds Reserve Account, paying costs in connection therewith and paying certain costs of acquisition and construction of certain improvements and additions to the System, there shall be issued the Series 2003 B Bonds of the Issuer, in an aggregate principal amount of not more than $2,500,000. The Series 2003 B Bonds shall be designated "Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified)" and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any year of maturity, not exceeding the aggregate principal amount of Series 2003 B Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 2003 B Bonds shall be numbered from BR-1 consecutively upward. The Series 2003 B Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Bonds. A. The Series 2003 A Bonds and the Series 2003 B Bonds shall each initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2003 A Bonds and the Series 2003 B Bonds, respectively, of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in paragraph E below, all of the Series 2003 A Bonds and the Series 2003 B Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided that if DTC shall request that the Series 2003 A Bonds or the Series 2003 B Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2003 A Bonds or the Series 2003 B Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 2003 A Bond or Series 2003 B Bond, or any other evidence of ownership of the Series 2003 A Bonds or Series 2003 B Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2003 A Bonds or the Series 2003 B Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in paragraph E below.

B. At or prior to settlement for the Series 2003 A Bonds and the Series 2003 B Bonds, the Issuer and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Resolution, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2003 A Bonds or the Series 2003 B Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2003 A Bonds or Series 2003 B Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in New York Clearing House or equivalent next day funds on the dates provided for such payments to be made to any Bondholder under this Resolution. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of or interest on the Series 2003 A Bonds and the Series 2003 B Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2003 A Bonds or the Series 2003 B Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2003 A Bonds or Series 2003 B Bonds so redeemed, but DTC may return such Series 2003 A Bonds or Series 2003 B Bonds and make an appropriate notation on the Series 2003 A Bond or Series 2003 B Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2003 A Bonds or the Series 2003 B Bonds of such maturity which have been redeemed.

D. The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2003 A Bonds and the Series 2003 B Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2003 A Bonds and the Series 2003 B Bonds, selecting the Series 2003 A Bonds or Series 2003 B Bonds, or portions thereof, to be redeemed, giving any notice permitted or required to be given to Bondholders under this Resolution, registering the transfer of Series 2003 A Bonds or the Series 2003 B Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2003 A Bonds or the Series 2003 B Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 2003 A Bonds or the Series 2003 B Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2003 A Bonds or the Series 2003 B Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Resolution, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 2003 A Bonds or the Series 2003 B Bonds, or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 2003 A Bonds and the Series 2003 B Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2003 A Bonds or the Series 2003 B Bonds; or (ii) the Issuer determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2003 A Bonds and the Series 2003 B Bonds. In either of such events (unless in the case described in clause (ii) above, the Issuer appoints a successor securities depository), the Series 2003 A Bonds and the Series 2003 B Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2003 A Bonds and the Series 2003 B Bonds.

Section 3.12. Delivery of Bonds. A. The Issuer shall execute and deliver the Series 2003 A Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2003 A Bonds to the Original Purchaser upon receipt of the documents set forth below:

(1) A list of the names in which the Series 2003 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2003 A Bonds to the Original Purchaser;

(3) Copies of this Resolution and the Supplemental Resolution certified by the Secretary;

(4) The unqualified approving opinion upon the Series 2003 A Bonds by Bond Counsel; and

(5) A copy of such other documents, certifications and verifications as the Original Purchaser may reasonably require.

B. The Issuer shall execute and deliver the Series 2003 B Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2003 B Bonds to the Original Purchaser upon receipt of the documents set forth below:

(1) A list of the names in which the Series 2003 B Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(2) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2003 B Bonds to the Original Purchaser;

(3) Copies of this Resolution and the Supplemental Resolution certified by the Secretary;

(4) The unqualified approving opinion upon the Series 2003 B Bonds by Bond Counsel; and

(5) A copy of such other documents, certifications and verifications as the Original Purchaser may reasonably require.

Section 3.13. Form of Bonds. A. The definitive Series 2003 A Bonds shall be in substantially the form set forth in EXHIBIT A - SERIES 2003 A BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2003 A Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2003 A Bonds shall have the

form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof.

B. The definitive Series 2003 B Bonds shall be in substantially the form set forth in EXHIBIT B - SERIES 2003 B BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 2003 B Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2003 B Bonds shall have the form of the opinion of Steptoe & Johnson PLLC, as Bond Counsel, attached thereto or printed on the reverse thereof

Section 3.14. Disposition of Proceeds of Bonds.

A. Upon the issuance and delivery of the Series 2003 A Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2003 A Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2003 A Bonds Sinking Fund and applied to payment of interest on the Series 2003 A Bonds at the first interest payment date.

2. An amount of the proceeds of the Series 2003 A Bonds which, together with other monies or securities deposited therein and the earnings thereon, shall be sufficient to accomplish the refunding and defeasance of the Series 1993 A Bonds (which amount shall be set forth in the Supplemental Resolution) shall be deposited in the Series 1993 A Bonds Sinking Fund.

3. An amount of the proceeds of the Series 2003 A Bonds equal to a portion of the Series 2003 A and Series 2003 B Bonds Reserve Requirement shall be remitted to the Bond Commission for deposit in the Series 2003 A and Series 2003 B Bonds Reserve Account; provided that, to the extent the Series 2003 A and Series 2003 B Bonds Reserve Requirement is satisfied in whole or in part from proceeds of any fund or account established for the Series 1993 A Bonds pursuant to the 1993 Resolution proceeds of the Series 2003 A Bonds shall be deposited in the Series 2003 A and Series 2003 B Bonds Reserve Account only to the extent needed to satisfy a portion of the Series 2003 A Bonds and Series 2003 B Reserve Requirement.

4. An amount of the proceeds of the Series 2003 A Bonds which shall be sufficient to pay a portion of the costs of issuance of the Series 2003 Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2003 Bonds and miscellaneous costs of refunding the Series 1993 A Bonds and the Series 1994 Bonds. All such costs of issuance shall be paid within 60 days of the Closing Date. Monies not to be applied immediately to pay such costs of issuance and refunding may be invested in

accordance with this Resolution, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 6 months after the Closing Date, such unapplied proceeds shall be transferred by the Issuer, pro rata, to the Series 2003 A Bonds Redemption Account and the Series 2003 B Bonds Redemption Account. All such proceeds transferred to the Series 2003 A Bonds Redemption Account shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2003 A Bonds.

5. The balance of any proceeds of the Series 2003 A Bonds and any monies in any fund or account established for the Series 1993 A Bonds pursuant to the 1993 Resolution, not used for any of the purposes set forth above, shall be deposited in the Construction Fund and shall be drawn out, used and applied by the Issuer solely to pay the costs of acquisition and construction of certain improvements and extensions to the System (the "Project"). All such costs of the Project shall be paid within 6 months of the Closing Date. Monies not to be applied immediately to pay such costs of the Project may be invested in accordance with this Resolution, subject however, to applicable yield restrictions as may be in effect under the Code. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2003 A Bonds.

B. Upon the issuance and delivery of the Series 2003 B Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

1. All interest accrued on the Series 2003 B Bonds from the date thereof to the date of delivery thereof shall be deposited in the Series 2003 B Bonds Sinking Fund and applied to payment of interest on the Series 2003 B Bonds at the first interest payment date.

2. An amount of the proceeds of the Series 2003 B Bonds which, together with other monies or securities deposited therein and the earnings thereon, shall be sufficient to accomplish the refunding and defeasance of the Series 1994 Bonds (which amount shall be set forth in the Supplemental Resolution) shall be deposited in the Series 1994 Bonds Sinking Fund.

3. An amount of the proceeds of the Series 2003 B Bonds equal to the portion of Series 2003 A and Series 2003 B Bonds Reserve Requirement not funded with the proceeds of the Series 2003 A Bonds shall be remitted to the Bond Commission for deposit in the Series 2003 A and Series 2003 B Bonds Reserve Account; provided that, to the extent the Series 2003 B Bonds Reserve Requirement is satisfied in whole or in part from proceeds of any fund or account established for the Series 1994 Bonds pursuant to the 1994 Resolution proceeds of the Series 2003 B Bonds shall be deposited in the Series 2003 A and Series 2003 B Bonds Reserve Account only to the extent needed to satisfy the balance of the Series 2003 A and Series 2003 B Bonds Reserve Requirement.

4. An amount of the proceeds of the Series 2003 B Bonds which shall be sufficient to pay the portion of all costs of issuance not paid with the proceeds of the Series 2003 A Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2003 Bonds and miscellaneous costs of refunding the Series 1993 A Bonds and the Series 1994 Bonds at the written direction of the Issuer. All such costs of issuance shall be paid within 60 days of the Closing Date. Monies not to be applied immediately to pay such costs of issuance and refunding may be invested in accordance with this Resolution, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 6 months after the Closing Date, such unapplied proceeds shall be transferred by the Issuer, pro rata, to the Series 2003 A Bonds Redemption Account and the Series 2003 B Bonds Redemption Account. All such proceeds transferred to the Series 2003 B Bonds Redemption Account shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2003 B Bonds.

5. The balance of any proceeds of the Series 2003 B Bonds and any monies in any fund or account established for the Series 1994 Bonds pursuant to the 1994 Resolution, not used for any of the purposes set forth above, shall be deposited in the Construction Fund and shall be drawn out, used and applied by the Issuer solely to pay the costs of acquisition and construction of certain improvements and extensions to the System (the "Project"). All such costs of the Project shall be paid within 6 months of the Closing Date. Monies not to be applied immediately to pay such costs of the Project may be invested in accordance with this Resolution, subject however, to applicable yield restrictions as may be in effect under the Code. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such monies until so applied in favor of the Holders of the Series 2003 B Bonds.

Section 3.15. Designation of Bonds as "Qualified Tax-Exempt Obligations". Pursuant to Section 265(b)(3)(D)(ii) of the Code, the Series 2003 A Bonds shall be treated as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code and shall be deemed so designated as the Series 2003 A Bonds and the issue of which they are a part satisfy the following requirements: (1) the Series 2003 A Bonds are being issued to currently refund the Series 1993 A Bonds which were designated at the time of their issuance as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code; (2) the amount of the Series 2003 A Bonds does not exceed the outstanding amount of the Series 1993 A Bonds being refunded; (3) the average maturity date of the Series 2003 A Bonds is not later than the average maturity date of the bonds being refunded by the issue of which the Series 2003 A Bonds are a part; (4) the Series 2003 A Bonds have a maturity date which is not later than the date which is 30 years after the Series 1993 A Bonds were issued; and (5) the aggregate face amount of the issue of which the Series 2003 A Bonds are a part does not exceed $10,000,000.

ARTICLE IV

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds or accounts are hereby created with (or continued if previously established), and shall be held by, the Depository Bank, segregated and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

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

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

(3) Construction Fund;

(4) Costs of Issuance Fund; and

(5) Rebate Fund.

Section 4.02. Establishment of Funds and Accounts with Bond Commission. Pursuant to this Article IV, the following special funds or accounts are hereby created with and shall be held by, the Bond Commission, separate and apart from all other funds or accounts of the Bond Commission and the Issuer and from each other:

(1) Series 2003 A Bonds Sinking Fund;

(2) Within the Series 2003 A Bonds Sinking Fund, the Series 2003 A Bonds Redemption Account;

(3) Series 2003 B Bonds Sinking Fund;

(4) Within the Series 2003 B Bonds Sinking Fund, the Series 2003 B Bonds Redemption Account; and

(5) Series 2003 A and Series 2003 B Bonds Reserve Account.

Section 4.03. System Revenues and Application Thereof. So long as any of the Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Resolution and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

(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 remit to the Bond Commission (i) for deposit in the respective Sinking Funds, the amounts required by the Prior Resolutions to pay interest on the First Lien Bonds; (ii) commencing 6 months prior to the first interest payment date on the Series 2003 A Bonds, for deposit in the Series 2003 A Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2003 A Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2003 A Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2003 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2003 A Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2003 A Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2003 A Bonds Sinking Fund; and (iii) commencing 6 months prior to the first interest payment date on the Series 2003 B Bonds, for deposit in the Series 2003 B Bonds Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Series 2003 B Bonds on the next ensuing semiannual interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2003 B Bonds Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next

ensuing semiannual interest payment date, the required amount of interest coming due on such date; and provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2003 B Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2003 B Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Series 2003 B Bonds Sinking Fund shall be reduced by the amount of any earnings credited to the Series 2003 B Bonds Sinking Fund.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the respective Sinking Funds, the amounts required by the Prior Resolutions to pay the principal of the First Lien Bonds; (ii) commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2003 A Bonds, for deposit in the Series 2003 A Bonds Sinking Fund, and in the Series 2003 A Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2003 A Bonds on the next ensuing principal payment date or mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2003 A Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2003 A Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph; and (iii) commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2003 B Bonds, for deposit in the Series 2003 B Bonds Sinking Fund, and in the Series 2003 B Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2003 B Bonds on the next ensuing principal payment date or

mandatory Redemption Date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2003 B Bonds Sinking Fund and the next ensuing annual principal payment date or mandatory Redemption Date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing annual principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Series 2003 B Bonds Sinking Fund and not previously credited pursuant to the preceding paragraph.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) for deposit in the respective Reserve Accounts, the amounts required under the Prior Resolutions to fund the respective reserves requirements for the First Lien Bonds; and (ii) for deposit in the Series 2003 A and Series 2003 B Bonds Reserve Account, an amount sufficient to remedy any decrease in value of the Series 2003 A and Series 2003 B Bonds Reserve Account below the Series 2003 A and Series 2003 B Bonds Reserve Requirement or any withdrawal from the Series 2003 A and Series 2003 B Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2003 A and Series 2003 B Bonds Reserve Account results in a determination that the amount of monies and the value of the Qualified Investments deposited to the credit of the Series 2003 A and Series 2003 B Bonds Reserve Account is less than the Series 2003 A and Series 2003 B Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2003 A and Series 2003 B Bonds Reserve Account for deposit into the Series 2003 A and Series 2003 B Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of monies on deposit in the Series 2003 A and Series 2003 B Bonds Reserve Account to an amount equal to the Series 2003 A and Series 2003 B Bonds Reserve Requirement to the full extent that such Net Revenues are available; provided, that no payments shall be required to be made into the Series 2003 A and Series 2003 B Bonds Reserve Account whenever and as long as

the amount deposited therein shall be equal to the Series 2003 A and Series 2003 B Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Resolutions and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article V 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 monies from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Sinking Fund for the Second Lien Bonds the amount required under the Prior Resolutions to pay principal of the Second Lien Bonds.

(7) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Reserve Account for Second Lien Bonds the amount required under the Prior Resolutions.

Monies in the Series 2003 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2003 A Bonds as the same shall become due, whether by maturity or redemption prior to maturity. Monies in the Series 2003 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2003 B Bonds as the same shall become due, whether by maturity or redemption prior to maturity. Amounts in the Series 2003 A and Series 2003 B Bonds Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Series 2003 Bonds when due, when amounts in the Series 2003 A Bonds Sinking Fund and/or Series 2003 B Bonds Sinking Fund are insufficient therefor and for no other purpose.

The Issuer shall not be required to make any further payments into the Series 2003 A Bonds Sinking Fund, Series 2003 B Bonds Sinking Fund or the Series 2003 A and Series 2003 B Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of Series 2003 Bonds issued pursuant to this Resolution then Outstanding, plus the amount of interest due or thereafter to become due on the Series 2003 Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 2003 A Bonds and the Series 2003 B Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at or before maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirements therefor.

The payments into the Series 2003 A Bonds Sinking Fund and the Series 2003 B Bonds Sinking Fund shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Resolution.

The Issuer shall restore any withdrawals from the Series 2003 A and Series 2003 B Bonds Reserve Account which have the effect of reducing the assets therein below the Series 2003 A and Series 2003 B Bonds Reserve Requirement, from the first Net Revenues available after all required payments have been made in full in the order set forth above.

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the First Lien Bonds, the Series 2003 A Bonds and the Series 2003 B Bonds, senior and prior to the principal, interest or reserve payments for the Second Lien Bonds, in accordance with the respective principal amounts then Outstanding.

The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2003 A Bonds Sinking Fund, the Series 2003 A and Series 2003 B Bonds Reserve Account and the Series 2003 B Bonds Sinking Fund created hereunder, and all amounts required for said accounts shall be remitted to the Bond Commission from the Revenue Fund by the Issuer at the times provided herein.

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

C. The Issuer shall remit from the Revenue Fund to the Bond Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Bond Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay any charges and fees then due.

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

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

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

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

ARTICLE V

INVESTMENTS; NON-ARBITRAGE; REBATES OF EXCESS INVESTMENT EARNINGS

Section 5.01. Investments. The Issuer shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any monies held as a part of the funds and accounts created by this Resolution in Qualified Investments to the fullest extent possible under applicable laws, this Resolution, the need for such monies for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The Issuer 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 Issuer may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section:

(A) Qualified Investments acquired for the Series 2003 A and Series 2003 B Bonds Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer shall, or shall cause the Bond Commission to semiannually transfer from the Series 2003 A and Series 2003 B Bonds Reserve Account, pro rata, to the Series 2003 A Bonds Sinking Fund and Series 2003 B Bonds Sinking Fund, any earnings on the monies deposited therein and any other funds in excess of the requirement therefor; provided, however, that there shall at all times remain on deposit in the Series 2003 A and Series 2003 B Bonds Reserve Account an amount at least equal to the Series 2003 A and Series 2003 B Bonds Reserve Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Series 2003 A and Series 2003 B Bonds Reserve Account, whereupon such account shall be valued immediately after such withdrawal. If amounts on deposit in the Series 2003 A and Series 2003 B Bonds Reserve Account shall, at any time, be less than the Series 2003 A and Series 2003 B Bonds Reserve Requirement, the Bond Insurer, if any, shall be notified immediately of such deficiency, such deficiency shall be made up from the first available Net Revenues in the order set forth in Section 4.03 hereof.

(D) All amounts representing accrued and capitalized interest shall be held by the Bond Commission, pledged solely to the payment of interest on the Series 2003 A Bonds and the Series 2003 B Bonds, as applicable, and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(E) Notwithstanding the foregoing, all monies deposited in the Series 2003 A Bonds Sinking Fund and the Series 2003 B Bonds Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended.

Section 5.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2003 A Bonds and the Series 2003 B Bonds in such manner and to such extent as may be necessary, so that neither the Series 2003 A Bonds nor the Series 2003 B Bonds will constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2003 A Bonds and the Series 2003 B Bonds) so that the interest on the Series 2003 A Bonds and the Series 2003 B Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.03. Tax Certificate and Rebate. A. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and

other tax matters as a condition to issuance of the Series 2003 A Bonds and the Series 2003 B Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2003 A Bonds and the Series 2003 B Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

B. The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect, with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. The Issuer at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and the required amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2003 A Bonds and the Series 2003 B Bonds from gross income for federal income tax purposes.

Section 5.04. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Resolution shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2003 A Bonds or the Series 2003 B Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Resolution, the Issuer hereby covenants and agrees with the Holders of the Series 2003 A Bonds and the Series 2003 B Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2003 A Bonds or the Series 2003 B Bonds, or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer. The Series 2003 A Bonds and the Series 2003 B Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any of the provisions or limitations of the constitution but shall be payable solely from the Net Revenues of the System, in the instance of the Series 2003 A Bonds, the monies in the Series 2003 A Bonds Sinking Fund and the Series 2003 A and Series 2003 B Bonds Reserve Account, and the unexpended proceeds of the Series 2003 A Bonds, and in the instance of the Series 2003 A Bonds, the monies in the Series 2003 B Bonds Sinking Fund and the Series 2003 A and Series 2003 B Bonds Reserve Account, and the unexpended proceeds of the Series 2003 B Bonds, all as herein provided. No Holder or Holders of the Series 2003 A Bonds or the Series 2003 B Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2003 A Bonds or the Series 2003 B Bonds, or the interest thereon.

Section 6.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of all of the Series 2003 A Bonds and the Series 2003 B Bonds issued hereunder shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with one another and with the lien on the Net Revenues in favor of the Holders of the First Lien Bonds, which lien and pledge are senior and prior to the lien on the Net Revenues in favor of the Holders of the Second Lien Bonds. The Series 2001 Notes are not secured by the assets of the System or the Net Revenues thereof and are junior and subordinate to the First Lien Bonds and the Second Lien Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the interest on and principal of the Series 2003 A Bonds and the Series 2003 B Bonds herein authorized, and to make the payments into the Series 2003 A Bonds Sinking Fund, the Series 2003 A and Series 2003 B Bonds Reserve Account, and all other payments provided for in this Resolution, are hereby irrevocably pledged in the manner provided in this Resolution to the payment of the interest on and principal of the Series 2003 A Bonds and the Series

2003 B Bonds herein authorized as the same become due and for the other purposes provided in this Resolution.

Section 6.04. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2003 A Bonds, the Series 2003 B Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or subordinate to the Series 2003 A Bonds and the Series 2003 B Bonds, including the First Lien Bonds and the Second Lien Bonds.

The Issuer shall require that each annual audit contain a statement of the auditor that the Issuer either is or is not in compliance with rate covenant contained in this Section 6.04. In the event that any audit contains a statement that the Issuer is not in compliance with the rate covenant contained in this Section 6.04, the Issuer hereby covenants that it shall, within sixty (60) days of receiving the audit report, file a request with the Public Service Commission of West Virginia for a rate increase sufficient to comply with the above-mentioned rate requirement.

Section 6.05. Operation and Maintenance. The Issuer will operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

Section 6.06. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, or any part thereof, except as provided in the Prior Resolutions. Additionally, so long as the Series 2003 A Bonds or Series 2003 B Bonds are outstanding and except as otherwise required by law, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding, or to effectively defease this Resolution in accordance with Article IX hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2003 A Bonds and the Series 2003 B Bonds, immediately be remitted to the Bond Commission for

deposit in the Series 2003 A Bonds Sinking Fund or the Series 2003 B Bonds Sinking Fund, as applicable, and the Issuer shall direct the Bond Commission to apply such proceeds to the payment of principal of and interest on the Series 2003 A Bonds or the Series 2003 B Bonds, as applicable. Any balance remaining after the payment of the Series 2003 A Bonds and the Series 2003 B Bonds and interest thereon shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall with the written consent of the Authority, be remitted by the Issuer to the Bond Commission for deposit in the Sinking Funds and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value or otherwise into the Renewal and Replacement Fund. Such payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Resolution. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% in amount of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2003 A Bonds and the Series 2003 B Bonds, except as provided in Section 6.08 herein. All obligations issued by the Issuer after the issuance of the Series 2003 A Bonds and the Series 2003 B 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 2003 A Bonds and the Series 2003 B 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 2003 A Bonds and the Series 2003 B Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2003 A Bonds and the Series 2003 B Bonds and the interest thereon, if any, in this Resolution, or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolutions shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2003 A Bonds and the Series 2003 B Bonds pursuant to this Resolution, except under the conditions and in the manner herein provided (unless less restrictive than the provisions of the Prior Resolutions).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2003 A Bonds and the Series 2003 B Bonds.

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

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

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

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer, the period for appeal of which has expired prior to the date of issuance of such additional 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 Accountant, 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 Resolution (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds 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 Resolution required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 2003 A Bonds and the Series 2003 B Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2003 A Bonds and the Series 2003 B Bonds.

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

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Series 2003 Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

A. 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 and destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund.

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

C. WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Issuer and such payment bonds will be filed with the Clerk of the County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

D. 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.

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

F. 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.

Section 6.10. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and, in the event the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself or themselves of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.11. 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, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other changes, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services and facilities of the System to all delinquent users of services and facilities of the System and will not restore such services of the System until all billing for charges for the services and facilities of the System, plus reasonable interest and penalty charges for the restoration of service, has been fully paid.

Section 6.12. 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 or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.13. Books and Records. 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 Series 2003 Bond or Bonds shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the Issuer. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Issuer shall be reported to such agent of the Issuer as it shall direct.

The Issuer shall file with the Original Purchaser and any Bond Insurer, and shall mail to any Bondholder requesting the same, an annual report within 30 days following the date of receipt of the final audit containing a balance sheet, statement of revenues, expenses, and changes in retained earnings, and statement of cash flows, as prescribed by generally accepted accounting principles.

The Issuer shall also file with the Original Purchaser and any Bond Insurer, and mail to any Bondholder requesting the same, an annual report containing the following:

(A) A statement of Gross Revenues, Operating Expenses, and Net Revenues derived from the System.

(B) A statement of account balances in all funds and accounts provided for herein and status of said funds.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by an Independent Certified Public Accountant in compliance with OMB Circular 128 or any successor thereto and the Single Audit Act, shall mail upon request, and make available generally, the report of said Independent Certified Public Accountant, or a summary thereof, to any Holder or Holders of Bonds issued pursuant to this Resolution and shall file said report with the Original Purchaser.

Section 6.14. Operating Budget. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date, prepare and adopt by resolution a detailed budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and

recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of such a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser 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 Original Purchaser, the Bond Insurer, if any, and to any Bondholder or anyone acting for and in behalf of such Bondholder who requests the same.

Section 6.15. Connections. To the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Section 6.16. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2003 A Bonds and the Series 2003 B Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2003 A Bonds and the Series 2003 B Bonds, pro rata, and shall be on a parity with the statutory mortgage lien in favor of the Holders of the First Lien Bonds, and senior and prior to the lien in favor of the Holders of the Second Lien Bonds.

Section 6.17. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2003 A Bonds or the Series 2003 B Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2003 A Bonds or the Series 2003 B Bonds during the term thereof is, under the terms of the Series 2003 A Bonds or the Series 2003 B Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2003 A Bonds or the Series 2003 B Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2003 A Bonds or the Series 2003 B Bonds during the term thereof is, under the terms of the Series 2003 A Bonds or the Series 2003 B Bonds or any underlying

arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2003 A Bonds or the Series 2003 B Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2003 A Bonds or the Series 2003 B Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2003 A Bonds or Series 2003 B Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2003 A Bonds or the Series 2003 B Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2003 A Bonds and the Series 2003 B Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Series 2003 A Bonds and the Series 2003 B Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.18 Financial Guaranty Insurance Policy. The Issuer may apply for a Financial Guaranty Insurance Policy for the Series 2003 A Bonds and/or the Series 2003 B Bonds. In the event a Financial Guaranty Insurance Policy is obtained, additional covenants and provisions of the Issuer may be required by the Bond Insurer as a condition to insuring the Series 2003 A Bonds or the Series 2003 B Bonds. These additional covenants and provisions shall be set forth in a Supplemental Resolution, shall apply to the Series 2003 A Bonds and/or the Series 2003 B Bonds, and shall be controlling in the event any other provisions of this Resolution may be in conflict therewith.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2003 A Bonds and the Series 2003 B Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on the Series 2003 A Bonds or the Series 2003 B Bonds;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Resolution or any Supplemental Resolution or in the Series 2003 A Bonds or Series 2003 B Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder or any Bond Insurer;

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

(D) If default occurs with respect to the Prior Bonds or the Prior Resolutions.

The Issuer must cure any covenant default within 30 days after notice of the default, and failure to pay principal of or interest on the Bonds shall be an immediate event of default.

No waivers shall be granted by any party to the Bond documents without the prior written consent of the Bond Insurer, if any.

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder or any Bond Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the Issuer to perform its duties under the Act and this Resolution;

(C) Bring suit upon the Series 2003 Bonds;

(D) 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 Bondholders; and

(E) By action or bill in equity enjoin any acts in violation of this Resolution or the rights of the Bondholders.

No remedy by the terms of this Resolution conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute. All rights and remedies of the Holders of the Series 2003 A Bonds and the Series 2003 B Bonds shall be on a parity with one another and also on parity with those of the Holders of the First Lien Bonds, and senior and prior to those of the Holders of the Second Lien Bonds.

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

No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Bond Insurer 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 on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other Revenues in conformity with the provisions of this Resolution and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of the System and shall hold, operate, maintain, manage and control such facilities, and each and every part thereof,

and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

Whenever all that is due upon the Series 2003 Bonds issued pursuant to this Resolution and interest thereon and under any covenants of this Resolution for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Revenues of the System shall have been paid and made good, and all defaults under the provisions of this Resolution shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Bondholder 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, 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 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 the Holders of the Series 2003 Bonds issued pursuant to this Resolution. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the Issuer and the Bondholders, and the curing and making good of any default under the provisions of this Resolution, 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, mortgage or otherwise dispose of any assets of the System.

Notwithstanding any other provision of this Resolution, in determining whether the rights of Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Resolution, any trustee or Bondholder's committee shall consider the effect on the Bondholders as if no Financial Guaranty Insurance Policy were then in effect.

Section 7.04. Restoration of Issuer and Bondholder. In case any Bondholder shall have proceeded to enforce any right under this Resolution by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Bondholder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Bondholder shall continue as if no such proceedings had been taken.

ARTICLE VIII

REGISTRAR AND PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar for the Series 2003 A Bonds and the Series 2003 B Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Series 2003 A Bonds and the Series 2003 B Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Series 2003 A Bonds or the Series 2003 B Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Series 2003 A Bonds and the Series 2003 B Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Resolution and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Registrar May Act. Except as otherwise provided by Section 10.02, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Bonds, the first exchange of Bonds and the exchange of Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Series 2003 A Bonds or Series 2003 B Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Series 2003 A Bonds, the Series 2003 B Bonds or this Resolution, whether or not any

such committee shall represent the Holders of a majority in principal amount of the Series 2003 A Bonds or Series 2003 B Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Resolution by giving not less than 60 days' written notice to the Issuer and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Series 2003 A Bonds and the Series 2003 B Bonds are fully registered), specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer or by the Holders of a majority in principal amount of the Series 2003 A Bonds and the Series 2003 B Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Series 2003 A Bonds and the Series 2003 B Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Series 2003 A Bonds and the Series 2003 B Bonds are fully registered) notice of any such appointment within 20 days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or

national banking association authorized to perform the duties imposed upon it by this Resolution.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any monies, books and records held by it to its successor.

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication. In case any of the Series 2003 A Bonds or the Series 2003 B Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Series 2003 A Bonds or Series 2003 B Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. The Bond Commission shall serve as the Paying Agent. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Resolution. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Bonds shall be and remain DTC-eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from monies available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Resolution. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within 30 days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said

period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agent shall enjoy the same protective provisions in the performance of its duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

All monies received by the Paying Agent shall, until used or applied as provided in this Resolution, be held in trust for the purposes for which they were received.

ARTICLE IX

DEFEASANCE; DISCHARGE OF PLEDGE OF RESOLUTION

Section 9.01. Defeasance; Discharge of Pledge of Resolution. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 2003 A Bonds and the Series 2003 B Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then this Resolution and the pledges of the Net Revenues and other monies and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Series 2003 A Bonds and the Series 2003 B Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied, except as may be necessary to assure the exclusion of interest on the Series 2003 A Bonds and the Series 2003 B Bonds from gross income for federal income tax purposes.

The Series 2003 A Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on the Series 2003 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2003 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on the Series 2003 A Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of the Series 2003 A Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Series 2003 A Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on the Series 2003 A Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations, as such term is limited by

the provisions in Section 1.01 hereof or such additional securities as shall be set forth in the Supplemental Resolution.

The Series 2003 B Bonds for the payment of which either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on the Series 2003 B Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 2003 B Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either monies in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide monies which, together with the monies, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on the Series 2003 B Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of the Series 2003 B Bonds prior to the maturity thereof, on and prior to said Redemption Date. Neither securities nor monies deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Series 2003 B Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on the Series 2003 B Bonds on and prior to such maturity or Redemption Dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations, as such term is limited by the provisions in Section 1.01 hereof or such additional securities as shall be set forth in the Supplemental Resolution.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Resolution. Prior to issuance of the Series 2003 A Bonds or the Series 2003 B Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of the Resolution, shall be controlling. Following issuance of the Series 2003 A Bonds or the Series 2003 B Bonds, this Resolution and any Supplemental Resolution may be amended or modified without the consent of any Bondholder or other person, so long as such amendment or modification is not materially adverse to any Bondholder, as determined by an opinion of Bond Counsel. In the event any of the Series 2003 A Bonds or the Series 2003 B Bonds are insured, no such amendment or modification which adversely affects the security for such Series 2003 A Bonds or the Series 2003 B Bonds or the rights of any Bond Insurer for such Series 2003 A Bonds or Series 2003 B Bonds may be effected without the written consent of such Bond Insurer. No materially adverse amendment or modification to this Resolution, or of any Supplemental Resolution, may be made without the written consent of the Holders of 60% in aggregate principal amount of the Series 2003 A Bonds and the Series 2003 B Bonds then Outstanding and affected thereby and such Bond Insurer, which must be filed with the Issuer before any such modification or amendment may be made. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Series 2003 A Bond or Series 2003 B Bond without the express written consent of the Holder of each Series 2003 A Bond or Series 2003 B Bond so affected, nor reduce the percentage of Series 2003 A Bonds and Series 2003 B Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Resolution may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Resolution if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a

notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Resolution shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Resolution shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Resolution and no Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Resolution to the contrary notwithstanding, any monies held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for 1 year after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment

to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such monies then unclaimed will be returned to the Issuer. If any of said Bonds is a coupon Bond, the Registrar or said Paying Agent shall also publish such notice, not less than 30 days prior to the date such monies will be returned to the Issuer, in an Authorized Newspaper.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Paying Agent, the Depository Bank, the Original Purchaser or the Bond Insurer shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

ISSUER

Berkeley County Public Service District
Post Office Box 737
Martinsburg, West Virginia 25402-0737
Attention: Chairman

REGISTRAR AND PAYING AGENT

[Name(s) and address(es) to be set forth in Supplemental Resolution]

DEPOSITORY BANK

[Name and address to be set forth in Supplemental Resolution]

ORIGINAL PURCHASER

Ross, Sinclaire & Associates
400 Democrat Drive
Frankfort, Kentucky 40601
Attention: Managing Director

BOND INSURER

[Name and address, if any, to be set forth in Supplemental Resolution]

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability. No member of the Issuer or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Resolution.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Resolution and of all Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2003 A Bonds or the Series 2003 B Bonds and the Original Purchaser, any right, remedy or claim under or by reason of this Resolution. All the covenants, stipulations, promises and agreements contained in this Resolution by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Holders of the Series 2003 A Bonds and the Series 2003 B Bonds and the Original Purchaser.

Section 10.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Resolution.

Section 10.11. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.12. Conflicting Provisions Repealed. All orders, resolutions or parts thereof in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Resolution and the resolutions authorizing the Prior Bonds, the resolutions authorizing the Prior Bonds shall control, unless less restrictive, so long as the Prior Bonds are Outstanding.

Section 10.13. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 10.14. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this 14th day of April, 2003.

Chairman

CERTIFICATION

Certified a true, correct and complete copy of a Resolution duly adopted by the Public Service Board of Berkeley County Public Service District on the 14th day of April, 2003.

Dated this 30th day of April, 2003.

[SEAL]

Secretary

04/09/03
067780/00002

EXHIBIT A - SERIES 2003 A BOND FORM

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 A (BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date,

from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 2003 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in _____, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "Berkeley County Public Service District Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified)" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____ 1, 2003, the proceeds of which are to be used, together with other funds of the Issuer, (i) to refund all of the Water Refunding Revenue Bonds, Series 1993 A, dated March 24, 1993, of the Issuer, outstanding in the total aggregate principal amount of $_____ (the "Series 1993 A Bonds"), which were issued to refinance the cost of acquisition and construction of the public waterworks system of the Issuer (the "System"); (ii) to fund a portion of a Reserve Account for the Bonds and the Series 2003 B Bonds (as hereinafter defined) (the remaining portion to be funded with proceeds of the Series 2003 B Bonds); (iii) to pay certain costs of issuance of the Bonds and the Series 2003 B Bonds and related costs; and (iv) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the System. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia,

including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on April 14, 2003, and supplemented by a supplemental resolution duly adopted by the Issuer on April 14, 2003 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Issuer.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE FOLLOWING OUTSTANDING WATER REVENUE BONDS OF THE ISSUER WHICH HAVE THE LIEN POSITION SO DESIGNATED:

DESIGNATION	LIEN POSITION
(1) WATER REVENUE BONDS, SERIES 1993 B (FORMERLY HEDGESVILLE PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1993 A) (THE "SERIES 1993 B BONDS"), DATED MARCH 8, 1993, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $528,871;	FIRST LIEN
(2) WATER REVENUE BONDS, SERIES 1993 C (FORMERLY HEDGESVILLE PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1993 B) (THE "SERIES 1993 C BONDS"), DATED MARCH 8, 1993, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $17,629;	SECOND LIEN
(3) WATER REVENUE BONDS, SERIES 1993 D (FORMERLY OPEQUON PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1993) (THE "SERIES 1993 D BONDS"), DATED	FIRST LIEN

JULY 29, 1993, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $10,257,957;	
(4) WATER REVENUE BONDS, SERIES 1996 (FORMERLY HEDGESVILLE PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1996) (THE "SERIES 1996 BONDS"), DATED AUGUST 6, 1996, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $677,158;	FIRST LIEN
(5) WATER REVENUE BONDS, SERIES 1997 (FORMERLY OPEQUON PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1997) (THE "SERIES 1997 BONDS"), DATED JUNE 25, 1997, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,339,090;	FIRST LIEN
(6) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) (THE "SERIES 2001 A BONDS"), DATED OCTOBER 25, 2001, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,010,000; AND	FIRST LIEN
(7) WATER REFUNDING BOND ANTICIPATION NOTES, SERIES 2001 (FORMERLY HEDGESVILLE PUBLIC SERVICE DISTRICT WATER REFUNDING BOND ANTICIPATION NOTES, SERIES 2001) (THE "SERIES 2001 NOTES").	NO LIEN

THIS BOND IS ALSO ISSUED CONCURRENTLY WITH THE ISSUER'S WATER REVENUE REFUNDING BONDS, SERIES 2003 B (NON-BANK QUALIFIED)

(THE "SERIES 2003 B BONDS"), IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____, AND ON A PARITY WITH THIS BOND.

The Series 1993 B Bonds, the Series 1993 D Bonds, the Series 1996 Bonds, the Series 1997 Bonds, the Series 2001 A Bonds and the Series 2003 B Bonds are hereinafter collectively called the "First Lien Bonds." The Series 1993 C Bonds are hereinafter called the "Second Lien Bonds." The First Lien Bonds are secured by a first lien on and a pledge of the Net Revenues of the System, on a parity with each other, which lien and pledge are senior and prior to the lien on the Net Revenues of the System of the Second Lien Bonds. The Series 2001 Notes are not secured by the assets of the System or the Net Revenues thereof and are junior and subordinate to the First Lien Bonds and the Second Lien Bonds.

This Bond is additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of financial guaranty bond insurance issued by _____.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds are not subject to optional redemption prior to _____. At the option of the Issuer, the Bonds will be subject to redemption prior to maturity on and after _____, _____, as a whole at any time and in part on any Interest Payment Date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) set forth below, plus interest accrued to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing on _____, are subject to mandatory sinking fund redemption prior to maturing on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing _____

Year (____)	Principal Amount

Bonds Maturing _____

Year (____)	Principal Amount

Bonds Maturing _____

Year (____)	Principal Amount

Bonds Maturing _____

Year (____)	Principal Amount

Bonds Maturing _____

Year (____)	Principal Amount

_____
* Final Maturity

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. A copy of such notice of redemption shall also be mailed to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds, and senior and prior to the pledge of Net Revenues in favor of the holders of the Second Lien Bonds, and from monies in the reserve account created under the Resolution for the Bonds (the "Series 2003 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any of the provisions or limitations of the constitution, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2003 A and Series 2003 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or subordinate to the Bonds, including the First Lien Bonds and the Second Lien Bonds.

All monies received from the sale of this Bond except for accrued interest thereon shall be applied solely to refund the Series 1993 A Bonds, fund a reserve account for the Bonds, pay costs of acquisition and construction of certain additions, betterments and improvements to the System and pay costs of issuance hereof, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of said 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 said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

This Bond, under the provisions 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, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Resolution.

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond has been designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

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

IN WITNESS WHEREOF, BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA) has caused this Bond to be signed by its Chairman, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

(Manual or Facsimile Signature)
Chairman

ATTEST:

(Manual or Facsimile Signature)
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

_____

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

_____

_____

_____ the within Bond and does hereby irrevocably constitute and appoint _____

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

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

STATEMENT OF INSURANCE

EXHIBIT B - SERIES 2003 B BOND FORM

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 B (NON-BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date,

from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 2003 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in _____, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "Berkeley County Public Service District Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified)" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____ 1, 2003, the proceeds of which are to be used, together with other funds of the Issuer, (i) to refund all of the Water Revenue Bonds, Series 1994, dated September 1, 1994, of the Issuer, outstanding in the total aggregate principal amount of $_____ (the "Series 1994 Bonds"), which were issued to finance the cost of acquisition and construction of the public waterworks system of the Issuer (the "System"); (ii) a portion of the Reserve Account for the Bonds, and the Series 2003 A Bonds (as hereinafter defined) (the remaining portion to be funded with proceeds of the Series 2003 A Bonds); (iii) to pay certain costs of issuance of the Bonds and the Series 2003 A Bonds and related costs; and (iv) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the System. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia,

including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on April 14, 2003, and supplemented by a supplemental resolution duly adopted by the Issuer on April 14, 2003 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Issuer.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE FOLLOWING OUTSTANDING WATER REVENUE BONDS OF THE ISSUER WHICH HAVE THE LIEN POSITION SO DESIGNATED:

DESIGNATION	LIEN POSITION
(1) WATER REVENUE BONDS, SERIES 1993 B (FORMERLY HEDGESVILLE PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1993 A) (THE "SERIES 1993 B BONDS"), DATED MARCH 8, 1993, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $528,871;	FIRST LIEN
(2) WATER REVENUE BONDS, SERIES 1993 C (FORMERLY HEDGESVILLE PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1993 B) (THE "SERIES 1993 C BONDS"), DATED MARCH 8, 1993, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $17,629;	SECOND LIEN
(3) WATER REVENUE BONDS, SERIES 1993 D (FORMERLY OPEQUON PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1993) (THE "SERIES 1993 D BONDS"), DATED	FIRST LIEN

JULY 29 1993, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $10,257,957;	
(4) WATER REVENUE BONDS, SERIES 1996 (FORMERLY HEDGESVILLE PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1996) (THE "SERIES 1996 BONDS"), DATED AUGUST 6, 1996, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $677,158;	FIRST LIEN
(5) WATER REVENUE BONDS, SERIES 1997 (FORMERLY OPEQUON PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1997) (THE "SERIES 1997 BONDS"), DATED JUNE 25, 1997, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,339,090;	FIRST LIEN
(6) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (THE "SERIES 2001 A BONDS"), DATED OCTOBER 25, 2001, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,010,000; AND	FIRST LIEN
(7) WATER REFUNDING BOND ANTICIPATION NOTES, SERIES 2001 (FORMERLY HEDGESVILLE PUBLIC SERVICE DISTRICT WATER REFUNDING BOND ANTICIPATION NOTES, SERIES 2001) (THE "SERIES 2001 NOTES").	NO LIEN

THIS BOND IS ALSO ISSUED CONCURRENTLY WITH THE ISSUER'S WATER REVENUE REFUNDING BONDS, SERIES 2003 A (BANK QUALIFIED) (THE

"SERIES 2003 A BONDS"), IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____, AND ON A PARITY WITH THIS BOND.

The Series 1993 B Bonds, the Series 1993 D Bonds, the Series 1996 Bonds, the Series 1997 Bonds, the Series 2001 A Bonds and the Series 2003 A Bonds are hereinafter collectively called the "First Lien Bonds." The Series 1993 C Bonds are hereinafter called the "Second Lien Bonds." The First Lien Bonds are secured by a first lien on and a pledge of the Net Revenues of the System, on a parity with each other, which lien and pledge are senior and prior to the lien on the Net Revenues of the System of the Second Lien Bonds. The Series 2001 Notes are not secured by the assets of the System or the Net Revenues thereof and are junior and subordinate to the First Lien Bonds and the Second Lien Bonds.

This Bond is additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of financial guaranty bond insurance issued by _____.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Resolution and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds are not subject to optional redemption prior to _____. At the option of the Issuer, the Bonds will be subject to redemption prior to maturity on and after _____, _____, as a whole at any time and in part on any Interest Payment Date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) set forth below, plus interest accrued to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing on _____, are subject to mandatory sinking fund redemption prior to maturing on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

_____ Bonds Maturing _____

Year (____)	Principal Amount

_____ Bonds Maturing _____

Year (____)	Principal Amount

_____ Bonds Maturing _____

Year (____)	Principal Amount

_____ Bonds Maturing _____

Year (____)	Principal Amount

_____ Bonds Maturing _____

Year (____)	Principal Amount

_____
* Final Maturity

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Paying Agent on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. A copy of such notice of redemption shall also be mailed to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds, and senior and prior to the pledge of Net Revenues in favor of the holders of the Second Lien Bonds, and from monies in the reserve account created under the Resolution for the Bonds (the "Series 2003 B Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any of the provisions or limitations of the constitution, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2003 A and Series 2003 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or subordinate to the Bonds, including the First Lien Bonds and the Second Lien Bonds.

All monies received from the sale of this Bond except for accrued interest thereon shall be applied solely to refund the Series 1994 Bonds, fund a reserve account for the Bonds, pay costs of acquisition and construction of certain additions, betterments and improvements to the System and pay costs of issuance hereof, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of said 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 said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

This Bond, under the provisions 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, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Resolution.

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

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

IN WITNESS WHEREOF, BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA) has caused this Bond to be signed by its Chairman, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

(Manual or Facsimile Signature)
Chairman

ATTEST:

(Manual or Facsimile Signature)
Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee

_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____
_____
_____
_____ the within Bond and does hereby irrevocably constitute and appoint _____
_____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

STATEMENT OF INSURANCE

04/16/03
067780.00002

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING PARAMETERS AS TO DATES, AMOUNTS, MATURITIES, INTEREST RATES, REDEMPTION PROVISIONS, PURCHASE PRICE AND OTHER DETAILS AS TO THE WATER REFUNDING REVENUE BONDS, SERIES 2003 A (BANK QUALIFIED), AND THE WATER REFUNDING REVENUE BONDS, SERIES 2003 B (NON-BANK QUALIFIED) OF BERKELEY COUNTY PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING A BOND PURCHASE AGREEMENT, A PREPAYMENT AGREEMENT, AN ESCROW AGREEMENT, A COMMITMENT FOR MUNICIPAL BOND INSURANCE, A CONTINUING DISCLOSURE AGREEMENT, A REGISTRAR AGREEMENT, AN OFFICIAL STATEMENT, IMPLEMENTING PROVISIONS REQUIRED AS A CONDITION TO OBTAINING A MUNICIPAL BOND INSURANCE POLICY ON THE SERIES 2003 A BONDS AND THE SERIES 2003 B BONDS FROM AMBAC ASSURANCE CORPORATION AND OTHER INSTRUMENTS RELATING TO THE BONDS; APPOINTING A REGISTRAR, PAYING AGENT, AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS AND THE REFUNDING.

WHEREAS, Berkeley County Public Service District (the "Issuer"), in the County of Berkeley, State of West Virginia, is a public service district and public corporation of said State, the governing body of which is this public service board (the "Governing Body");

WHEREAS, the Governing Body duly adopted on April 14, 2003, a resolution (the "Resolution") entitled:

A RESOLUTION AUTHORIZING THE REFUNDING OF THE WATER REFUNDING REVENUE BONDS, SERIES 1993 A, AND WATER REVENUE BONDS, SERIES 1994, OF

BERKELEY COUNTY PUBLIC SERVICE DISTRICT; THE ISSUANCE OF WATER REFUNDING REVENUE BONDS, SERIES 2003 A (BANK QUALIFIED), OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $1,500,000 AND THE ISSUANCE OF WATER REFUNDING REVENUE BONDS, SERIES 2003 B (NON-BANK QUALIFIED), OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $2,500,000, THE PROCEEDS OF WHICH SHALL BE EXPENDED FOR SUCH RESPECTIVE REFUNDINGS OF THE PRIOR BONDS AND TO PAY COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING AN ESCROW AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

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

WHEREAS, the Resolution provided for the refunding of the Issuer's Water Refunding Revenue Bonds, Series 1993 A (the "Series 1993 A Bonds"), dated March 24, 1993, issued in the original aggregate principal amount of $3,350,000 and presently outstanding in the approximate principal amount of $1,330,000, and the issuance by the Issuer of it's Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified) in the aggregate principal amount of not more than $1,500,000 (the "Series 2003 A Bonds"), for the purposes of paying a portion of the costs of such refunding, funding all or a portion of a reserve account for the Series 2003 A and Series 2003 B Bonds, paying costs of acquisition and construction of additions, betterments and improvements to the System, and paying costs of issuance thereof, all in accordance with Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act");

WHEREAS, the Resolution provided for the refunding of the Issuer's Water Revenue Bonds, Series 1994 (the "Series 1994 Bonds"), dated September 1, 1994, issued in the original aggregate principal amount of $2,275,000 and presently outstanding in the approximate principal amount of $1,835,000, and the issuance by the Issuer of it's Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified) in the aggregate principal amount of not more than $2,500,000 (the "Series 2003 B Bonds"), for the purposes of paying

a portion of the costs of such refunding, funding all or a portion of a reserve account for the Series 2003 A and Series 2003 B Bonds, paying costs of acquisition and construction of additions, betterments and improvements to the System, and paying costs of issuance thereof, all in accordance with the Act;

WHEREAS, the Resolution further provided that the exact dates, amounts, maturities, interest rates, redemption provisions, purchase price and other terms of the Series 2003 A Bonds and the Series 2003 B Bonds should be established by Supplemental Resolution, that a Bond Insurer, Registrar, Paying Agent and Depository Bank be designated, that a Bond Purchase Agreement, a Continuing Disclosure Agreement, a Prepayment Agreement, an Escrow Agreement, a Registrar Agreement and an Official Statement be approved and that other matters pertaining to the Series 2003 A Bonds and the Series 2003 B Bonds be provided for by a supplemental resolution of the Governing Body, that additional covenants and provisions relating to the Bonds be provided therein, and as may be required by any Bond Insurer as a condition to insuring such Series 2003 A Bonds and Series 2003 B Bonds and that other matters pertaining to the Series 2003 A Bonds and the Series 2003 B Bonds be provided for by a supplemental resolution of this Board;

WHEREAS, the Series 2003 A Bonds and the Series 2003 B Bonds are proposed to be purchased by Ross, Sinclaire & Associates (the "Original Purchaser"), pursuant to a Bond Purchase Agreement between the Original Purchaser and the Issuer, to be dated the date of execution thereof and in general form attached hereto and incorporated herein by reference (the "Bond Purchase Agreement");

WHEREAS, the Issuer has obtained a commitment for Municipal Bond Insurance for the Series 2003 A Bonds and the Series 2003 B Bonds from AMBAC Assurance Corporation (the "Bond Insurer") and has determined that it is advantageous for the Issuer to obtain such Financial Guaranty Insurance Policy and provide herein for certain matters required by the Bond Insurer as a condition to issuing such Financial Guaranty Insurance Policy for the Series 2003 A Bonds and the Series 2003 B Bonds;

WHEREAS, the Governing Body has determined that, in order to obtain the best possible savings for the District in the current interest rate environment, the Executive Director shall be empowered and authorized to execute the Bond Purchase Agreement, within the parameters set forth herein, at such time as the Executive Director shall determine most advantageous to the District, or not at all; and

WHEREAS, the Governing Body deems it essential and desirable that this Resolution be adopted, that the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Commitment for Financial Guaranty Insurance for the Series 2003 A Bonds and the Series 2003 B Bonds, the Prepayment Agreement, the Escrow Agreement and the Registrar Agreement hereinafter provided for be entered into by the Issuer, that the Official Statement relating to the Series 2003 A Bonds and the Series 2003 B Bonds, hereinafter described, be approved, that the Issuer's Executive Director be authorized to enter into the Bond Purchase Agreement within the parameters hereby approved by the Board, and that other matters relating to the Series 2003 A Bonds and the Series 2003 B Bonds be herein provided for, that provisions required by the Bond Insurer for the Series 2003 A Bonds and the Series 2003 B Bonds as a condition to issuing its Financial Guaranty Insurance Policy be provided herein and that other matters relating to the Bonds be herein provided for all in accordance with the Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF BERKELEY COUNTY PUBLIC SERVICE DISTRICT:

Section 1. A. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2003 A Bonds. The Series 2003 A Bonds shall be dated April 1, 2003, upon original issuance, shall be issued in the aggregate principal amount not to exceed $1,500,000, bear interest at a rate not to exceed 5.5%, payable semiannually on March 1 and September 1 of each year, commencing September 1, 2003, shall mature on March 1 in such years, and shall generally have such redemption provisions and other terms as are set forth in EXHIBIT A - SERIES 2003 A BOND TERMS, attached hereto and incorporated by reference herein, provided however, that the specific terms of the Series 2003 A Bonds shall be as determined by the Executive Director at the time of the execution of the Bond Purchase Agreement and as approved by the Executive Director in the Certificate of Determinations attached hereto as EXHIBIT C. All other provisions relating to the Series 2003 A Bonds shall be as provided in the Resolution, and the Series 2003 A Bonds shall be in substantially the form provided in the Resolution.

B. Pursuant to the Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Series 2003 B Bonds. The Series 2003 B Bonds shall be dated April 1, 2003, upon original issuance, shall be issued in the aggregate principal amount not to exceed $2,500,000, bear interest at a rate not to exceed 5.5%, payable semiannually on March 1 and September 1 of each year, commencing September 1, 2003, shall mature on September 1 in such years, and shall generally have such redemption provisions and other terms as are set forth in EXHIBIT B - SERIES 2003 B BOND TERMS, attached hereto and incorporated by reference herein, provided however, that the specific terms of the Series 2003 B Bonds shall be as determined by the Executive Director at the time of the execution of the Bond Purchase Agreement and as approved by

the Executive Director in the Certificate of Determinations attached hereto as EXHIBIT C. All other provisions relating to the Series 2003 B Bonds shall be as provided in the Resolution, and the Series 2003 B Bonds shall be in substantially the form provided in the Resolution.

Section 2. The Bond Purchase Agreement by and between the Original Purchaser and the Issuer, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Executive Director thereof shall be and the same are hereby authorized, approved, and directed. The Executive Director is hereby empowered and authorized to execute the Bond Purchase Agreement on behalf of the District at such time as the Executive Director shall determine to be most advantageous, provided however, that the net present value savings of the refunding authorized through the execution of the Bond Purchase Agreement shall not be less than 3.00%. The Executive Director shall execute and deliver the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by the Executive Director. The execution of the Bond Purchase Agreement by the Executive Director shall be conclusive evidence of any approval required by this Section, and authorization of any action required by the Bond Purchase Agreement relating to the issuance and sale of the Series 2003 A Bonds and the Series 2003 B Bonds, including the payment of all necessary fees and expenses in connection therewith.

Section 3. The Prepayment Agreement and Escrow Agreement by and between the West Virginia Municipal Bond Commission and the Issuer, dated the date of delivery of the Series 2003 A Bonds and the Series 2003 B Bonds, substantially in the forms submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Chairman thereof shall be and the same are hereby authorized, approved, and directed. The Chairman shall execute and deliver the Prepayment Agreement and Escrow Agreement with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Prepayment Agreement and Escrow Agreement by the Chairman shall be conclusive evidence of any approval required by this Section.

Section 4. The Issuer does hereby approve the transfer of approximately $291,060 from the Series 1993 A Bonds Reserve Account, held by the West Virginia Municipal Bond Commission, to the Series 1993 A Bonds Sinking Fund to provide sufficient funds, in addition to the proceeds of the Series 2003 A Bonds, to defease the Series 1993 A Bonds.

Section 5. The Issuer does hereby approve the transfer of approximately $177,147.50 from the Series 1994 Bonds Reserve Account, held by the West Virginia Municipal Bond Commission, to the Series 1994 Bonds Sinking Fund to provide sufficient funds, in addition to the proceeds of the Series 2003 B Bonds, to defease the Series 1994 Bonds.

Section 6. The Continuing Disclosure Agreement by and between the Issuer and the Original Purchaser, to be dated as of the date of delivery of the Series 2003 A Bonds

and the Series 2003 B Bonds, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Chairman thereof shall be and the same are hereby authorized, approved and directed. The Chairman shall execute and deliver the Continuing Disclosure Agreement with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Continuing Disclosure Agreement by the Chairman shall be conclusive evidence of any approval required by this Section.

Section 7. The Official Statement to be substantially in the form attached hereto (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Chairman), and the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Chairman shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Official Statement by the Chairman shall be conclusive evidence of any approval required by this Section. The certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Chairman is hereby ratified and approved.

Section 8. The Issuer does hereby determine that the Financial Guaranty Insurance Policy offered by the Bond Insurer for the Series 2003 A Bonds and the Series 2003 B Bonds will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Financial Guaranty Insurance Policy, and accordingly accepts the Commitment for Financial Guaranty Insurance (the "Commitment") of Ambac Assurance Corporation, dated February 11, 2003. The Chairman is hereby authorized and directed to execute the approval of the Commitment and deliver the same to the Bond Insurer. Execution by the Chairman of the Commitment shall be conclusive evidence of any approval required by this Section.

Section 9. Pursuant to the Commitment, and, as permitted by Section 6.18 of the Resolution, the following covenants and provisions which are required by the Bond Insurer as a condition precedent to issuance of its Financial Guaranty Insurance Policy for the Series 2003 A Bonds and the Series 2003 B Bonds are hereby set forth, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Resolution and applicable to the Series 2003 A Bonds and the Series 2003 B Bonds:

DEFINITIONS

The following definitions are added to the Resolution:

> "Ambac Assurance" shall mean Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance company.
>
> "Financial Guaranty Insurance Policy" shall mean the financial guaranty insurance policy issued by Ambac Assurance insuring the payment when due of the principal of and interest on the Obligations as provided therein.

AMBAC CONSENT LANGUAGE

A. Consent of Ambac Assurance.

Any provision of the Resolution expressly recognizing or granting rights in or to Ambac Assurance may not be amended in any manner which affects the rights of Ambac Assurance hereunder without the prior written consent of Ambac Assurance.

B. Consent of Ambac Assurance in Addition to Holder Consent.

Unless otherwise provided in this Section, Ambac Assurance's consent shall be required in addition to Holder consent, when required, for the following purposes: (i) execution and delivery of any supplemental Resolution or any amendment, supplement or change to or modification of the Loan Agreement (ii) removal of the Trustee or Paying Agent and selection and appointment of any successor trustee or paying agent [required in those transactions in which the Financing Document provides for a trustee or paying agent]; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires Holder consent.

C. Consent of Ambac Assurance in the Event of Insolvency

Any reorganization or liquidation plan with respect to the Issuer must be acceptable to Ambac Assurance. In the event of any reorganization or liquidation, Ambac Assurance shall have the right to vote on behalf of all Holders who hold Ambac Assurance-insured Obligations absent a default by Ambac Assurance under the applicable Financial Guaranty Insurance Policy insuring such Obligations.

D. Consent of Ambac Assurance Upon Default.

Anything in the Resolution to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined herein, Ambac Assurance shall be entitled to control and direct the enforcement of all rights and remedies granted to the Holders or the Trustee for the benefit of the Holders under this Resolution, including, without limitation: (i) the right to accelerate the principal of the Obligations as described in the Resolution, and (ii) the right to annul any declaration of acceleration, and Ambac Assurance shall also be entitled to approve all waivers of events of default.

E. Acceleration Rights.

Upon the occurrence of an event of default, the Trustee may, with the consent of Ambac Assurance, and shall, at the direction of Ambac Assurance or 50% of the Holders with the consent of Ambac Assurance, by written notice to the Obligor and Ambac Assurance, declare the principal of the Obligations to be immediately due and payable, whereupon that portion of the principal of the Obligations thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Resolution or in the Obligations to the contrary notwithstanding.

Notices to be sent to the attention of the SURVEILLANCE DEPARTMENT:

A. While the Financial Guaranty Insurance Policy is in effect, the Issuer shall furnish to Ambac Assurance (to the attention of the Surveillance Department, unless otherwise indicated):

(a) as soon as practicable after the filing thereof, a copy of any financial statement of the Issuer and a copy of any audit and annual report of the Issuer;

(b) such additional information it may reasonably request.

B. a copy of any notice to be given to the registered owners of the Obligations, including, without limitation, notice of any redemption of or defeasance of Obligations, and any certificate rendered pursuant to the Resolution relating to the security for the Obligations.

C. To the extent that the Issuer has entered into a continuing disclosure agreement with respect to the Obligations, Ambac Assurance shall be included as party to be notified.

Notices to be sent to the attention of the GENERAL COUNSEL OFFICE:

A. The Trustee or Issuer [as appropriate] shall notify Ambac Assurance of any failure of the Issuer to provide relevant notices, certificates, etc.

B. Notwithstanding any other provision of the Resolution, the Trustee or Issuer [as appropriate] shall immediately notify Ambac Assurance if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any event of default hereunder.

Other Information to be given to Ambac Assurance:

The Issuer will permit Ambac Assurance to discuss the affairs, finances and accounts of the Issuer or any information Ambac Assurance may reasonably request regarding the security for the Obligations with appropriate officers of the Issuer. The Trustee or Issuer [as appropriate] will permit Ambac Assurance to [have access to the Project and] have access to and to make copies of all books and records relating to the Obligations at any reasonable time.

Ambac Assurance shall have the right to direct an accounting at the Issuer's expense, and the Issuer's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from Ambac Assurance shall be deemed a default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Obligations.

Permitted Investments

A. Ambac Assurance will allow the following obligations to be used as Permitted Investments for all purposes, including defeasance investments in refunding escrow accounts.

(Ambac Assurance does not give a premium credit for the investment of accrued and/or capitalized interest).

(1) Cash (insured at all times by the Federal Deposit Insurance Corporation),

(2) Direct obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury), or

(3) Senior debt obligations of other Government Sponsored Agencies approved by Ambac.

B. Ambac will allow the following Obligations to be used as Permitted Investments for all purposes other than defeasance investments in refunding escrow accounts.

(1) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

-Export-Import Bank
-Rural Economic Community Development Administration
-U.S. Maritime Administration
-Small Business Administration
-U.S. Department of Housing & Urban Development (PHAs)
-Federal Housing Administration
-Federal Financing Bank

(2) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

-Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or
Federal Home Loan Mortgage Corporation (FHLMC).

-Obligations of the Resolution Funding Corporation (REFCORP)

-Senior debt obligations of the Federal Home Loan Bank System

-Senior debt obligations of other Government Sponsored Agencies approved by Ambac

(3) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(4) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(5) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;

(6) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or

(B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph A(2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate; **[Pre-refunded Municipal Obligations meeting the requirements of subsection (B) hereof may be used as Permitted Investments for annual appropriation lease transactions.]**

(7) Municipal obligations rated "Aaa/AAA" or general obligations of States with a rating of "A2/A" or higher by both Moody's and S&P;

(8) Investment agreements approved in writing by Ambac Assurance Corporation (supported by appropriate opinions of counsel); and

(9) Other forms of investments (including repurchase agreements) approved in writing by Ambac.

C. The value of the above investments shall be determined as follows:

a) For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, Merrill Lynch, Salomon Smith Barney, Bear Stearns, or Lehman Brothers.

b) As to certificates of deposit and bankers' acceptances: the face amount thereof, plus accrued interest thereon; and

c) As to any investment not specified above: the value thereof established by prior agreement among the Issuer, the Trustee, and Ambac.

DEFEASANCE LANGUAGE

A. The definition of "Outstanding" Obligations or obligations, or any like concept, should specifically include Obligations or obligations which fall into the category described below.

B. The defeasance section of the Resolution shall include the following language:

Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Obligations shall be paid by Ambac Assurance Corporation pursuant to the Financial Guaranty Insurance Policy, the Obligations shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Obligor, and the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the Obligor to the registered owners shall continue to exist and shall run to the benefit of Ambac Assurance, and Ambac Assurance shall be subrogated to the rights of such registered owners.

PAYMENT PROCEDURE PURSUANT TO THE FINANCIAL GUARANTY INSURANCE POLICY

As long as the Obligation insurance shall be in full force and effect, the Issuer, the Trustee and any Paying Agent agree to comply with the following provisions:

(a) At least one (1) day prior to all Interest Payment Dates the Trustee or Paying Agent, if any, will determine whether there will be sufficient funds in the Funds and Accounts to pay the principal of or interest on the Obligations on such Interest Payment Date. If the

Trustee or Paying Agent, if any, determines that there will be insufficient funds in such Funds or Accounts, the Trustee or Paying Agent, if any, shall so notify Ambac Assurance. Such notice shall specify the amount of the anticipated deficiency, the Obligations to which such deficiency is applicable and whether such Obligations will be deficient as to principal or interest, or both. If the Trustee or Paying Agent, if any, has not so notified Ambac Assurance at least one (1) day prior to an Interest Payment Date, Ambac Assurance will make payments of principal or interest due on the Obligations on or before the first (1st) day next following the date on which Ambac Assurance shall have received notice of nonpayment from the Trustee or Paying Agent, if any.

(b) the Trustee or Paying Agent, if any, shall, after giving notice to Ambac Assurance as provided in (a) above, make available to Ambac Assurance and, at Ambac Assurance's direction, to The Bank of New York, in New York, New York, as insurance trustee for Ambac Assurance or any successor insurance trustee (the "Insurance Trustee"), the registration books of the Issuer maintained by the Trustee or Paying Agent, if any, and all records relating to the Funds and Accounts maintained under the Resolution.

(c) the Trustee or Paying Agent, if any, shall provide Ambac Assurance and the Insurance Trustee with a list of registered owners of Obligations entitled to receive principal or interest payments from Ambac Assurance under the terms of the Financial Guaranty Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Obligations entitled to receive full or partial interest payments from Ambac Assurance and (ii) to pay principal upon Obligations surrendered to the Insurance Trustee by the registered owners of Obligations entitled to receive full or partial principal payments from Ambac Assurance.

(d) the Trustee or Paying Agent, if any, shall, at the time it provides notice to Ambac Assurance pursuant to (a) above, notify registered owners of Obligations entitled to receive the payment of principal or interest thereon from Ambac Assurance (i) as to the fact of such entitlement, (ii) that Ambac Assurance will remit to them all or a part of the interest payments next coming due upon proof of Holder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from Ambac Assurance, they must surrender their Obligations (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Obligations to be registered in the name of Ambac Assurance) for payment to the Insurance Trustee, and not the Trustee or Paying Agent, if any, and (iv) that should they be entitled to receive partial payment of principal from Ambac Assurance, they must surrender their Obligations for payment thereon first to the Trustee or Paying Agent, if any, who shall note on such Obligations the portion of the principal paid by the Trustee or Paying Agent, if any, and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(e) in the event that the Trustee or Paying Agent, if any, has notice that any payment of principal of or interest on an Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Issuer has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee or Paying Agent, if any, shall, at the time Ambac Assurance is notified pursuant to (a) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available, and the Trustee or Paying Agent, if any, shall furnish to Ambac Assurance its records evidencing the payments of principal of and interest on the Obligations which have been made by the Trustee or Paying Agent, if any, and subsequently recovered from registered owners and the dates on which such payments were made.

(f) in addition to those rights granted Ambac Assurance under the Resolution, Ambac Assurance shall, to the extent it makes payment of principal of or interest on Obligations, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Financial Guaranty Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Trustee or Paying Agent, if any, shall note Ambac Assurance's rights as subrogee on the registration books of the Issuer maintained by the Trustee or Paying Agent, if any, upon receipt from Ambac Assurance of proof of the payment of interest thereon to the registered owners of the Obligations, and (ii) in the case of subrogation as to claims for past due principal, the Trustee or Paying Agent, if any, shall note Ambac Assurance's rights as subrogee on the registration books of the Issuer maintained by the Trustee or Paying Agent, if any, upon surrender of the Obligations by the registered owners thereof together with proof of the payment of principal thereof.

TRUSTEE-RELATED PROVISIONS

1. The Trustee (or Paying Agent) may be removed at any time, at the request of Ambac Assurance, for any breach of the Trust set forth herein.

2. Ambac Assurance shall receive prior written notice of any Trustee (or Paying Agent) resignation.

3. Every successor Trustee appointed pursuant to this Section shall be a trust company or bank in good standing located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than $75,000,000 and acceptable to Ambac Assurance. Any successor Paying Agent, if applicable, shall not be appointed unless Ambac approves such successor in writing.

4. Notwithstanding any other provision of the Resolution, in determining whether the rights of the Holders will be adversely affected by any action taken pursuant to the terms and provisions of the Resolution, the Trustee (or Paying Agent) shall consider the effect on the Holders as if there were no Financial Guaranty Insurance Policy.

5. Notwithstanding any other provision of the Resolution, no removal, resignation or termination of the Trustee (or Paying Agent) shall take effect until a successor, acceptable to Ambac, shall be appointed.

INTERESTED PARTIES

6. **Ambac As Third Party Beneficiary.**

To the extent that the Resolution confers upon or gives or grants to Ambac any right, remedy or claim under or by reason of the Resolution, Ambac is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right remedy or claim conferred, given or granted hereunder.

7. **Parties Interested Herein.**

Nothing in the Resolution expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Issuer, the Trustee, Ambac Assurance, the Paying Agent, if any, and the registered owners of the Obligations, any right, remedy or claim under or by reason of the Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in the Resolution contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Trustee, Ambac Assurance, the Paying Agent, if any, and the registered owners of the Obligations.

Section 10. The Registrar Agreement by and between the Issuer and the Registrar designated herein, to be dated as of the date of delivery of the Series 2003 A Bonds and the Series 2003 B Bonds, substantially in the form submitted to this meeting, shall be and the same is hereby approved. The Chairman shall execute and deliver the Registrar Agreement with such changes, insertions and omissions as may be approved by the Chairman. The execution of the Registrar Agreement by the Chairman shall be conclusive evidence of any approval required by this Section.

Section 11. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby appointed bond counsel to the Issuer in connection with the issuance of the Series 2003 A Bonds and the Series 2003 B Bonds.

Section 12. The Issuer does hereby appoint and designate Fifth Third Bank, Cincinnati, Ohio, for the purpose of serving in the capacity of Registrar and City National Bank of West Virginia, Martinsburg, West Virginia, as Depository Bank.

Section 13. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission for the purpose of serving in the capacity of Paying Agent.

Section 14. The notice addresses for the Registrar, Paying Agent and Original Purchaser shall be as follows:

REGISTRAR

Fifth Third Bank
Trust Department
38 Fountain Square Plaza
Mail Drop 10 AT 60
Cincinnati, Ohio 45263
Attention: Corporate Trust Department

PAYING AGENT

West Virginia Municipal Bond Commission
#8 Capitol Street, Suite 500
Charleston, West Virginia 25301
Attention: Executive Director

ORIGINAL PURCHASER

Ross, Sinclaire & Associates
400 Democrat Drive
Frankfort, Kentucky 40601
Attention: Public Finance

Section 15. Prior to the execution of the Bond Purchase Agreement, the Executive Director shall obtain a certification from the Original Purchaser of the Series 2003 A Bonds and the Series 2003 B Bonds that the terms of the Bonds agreed to in the Bond Purchase Agreement result in a net savings to the Issuer after deducting all expenses of the refundings. Prior to delivery of the Series 2003 A Bonds, the Issuer shall have obtained from Cox Hollida, LLP or such other independent certified public accountant acceptable to the Chairman, a certification that the amount of savings stated to be achieved by the refunding shall in fact be correct, based upon their review, comparison and analysis of the total net debt service in dollars of the Series 2003 A Bonds and the Series 2003 B Bonds and the remaining total net debt service in dollars of the Series 1993 A Bonds and Series 1994 Bonds. The Chairman is hereby authorized and directed to employ Cox Hollida, LLP, Martinsburg, West Virginia, or such other independent certified public accountant satisfactory to Bond Counsel, to supply the certification required herein and to take other actions required in connection with the refunding.

Section 16. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents and certificates, including a tax and arbitrage certificate, required or desirable in connection with the Series 2003 A Bond issue and the Series 2003 B Bond issue to the end that the Series 2003 A Bonds and the Series 2003 B Bonds may be delivered on a timely basis to the Original Purchaser pursuant to the Bond Purchase Agreement.

Section 17. This Supplemental Resolution shall be effective immediately.

Adopted this 14th day of April, 2003.

Chairman

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Resolution duly adopted by the Public Service Board of BERKELEY COUNTY PUBLIC SERVICE DISTRICT on the 14th day of April, 2003.

Dated this 30th day of April, 2003.

[SEAL]

Secretary

04/10/03
667080.00002

CH581544.4

EXHIBIT A - SERIES 2003 A BOND TERMS

TERM BONDS

Bond No.	Maturity Date	Principal Amount	Interest Price or Rate	Yield
AR-1	March 1, 2004	$300,000	100.000	1.2000%
AR-2	March 1, 2005	$265,000	100.000	1.6000%
AR-3	March 1, 2006	$275,000	100.000	1.8500%
AR-4	March 1, 2007	$280,000	100.000	2.3000%
AR-5	March 1, 2008	$110,000	100.000	2.7000%
AR-6	March 1, 2009	$ 50,000	100.000	3.0000%
AR-7	March 1, 2010	$ 50,000	100.000	3.3500%

EXHIBIT B - SERIES 2003 B BOND TERMS

TERM BONDS

Bond No.	Maturity Date	Principal Amount	Interest Price or Rate	Yield
BR-1	September 1, 2003	$ 50,000	100.000	1.2000%
BR-2	September 1, 2004	$ 75,000	100.000	1.2500%
BR-3	September 1, 2005	$ 75,000	100.000	1.6500%
BR-4	September 1, 2006	$ 75,000	100.000	2.0000%
BR-5	September 1, 2007	$ 50,000	100.000	2.4500%
BR-6	September 1, 2008	$260,000	100.000	2.8000%
BR-7	September 1, 2009	$ 60,000	100.000	3.1500%
BR-8	September 1, 2010	$120,000	100.000	3.4500%
BR-9	September 1, 2011	$125,000	100.000	3.6500%
BR-10	September 1, 2012	$125,000	100.000	3.8000%
BR-11	September 1, 2013	$130,000	100.000	4.0000%
BR-12	September 1, 2014	$135,000	100.000	4.1000%
BR-13	September 1, 2015	$140,000	100.000	4.2000%
BR-14	September 1, 2016	$145,000	100.000	4.3000%
BR-15	September 1, 2017	$150,000	100.000	4.4000%
BR-16	September 1, 2018	$155,000	100.000	4.5000%
BR-17	September 1, 2019	$160,000	100.000	4.6000%

EXHIBIT C - FORM OF CERTIFICATE OF DETERMINATIONS

BERKELEY COUNTY PUBLIC SERVICE DISTRICT
WATER REFUNDING REVENUE BONDS,
SERIES 2003 A AND SERIES 2003 B

CERTIFICATE OF DETERMINATIONS

The undersigned, Paul S. Fisher, Executive Director of Berkeley County Public Service District (the "Issuer"), in accordance with the Supplemental Resolution adopted by the Public Service Board of the Issuer on April 14, 2003 (the "Supplemental Resolution"), with respect to the Issuer's Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified) and Series 2003 B (Non-Bank Qualified) (collectively, the "Series 2003 Bonds"), hereby finds and determines as follows:

1. The Series 2003 Bonds shall be dated April 1, 2003 and shall bear interest on March 1 and September 1 of each year commencing September1, 2003.

2. The Series 2003 A Bonds shall be issued in the aggregate principal amount of $_____, at a true interest cost of _____%. The Series 2003 B Bonds shall be issued in the aggregate principal amount of $_____, at a true interest cost of _____%. Such interest rate does not exceed 5.5%, being the maximum interest rate authorized by the Supplemental Resolution. The net present value benefit is_____% of the Series 2003 A Bonds and Series 2003 B Bonds principal amount which exceeds the 3% required by the Supplemental Resolution.

3. The Series 2003 Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

4. The Series 2003 Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2003 Bonds shall be subject to optional and mandatory redemption as set forth on Schedule 2 attached hereto and incorporated herein.

6. (A) The Series 2003 A Bonds shall be sold to Ross, Sinclaire & Associates (the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of $_____ (representing par value less an Underwriter's discount of $_____ and a net original issue

premium of $_____), plus interest accrued of $_____ on the Series 2003 A Bonds from April 1, 2003 to April 30, 2003 (the "Closing Date").

(B) The Series 2003 B Bonds shall be sold to the Underwriter, pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of $_____ (representing par value less an Underwriter's discount of $_____ and a net original issue discount of $_____), plus interest accrued of $_____ on the Series 2003 B Bonds from April1, 2003 to April 30, 2003 (the "Closing Date").

7. Based upon the actual principal amount, maturity schedule and interest rates for the Series 2003 Bonds, attached hereto, it is hereby determined that the Series 2003 Bonds show a net savings to the Issuer after deducting all expenses of the refunding.

8. The forms of the Bond Purchase Agreement, the Continuing Disclosure Certificate, the Escrow Agreement, the Prepayment Agreement, the Registrar Agreement and Official Statement attached hereto are hereby approved.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2003 Bonds are within the parameters prescribed by the Supplemental Resolution, and the Series 2003 Bonds may be issued with such terms and conditions as authorized by the Supplemental Resolution.

WITNESS my signature this 17th day of April, 2003.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

_____

Executive Director

Schedule 1

Maturity Schedule

SERIES 2003 A BOND TERMS

Bond No.	Maturity Date	Principal Amount	Interest Rate	Price or Yield

SERIES 2003 B BOND TERMS

Bond No.	Maturity Date	Principal Amount	Interest Rate	Price or Yield

Schedule 2

Optional Redemption

BERKELEY COUNTY PUBLIC SERVICE DISTRICT
WATER REFUNDING REVENUE BONDS,
SERIES 2003 A AND SERIES 2003 B

CERTIFICATE OF DETERMINATIONS

The undersigned, Paul S. Fisher, Executive Director of Berkeley County Public Service District (the "Issuer"), in accordance with the Supplemental Resolution adopted by the Public Service Board of the Issuer on April 14, 2003 (the "Supplemental Resolution"), with respect to the Issuer's Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified) and Series 2003 B (Non-Bank Qualified) (collectively, the "Series 2003 Bonds"), hereby finds and determines as follows:

1. The Series 2003 Bonds shall be dated April 1, 2003 and shall bear interest on March 1 and September 1 of each year commencing September 1, 2003.

2. The Series 2003 A Bonds shall be issued in the aggregate principal amount of $1,330,000, at a true interest cost of 3.392255%. The Series 2003 B Bonds shall be issued in the aggregate principal amount of $2,030,000, at a true interest cost of 4.318350%. Such interest rate does not exceed 5.5%, being the maximum interest rate authorized by the Supplemental Resolution. The net present value benefit is 4.9092% of the Series 2003 A Bonds and Series 2003 B Bonds principal amount which exceeds the 3% required by the Supplemental Resolution.

3. The Series 2003 Bonds shall mature in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

4. The Series 2003 Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2003 Bonds shall be subject to optional redemption as set forth on Schedule 2 attached hereto and incorporated herein.

6. (A) The Series 2003 A Bonds shall be sold to Ross, Sinclaire & Associates (the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of $1,309,640.25 (representing par value less an Underwriter's discount of $23,275 plus an original issue premium of $2,915.25), plus interest accrued of $2,316.78 on the Series 2003 A Bonds from April 1, 2003 to April 30, 2003 (the "Closing Date").

(B) The Series 2003 B Bonds shall be sold to the Underwriter, pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of $1,992,120.90 (representing par value less an Underwriter's discount of $35,525 and

an original issue discount of $2,354.10), plus interest accrued of $5,729.11 on the Series 2003 B Bonds from April 1, 2003 to April 30, 2003 (the "Closing Date").

7. Based upon the actual principal amount, maturity schedule and interest rates for the Series 2003 Bonds, attached hereto, it is hereby determined that the Series 2003 Bonds show a net savings to the Issuer after deducting all expenses of the refunding.

8. The forms of the Bond Purchase Agreement, the Continuing Disclosure Certificate, the Escrow Agreement, the Prepayment Agreement, the Registrar Agreement and Official Statement attached hereto are hereby approved.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2003 Bonds are within the parameters prescribed by the Supplemental Resolution, and the Series 2003 Bonds may be issued with such terms and conditions as authorized by the Supplemental Resolution.

WITNESS my signature this 17th day of April, 2003.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

Paul S. Fisher

Executive Director

04/38/03
067780.00002

Schedule 1

Maturity Schedule

SERIES 2003 A BOND TERMS

Bond No.	Maturity Date	Principal Amount	Interest Rate	Yield
AR-1	March 1, 2004	$300,000.00	2.0000	100.662
AR-2	March 1, 2005	$265,000.00	2.0000	100.810
AR-3	March 1, 2006	$275,000.00	2.0000	100.411
AR-4	March 1, 2007	$280,000.00	2.2000	99.633
AR-5	March 1, 2008	$110,000.00	2.5000	99.321
AR-6	March 1, 2009	$ 50,000.00	2.9000	99.465
AR-7	March 1, 2010	$ 50,000.00	3.2000	99.389

SERIES 2003 B BOND TERMS

Bond No.	Maturity Date	Principal Amount	Interest Rate	Yield
BR-1	September 1, 2003	$ 50,000.00	2.0000	100.266
BR-2	September 1, 2004	$ 75,000.00	2.0000	100.990
BR-3	September 1, 2005	$ 75,000.00	2.0000	100.912
BR-4	September 1, 2006	$ 75,000.00	2.0000	100.320
BR-5	September 1, 2007	$ 50,000.00	2.3500	100.000
BR-6	September 1, 2008	$260,000.00	3.0000	101.479
BR-7	September 1, 2009	$ 60,000.00	3.0000	100.000
BR-8	September 1, 2010	$120,000.00	3.3000	100.000
BR-9	September 1, 2011	$125,000.00	3.5500	100.000
BR-10	September 1, 2012	$125,000.00	3.7000	100.000
BR-11	September 1, 2013	$130,000.00	3.8000	100.000
BR-12	September 1, 2014	$135,000.00	3.9500	100.000
BR-13	September 1, 2015	$140,000.00	4.0000	99.034
BR-14	September 1, 2016	$145,000.00	4.1000	98.982
BR-15	September 1, 2017	$150,000.00	4.2000	98.933
BR-16	September 1, 2018	$155,000.00	4.3000	98.888
BR-17	September 1, 2019	$160,000.00	4.4000	98.846

Schedule 2

Optional Redemption

The Series 2003 A Bonds are not subject to redemption prior to maturity.

The Series 2003 B Bonds maturing on and after September 1, 2014 are subject to redemption prior to maturity, at the option of the District, as a whole at any time, and in part, on any interest payment date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price of par, plus interest accrued to the date fixed for redemption.

SECOND SUPPLEMENTAL RESOLUTION

SECOND SUPPLEMENTAL RESOLUTION RATIFYING THE EXECUTIVE DIRECTOR'S APPROVAL OF THE BOND PURCHASE AGREEMENT AND TERMS OF THE WATER REFUNDING REVENUE BONDS, SERIES 2003 A (BANK QUALIFIED), AND THE WATER REFUNDING REVENUE BONDS, SERIES 2003 B (NON-BANK QUALIFIED) OF BERKELEY COUNTY PUBLIC SERVICE DISTRICT.

WHEREAS, Berkeley County Public Service District (the "Issuer"), in the County of Berkeley, State of West Virginia, is a public service district and public corporation of said State, the governing body of which is its public service board (the "Governing Body");

WHEREAS, the Governing Body duly adopted on April 14, 2003, a supplemental resolution (the "First Supplemental Resolution") entitled:

SUPPLEMENTAL RESOLUTION PROVIDING PARAMETERS AS TO DATES, AMOUNTS, MATURITIES, INTEREST RATES, REDEMPTION PROVISIONS, PURCHASE PRICE AND OTHER DETAILS AS TO THE WATER REFUNDING REVENUE BONDS, SERIES 2003 A (BANK QUALIFIED), AND THE WATER REFUNDING REVENUE BONDS, SERIES 2003 B (NON-BANK QUALIFIED) OF BERKELEY COUNTY PUBLIC SERVICE DISTRICT; AUTHORIZING AND APPROVING A BOND PURCHASE AGREEMENT, A PREPAYMENT AGREEMENT, AN ESCROW AGREEMENT, A COMMITMENT FOR MUNICIPAL BOND INSURANCE, A CONTINUING DISCLOSURE AGREEMENT, A REGISTRAR AGREEMENT, AN OFFICIAL STATEMENT, IMPLEMENTING PROVISIONS REQUIRED AS A CONDITION TO OBTAINING A MUNICIPAL BOND INSURANCE POLICY ON THE SERIES 2003 A BONDS AND THE SERIES 2003 B BONDS FROM AMBAC ASSURANCE CORPORATION AND OTHER INSTRUMENTS RELATING TO THE BONDS; APPOINTING A REGISTRAR, PAYING AGENT, AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS AND THE REFUNDING.

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the First Supplemental Resolution when used herein; and

WHEREAS, the Governing Body determined in the First Supplemental Resolution that, in order to obtain the best possible savings for the District in the current interest rate environment, that the Executive Director be empowered and authorized to execute the Bond Purchase Agreement, within the parameters set forth therein, at such time as the Executive Director shall determine most advantageous to the District, or not at all.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF BERKELEY COUNTY PUBLIC SERVICE DISTRICT:

Section 1. The First Supplemental Resolution empowered and authorized the Executive Director to execute the Bond Purchase Agreement on behalf of the District at such time as the Executive Director determined to be most advantageous, provided however, that the net present value savings of the refunding authorized through the execution of the Bond Purchase Agreement was not be less than 3.00%.

Section 2. On April 17, 2003, the Executive Director executed and delivered the Bond Purchase Agreement, thereby approving the sale of the Series 2003 A Bonds and Series 2003 B Bonds, within the parameters set forth in the Resolution.

Section 3. The approval, execution and delivery of the Bond Purchase Agreement by the Executive Director, which approved the terms of the Series 2003 A Bonds and Series 2003 B Bonds, as set forth in Exhibit A hereto and incorporated herein, pursuant to the parameters set forth in the Resolution is hereby ratified, confirmed and approved.

Section 4. The Issuer does hereby appoint and designate F&M Bank, Martinsburg, West Virginia, as Depository Bank.

Section 5. This Resolution shall be effective immediately.

Adopted this 28th day of April, 2003.

Chairman

04/22/03
067780.00002

EXHIBIT A

MATURITY SCHEDULE

$1,330,000 Series 2003 A Bonds

Maturity Date	Maturity Amount	Interest Rate	Yield
3/1/04	$300,000	2.0000%	1.2000%
3/1/05	265,000	2.0000	1.5500
3/1/06	275,000	2.0000	1.8500
3/1/07	280,000	2.2000	2.3000
3/1/08	110,000	2.5000	2.6500
3/1/09	50,000	2.9000	3.0000
3/1/10	50,000	3.2000	3.3000

$2,030,000 Series 2003 B Bonds

Maturity Date	Maturity Amount	Interest Rate	Yield
9/1/03	$50,000	2.0000%	1.2000%
9/1/04	75,000	2.0000	1.2500
9/1/05	75,000	2.0000	1.6000
9/1/06	75,000	2.0000	1.9000
9/1/07	50,000	2.3500	2.3500
9/1/08	260,000	3.0000	2.7000
9/1/09	60,000	3.0000	3.0000
9/1/10	120,000	3.3000	3.3000
9/1/11	125,000	3.5500	3.5500
9/1/12	125,000	3.7000	3.7000
9/1/13	130,000	3.8000	3.8000
9/1/14	135,000	3.9500	3.9495
9/1/15	140,000	4.0000	4.1000
9/1/16	145,000	4.1000	4.2000
9/1/17	150,000	4.2000	4.3000
9/1/18	155,000	4.3000	4.4000
9/1/19	160,000	4.4000	4.5000

(Accrued interest to be added)

Optional Redemption

The Series 2003 A Bonds are not subject to redemption prior to maturity.

The Series 2003 B Bonds maturing on and after September 1, 2014, are subject to redemption prior to maturity, at the option of the District, as a whole at any time and in part on any interest payment date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price of par, plus interest accrued to the date fixed for redemption.

$3,360,000

BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)
Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified)
and
Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned, Brian G. Nurick, Senior Vice President of Ross, Sinclaire & Associates (the "Underwriter"), for and on behalf of the Underwriter, and the Chairman of Berkeley County Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 30th day of April, 2003, in New York, New York, the Underwriter received the entire original issue of $1,330,000 in aggregate principal amount of the Berkeley County Public Service District (West Virginia) Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified) (the " Series 2003 A Bonds") and $2,030,000 in aggregate principal amount of the Berkeley County Public Service District (West Virginia) Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified) (the " Series 2003 B Bonds" and, collectively with the Series 2003 A Bonds, the "Series 2003 Bonds"). The Bonds, as so received on original issuance, are in various denominations, are all dated April 1, 2003, and are numbered from AR-1 and BR-1, respectively, upward in order of maturity, and are registered in the name of "CEDE & CO."

2. At the time of such receipt of the Bonds, they had been executed by William L. Stubblefield as Chairman of the Issuer by his manual signature, and the official seal of the Issuer had been impressed upon each Bond and attested by Gregory Rhoe as Secretary of the Issuer by his manual signature, and had been authenticated by an authorized officer of Fifth Third Bank, Cincinnati, Ohio, as Registrar.

3. The Issuer has received and hereby acknowledges receipt from the Underwriter, as the original purchaser of the Bonds, the proceeds of the Bonds, as follows:

Par Amount	$3,360,000.00
Less: Underwriter's Discount	58,800.00
Plus: Net Original Issue Premium	561.15
Plus: Accrued Interest (April 1, 2003 to April 30, 2003)	8,045.89
Total	$ 3,309,807.04

Payment for the Bonds was made in immediately available funds (federal funds wire) in the amount of $3,309,807.04.

WITNESS our respective signatures this 30th day of April, 2003.

ROSS, SINCLAIRE & ASSOCIATES

By: _____
Its: Senior Vice President

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

By: _____
Its: Chairman

04/27/03
067780.00002

$3,360,000

BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)

Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified)
and
Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

Fifth Third Bank, as Registrar
Cincinnati, Ohio

Ladies and Gentlemen:

There are delivered to you herewith as Registrar for the above-captioned Bonds:

1. Bonds Nos. AR-1 through AR-7, inclusive, constituting the entire original issue of the Berkeley County Public Service District Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified) and Bonds Nos. BR-1 through BR-17, inclusive, constituting the original issue of the Berkeley County Public Service District Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified), all dated April 31, 2003, in the respective aggregate principal amounts of $1,330,000 and $2,030,000 (collectively, the "Bonds"), executed by the Chairman and Secretary of Berkeley County Public Service District (the "Issuer") and bearing the official seal of the Issuer. The Bonds are authorized to be issued under and pursuant to a Resolution adopted by the Issuer on April 14, 2003, as supplemented by a Supplemental Resolution adopted by the Issuer on April 14, 2003, and a Certificate of Determinations dated April 17, 2003 (collectively, the "Resolution").

2. Copies of the Resolution, certified by the Secretary of the Issuer.

3. A list of the names in which the Bonds are to be registered upon original issuance, together with taxpayer identification and other information as requested by you.

4. A signed, unqualified approving opinion of Steptoe & Johnson PLLC, as bond counsel.

You are hereby requested and authorized, pursuant to Section 3.12 of the Resolution, to authenticate, register and deliver the Bonds to the Depository Trust Company, New York, New York, for the account of Ross, Sinclaire & Associates, as the original purchaser thereof.

Dated this 30th day of April, 2003.

BERKELEY COUNTY PUBLIC
SERVICE DISTRICT

By _____
Chairman

04/28/03
067780.00002

CH594541.1

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-1 $300,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 A (BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.0000%	March 1, 2004	April 1, 2003	084246 CR 6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on March 1 and September 1, in each year, beginning September 1, 2003 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each February 15 and August 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by Fifth Third Bank, Cincinnati, Ohio, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $1,330,000 designated "Berkeley County Public Service District Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified)" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated April 1, 2003, the proceeds of which are to be used, together with other funds of the Issuer, (i) to currently refund all of the Water Refunding Revenue Bonds, Series 1993 A, dated March 1, 1993, of the Issuer, outstanding in the total aggregate principal amount of $1,330,000 (the "Series 1993 A Bonds"), which were issued to refinance the cost of acquisition and construction of the public waterworks system of the Issuer (the "System"); (ii) to fund a portion of a Reserve Account for the Bonds and the Series 2003 B Bonds (as hereinafter defined) (the remaining portion to be funded with proceeds of the Series 2003 B Bonds); (iii) to pay certain costs of issuance of the Bonds and the Series 2003 B Bonds and related costs; and (iv) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the System. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on April 14, 2003, as supplemented by a supplemental resolution duly adopted by the Issuer on April 14, 2003, and a Certificate of Determinations dated April 17, 2003, and a supplemental resolution duly adopted by the Issuer on April 28, 2003 (hereinafter collectively referred to as the "Resolution"), and is

subject to all the terms and conditions of the Resolution. The Resolution provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Issuer.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE FOLLOWING OUTSTANDING WATER REVENUE BONDS OF THE ISSUER WHICH HAVE THE LIEN POSITION SO DESIGNATED:

DESIGNATION	LIEN POSITION
(1) WATER REVENUE BONDS, SERIES 1993 B (FORMERLY HEDGESVILLE PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1993 A) (THE "SERIES 1993 B BONDS"), DATED MARCH 8, 1993, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $528,871;	FIRST LIEN
(2) WATER REVENUE BONDS, SERIES 1993 C (FORMERLY HEDGESVILLE PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1993 B) (THE "SERIES 1993 C BONDS"), DATED MARCH 8, 1993, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $17,629;	SECOND LIEN
(3) WATER REVENUE BONDS, SERIES 1993 D (FORMERLY OPEQUON PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1993) (THE "SERIES 1993 D BONDS"), DATED JULY 29, 1993, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $10,257,957;	FIRST LIEN

(4) WATER REVENUE BONDS, SERIES 1996 (FORMERLY HEDGESVILLE PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1996) (THE "SERIES 1996 BONDS"), DATED AUGUST 6, 1996, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $677,158;	FIRST LIEN
(5) WATER REVENUE BONDS, SERIES 1997 (FORMERLY OPEQUON PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1997) (THE "SERIES 1997 BONDS"), DATED JUNE 25, 1997, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,339,090;	FIRST LIEN
(6) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) (THE "SERIES 2001 A BONDS"), DATED OCTOBER 25, 2001, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,010,000; AND	FIRST LIEN
(7) WATER REFUNDING BOND ANTICIPATION NOTES, SERIES 2001 (FORMERLY HEDGESVILLE PUBLIC SERVICE DISTRICT WATER REFUNDING BOND ANTICIPATION NOTES, SERIES 2001) (THE "SERIES 2001 NOTES").	NO LIEN

THIS BOND IS ALSO ISSUED CONCURRENTLY WITH THE ISSUER'S WATER REVENUE REFUNDING BONDS, SERIES 2003 B (NON-BANK QUALIFIED) (THE "SERIES 2003 B BONDS"), DATED APRIL 1, 2003, IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,030,000, AND ON A PARITY WITH THIS BOND.

IN WITNESS WHEREOF, BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA) has caused this Bond to be signed by its Chairman, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: April 30, 2003.

FIFTH THIRD BANK, as Registrar

By Fred Overbeck
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

_____

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

_____

_____

_____ the within Bond and does hereby irrevocably constitute and appoint _____

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

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-2 $265,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 A (BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.0000%	March 1, 2005	April 1, 2003	084246 CS 4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED SIXTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-3 $275,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 A (BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.0000%	March 1, 2006	April 1, 2003	084246 CT 2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED SEVENTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered-

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-4 $280,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 A (BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.2000%	March 1, 2007	April 1, 2003	084246 CU 9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED EIGHTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-5 $110,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 A (BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.5000%	March 1, 2008	April 1, 2003	084246 CV 7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED TEN THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered -

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-6 $ 50,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 A (BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.9000%	March 1, 2009	April 1, 2003	084246 CW 5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIFTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered -

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-7 $ 50,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 A (BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.2000%	March 1, 2010	April 1, 2003	084246 CX 3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIFTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-1 $ 50,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 B (NON-BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.0000%	September 1, 2003	April 1, 2003	084246 CY 1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIFTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on March 1 and September 1, in each year, beginning September 1, 2003 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the meanings ascribed thereto in the hereinafter described Resolution.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each February 15 and August 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by Fifth Third Bank, Cincinnati, Ohio, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $2,030,000 designated "Berkeley County Public Service District Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified)" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated April 1, 2003, the proceeds of which are to be used, together with other funds of the Issuer, (i) to advance refund all of the Water Revenue Bonds, Series 1994, dated September 1, 1994, of the Issuer, outstanding in the total aggregate principal amount of $1,835,000 (the "Series 1994 Bonds"), which were issued to finance the cost of acquisition and construction of the public waterworks system of the Issuer (the "System"); (ii) a portion of the Reserve Account for the Bonds, and the Series 2003 A Bonds (as hereinafter defined) (the remaining portion to be funded with proceeds of the Series 2003 A Bonds); (iii) to pay certain costs of issuance of the Bonds and the Series 2003 A Bonds and related costs; and (iv) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the System. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), and a resolution duly adopted by the Issuer on April 14, 2003, as supplemented by a supplemental resolution duly adopted by the Issuer on April 14, 2003, a Certificate of Determinations dated April 17, 2003, and a supplemental resolution duly adopted by the Issuer on April 28, 2003 (hereinafter collectively referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. The Resolution provides for the issuance of additional bonds under certain

conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Resolution. Reference is hereby made to the Resolution, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Resolution are on file at the office of the Issuer.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE FOLLOWING OUTSTANDING WATER REVENUE BONDS OF THE ISSUER WHICH HAVE THE LIEN POSITION SO DESIGNATED:

DESIGNATION	LIEN POSITION
(1) WATER REVENUE BONDS, SERIES 1993 B (FORMERLY HEDGESVILLE PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1993 A) (THE "SERIES 1993 B BONDS"), DATED MARCH 8, 1993, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $528,871;	FIRST LIEN
(2) WATER REVENUE BONDS, SERIES 1993 C (FORMERLY HEDGESVILLE PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1993 B) (THE "SERIES 1993 C BONDS"), DATED MARCH 8, 1993, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $17,629;	SECOND LIEN
(3) WATER REVENUE BONDS, SERIES 1993 D (FORMERLY OPEQUON PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1993) (THE "SERIES 1993 D BONDS"), DATED JULY 29 1993, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $10,257,957;	FIRST LIEN

(4) WATER REVENUE BONDS, SERIES 1996 (FORMERLY HEDGESVILLE PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1996) (THE "SERIES 1996 BONDS"), DATED AUGUST 6, 1996, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $677,158;	FIRST LIEN
(5) WATER REVENUE BONDS, SERIES 1997 (FORMERLY OPEQUON PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 1997) (THE "SERIES 1997 BONDS"), DATED JUNE 25, 1997, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,339,090;	FIRST LIEN
(6) WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY) (THE "SERIES 2001 A BONDS"), DATED OCTOBER 25, 2001, AND ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,010,000; AND	FIRST LIEN
(7) WATER REFUNDING BOND ANTICIPATION NOTES, SERIES 2001 (FORMERLY HEDGESVILLE PUBLIC SERVICE DISTRICT WATER REFUNDING BOND ANTICIPATION NOTES, SERIES 2001) (THE "SERIES 2001 NOTES").	NO LIEN

THIS BOND IS ALSO ISSUED CONCURRENTLY WITH THE ISSUER'S WATER REVENUE REFUNDING BONDS, SERIES 2003 A (BANK QUALIFIED) (THE "SERIES 2003 A BONDS"), DATED APRIL 1, 2003, IN THE AGGREGATE PRINCIPAL AMOUNT OF $1,330,000, AND ON A PARITY WITH THIS BOND.

The Series 1993 B Bonds, the Series 1993 D Bonds, the Series 1996 Bonds, the Series 1997 Bonds, the Series 2001 A Bonds and the Series 2003 A Bonds are hereinafter collectively called the "First Lien Bonds." The Series 1993 C Bonds are hereinafter called the "Second Lien Bonds." The First Lien Bonds are secured by a first lien on and a pledge of the Net Revenues of the System, on a parity with each other, which lien and pledge are senior and prior to the lien on the Net Revenues of the System of the Second Lien Bonds. The Series 2001 Notes are not secured by the assets of the System or the Net Revenues thereof and are junior and subordinate to the First Lien Bonds and the Second Lien Bonds.

This Bond is additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of financial guaranty bond insurance issued by Ambac Assurance Corporation.

The Series 2003 B Bonds maturing on and after September 1, 2014, are subject to redemption prior to maturity, at the option of the Issuer, as a whole at any time and in part on any interest payment date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price of par, plus interest accrued to the date fixed for redemption.

Notice of redemption will be given to the registered owner or owners of the Series 2003 B Bonds by the Registrar on behalf of the Issuer by registered or certified mail, at least 30 days and not more than 60 days prior to the date fixed for redemption.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Resolution) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the First Lien Bonds, and senior and prior to the pledge of Net Revenues in favor of the holders of the Second Lien Bonds, and from monies in the reserve account created under the Resolution for the Bonds (the "Series 2003 A and Series 2003 B Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any of the provisions or limitations of the constitution, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2003 A and Series 2003 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Resolution, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any

year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or subordinate to the Bonds, including the First Lien Bonds and the Second Lien Bonds.

All monies received from the sale of this Bond except for accrued interest thereon shall be applied solely to refund the Series 1994 Bonds, fund a reserve account for the Bonds, pay costs of acquisition and construction of certain additions, betterments and improvements to the System and pay costs of issuance hereof, and there shall be, and hereby is, created and granted a lien upon such monies, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of said 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 said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

This Bond, under the provisions 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, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the Resolution.

This Bond is, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State.

This Bond shall not be entitled to any benefit under the Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

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

IN WITNESS WHEREOF, BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA) has caused this Bond to be signed by its Chairman, and its corporate seal to be imprinted hereon and attested by its Secretary, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

Chairman

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Resolution and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: April 30, 2003.

FIFTH THIRD BANK, as Registrar

By Fred Overbeck
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

_____

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

_____

_____

_____ the within Bond and does hereby irrevocably constitute and appoint _____

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

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

STATEMENT OF INSURANCE

Financial Guaranty Insurance Policy No. 20845 BE (the "Policy") with respect to payments due for principal of and interest on this Bond has been issued by Ambac Assurance Corporation ("Ambac Assurance"). The Policy has been delivered to The Bank of New York, New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured from Ambac Assurance or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of Ambac Assurance as more fully set forth in the Policy.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-2 $ 75,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 B (NON-BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.0000%	September 1, 2004	April 1, 2003	084246 CZ 8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SEVENTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-3 $ 75,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 B (NON-BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.0000%	September 1, 2005	April 1, 2003	084246 DA 2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SEVENTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-4 $ 75,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 B (NON-BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.0000%	September 1, 2006	April 1, 2003	084246 DB 0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SEVENTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-5 $ 50,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 B (NON-BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.3500%	September 1, 2007	April 1, 2003	084246 DC 8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIFTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-6 $260,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 B (NON-BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.0000%	September 1, 2008	April 1, 2003	084246 DD 6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED SIXTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-7 $ 60,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 B (NON-BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.0000%	September 1, 2009	April 1, 2003	084246 DE 4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SIXTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-8 $120,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 B (NON-BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.3000%	September 1, 2010	April 1, 2003	084246 DF 1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED TWENTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-9 $125,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 B (NON-BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.5500%	September 1, 2011	April 1, 2003	084246 DG 9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-10 $125,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 B (NON-BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.7000%	September 1, 2012	April 1, 2003	084246 DH 7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-11 $130,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 B (NON-BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.8000%	September 1, 2013	April 1, 2003	084246 DJ 3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED THIRTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-12 $135,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 B (NON-BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.9500%	September 1, 2014	April 1, 2003	084246 DK 0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED THIRTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-13 $140,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 B (NON-BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.0000%	September 1, 2015	April 1, 2003	084246 DL 8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED FORTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-14 $145,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 B (NON-BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.1000%	September 1, 2016	April 1, 2003	084246 DM 6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED FORTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

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No. BR-15 $150,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 B (NON-BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.2000%	September 1, 2017	April 1, 2003	084246 DN 4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED FIFTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

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No. BR-16 $155,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 B (NON-BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.3000%	September 1, 2018	April 1, 2003	084246 DP 9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED FIFTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-17 $160,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(WEST VIRGINIA)
WATER REFUNDING REVENUE BOND,
SERIES 2003 B (NON-BANK QUALIFIED)

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.4000%	September 1, 2019	April 1, 2003	084246 DQ 7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED SIXTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA), a public service district and public corporation and political subdivision of the State of West Virginia in Berkeley 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 Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered

010009alj050103.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: May 1, 2003

FINAL
05-11-03
By Commission Order

CASE NO. 01-0009-PWD-CN (REOPENED)

BERKELEY COUNTY PUBLIC SERVICE DISTRICT,
a public utility.
Application for a certificate of convenience and necessity for the construction, operation and maintenance of a new 30,000 gallon water tank in the Glenwood Forest community, 32,500 linear feet of 8" water line and 2,000 linear feet of 6" water line in the southern portion of its water distribution system and improvements to its Bunker Hill Water Treatment Plant and LeFevre Spring Source in Berkeley County.

RECOMMENDED DECISION

By a Recommended Decision entered September 12, 2001, which became a Final Order on October 2, 2001, the Berkeley County Public Service District, doing business as Berkeley County Public Service Water District, was issued a certificate of convenience and necessity to make certain improvements to its water production, storage and distribution system and to borrow $4,440,000 from the Water Development Authority (WDA). Prior to closing on the authorized revenue bonds, District management determined that none of the required easements for the installation of certain water mains had been acquired. By approval of bond counsel and the WDA, the District closed on only a portion of the revenue bonds approved by the Commission. On October 25, 2001, the District borrowed $2,010,000 from the WDA and deferred the remaining balance until the right-of-way issue could be resolved. Construction is proceeding on the other improvements approved in the original certificate case.

On October 4, 2002, the District petitioned the Commission to reopen this certificate case for approval to use the balance of the authorized bond proceeds in order to complete the remaining original projects, conduct required studies and install radio-read meters to eliminate errors and to make the District's operation more efficient.

By a Commission Referral Order entered November 21, 2002, this case was reopened and referred to the Division of Administrative Law Judges for further proceedings with a decision due date of May 2, 2003.

Public Service Commission
of West Virginia
Charleston

On January 31, 2003, Commission Staff filed copies of the Staff Revenue Requirements Class Cost of Service Study and the Staff Rule 42 Exhibit, prepared for both the District's most recent rate case, Case No. 02-1406-PWD-42A, and this reopened certificate case. Staff included the District's request for the additional debt associated with this reopened certificate case as a pro forma adjustment in its analysis. For the test year ending June 30, 2002, as adjusted to include the Staff-recommended rates in Case No. 02-1406-PWD-42A, the District would generate sufficient revenue to support operations, service its debt, fund the required reserves and allow for plant additions as recommended by Staff.

On April 1, 2003, Commission Staff filed its Further Joint Staff Memorandum in this reopened certificate case. The Staff Technical Analyst pointed out that, beginning in the fall of 2001, and continuing to the present, Berkeley County and the Greater Shenandoah Valley, in West Virginia and Virginia, have experienced a severe drought. The amount of water at the District's LeFevre Spring source began to drop during June of 2001. By October 1, 2001, the amount of water that could be drawn from the spring was insufficient to meet the needs of southern Berkeley County. The District began drawing on a supplemental source known as the Baker Quarry and that source was depleted in March of 2002. The District was able to continue serving its southern customers as a result of the following:

1. The District adopted and placed into effect a water conservation policy. The policy was submitted and approved by the Commission in Case No. 02-0253-PWD-PC.

2. The District's largest industrial customer in southern Berkeley County, World Kitchen, ceased operating in March 17, 2002. This saved the District approximately 375,000 gallons per day.

3. The District entered into a short-term agreement with the owner of Inwood Quarry, Inc., to acquire raw water from Inwood Quarry and pump that water by means of a temporary over-land water pipe installed by the District to its Bunker Hill treatment plant.

4. The District purchased additional supplies of water from the City of Martinsburg above the minimum requirement of 200,000 gallons per day, as authorized by an agreement between the old Berkeley County Public Service District and the City.

The District stated that it realized that it would need to re-prioritize the capital projects originally proposed in this case to provide short-term and moderate-term relief to southern Berkeley County and provide a long-term plan to meet future demand caused by the County's extraordinarily high growth rate.

The District believes that it is in the best interest of its customers to construct a water main connecting the distribution system of the old Berkeley County Public Service District and the distribution system of the old Opequon Public Service District and to replace some existing mains with larger lines.

To identify and plan for solutions to meet the County's intermediate and long-term demand, the District intends to proceed with two separate, but related, studies, as follows:

1. A hydro-geologic study to determine additional potential sources of water. In that regard, the District has entered into an agreement with the U.S. Geological Survey, to assist the District in performing the study. The total cost of the study is $162,000. USGS will provide $66,000, and the District will be responsible for $96,0000.

2. The District also stated that it needs to complete a county-wide facilities management plan now that the three previous districts have been merged into one. The purpose of such a facilities management plan is to identify the District's short-term and long-term needs for source, treatment, distribution and storage, so that it may efficiently and economically meet the demands of its expanding customer base. The District recently began soliciting proposals from qualified engineering firms to assist the District in this matter. The District estimates the cost of the facilities management plan will be $215,000.

The District has slightly more than 13,000 customers and expects to add 800 to 1,000 customers per year for the years to come. Most of the District's water meters are read manually, although the Opequon Division has automatic read meters. Every month, 925 employees hours are spent reading meters. The District wants to convert all of its meters to radio-read meters. Such meters are read by a unit mounted in a vehicle, thus eliminating the need for employees to exit a District vehicle, remove the meter lid and manually read each meter. The installation of such a meter system will eliminate reading errors and make the District's office staff more efficient. The District estimates the total cost for such conversion will be over $2,000,000. The District states that this cost will be more than offset by eliminating additional personnel to read meters and by allowing the field staff to devote its time and effort to other duties. The District would like the Commission's approval to use any monies remaining from this bond issue for meter conversion after completion of the other projects, including construction of the water mains, the hydro-geologic study, and the county-wide facilities management plan. The installation of the meters would be performed by District personnel.

Completion of the projects and issuance of Revenue Bonds for the cost thereof have been taken into account in the District's recent rate case (Case No. 02-1406-PWD-42A), according to the assigned Commission Staff.

Staff further noted that, on January 29, 2003, the District filed additional documentation, including a proposed engineering agreement between the District and Dewberry & Davis, LLC, for the county-wide facilities management plan. The District has submitted this contract to the Commission for approval as a separate proceeding. The engineering agreement has been reviewed by Commission Staff in Case No. 03-0090-PWD-

PC. To date, there is a Final Recommendation, but not a Final Order.[1] Staff noted that the funding for the engineering agreement is contingent upon this reopened certificate case being approved. Once confirmation of funding is received, Staff stated that it would recommend that the District be granted approval to use the balance of the bond proceeds authorized in the previous orders, contingent upon the District receiving Final Orders in Case Nos. 02-1406-PWD-42A and 03-0090-PWD-PC.

On April 11, 2003, the District filed a formal response to the Further Joint Staff Memorandum filed April 1, 2003. The District reiterated its belief that efficiency required the installation and use of the radio-read meters and that the use of these funds for meters had been specifically authorized by the West Virginia Infrastructure & Jobs Development Council (WVIJDC) in its project approval letter. Advantageous bids have been received on the Route 45 interconnection and booster station, which are set to expire on May 15, 2003. To rebid an amended project now would certainly result in higher costs and a delayed bond closing.

On April 18, 2003, a copy of a letter was filed in this matter from the WVIJDC. In this letter, the WVIJDC stated that it had reviewed the revised preliminary application for development of a facilities management plan, construction of the Route 45 interconnection and booster station, main replacement on Gregory Drive and Botony Drive, completion of a hydro-geologic study and the installation of radio-read meters. The WVIJDC recommended that the District utilize the remaining $2,430,000 WDA loan to fund this project.

On April 23, 2003, Commission Legal Staff filed a Further Joint Staff Memorandum in this matter. Staff stated that the scope of the amended application had been reduced and financing was unchanged. Bids have come in lower than estimated, but will expire on May 15, 2003. The savings could assist in facilitating the recently consolidated District. Staff stated that no additional notice publications were recommended.

On April 28, 2003, Commission Staff filed its Final Joint Staff Memorandum in this matter. The District has been issued Permit No. 15,344 from the Office of Environmental Health Services to install 4,250 lineal feet of 16-inch and 1,000 lineal feet of lineal feet of 12-inch water line, a 400 G.P.M. duplex water booster station, auxiliary cholorination facilities and all necessary valves, controls and appurtenances. Staff recommended the District be granted approval to borrow and use the balance of the bond proceeds authorized in the previous certificate case, not to exceed $2,430,000, for this revised project. This approval is contingent upon rate approval in Case No. 02-1046-PWD-42A.

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[1]By Order issued on April 18, 2003, the Commission approved the engineering agreement between the District and Dewberry & Davis, LLC, for the county-wide facilities plan.

DISCUSSION

Pursuant to the requirement of the original Recommended Decision entered in this case on September 12, 2001, which became a Final Order on October 2, 2001, the District has appropriately reopened this certificate case for subsequent Commission review of the amended scope of the case. The improvements and construction approved in the original certificate are now underway or will be initiated upon the expected approval in this reopened case. Completion of the original approved borrowing has been preliminarily authorized by the WVIJDC. No new debt will be authorized by this reopening, only confirmation of the original borrowing in the full amount. Rates sufficient to support the full borrowing were approved in the District's latest rate case, Case No. 02-1406-PWD-42A. Commission Staff has also recommended approval of this reopened certificate case as amended.

Consequently, the Berkeley County Public Service Water District shall be authorized to borrow and use the remaining balance of the WDA revenue bonds, in the amount of $2,430,000, originally approved in this certificate case, and to construct the improvements and conduct the planning studies detailed in the reopened certificate case.

FINDINGS OF FACT

1. By a Recommended Decision entered September 12, 2001, which became a Final Order on October 2, 1002, the Berkeley County Public Service Water District was issued a certificate of convenience and necessity to make certain improvements to its water production, storage and distribution system and to borrow $4,440,000 from the Water Development Authority (WDA). On October 25, 2001, the District borrowed $2,010,000 from the WDA, and deferred the remaining balance until certain right-of-way issues could be resolved. Construction is proceeding on many of the improvements approved in the original certificate case. (See, Recommended Decision entered September 12, 2001, Final Order October 2, 2001).

2. On October 4, 2002, the District petitioned the Commission to reopen this certificate case for approval to use the balance of the authorized bond proceeds in order to complete the original projects, conduct required studies and install radio-read meters to eliminate errors and to make the District's operation more efficient. (See, Petition filed October 4, 2002).

3. Commission Staff filed copies of the Staff Revenue Requirements Class Cost of Service Study and the Staff Rule 42 Exhibit, prepared for both the District's most recent rate case, Case No. 02-1406-PWD-42 A, and this reopened certificate case. Staff included the District's request for the additional debt associated with this reopened certificate case as a pro forma adjustment in its analysis. For the test year ending June 30, 2002, as adjusted to include the Staff-recommended rates in Case No. 02-1406-PWD-42A, the District would generate sufficient revenue to support operations, service its debt, fund the required reserves and

allow for plant additions as recommended by Staff. (See, Staff Rule 42 Exhibit and Staff Revenue Requirements filed January 31, 2003).

4. The District has recently experienced significant supply problems due to drought conditions and is in need of a hydro-geologic survey and a county-wide facilities management plan, in order to administer and manage its system to meet these challenges. (See, Further Joint Staff Memorandum filed April 1, 2003).

5. The District believes that its current water supply problems require a repriortization of its capital projects to provide both short-term and moderate-term relief to southern Berkeley County and provide a long-term plan to meet future demand caused by the County's high growth rate. (See, Further Joint Staff Memorandum filed April 1, 2003).

6. The District intends to proceed with two separate, but related, studies, to identify and plan for the County's intermediate and long-term demand. A hydro-geologic study will determine additional potential sources of water. The United States Geological Survey will provide $66,000 for the study and the District will provide $96,000. Additionally, a county-wide facilities management plan is needed now that the three previous Districts have been merged. The cost of the plan will be approximately $215,000, and is the subject of Commission review and approval in Case No. 03-0090-PWD-PC. The funding for that engineering agreement is contingent upon approval of this re-opened certificate case. (See, Further Final Joint Staff Memorandum filed April 1, 2003).

7. The District has slightly more than 13,000 customers and expects to add 800 to 1,000 customers per year for the near term. Most of the District's meters are now read by hand, which requires 925 employee-hours each month. By converting to radio-read meters, the required employee hours will be reduced, errors eliminated and efficiency improved. (See, Further Joint Staff Memorandum filed April 1, 2003).

8. The West Virginia Infrastructure & Jobs Development Council has reviewed this reopened project, as amended, and determined that the project is technically feasible and recommended that the District utilize the $2,430,000 WDA loan to fund the project. (See, Letter filed April 18, 2003).

9. Commission Staff has recommended that the District be granted approval to borrow and use the balance of the bond proceeds previously authorized in this certificate case, not to exceed $2,430,000, for the revised project detailed in the petition to reopen. (See, Final Joint Staff Memorandum filed April 28, 2003).

CONCLUSION OF LAW

Under the facts and circumstances of this reopened certificate case and the recommendation of Commission Staff, it is reasonable to approve the underlying project as revised and to authorize the Berkeley County Public Service Water District to borrow and expend the remaining balance of $2,430,000 in WDA Revenue Bonds, approved in the original certificate proceeding, for the revised project.

ORDER

IT IS, THEREFORE, ORDERED that the revised project proposed in this reopened certificate case be approved and that the District shall be authorized to initiate and complete the improvements, studies and upgrades detailed therein, to include the Route 45 Interconnection and booster station, main replacement on Gregory and Botany Drive, a Hydro-Geologic Study, a County-wide Facilities Management Plan and the installation of at least 1,300 radio-read meters.

IT IS FURTHER ORDERED that the Berkeley County Public Service Water District shall be, and hereby is, authorized to execute, close and borrow the remaining balance of $2,430,000 in loan funds from the Water Development Authority for completion of this revised project, as originally authorized in the Recommended Decision entered in this case on September 12, 2001, which became a Final Order on October 2, 2002.

IT IS FURTHER ORDERED that the District be, and it hereby is, authorized to accept a grant from the United States Geological Survey in the amount of $66,000 for the hydro-geologic study to determine additional potential sources of water.

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

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

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

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

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

Thomas N. Trent
Administrative Law Judge

TNT:jas
010009ab.wpd

Public Service Commission
of West Virginia
Charleston

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 6th day of May, 2003.

CASE NO. 01-0009-PWD-CN (REOPENED)

BERKELEY COUNTY PUBLIC SERVICE DISTRICT,
a public utility.
Application for a certificate of convenience and necessity for the construction, operation and maintenance of a new 30,000 gallon water tank in the Glenwood Forest community, 32,500 linear feet of 8" water line and 2,000 linear feet of 6" water line in the southern portion of its water distribution system and improvements to its Bunker Hill Water Treatment Plant and LeFevre Spring Source in Berkeley County.

COMMISSION ORDER
WAIVING EXCEPTION PERIOD

On May 1, 2003, Administrative Law Judge Thomas N. Trent entered a Recommended Decision which, among other things, approved the proposed revised project and authorized Berkeley County Public Service District to initiate and complete the improvements, studies and upgrades detailed therein.

On May 6, 2003, Hoy Shingleton, counsel for the Applicant, filed a letter requesting a waiver of the fifteen day period of time in which a party may file exceptions to the Recommended Decision. Commission Staff has indicated it has no objection to granting said motion.

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

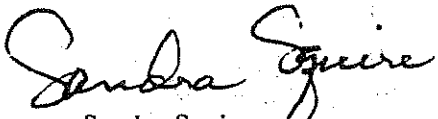
The Commission is of the opinion and belief that said request of waiver received by the Commission on May 6, 2003, should be granted.

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

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

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

A True Copy, Teste:



Sandra Squire
Executive Secretary

SS/esk
010009sa.wpd

December 9, 1954

IN VACATION OF COURT

IN RE: QUALIFICATION OF JOHN RUTHERFORD CROWL,
AS NOTARY PUBLIC

This day personally appeared in this office in vacation of Court, John Rutherford Crowl, who had heretofore been commissioned a Notary Public in and for Berkeley County, and qualified as such notary by taking the oath required by law and executing bond conditioned according to law in the penalty of $500.00, with Harold O. Keedy as his surety.

Teste: Harold O. Keedy CLERK

December 10, 1954

Court Met Pursuant to Adjournment.

Present: O. C. Noll, Pres.,
Ernest C. Alther, Commr.,
William F. Reid, Commr.

Bills against the County were audited, approved and ordered paid by warrants drawn on their respective funds, of even date herewith, which are hereby made a part of this record.

IN RE: QUALIFICATION OF OBED CALVIN (O. C.) NOLL
AS COUNTY COMMISSIONER

This day O. C. Noll, who had heretofore been elected County Commissioner in and for Berkeley County for a term of six years, beginning on the 1st day of January, 1955, and ending on the 31st day of December, 1960, appeared in Open Court and qualified as such County Commissioner by giving bond conditioned according to law in the penalty of Five Thousand Dollars ($5,000.00), with the Hartford Accident and Indemnity Company of Hartford, Connecticut, as his surety and by taking the oath prescribed by law.

Said bond, having been approved by Decatur H. Rodgers, Judge of the Circuit Court of Berkeley County, West Virginia, is also hereby approved.

IN THE MATTER OF THE CREATION OF A PUBLIC SERVICE
DISTRICT UNDER THE AUTHORITY OF CHAPTER NO. 147
OF THE ACTS OF THE LEGISLATURE, 1953, REGULAR SESSION

This matter came on again to be heard this 10th day of December, 1954, upon a petition heretofor presented to this Court on the 12th day of November, 1954, petitioning this Court for the establishment of a public service district under the authority of Chapter No. 147, of the Acts of the Legislature, 1953, Regular Session; upon the finding by this Court that said petition was signed by more than one hundred (100) legal voters resident within and owning real property within the limits of such proposed public service district and upon the entry of an order herein setting this matter for hearing this day, but requiring that a notice first be published by the Clerk of this Court, at least once, in a newspaper of general circulation, published within this County, at least ten days prior to this date.

And it appearing to the Court that notice has been duly published in the Martinsburg Journal, a newspaper published in Berkeley County, West Virginia, at least once, ten days prior to the date that this Court would, on the 10th day of December, 1954, at 11:00 o'clock A. M. in the County Courthouse in Martinsburg, Berkeley County, West Virginia, proceed to take evidence on the proposal to establish the Pikeside Public Service District and to hear such persons resident within, or owning or having any interest in property, in such proposed public service district, who cared to be heard, for or against the creation of such public service district.

And thereupon, this Court proceeded to hear the evidence of all interested parties for and against the creation of such public service district.

And this Court, after hearing the evidence offered before it, does find and determine that the construction or acquisition, by purchase or otherwise, and maintenance, operation, improvement and extension of public service properties by a public service district to comprise Gerrardstown Magisterial District, Mill Creek, Magisterial District, and so much of Arden Magisterial District as is situate outside the municipal limits of the City of Martinsburg, Berkeley County, West Virginia, is feasible and will be conducive to the preservation of the public health, comfort and convenience of the persons residing within such area and will be conducive, particularly to the preservation of health, comfort andconvenience of students and pupils attending the public schools of the County located within such area.

And it further appearing that written protest signed by thirty per cent (30%) or more of the qualified voters registered and residing within said district, has not been filed and this Court, finding no reason against the establishment of a public service district as petitioned for,

IT IS THEREFORE, ORDERED , that there shall be, and there is, hereby created a public service district to be known as "PIKESIDE PUBLIC SERVICE DISTRICT, a corporation", which shall have existence from this date, and be possessed of all of the rights, powers, duties and obligations granted to and imposed upon it, by the laws of the State of West Virginia, the territorial limits of which shall embrace the territorial limits of Gerrardstown and Mill Creek Magisterial Districts and such portion of Arden Magisterial District as is situate outside the geographical limits of the City of Martinsburg, Berkeley County, West Virginia, and the powers, duties of such Pikeside Public Service District shall be vested in and exercised by a public service board.

IT IS FURTHER ORDERED, that the persons named hereafter are hereby appointed as members of the Public Service Board of Pikeside Public Service District, who shall serve for

A TRUE COPY
ATTEST

the period of time indicated opposite their names and until they resign or the expiration of their respective terms of office and/or thereafter until their successors have been appointed as follows:

For a period of two years Stanley A. Caniford

For a period of four years D. M. Wageley

For a period of six years Gail W. Updike

But before entering upon his duties as such member of the Board as aforesaid, each of the aforesaid members shall meet at the office of the Clerk of this Court as soon as practicable hereafter and shall qualify by taking the required oath of office.

It is further ordered that the term of office of each of the members appointed as aforesaid, shall begin as of the first day of December, 1954.

O. C. Noll
President and County Commissioner

E. C. Alther
County Commissioner

W. F. Reid
County Commissioner

Ordered that Court adjourn to meet Tuesday, December 14th, 1954 at 10:30 o'clock A.M.

O. C. Noll PRES.

December 11, 1954

IN VACATION OF COURT
OF
IN RE: OATH/OFFICE OF STANLEY A. CANIFORD, ET AL
AS MEMBERS OF THE PUBLIC SERVICE BOARD OF
PIKESIDE PUBLIC SERVICE DISTRICT

This day appeared in the Office of the Clerk of the County Court, Stanley A. Caniford, Dalton M. Wageley and Gail W. Updike, who had heretofore, on the 10th day of December, 1954, been appointed as members of the Public Service Board of Pikeside Public Service District of Berkeley County and qualified as such by taking the oath of office as prescribed by statute.

The term of office of the said Stanley A. Caniford, Dalton M. Wageley and Gail W. Updike shall be two, four and six years, respectively.

Teste: Harold O. Keedy CLERK

December 14, 1954

Court Met Pursuant to Adjournment.

Present: O. C. Noll, Pres.,
Ernest C. Alther, Commr.,
William F. Reid, Commr.

Bills against the County were audited, approved and ordered paid by warrants drawn on their respective funds, of even date herewith, which are hereby made a part of this record.

IN RE: APPLICATION OF WILMA G. PITZER,
AS NOTARY PUBLIC

Upon the application of Wilma G. Pitzer, for appointment as Notary Public in and for the County of Berkeley, it was shown to the satisfaction of this Court, that said applicant is a resident of the County from which she seeks appointment, that she is competent to perform the duties of such office, and that she is a person of good moral character, all of which the Clerk of this Court is directed to certify according to law.

IN RE: QUALIFICATION OF JAS. S. DAILEY,
AS NOTARY PUBLIC

This day personally appeared in Open Court, Jas. S. Dailey, who had heretofore been commissioned a notary public in and for Berkeley County, and qualified as such notary by taking the oath required by law and executing bond conditioned according to law in the penalty of $500:00, with Frances H. Dailey, as his surety.

Ordered that Court adjourn to meet Friday, December 17, 1954, at 9:00 o'clock A.M.

O. C. Noll PRES.

IN RE: APPLICATION OF DANIEL S. MILLER
AS NOTARY PUBLIC

Upon the application of Daniel S. Miller, for appointment as Notary Public in and for the County of Berkeley, it was shown to the satisfaction of this Court, that said applicant is a resident of the County from which he seeks appointment, that he is competent to perform the duties of such office, and that he is a person of good moral character, all of which the Clerk of this Court is directed to certify according to law.

Ordered that Court adjourn to meet Tuesday, January 17th, 1956 at 10:30 O'clock A.M.

William F. Reid PRES.

January 17, 1956

Court Met Pursuant to Adjournment.

Present: William F. Reid, Pres.,
Ernest C. Alther, Commr.,
O. C. Noll, Commr.

Bills against the County were audited, approved and ordered paid by warrants drawn on their respective funds, of even date herewith, which are hereby made a part of this record.

IN RE: APPLICATION OF D. C. COFFINBERGER
AS NOTARY PUBLIC

Upon the application of D. C. Coffinberger, for appointment as Notary Public in and for the County of Berkeley, it was shown to the satisfaction of this Court, that said applicant is a resident of the County from which he seeks appointment, that he is competent to perform the duties of such office, and that he is a person of good moral character, all of which the Clerk of this Court is directed to certify according to law.

IN RE: QUALIFICATION OF JOSEPH C. SNYDER
AS NOTARY PUBLIC

This day personally appeared in Open Court, Joseph C. Snyder, who had heretofore been commissioned as notary public in and for Berkeley County, and qualified as such notary by taking the oath required by law and executing bond conditioned according to law in the penalty of$500.00, with The Aetna Casualty and Surety Company, as his surety.

IN RE: APPLICATION OF D. P. TALBOTT
AS NOTARY PUBLIC

Upon the application of D. P. Talbott, for appointment as Notary Public in and for the County of Berkeley, it was shown to the satisfaction of this Court, that said applicant is a resident of the County from which he seeks appointment, that he is competent to perform the duties of such office, and that he is a person of good moral character, all of which the Clerk of this Court is directed to certify according to law.

Ordered that Court adjourn to meet Friday, January 20th, 1956, at 10:30 O'clock A.M.

William F. Reid PRES.

January 20th, 1956

Court Met Pursuant to Adjournment.

Present: William F. Reid, Pres.,
Ernest C. Alther, Commr.,
O. C. Noll, Commr.

Bills against the County were audited, approved and ordered paid by warrants drawn on their respective funds, of even date herewith, which are hereby made a part of this record.

IN RE: PIKESIDE PUBLIC SERVICE BOARD AND PIKESIDE PUBLIC SERVICE
DISTRICE, CHANGE OF NAME

CERTIFICATE

TO H. O. KEEDY, CLERK OF
THE COUNTY COURT OF BERKELEY
COUNTY, WEST VIRGINIA

BE IT REMEMBERED THAT, a meeting of the Pikeside Public Service District, a public corporation, held on the 19th day of January, 1956, the following resolutions were unanimously adopted:

RESOLVED: That the names of Pikeside Public Service District and Pikeside Public Service Board be changed to Berkeley County Public Service District and Berkeley County Public Service Board;

RESOLVED FURTHER: That these changes be certified to the Clerk of the County Court of Berkeley County, West Virginia, by the secretary of this Board, in accordance with Section 4, Chapter 147 of the Acts of the Legislature, Regular Session 1953, by transmitting

A TRUE COPY
ATTEST
John W. Small Jr Clerk

to said Clerk a true copy of the foregoing resolution.

Certified, a true copy

A. Lewis Lewis
Secretary, Berkeley County
Public Service Board

Ordered that Court adjourn to meet Tuesday, January 24th, 1956 at 10:30 O'clock A.M.

William F. Reid PRES.

January 23rd, 1956

IN VACATION OF COURT

IN RE: QUALIFICATION OF D. C. COFFINBERGER
AS NOTARY PUBLIC

This day personally appeared in this office in Vacation of Court, D. C. Coffinberger, who had heretofore been commissioned a Notary Public in and for Berkeley County, and qualified as such notary by taking the oath required by law and executing bond conditioned according to law in the penalty of $500.00, with William C. Clohan, as his surety.

Teste:

Harold O. Hardy CLERK

January 24th, 1956

Court Met Pursuant to Adjournment

Present: William F. Reid, Pres.,
Ernest C. Alther, Commr.,
O. C. Noll, Commr.

Bills against the County were audited, approved and ordered paid by warrants drawn on their respective funds, of even date herewith, which are hereby made a part of this record.

IN RE: APPLICATION OF SAMUEL T. JOHNSON,
AS NOTARY PUBLIC

Upon the application of Samuel T. Johnson, for appointment as Notary Public in and for the County of Berkeley, it was shown to the satisfaction of this Court, that said applicant is a resident of the County from which he seeks appointment, that he is competent to perform the duties of such office, and that he is a person of good moral character, all of which the Clerk of this Court is directed to certify according to law.

IN RE: APPLICATION OF DOROTHY M. WILLIAMS,
AS NOTARY PUBLIC

Upon the application of Dorothy M. Williams, for appointment as Notary Public in and for the County of Berkeley, it was shown to the satisfaction of this Court, that said applicant is a resident of the County from which she seeks appointment, that she is competent to perform the duties of such office, and that she is a person of good moral character, all of which the Clerk of this Court is directed to certify according to law.

IN RE: QUALIFICATION OF D. P. TALBOTT,
AS NOTARY PUBLIC

This day personally appeared in Open Court, D. P. Talbott, who had heretofore been commissioned a Notary Public in and for Berkeley County, and qualified as such notary by taking the oath required by law and executing bond conditioned according to law in the penalty of $500.00, with Ethel B. Talbott, as his surety.

Ordered that Court adjourn to meet Wednesday, January 25th, 1956 at 10:30 O'clock A.M.

William F. Reid PRES.

January 25th, 1956

Court Met Pursuant to Adjournment.

Present: William F. Reid, Pres.,
Ernest C. Alther, Commr.,
O. C. Noll, Commr.

Bills against the County were audited, approved and ordered paid by warrants drawn on their respective funds, of even date herewith, which are hereby made a part of this record.

IN RE: QUALIFICATION OF D. C. COFFINBERGER
AS NOTARY PUBLIC

This day personally appeared in this office in Vacation of Court, D. C. Coffinberger, who had heretofore been commissioned a Notary Public in and for Berkeley County, and qualified as such notary by taking the oath required by law and executing bond conditioned according to law in the penalty of $500.00, with William C. Clohan, as his surety.

Teste:

Harold O. Hardy CLERK

January 24th, 1956

Court Met Pursuant to Adjournment

Present: William F. Reid, Pres.,
Ernest C. Alther, Commr.,
O. C. Noll, Commr.

Bills against the County were audited, approved and ordered paid by warrants drawn on their respective funds, of even date herewith, which are hereby made a part of this record.

IN RE: APPLICATION OF SAMUEL T. JOHNSON,
AS NOTARY PUBLIC

Upon the application of Samuel T. Johnson, for appointment as Notary Public in and for the County of Berkeley, it was shown to the satisfaction of this Court, that said applicant is a resident of the County from which he seeks appointment, that he is competent to perform the duties of such office, and that he is a person of good moral character, all of which the Clerk of this Court is directed to certify according to law.

IN RE: APPLICATION OF DOROTHY M. WILLIAMS,
AS NOTARY PUBLIC

Upon the application of Dorothy M. Williams, for appointment as Notary Public in and for the County of Berkeley, it was shown to the satisfaction of this Court, that said applicant is a resident of the County from which she seeks appointment, that she is competent to perform the duties of such office, and that she is a person of good moral character, all of which the Clerk of this Court is directed to certify according to law.

IN RE: QUALIFICATION OF D. P. TALBOTT,
AS NOTARY PUBLIC

This day personally appeared in Open Court, D. P. Talbott, who had heretofore been commissioned a Notary Public in and for Berkeley County, and qualified as such notary by taking the oath required by law and executing bond conditioned according to law in the penalty of $500.00, with Ethel B. Talbott, as his surety.

Ordered that Court adjourn to meet Wednesday, January 25th, 1956 at 10:30 O'clock A.M.

William F. Reid PRES.

January 25th, 1956

Court Met Pursuant to Adjournment.

Present: William F. Reid, Pres.,
Ernest C. Alther, Commr.,
O. C. Noll, Commr.

Bills against the County were audited, approved and ordered paid by warrants drawn on their respective funds, of even date herewith, which are hereby made a part of this record.

Bills against the County were audited, approved and ordered paid by warrants drawn on their respective funds, of even date herewith, which are hereby made a part of this record.

IN RE: APPLICATION OF D. C. COFFINBERGER
AS NOTARY PUBLIC

Upon the application of D. C. Coffinberger, for appointment as Notary Public in and for the County of Berkeley, it was shown to the satisfaction of this Court, that said applicant is a resident of the County from which he seeks appointment, that he is competent to perform the duties of such office, and that he is a person of good moral character, all of which the Clerk of this Court is directed to certify according to law.

IN RE: QUALIFICATION OF JOSEPH C. SNYDER
AS NOTARY PUBLIC

This day personally appeared in Open Court, Joseph C. Snyder, who had heretofore been commissioned as notary public in and for Berkeley County, and qualified as such notary by taking the oath required by law and executing bond conditioned according to law in the penalty of$500.00, with The Aetna Casualty and Surety Company, as his surety.

IN RE: APPLICATION OF D. P. TALBOTT
AS NOTARY PUBLIC

Upon the application of D. P. Talbott, for appointment as Notary Public in and for the County of Berkeley, it was shown to the satisfaction of this Court, that said applicant is a resident of the County from which he seeks appointment, that he is competent to perform the duties of such office, and that he is a person of good moral character, all of which the Clerk of this Court is directed to certify according to law.

Ordered that Court adjourn to meet Friday, January 20th, 1956, at 10:30 O'clock A.M.

William F. Reid PRES.

January 20th, 1956

Court Met Pursuant to Adjournment.

Present: William F. Reid, Pres.,
Ernest C. Alther, Commr.,
O. C. Noll, Commr.

Bills against the County were audited, approved and ordered paid by warrants drawn on their respective funds, of even date herewith, which are hereby made a part of this record.

IN RE: PIKESIDE PUBLIC SERVICE BOARD AND PIKESIDE PUBLIC SERVICE
DISTRICR, CHANGE OF NAME

CERTIFICATE

TO H. O. KEEDY, CLERK OF
THE COUNTY COURT OF BERKELEY
COUNTY, WEST VIRGINIA

BE IT REMEMBERED THAT, a meeting of the Pikeside Public Service District, a public corporation, held on the 19th day of January, 1956, the following resolutions were unanimously adopted:

RESOLVED: That the names of Pikeside Public Service District and Pikeside Public Service Board be changed to Berkeley County Public Service District and Berkeley County Public Service Board;

RESOLVED FURTHER: That these changes be certified to the Clerk of the County Court of Berkeley County, West Virginia, by the secretary of this Board, in accordance with Section 4, Chapter 147 of the Acts of the Legislature, Regular Session 1953, by transmitting

A TRUE COPY
ATTEST
John W. Small, Jr. Clerk
Berkeley County Court
By L. Frye
Deputy Clerk

Said bond is hereby approved.

IN RE: QUALIFICATION OF JANET F. KISNER, AS NOTARY PUBLIC.

This day personally appeared in Open Court, Janet F. Kisner, who had heretofore been commissioned a notary public in and for Berkeley County, and qualified as such notary by taking the oath required by law and executing bond conditioned according to law in the penalty of $500.00, with A. Lovelace Starliper, as her surety.

Ordered that Court adjourn to meet Tuesday, July 10th, 1956 at 10:00 O'clock A.M.

William F. Reid PRES.

July 10th, 1956

Court Met Pursuant to Adjournment.

Present: William F. Reid, Pres.,
------- - ------, Commr.,
O. C. Noll, Commr.

Bills against the County were audited, approved and ordered paid by warrants drawn on their respective funds, of even date herewith, which are hereby made a part of this record.

IN RE: BOARD OF REVIEW AND EQUALIZATION.

The Court this day convened as a Board of Review and Equalization for the purpose of reviewing and equalizing the assessments as submitted by the Assessor on the property books for the current year.

IN RE: IN THE MATTER OF BERKELEY COUNTY PUBLIC SERVICE DISTRICT.

IN THE

COUNTY COURT

OF

BERKELEY COUNTY, WEST VIRGINIA

IN THE MATTER OF
BERKELEY COUNTY PUBLIC SERVICE DISTRICT

This matter came on further to be heard this 10th day of July, 1956, upon the determinations and finding made and order entered herein on the 15th day of June, 1956; upon notice regularly published in the Martinsburg Journal, a newspaper published in and of general circulation in Berkeley County, West Virginia, on the 20th day of June, 1956; that a hearing would be held before this Court on this date upon its motion to include Opequon and Falling Waters Magisterial District and so much of Hedgesville Magisterial District as is situate outside the corporate and municipal territorial limits of the Town of Hedgesville, within the territorial limits of Berkeley County Public Service District.

And it appearing to this Court that the 20th day of June, 1956, the publication date of such notice is a date at least ten (10) days prior to this day and that this date is not less than twenty (20) days or more than forty (40) from the 15th day of June, 1956, the date of the Court's motion, the Court proceeded to hear the evidence of all interested parties for and against the extension of the territorial limits of Berkeley County Public Service District to include the territorial limits above set forth.

Thereupon, upon consideration of the evidence and upon agrument by counsel, the Court does find and determine that the construction or acquisition, by purchase or otherwise, and maintenance, operation, improvement and extensions of public service properties by Berkeley County Public Service District, including water distribution and/ or sewerage systems, by extending the territorial limits of said Berkeley County Public Service District, heretofore created by this Court, to include, for the purpose of further implementing the powers, aims and authorities heretofore granted said Berkeley County Public Service District by the creation thereof, the territorial limits of Opequon andFalling Waters Magisterial District as is situate outside the corporate and municipal territorial limits of the Town of Hedgesville, all within Berkeley County, West Virginia, is feasible and will be conducive to the preservation of the public health, comfort and convenience of the persons residing within such area.

And it further appearing to the Court that written protest signed by thirty per cent (30%) or more of the qualified voters registered and residing within said Opequon, Falling Waters and Hedgesville Magisterial District, protesting against the proposed extension of the territorial limits of Berkeley County Public Service District, has not been filed and the Court perceiving no reason, therefore, for calling for a referendum upon said proposal.

IT IS THEREFORE ORDERED ...

distribution and/or sewerage systems within said territorial limits, as provided by Chapter 147, Acts of the Legislature, Regular Session, 1953.

Teste:
Harold O. Keedy
Clerk

William F. Reid
President County Court of Berkeley County, W. Va.

Ordered that Court adjourn to meet Friday, July 13th, 1956 at 10:30 O'clock P. M.

William F. Reid PRES.

July 13th, 1956

Court Met Pursuant to Adjournment.

Present: William F. Reid, Pres.,
------- - ------, Commr.,
O. C. Noll, Commr.

Bills against the County were audited, approved and ordered paid by warrants drawn on their respective funds, of even date herewith, which are hereby made a part of this record.

IN RE: BOARD OF REVIEW AND EQUALIZATION.

The Court this day convened as a Board of Review and Equalization for the purpose of reviewing and equalizing the assessments as submitted by the Assessor on the property books for the current year.

Ordered that Court adjourn to meet Tuesday, July 17th, 1956 at 10:30 O'clock A. M.

William F. Reid PRES.

July 14th, 1956

IN VACATION OF COURT.

IN RE: MINISTER'S BOND OF J. PAUL COLEMAN.

Upon the motion in person of J. Paul Coleman, he is hereby given permission to qualify to perform the Marriage Ceremony in West Virginia.

Whereupon he entered into and acknowledged bond, conditioned according to law in the penalty of Fifteen Hundred Dollars ($1500.00) with H. F. Horner, as such surety, and made oath in due form of law.

Teste:

Harold O. Keedy CLERK

July 17th, 1956

Court Met Pursuant to Adjournment.

Present: William F. Reid, Pres.,
------- - -----, Commr.,
O. C. Noll, Commr.

Bills against the County were audited, approved and ordered paid by warrants drawn on their respective funds, of even date herewith, which are hereby made a part of this record.

IN RE: BOARD OF REVIEW AND EQUALIZATION.

The Court this day convened as a Board of Review and Equalization for the purpose of reviewing and equalizing the assessments as submitted by the Assessor on the property books for the current year.

IN RE: DELINQUENT REAL ESTATE FOR 1955.

This day W. Strong Lewis, Sheriff of this County, presented to the Court a list of Real Estate in this County delinquent for the non-payment of taxes thereon for the year 1955, verified by his affidavit appended thereto, which said list being examined by the Court, and found to be correct, is therefore allowed as follows:

Total State County Total State County Total All

BEFORE THE COUNTY COMMISSION OF BERKELEY COUNTY
WEST VIRGINIA

On Thursday, the 1st day of June, 2000, pursuant to previous order of this Commission continuing the public hearing of this matter, assembled the Commission and members of the public for the purposes of considering the feasibility of the merger or consolidation of Opequon Public Service District, Berkeley County Public Service District, and Hedgesville Public Service District into one public water service district.

The Commission, having considered the opinions and views stated by those who spoke in favor of and against such proposed merger/consolidation, finds that a merger of the three districts will be conducive to the preservation of the public health, comfort and convenience of the people of Berkeley County. Further, the Commission finds that such merger of the three public water service districts into one district for the purpose of providing water service to the people of Berkeley County will permit a more efficient and effective method of planning for and implementing the provision of water service to the public; will result in a greater ability to compete for the resources necessary to the implementation of water service to the public; will permit greater efficiencies and cost effective service to the citizens of Berkeley County; and, will ultimately result in a fairer rate structure for the people of this county.

Accordingly, it is the ORDER of this Commission that the Opequon Public Service District and the Hedgesville Public Service District shall be merged into the Berkeley County Public Service District for the purpose of providing water service to the people of Berkeley County; that such merger shall be effective on the 1st day of January, 2001 and that all details of the new entity shall be in place on or before June 30, 2001; that the merger shall be accomplished in an orderly and

business-like manner; that the boards of the three subject districts shall continue to operate until a new, single board is appointed by this Commission; and, that this Commission shall direct and manage the merger through a series of orders until the same is fully realized and operational.

It is further ORDERED that this decision and ORDER shall be forwarded to the Chairperson of the West Virginia Public Service Commission for review and action and that the Public Service Commission be requested to provide technical and other assistance to Berkeley County in the implementation of the merger.

Done this 1st day of June, 2000.

D. Wayne Dunham, President

Robert L. Burkhart, Commissioner

John E. Wright, Commissioner

ATTEST:

John W. Small, Clerk
County Commission of
Berkeley County

(SEAL)

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PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the Public Service Commission of West Virginia, in the City of Charleston, on the 28th day of December, 2000.

CASE NO. 00-0893-PWD-PC

BERKELEY COUNTY COMMISSION
Petition for consent and approval to merge[1] Berkeley County Public Service District, Hedgesville Public Service District and Opequon Public Service District.

COMMISSION ORDER

By order entered June 1, 2000, the County Commission of Berkeley County, West Virginia, decided to merge Hedgesville Public Service District (Hedgesville) and Opequon Public Service District (Opequon) into the Berkeley County Public Service District, effective January 1, 2001, for the provision of water service. Petition p. 1. On June 5, 2000, the Berkeley County Commission petitioned the Public Service Commission for its approval of the merger, as required by W. Va. Code § 16-13A-2. Id.

The Commission conducted a public hearing, as required by the statute, in Martinsburg on November 2, 2000, at which there was unanimous support for the merger. As is set forth more fully below, the Commission grants its consent to the merger of Hedgesville and Opequon Public Service Districts into Berkeley County Public Service District for the provision of water service.

Berkeley County already has a county-wide utility for the provision of sewer service, known as the Berkeley County Public Service Sewer District. To avoid confusion, and to be consistent, the Commission determines that the merged water utility shall be known as the Berkeley County Public Service Water District.

[1] At the November 2nd public hearing, the Commission granted Berkeley County Public Service District's motion to change the case caption to reflect that the Hedgesville and Opequon districts are being merged into the Berkeley County Public Service District. The three utilities are not being consolidated into a new entity.

BACKGROUND

In filing for the Commission's approval, the Berkeley County Commission gave the following reasons:

> . . . merger of the three districts will be conducive to the preservation of the public health, comfort and convenience, . . . will permit a more efficient and effective method of planning for and implementing the provision of water service to the public; will result in a greater ability to compete for the resources necessary to the implementation of water service to the public; will permit greater efficiencies and cost effective service to the citizens of Berkeley County; and, will ultimately result in a fairer rate structure for the people of this county.

Berkeley Co. Comm'n Order p. 1 (filed June 5, 2000). The County Commission ordered that the merger be effective on January 1, 2001, and that all details of the new entity be in place by June 30, 2001. Id. The boards of the three districts would continue to operate until a new, single board is appointed. Id. p. 2. The County Commission would direct and manage the merger through a series of orders until the merger was fully realized and operational. Id.

On July 17, 2000, Commission Staff recommended that the merger be approved, subject to several conditions. Initial & Final Joint Staff Memorandum p. 1. Technical Staff recommended that the cash assets of the three districts, other than restricted bond reserve, be placed in an interest bearing account for repairs, replacements and extensions for each of the respective districts. Initial & Final Internal Memo p. 2, attached to Initial & Final Joint Staff Memorandum. Further, Technical Staff recommended that the merged utility adopt the separate tariffs of the three districts and continue to charge customers pursuant to the separate tariffs. Id. The merged utility should be required to maintain a separate financial and statistical account of the operation of each of the three districts, Staff said. Id. After all financial obligations of the three districts are met, any surplus cash should be deposited into the restricted cash account previously recommended. Id. And, Technical Staff recommended that the merged district file a rate case after eighteen months of consolidated operations so that a rate structure for the merged operations could be determined. Id.

In addition, Staff recommended that the Berkeley County Commission's June 1, 2000, order be modified in two respects. Initial & Final Joint Staff Memorandum p. 1. First, "water" should be part of the merged district's name: The County Commission order simply merged Opequon and Hedgesville into Berkeley County Public Service District without changing the name. Id. Second, the merged district's area should be described to "include all of the area of Berkeley County, West Virginia, which is not currently contained within the boundaries of any municipal or private public utility, for the provision of water service,"

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instead of "to the people of Berkeley County." Id.

On August 30, 2000, Staff advised all details should be in place before there is an effective date for the merger, which is opposite what the County Commission proposed. Further Final Internal Memorandum p. 1. attached to Further Joint Staff Memorandum. Thus, Staff recommended that the County Commission's order be further revised to reflect a July 1, 2001, effective date, with January 1, 2001, being the date for all details to be in place. Id. Staff noted that an effective date of January 1, 2001, would occur in the middle of the districts' fiscal years, which would result in additional accounting expenses. Id. The effective date of the merger should coincide with the end of the fiscal year, Technical Staff said. Id.

On November 1, 2000, Staff updated the Commission on its assistance efforts regarding the merger. Internal Joint Staff Memorandum p. 1, attached to Further Joint Staff Memorandum. Staff advised that it had requested extensive financial information from each district, and much of that information had been received. Id. Staff estimated that its final report to the County Commission would likely be submitted by January 31, 2001. Id.

Further, Staff reversed its recommendation regarding the merger's effective date. Id. Staff recommended that the effective date be January 1, 2001, with the three districts remaining operationally separate until July 1, 2001. Id. This would create a six-month transition period. Id.

On December 5, 2000, Berkeley County Public Service District filed a letter from bond counsel relating to bond requirements in connection with the merger. Ltr. p. 1 & attachment. The letter also recited, "The BCPSD [Berkeley County Public Service District] clearly supports this merger." Id. p. 2.

Also on December 5, 2000, Commission Staff moved the Commission to accept a post-hearing exhibit, a copy of Berkeley County Public Service District's 1994 Series Bond Resolution. Motion p. 1. After reviewing that document, Staff said that no bond holder approval was required for the proposed merger. Id.

On December 11, 2000, the County Commission advised that it had amended its order on November 30, 2000.[2] Ltr. p. 1 & attached memo. The County Commission changed the effective date of the merger to July 1, from January 1, as well as inserted the phrase "or as

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[2] The County Commission's letter recited that twelve (12) copies of the amended order were attached, but the amended order was NOT filed with the Commission at that time. The Commission received a copy of the amended order by facsimile on December 26, 2000.

Public Service Commission
of West Virginia

soon thereafter as possible."

DISCUSSION

The Commission grants Staff's motion to file the post-hearing exhibit. The exhibit shall be considered with the letter filed by Berkeley County Public Service District relating to bond holder requirements.

This case arises pursuant to W. Va. Code § 16-13A-2, which provides in pertinent part as follows:

> (f) . . . [W]ithin ten days after the entry of an order . . . merging . . . a district, such order must be filed for review and approval by the public service commission. The public service commission shall 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 interest of the public to do so.

The Commission concludes that it is in the best interest of the public to merge Hedgesville and Opequon into the Berkeley County Public Service District consistent with the Berkeley County Commission's order. These districts serve an area of burgeoning growth and the customers will benefit from a merger of personnel and customer base. Eventually, a single rate structure in the county may provide economies of scale and assist in economic development.

The Commission modifies the County Commission's order to provide that the resulting merged district shall be known as the Berkeley County Public Service Water District. The merged district shall include all of Berkeley County which is not currently contained within the boundaries of any municipal or private water utility. The Commission will permit the merged utility to continue the separate tariffs of the three districts and to charge customers pursuant to those tariffs. Those rates shall remain in effect until further Commission proceeding and order.

The Commission finds that it is in the public interest for this merger to be concluded as soon as possible. Therefore, the Commission directs that the merger be completed and effective on or before July 1, 2001. Staff, the district and the County Commission shall continue to work out all remaining details and shall file joint progress reports with the Executive Secretary's office.

The Commission also requires an opinion from AMBAC, the insurer of Berkeley County Public Service District's publicly held bonds, as to any requirements needed for the merger.

Public Service Commission

The Commission reviewed the bond document and finds no provision requiring bondholder approval for the merger of two existing districts into Berkeley County Public Service District. The bond document refers to the sale of the system, providing, in relevant part, "the System may be sold, mortgaged, leased or otherwise disposed of only as a whole[.]" See Bond Resolution for Berkeley County Public Service District Water Revenue Bonds, Series 1994, Section 6.06, p. 36. This merger is not a sale or other disposition of the system as contemplated by the bond document. Obviously, the bond document is to preserve the underlying assets of the system for the protection of the bondholders. This merger leaves Berkeley County Public Service District as the surviving entity and does not change any rates, so the current sufficient bond coverage of each of the districts remains unaffected. See Transcript p. 32 (Nov. 2 hearing) (Wagner).

This case shall be removed from the Commission's docket of active cases The filing of the monthly progress reports shall not trigger a reopening of this case.

FINDINGS OF FACT

1. By order entered June 1, 2000, the Berkeley County Commission decided to merge Hedgesville and Opequon Public Service Districts into the Berkeley County Public Service District for the provision of water service. Petition p. 1.

2. On June 5, 2000, the County Commission petitioned the Public Service Commission for its approval of the merger, as required by W. Va. Code § 16-13A-2. Id.

3. The Commission conducted a public hearing in Martinsburg on November 2, 2000, at which there was unanimous support for the merger.

4. Berkeley County already has a county-wide utility for the provision of sewer service, known as the Berkeley County Public Service Sewer District.

5. The merger of the three districts will be conducive to the preservation of the public health, comfort and convenience: will permit a more efficient and effective method of planning for and implementing the provision of water service to the public; will result in a greater ability to compete for the resources necessary for the implementation of water service to the public; will permit greater efficiencies and cost effective service to Berkeley County citizens; and, will ultimately result in a fairer rate structure for Berkeley County citizens.

6. On July 17, 2000, Commission Staff recommended that the merger be approved, subject to several conditions. Initial & Final Joint Staff Memorandum p. 1. In addition, Staff recommended that the Berkeley County Commission's June 1, 2000, order

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Charleston

be modified in a couple of respects. Initial & Final Joint Staff Memorandum p. 1.

7. On August 30, 2000, Staff recommended that the County Commission's order be further revised to reflect a July 1, 2001, effective date, because an effective date of January 1, 2001, would occur in the middle of the districts' fiscal years, which would result in additional accounting expenses. Further Final Internal Memorandum p. 1, attached to Further Joint Staff Memorandum.

8. On November 1, 2000, Staff updated the Commission on its assistance efforts regarding the merger. Internal Joint Staff Memorandum p. 1, attached to Further Joint Staff Memorandum.

9. On December 5, 2000, Berkeley County Public Service District filed a letter from bond counsel relating to bond requirements in connection with the merger. Ltr. p. 1 & attachment. The letter also recited, "The BCPSD [Berkeley County Public Service District] clearly supports this merger." Id. p. 2.

10. Also on December 5, 2000, Commission Staff moved the Commission to accept a post-hearing exhibit, a copy of Berkeley County Public Service District's 1994 Series Bond Resolution. Motion p. 1. After reviewing that document, Staff said that no bond holder approval was required for the proposed merger. Id.

11. On December 11, 2000, the County Commission advised that it had amended its order on November 30, 2000, to change the effective date of the merger to July 1, from January 1, and to insert the phrase "or as soon thereafter as possible." Ltr p. 1 & attached memo.

CONCLUSIONS OF LAW

1. Staff's motion to file the post-hearing exhibit should be granted.

2. Berkeley County already has a county-wide utility for the provision of sewer service, known as the Berkeley County Public Service Sewer District. To avoid confusion, and to be consistent in naming, "water" should be added to the name of the Berkeley County Public Service District. Thus, the merged water utility shall be known as the Berkeley County Public Service Water District.

3. Pursuant to W. Va. Code § 16-13A-2(f), the Commission concludes that it is in the best interest of the public to merge these districts, as the Berkeley County Commission has requested. These districts serve an area of burgeoning growth. It makes sense to merge the utility personnel and customer base to achieve economies of scale.

Public Service Commission
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4. The Commission agrees with Staff that the authority of the merged district shall include all of Berkeley County which is not currently contained within the boundaries of any municipal or private water utility.

5. The Commission will permit the merged utility to continue the separate tariffs of the three districts and to charge customers pursuant to those tariffs. Said rates will remain in effect until further Commission proceeding and order.

6. It is in the public interest for this merger to be concluded as soon as possible. Therefore, the Commission directs that the merger be completed and effective on or before July 1, 2001. Staff, the district and the County Commission shall continue to work out all remaining details and shall file joint progress reports with the Executive Secretary's office.

7. The Commission shall require that an opinion be obtained from AMBAC, the insurer of Berkeley County Public Service District's publicly held bonds.

8. The Commission finds after a review of the bond document that bondholder approval is not required on the Berkeley County bonds because the record indicates that the rates of the three districts are sufficient to provide bond coverage; the merger of the three districts will not change rates; and no utility assets will be sold as a result of this transaction. See Transcript p. 32 (Nov. 2 hearing) (Wagner).

ORDER

IT IS THEREFORE ORDERED that Berkeley County's action to merge Opequon and Hedgesville Public Service Districts into the Berkeley County Public Service District for the provision of water service is approved as modified herein. The Commission's approval will permit the merged utility to continue the separate tariffs of the three districts and to charge customers pursuant to those tariffs. Said rates shall remain in effect until further Commission proceeding and order.

IT IS FURTHER ORDERED that the merger be completed and effective on or before July 1, 2001.

IT IS FURTHER ORDERED that the merged district shall be known as the Berkeley County Public Service Water District.

IT IS FURTHER ORDERED that Staff, the district and the County Commission shall continue to work out all remaining details and shall file joint progress reports with the Executive Secretary's office.

Public Service Commission
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Charleston

IT IS FURTHER ORDERED that an opinion be obtained from AMBAC, the insurer of Berkeley County Public Service District's publicly held bonds.

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

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

A True Copy, Teste:

Sandra Squire

Sandra Squire
Executive Secretary

ARC
CLW/lfg
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RECEIVED
JAN 2 2001
By

Public Service Commission
of West Virginia

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 26th day of April, 2001.

CASE NO. 00-0893-PWD-PC

BERKELEY COUNTY COMMISSION
Petition for consent and approval to merge Berkeley County Public Service District, Hedgesville Public Service District and Opequon Public Service District

COMMISSION ORDER

The Public Service Commission (PSC) has approved the Berkeley County Commission's plan to merge Hedgesville and Opequon Public Service Districts into Berkeley County Public Service District for the provision of water service. The surviving entity will be known as the Berkeley County Public Service Water District.

The Berkeley County Public Service District petitioned the PSC to reconsider part of its decision. This order clarifies that the PSC's approval of the merger is one step of the process.

BACKGROUND

On December 28, 2000, pursuant to W. Va. Code § 16-13A-2(f), the PSC approved an order adopted by the Berkeley County Commission to merge the public service districts that provide water utility service in Berkeley County. The PSC concluded that it was in the public interest for this merger to be concluded as soon as possible and directed that the merger be completed and effective on or before July 1, 2001. Comm'n Order p. 4. To monitor progress, the PSC required joint progress reports to be filed. Id. Further, the PSC required that an opinion be obtained from AMBAC, the insurer of the Berkeley Co. PSD's publicly held bonds, even though the PSC concluded, based upon its review of the bond document, that bondholder approval was not required on the Berkeley County bonds. Id. PSC Staff was directed to continue assisting in the merger tasks. Id.

On February 5, 2001, the Berkeley Co. PSD moved the PSC to reconsider its order, stating that the PSC had not sufficiently allowed time for the bondholders' consent to the merger plan to be obtained. Berkeley Co. PSD's Motion to Reconsider pp. 1-5. The PSC's

order would permit the merger to occur, regardless of whether bondholder consent had been obtained, the Berkeley Co. PSD argued. Id. p. 5. Further, without bondholder consent, the merged entity would be defectively formed, the result of which could be to cloud the utility's ability to enter into contracts or obtain loans or grants. Id.

"These consequences can be easily avoided by simply obtaining the requisite consents," the Berkeley Co. PSD said. Id. "None of the stated requirements for consent are unduly burdensome, and there is no reason to believe any of them cannot be satisfied. These consents should easily be obtainable before July 1, 2001, if work is started soon." Id. pp. 5-6.

On February 23, 2001,[1] the Berkeley County Commission objected to the Berkeley Co. PSD's motion. Objection to Motion for Reconsideration pp. 1-2. The Berkeley Co. PSD's motion ignores the Berkeley County Commission's November 30, 2000, order, which accommodates the need of all bondholders, the County Commission argued. Id. p. 1. The Berkeley County Commission has repeatedly assured all parties that it will not effectuate the merger until the appropriate consents have been received. Id. (emphasis in original). An amendment to the PSC's approval is unnecessary. Id. "If, for any reason, such consents are not in place by July 1, 2001, the County Commission will not make the merger effective until such consents are received, assuming consent is not unreasonably withheld." Id. p. 2.

On March 6, 2001, the Berkeley Co. PSD responded, arguing that the County Commission's November 30, 2000, order was not sufficient assurance for the bondholders. Berkeley Co. PSD's Response pp. 1-3. That order only stated that the merger would be effective on July 1, 2001, or as soon thereafter as possible. Id. p. 1. The order did not recognize and condition the merger upon bondholder consent. Id. The Berkeley County Commission's assurance needs to be reduced to writing, the Berkeley Co. PSD argued. Id. Further, the County Commission has conditioned its position upon bondholder consent not being unreasonably withheld. Id. p. 2. The Berkeley County Commission will, in its sole opinion, determine whether bondholder consent is being unreasonably withheld, and this creates a serious impediment and threat. Id. The Berkeley Co. PSD is not trying to delay the merger. Id. p. 2. "The Berkeley County Public Service District supports the proposed merger and is working diligently with the BCC, the Hedgesville Public Service District, and the Opequon Public Service District to identify the requirements for consent of the bondholders and supply them with the information necessary to grant their consent." Id.

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[1] The County Commission's objection was received by the PSC's Legal Staff on February 23, 2001. When it was determined that the objection was not contained in the case file maintained by the PSC's Executive Secretary, the PSC's Legal Staff, as a courtesy, provided a copy for the Executive Secretary's file on April 5, 2001.

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DISCUSSION

The merger of public service districts can be complicated, and the PSC's order reflects this. The process starts with the deliberations of the local county commission. When a county commission has concluded that its public service districts should be merged, the county commission must file its order with the PSC, for the PSC's review. If the PSC agrees that the public service districts should be merged, the county commission is authorized to take the necessary steps to effectuate the merger.

Bonds may add another layer to this process. Many public service districts have issued bonds, and, a common provision in a bond agreement is that bondholder approval is required before significant changes may be made to the utility's structure or operations. In this particular case, the PSC has reviewed the bond agreement of the Berkeley Co. PSD and concluded that bondholder approval is not needed because no sale of the Berkeley Co. PSD system will occur. Comm'n Order p. 5. Further, PSC Staff's analysis shows that the rates of the three districts are sufficient to provide bond coverage, and the merger of the three districts will not change rates. Id., citing Transcript p. 32 (Nov. 2 hearing) (Wagner). However, the PSC recognized in its order that a difference of opinion may exist as to the necessity of bondholder approval. Therefore, the PSC required that the bondholder's opinion be obtained. Id.

It seems that the Berkeley Co. PSD is concerned that the PSC's order may permit the merger to take effect, prior to bondholder approval being obtained, if that approval is necessary. The PSC's order does not do this. Given the complicated nature of this proceeding, the PSC shall clarify its order. The PSC's approval of the merger is only one step of the process.

The PSC's order requires that bondholder approval, if it is needed, be obtained as quickly as possible. The Berkeley Co. PSD advises that it is reasonable to expect that bondholder approval could be obtained by July 1, 2001, the target date set in the PSC's order, and we agree. The PSC set July 1, 2001, as the target date because this proposed merger is in the public interest. The public's interest is not served by unnecessary delay. The PSC expects all parties to work diligently to obtain bondholder approval prior to July 1, if such approval is necessary. If unexpected problems crop up, the Commission should be promptly advised.

Pursuant to W. Va. Code § 16-13A-2(f)[2], the PSC can modify a county commission

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[2] W. Va. Code § 16-13A-2 provides in pertinent part as follows:

Public Service Commission
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Charleston

order. By placing a target date on the merger, the PSC has effectively modified the Berkeley County Commission order, which is what the Berkeley Co. PSD asks to be done in these reconsideration pleadings.

Although the Berkeley Co. PSD seems not reassured, the PSC is confident that the assertion made in the Berkeley County Commission's pleading, that it would not effectuate the merger until necessary bondholder approvals were obtained, may be relied upon. Therefore, the PSC encourages energies to be focused on obtaining the bondholder approvals, if they are required, and other necessary tasks, instead of on perfecting the written form of the County Commission's position. The PSC Staff shall continue to assist in working out the remaining details for this merger.

FINDINGS OF FACT

1. On December 28, 2000, pursuant to W. Va. Code § 16-13A-2(f), the PSC concluded that it was in the public interest for the proposed merger to be concluded as soon as possible and directed that the merger be completed and effective on or before July 1, 2001. Comm'n Order p. 4.

2. The PSC also required that an opinion be obtained from AMBAC, the insurer of the Berkeley Co. PSD's publicly held bonds, even though the PSC concluded, based upon its review of the bond document, that bondholder approval was not required on the Berkeley Co. PSD bonds. Id.

3. On February 5, 2001, the Berkeley Co. PSD moved the PSC to reconsider its order, stating that the PSC had not sufficiently allowed time for the bondholders' consent to the merger plan to be obtained prior to the merger being effectuated. Berkeley Co. PSD's Motion to Reconsider pp. 1-5.

4. On February 23, 2001, the Berkeley County Commission objected to the Berkeley Co. PSD's motion, stating that it had repeatedly assured all parties that it would not effectuate the merger until the appropriate consents have been received. Objection to Motion for Reconsideration pp. 1-2 (emphasis in original).

(f) . . . [W]ithin ten days after the entry of an order . . . consolidating a district, such order must be filed for review and approval by the public service commission. The public service commission shall 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 interest of the public to do so.

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Charleston

5. On March 6, 2001, the Berkeley Co. PSD responded, arguing that the County Commission's November 30, 2000, order was not sufficient assurance for the bondholders. Berkeley Co. PSD's Response pp. 1-3.

CONCLUSIONS OF LAW

1. Given the complicated nature of this proceeding, the PSC should clarify its order. The PSC's approval of the merger is only one step of the process.

2. The PSC set July 1, 2001, as the target date because this proposed merger is in the public interest. The public's interest is not served by unnecessary delay.

3. All parties should work diligently to obtain bondholder approval prior to July 1, if such approval is necessary. If unexpected problems crop up, the Commission should be promptly advised.

ORDER

IT IS THEREFORE ORDERED that the Commission's December 28, 2000, order is clarified, as set forth above.

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

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

CLW/sek
000893cb.wpd

A True Copy, Teste:

Sandra Squire

Sandra Squire
Executive Secretary

BEFORE THE COUNTY COMMISSION OF BERKELEY COUNTY

ORDER APPROVING AND RATIFYING THE MERGER OF HEDGESVILLE PUBLIC SERVICE DISTRICT AND OPEQUON PUBLIC SERVICE DISTRICT INTO BERKELEY COUNTY PUBLIC SERVICE DISTRICT, THE DISSOLUTION OF HEDGESVILLE PUBLIC SERVICE DISTRICT AND OPEQUON PUBLIC SERVICE DISTRICT AND APPOINTING MEMBERS OF THE PUBLIC SERVICE BOARD OF BERKELEY COUNTY PUBLIC SERVICE DISTRICT

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

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

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

WHEREAS, the County Commission adopted a resolution on June 1, 2000, ordering the merger of Hedgesville and Opequon into Berkeley and dissolution of Hedgesville and Opequon, subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 00-0893-PWD-PC, by Commission Orders entered on December 28, 2000 and April 26, 2001, approved and ordered the merger of Hedgesville and Opequon into Berkeley;

WHEREAS, said merger is subject to the approval of the bondholders of the respective Districts;

WHEREAS, the West Virginia Development Authority, as the holder of the Series 1993 A, Series 1993 B and Series 1996 Bonds heretofore issued by Hedgesville and the Series 1993 and Series 1997 Bonds heretofore issued by Opequon, has consented to the

merger of Hedgesville and Opequon into Berkeley, the assumption of such bonds of Hedgesville and Opequon by Berkeley and the dissolution of Hedgesville and Opequon;

WHEREAS, Branch Banking and Trust Company, as the holder of the Series 2001 A Notes heretofore issued by Hedgesville, has consented to the merger of Hedgesville and Opequon into Berkeley, the assumption of such notes of Hedgesville by Berkeley and the dissolution of Hedgesville;

WHEREAS, Ambac Assurance Corporation, as issuer of municipal bond insurance policies nos. 8159BE and 10655BE relating to the Series 1993 A Bonds and Series 1994 Bonds of Berkeley, has consented to the merger of Hedgesville and Opequon into Berkeley and the assumption of the bonds of Hedgesville and Opequon by Berkeley.

WHEREAS, pursuant to the Act, upon completion of the merger of Hedgesville and Opequon into Berkeley and the resulting termination of the terms of the members of the Public Service Boards for each of the Districts, the County Commission is required to appoint members to the Public Service Board of Berkeley and may appoint up to five (5) persons to said Public Service Board; and

WHEREAS, it is now deemed desirous by the County Commission to adopt a Resolution approving and ratifying the merger of Hedgesville and Opequon into Berkeley, ratifying and confirming all lawful actions taken by all parties and their counsel to effectuate and complete the merger of Hedgesville and Opequon into Berkeley, ordering the Public Service Boards of Berkeley, Hedgesville and Opequon to expeditiously take all actions necessary to consummate and complete the merger, ordering Hedgesville and Opequon be dissolved immediately following the consummation of the merger and the appointment of the five (5) member Board of Beckley.

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

1. That the merger of Hedgesville and Opequon into Berkeley is hereby ratified, confirmed and, upon execution and filing of necessary documents by the Public Service Boards of the respective Districts, in all respects deemed completed and to be effective July 1, 2001.

2. That all lawful actions taken, or to be taken, by the parties to this merger and their counsel to effectuate and complete the merger of Hedgesville and Opequon into Berkeley are hereby ratified and confirmed.

3. That the Public Service Boards of Berkeley, Hedgesville and Opequon are hereby ordered to expeditiously take all actions necessary to consummate and complete the merger of Hedgesville and Opequon into Berkeley.

4. That, following the consummation of the merger of Hedgesville and Opequon into Berkeley on July 1, 2001, Hedgesville and Opequon shall be dissolved.

5. That, following the consummation of the merger of Hedgesville and Opequon into Berkeley on July 1, 2001, the terms of office of the current Berkeley Board members shall end, by operation of law, and the Board of Berkeley is hereby supplanted and replaced by the following five (5) individuals who are hereby appointed, and shall serve as members of the Public Service Board of Berkeley for the terms set forth below:

	Name	Date of Commencement of Office	Date of Termination of Office
1.	William T. Alexander, III	July 1, 2001	June 30, 2007
2.	Calvin Bruce Dorsey	July 1, 2001	June 30, 2003
3.	D. Wayne Dunham	July 1, 2001	June 30, 2003
4.	Howard Collins	July 1, 2001	June 30, 2005
5.	William L. Stubblefield	July 1, 2001	June 30, 2005

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

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ENTERED into the permanent record of Berkeley County, West Virginia, this 28th day of June, 2001.

President

Commissioner

Commissioner

ATTEST:

Clerk

06/26/01
067740.99004

CH453477.3

County Commission of Berkeley County

126 WEST KING STREET
MARTINSBURG, WEST VIRGINIA 25401
PHONE (304) 264-1923

THE COMMISSION

HOWARD L. STRAUSS, COMMISSIONER
POST OFFICE BOX 1812
MARTINSBURG, WEST VIRGINIA 25402

STEVEN C. TEUFEL, COMMISSIONER
POST OFFICE BOX 1050
MARTINSBURG, WEST VIRGINIA 25402

JOHN E. WRIGHT, COMMISSIONER
POST OFFICE BOX 357
BUNKER HILL, WEST VIRGINIA 25413

DEBORAH HAMMOND
COUNTY ADMINISTRATOR

SHERRY A. CAIN
ADMINISTRATIVE SECRETARY

RECEIVED
BERKELEY COUNTY PSD

January 23, 2003

Gregory S. Rhoe
PO Box 99
Hedgesville, WV 25427

Dear Mr. Rhoe:

The Berkeley County Commission, at its meeting on January 23, 2003 appointed you to serve as a member on the Berkeley County Public Service Water District Board, filling an un-expired term, effective January 23, 2003. Your term will expire on June 30, 2007.

In order to legally serve in this capacity, you must report to the County Clerk's Office in the Berkeley County Courthouse, 100 West King Street, to sign your Oath of Office. Please take this letter to the Courthouse with you for purposes of oath preparation.

If you have any questions or do not wish to serve, please contact me at 264-1923.

Best regards,

Deborah Hammond

Deborah E. Hammond
County Administrator

Doc: rhoe/ps

Cc: John W. Small, Jr., County Clerk
William Stubblefield
Paul Fisher

BEFORE THE COUNTY COMMISSION OF BERKELEY COUNTY

ORDER APPROVING AND RATIFYING THE MERGER OF HEDGESVILLE PUBLIC SERVICE DISTRICT AND OPEQUON PUBLIC SERVICE DISTRICT INTO BERKELEY COUNTY PUBLIC SERVICE DISTRICT, THE DISSOLUTION OF HEDGESVILLE PUBLIC SERVICE DISTRICT AND OPEQUON PUBLIC SERVICE DISTRICT AND APPOINTING MEMBERS OF THE PUBLIC SERVICE BOARD OF BERKELEY COUNTY PUBLIC SERVICE DISTRICT

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

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

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

WHEREAS, the County Commission adopted a resolution on June 1, 2000, ordering the merger of Hedgesville and Opequon into Berkeley and dissolution of Hedgesville and Opequon, subject to the approval of the Public Service Commission of West Virginia;

WHEREAS, the Public Service Commission of West Virginia, in Case No. 00-0893-PWD-PC, by Commission Orders entered on December 28, 2000 and April 26, 2001, approved and ordered the merger of Hedgesville and Opequon into Berkeley;

WHEREAS, said merger is subject to the approval of the bondholders of the respective Districts;

WHEREAS, the West Virginia Development Authority, as the holder of the Series 1993 A, Series 1993 B and Series 1996 Bonds heretofore issued by Hedgesville and the Series 1993 and Series 1997 Bonds heretofore issued by Opequon, has consented to the

merger of Hedgesville and Opequon into Berkeley, the assumption of such bonds of Hedgesville and Opequon by Berkeley and the dissolution of Hedgesville and Opequon;

WHEREAS, Branch Banking and Trust Company, as the holder of the Series 2001 A Notes heretofore issued by Hedgesville, has consented to the merger of Hedgesville and Opequon into Berkeley, the assumption of such notes of Hedgesville by Berkeley and the dissolution of Hedgesville;

WHEREAS, Ambac Assurance Corporation, as issuer of municipal bond insurance policies nos. 8159BE and 10655BE relating to the Series 1993 A Bonds and Series 1994 Bonds of Berkeley, has consented to the merger of Hedgesville and Opequon into Berkeley and the assumption of the bonds of Hedgesville and Opequon by Berkeley.

WHEREAS, pursuant to the Act, upon completion of the merger of Hedgesville and Opequon into Berkeley and the resulting termination of the terms of the members of the Public Service Boards for each of the Districts, the County Commission is required to appoint members to the Public Service Board of Berkeley and may appoint up to five (5) persons to said Public Service Board; and

WHEREAS, it is now deemed desirous by the County Commission to adopt a Resolution approving and ratifying the merger of Hedgesville and Opequon into Berkeley, ratifying and confirming all lawful actions taken by all parties and their counsel to effectuate and complete the merger of Hedgesville and Opequon into Berkeley, ordering the Public Service Boards of Berkeley, Hedgesville and Opequon to expeditiously take all actions necessary to consummate and complete the merger, ordering Hedgesville and Opequon be dissolved immediately following the consummation of the merger and the appointment of the five (5) member Board of Beckley.

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

1. That the merger of Hedgesville and Opequon into Berkeley is hereby ratified, confirmed and, upon execution and filing of necessary documents by the Public Service Boards of the respective Districts, in all respects deemed completed and to be effective July 1, 2001.

2. That all lawful actions taken, or to be taken, by the parties to this merger and their counsel to effectuate and complete the merger of Hedgesville and Opequon into Berkeley are hereby ratified and confirmed.

3. That the Public Service Boards of Berkeley, Hedgesville and Opequon are hereby ordered to expeditiously take all actions necessary to consummate and complete the merger of Hedgesville and Opequon into Berkeley.

4. That, following the consummation of the merger of Hedgesville and Opequon into Berkeley on July 1, 2001, Hedgesville and Opequon shall be dissolved.

5. That, following the consummation of the merger of Hedgesville and Opequon into Berkeley on July 1, 2001, the terms of office of the current Berkeley Board members shall end, by operation of law, and the Board of Berkeley is hereby supplanted and replaced by the following five (5) individuals who are hereby appointed, and shall serve as members of the Public Service Board of Berkeley for the terms set forth below:

	Name	Date of Commencement of Office	Date of Termination of Office
1.	William T. Alexander, III	July 1, 2001	June 30, 2007
2.	Calvin Bruce Dorsey	July 1, 2001	June 30, 2003
3.	D. Wayne Dunham	July 1, 2001	June 30, 2003
4.	Howard Collins	July 1, 2001	June 30, 2005
5.	William L. Stubblefield	July 1, 2001	June 30, 2005

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

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ENTERED into the permanent record of Berkeley County, West Virginia, this 28th day of June, 2001.

President

Commissioner

Commissioner

ATTEST:

Clerk

06/26/01
067740.99004

CH453477.3

State of West Virginia,

Berkeley County, Sct.;

Before me, John W. Small, Jr., Clerk of the Court of the County and State aforesaid, personally appeared Wayne Dunham who has been duly appeared to the office of Member of the Berkeley County Public Service District and took and subscribed the following:

I, Wayne Dunham, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, Wayne Dunham, do solemnly swear that I will faithfully discharge the duties of the office of Member of the Berkeley County Public Service District to the best of my skill and judgment. So help me God.

D. Wayne Dunham

Given under my hand this 9 day of July, ~~19~~ 2001

Term Expires June 30, 2003

John W. Small

Clerk of the County Court of Berkeley County.

State of West Virginia,

Berkeley County, Sct.;

Before me, John W. Small, Jr., Clerk of the Court of the County and State aforesaid, personally appeared Howard Collins who has been duly appointed to the office of Member on Berkeley County District Advisory Board and took and subscribed the following:

I, Howard Collins, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, Howard Collins, do solemnly swear that I will faithfully discharge the duties of the office of member on the Berkeley County District Advisory Board to the best of my skill and judgment. So help me God.

Howard W. Collins

Given under my hand this 18 day of January, ~~19~~ 2001.

Clerk of the County Court of Berkeley County.

State of West Virginia,

Berkeley County, Sct.;

Before me, John W. Small, Jr., Clerk of the Court of the County and State aforesaid, personally appeared William Stubblefield who has been duly appointed to the office of Member of the Berkeley County Public Service District and took and subscribed the following:

I, William Stubblefield, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, William Stubblefield, do solemnly swear that I will faithfully discharge the duties of the office of Member of the Berkeley County Public Service District to the best of my skill and judgment. So help me God.

Given under my hand this 3RD day of July, ~~XX~~ 2001.

Term Expires June 30, 2005

John W. Small Jr.

Clerk of the County Court of Berkeley County.

State of West Virginia,

Berkeley County, Sct.:

Before me, JOHN W. SMALL, JR. Clerk of the Court of the County and State aforesaid, personally appeared GREGORY S. RHOE who has been duly APPOINTED to the office of BERKELEY COUNTY PUBLIC SERVICE WATER DISTRICT BOARD and took and subscribed the following:

I, GREGORY S. RHOE do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia.

I, GREGORY S. RHOE do solemnly swear that I will faithfully discharge the duties of the office of BERKELEY COUNTY PUBLIC SERVICE WATER DISTRICT BOARD to the best of my skill and judgment. So help me God.

TERM EXPIRES JUNE 30, 2007

Given under my hand this 24TH day of JANUARY 2003

Clerk of the County Court of Berkeley County.

RULES OF PROCEDURE

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: BERKELEY COUNTY PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District will be located at 97 Runnymeade Road, Bunker Hill, West Virginia.

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

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

ARTICLE II

PURPOSE

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

ARTICLE III

MEMBERSHIP

Section 1. The members of the Public Service Board of this District shall be those persons appointed by The County Commission of Berkeley County, West Virginia, or otherwise appointed pursuant to the Act, who shall serve for such terms as may be specified in the order of the County Commission or otherwise.

Section 2. Should any member of the Public Service Board resign or otherwise become legally disqualified to serve as a member of the Public Service Board, the Secretary shall immediately notify the County Commission or other entity provided under the Act and request the appointment of a qualified person to fill such vacancy. Prior to the end of the term of any member of the Public Service Board, the Secretary shall notify the County Commission or other entity provided under the Act of the pending termination and request the County Commission or other entity provided under the Act to enter an order of appointment or re-appointment to maintain a fully qualified membership of the Public Service Board.

ARTICLE IV

MEETINGS OF THE PUBLIC SERVICE BOARD

Section 1. The members of the Public Service Board of this District shall hold regular meetings on the second and fourth Mondays of each month at such places and times as the members shall determine from time to time. If the date stated for a meeting shall fall on a legal holiday, the meeting shall be held on the following day. Special meetings of the Public Service Board may be called at any time by the Chairman or by a quorum of the Board.

Section 2. At any meeting of the Public Service Board of the District, 3 members shall constitute a quorum and the affirmative vote of a majority of members present (plus those voting by proxy) shall be sufficient to authorize action. Each member of the Public Service Board shall have one vote at any membership meeting and if a quorum is not present, those present may adjourn the meeting to a later date.

Section 3. Unless otherwise agreed, notice to members of regular meetings shall not be required. Unless otherwise waived, notice of each special meeting of the membership shall be given to all members by the Secretary by fax, telephone, mail or other satisfactory means at least 3 days before the date fixed for such special meeting. The notice of any special meeting shall state briefly the purposes of such meeting and the nature of the business to be transacted thereat, and no business other than that stated in the notice or incidental thereto shall be transacted at any such special meeting.

PUBLIC NOTICE OF MEETINGS

Section 4. Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended (1999 Revision), notice of the date, time, place and agenda of all regularly scheduled meetings of such Public Service Board, and the date, time, place and purpose of all special meetings of such Public Service Board, shall be made available, in advance, to the public and news media (except in the event of an emergency requiring immediate action) as follows:

A. Regular Meetings. A notice shall be posted and maintained by the Secretary of the Public Service Board of the Public Service District at the front door or bulletin board of the Berkeley County Courthouse and at such other places fixed for regular meetings of the Public Service Board of the date, time and place or places fixed and entered of record by the Public Service Board for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same locations by the Secretary of the Public Service Board not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the same locations as soon as feasible after such cancellation or postponement has been determined.

B. Special Meetings. A notice shall be posted by the Secretary of the Public Service Board at the front door or bulletin board of the Berkeley County Courthouse and at such other places fixed for regular meetings of the Public Service Board not less than 72 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

ARTICLE V

OFFICERS

Section 1. The officers of the Public Service Board shall be a Chairman, a Vice-Chairman, a Secretary, a Parliamentarian and a Treasurer, all of whom shall be elected from the members of the Public Service Board. In addition, the Board may employ a recording secretary and a staff treasurer, who may perform the day-to-day duties regularly performed by the Secretary and Treasurer. Such individuals shall not be members of the Board.

Section 2. The officers of the Public Service Board shall be elected each year by the members at the first meeting held in such year. The officers so elected shall serve until the next annual election by the membership and until their successors are duly elected and qualified. Any vacancy occurring among the officers shall be filled by the members of the Public Service Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the following January meeting of the Board when their successors shall be elected hereinabove provided.

ARTICLE VI

DUTIES OF OFFICERS

Section 1. When present, the Chairman shall preside as Chairman at all meetings of the Public Service Board. The Chairman shall, together with the Secretary, sign the minutes of all meetings at which he or she shall preside. The Chairman shall attend generally to the executive business of the Board and exercise such powers as may be conferred by the Board, by these Rules of Procedure, or as prescribed by law. The Chairman shall execute, and if necessary, acknowledge for record, any deeds, deeds of trust, contracts, notes, bonds, agreements or other papers necessary, requisite, proper or convenient to be executed by or on behalf of the Board when and if directed by the members of the Board.

Section 2. The Vice-Chairman shall, in the absence of the Chairman, preside as Chairman at all meetings of the Public Service Board. In the event of the incapacitation or unavailability of the Chairman, the Vice-Chairman is authorized to exercise all powers of the Chairman as have been conferred by the Board, by these Rules of Procedure, or as prescribed by law.

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

Section 4. The Parliamentarian shall monitor and advise the Public Service Board on parliamentary rules and procedures. The Parliamentarian shall also perform such other duties as may be conferred from time to time by the members of the Board or these Rules of Procedure.

Section 5. The Treasurer shall be the lawful custodian of all funds of the District and shall disburse funds of the District on orders authorized or approved by the Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him or 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. He or she shall perform such other duties as may be required of him or her by law or as may be conferred upon him or her by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 6. If the Vice-Chairman, Secretary or Treasurer is absent from any meeting, the remaining members of the Board shall select a temporary chairman, secretary or treasurer, as necessary, who shall have all of the powers of the absent officer during such period of absence.

ARTICLE VII

AMENDMENTS TO RULES OF PROCEDURE

These Rules of Procedure may be altered, changed, amended, repealed or added to at any regular or special meeting of the Board by a majority vote of the entire Board, or at any regular or special meeting of the members when a quorum is present in person and a majority of those present vote for the amendment; but no such change, alteration, amendment, repeal or addition shall be made at any special meeting unless notice of the intention to propose such change, alteration, amendment, repeal or addition and a clear statement of the substance thereof be included in the written notice calling such meeting.

These Rules of Procedure shall replace any and all previous rules of procedure, bylaws or similar rules heretofore adopted by the District.

Adopted this 3rd day of July, 2001.

Minutes

BERKELEY COUNTY PUBLIC SERVICE WATER DISTRICT

Board of Directors Meeting

Monday, January 13, 2002

The Board of Directors of Berkeley County Public Service Water District met at the District office at 5:00 p.m. on Monday, January 13, 2002.

Present: Board Members Bill Alexander, Bill Stubblefield, Howard Collins, Bruce Dorsey, Wayne Dunham; Executive Director Paul Fisher; District Engineer Chris Thiel; Legal Counsel Hoy Shingleton; Guest Pete Perry of The Journal; Recording Secretary Jill Unger.

Welcome Guests

Mr. Alexander called the meeting to order promptly at 5:00 p.m. and welcomed all in attendance.

Approval of Minutes of the regular meeting of December 23, 2002.

Changes made are to include:

a. Page 1--Under "Bid Opening", delete last sentence regarding the bid remaining unofficial until first meeting in January 2003.
b. Page 2—Under Discussion on disposal of obsolete equipment", change wording of #4 from Waste Management to Solid Waste Authority.
c. Page 2—in the last paragraph of the same topic, after the word "stipulations" insert "in the District's Bond Ordinances".

Motion made to approve the minutes of December 23, 2002 as amended.

Motion—Wayne Dunham
Second—Bill Stubblefield
Passed—Unanimously

Election of Officers

Chairman—Mr. Dorsey nominated Mr. Stubblefield.
Second—Mr. Collins
No further nominations, so nominations closed.
Vote—Unanimous approval.

Vice-Chairman— Mr. Dunham nominated Mr. Dorsey.
Second—Mr. Stubblefield
No further nominations, so nominations closed.
Vote—Unanimous approval.

Board Secretary pro-tem— Mr. Dorsey nominated Mr. Dunham.
Second—Mr. Collins
No further nominations, so nominations closed.
Vote—Unanimous approval.
(This is until a new Director is appointed by the County Commission)

Treasurer— Mr. Dunham nominated Mr. Collins.
Second—Mr. Stubblefield
No further nominations, so nominations closed.
Vote—Unanimous approval.

Parliamentarian-- Mr. Stubblefield nominated Mr. Dunham.
Second—Mr. Dorsey
No further nominations, so nominations closed.
Vote—Unanimous approval.

Recommendation for award of Bid No. 5-02, Medium-Duty Dump Truck.

Mr. Fisher recommended accepting the bid by Truck Enterprises Inc. of Hagerstown MD, for the amount of $48,530.00. Motion made to accept Mr. Fisher's recommendation and award the bid accordingly.
Motion—Howard Collins
Second—Bruce Dorsey
Passed—Unanimously

This truck will replace the 1979 and 1984 dump trucks, which are in need of much repair. Mr. Fisher will check into the costs involved to repair the 1984 truck.

Discussion/Approval on Disposal of Obsolete Equipment Policy.

After a brief discussion, a motion was made to accept the policy as presented.
Motion—Bill Stubblefield
Second—Wayne Dunham
Passed—Unanimously

Approval of Final Application and Certification for Payment from Trademark Contracting Corp. in the amount of $11,391.64.

Mr. Fisher & Ms. Thiel recommend approval of paying Trademark Contracting the final amount of $11,391.64. Motion made to approve payment.

Motion—Bruce Dorsey
Second—Bill Stubblefield
Passed—Unanimously

Discussion/Approval of letter supporting USGS proposal.

Last year the County Commission accepted a proposal of $20,000 for this bacteriological study. No money is being requested from the Water District, rather the District is sponsoring the USGS request to the County Commission. USGS requires matching funds from the customers they do business with. The DEP and BPH have supported it in the past, and may do so this year but probably at a reduced level due to the cut-back in state funding. Motion made for Board to approve recommendation to the County Commission at no financial obligation to the Water District.

Motion—Bill Stubblefield
Second—Wayne Dunham
Passed—Unanimously

Mr. Stubblefield gave a brief description of the study and proposed work. Discussed various techniques that are being used.

Approval of Check Registers for December.

Motion made for approval of December 2002 check registers.

Motion—Howard Collins
Second—Wayne Dunham
Passed—Unanimously

Status Report of Construction Projects:

a. **Wellitown School Road water main**—Ms. Thiel reported that walk-through inspection is scheduled 01/08/03. Considered substantially complete as of 12/20/02. Chester Engineers is holding $77,000 in liquidated damages and 5% retention. Will need to settle on damages later. Final clean-up to be in March to plant grass.

b. **Glenwood Forest Tank Replacement**—Contractor is finishing CL2 equipment. Will fill the tank and do testing soon. Walk-through is planned for next week.

c. **Route 45**—Ninety-day period is up 01/14/03. Ms. Thiel wrote to the three lowest bidders to request an extension on the bids. Received letters back and all agreed. Green River Group wants to pass on extra costs. Ms. Thiel asked them about having a cap on this. They are the lowest bidder. Will offer 2.5% on the bid for extra costs. Even with the 2.5% added, they are still the lowest bid.

Report of Executive Director

Proposed agenda presented by Mr. Fisher to the Board for the upcoming combined Water & Sewer Districts' meeting scheduled for 01/20/03. Will remove "Discuss possibility of Water District rental of 1253 Hedgesville Road from Sewer District." Add "Discussion of Facilities Management Plan".

AT&T Wireless has paid all of their cellular tower rent to-date. Still need hard-copy of signed agreement from AT&T for GM water storage tank.

Updates: Petition for a Declaratory Ruling from WV PSC—Hearing scheduled for January 23, 2003 (re: leak adjustment, 9:30 a.m.).
Rate Case—no news.
Petition to Reopen Case and Approve Amendment to Use of Bond Proceeds—no news.
Petition for Consent and Approval of Borrowing (Refunding of Certain Bond Issues)—Mr. Bob McDonald of PSC notified Mr. Fisher that approval should be received in approximately 2 to 3 weeks. Mr. Brian Nurick of Ross Sinclair presented case in New York City to insurance companies. Need new bond rating.

The complaint previously submitted to the PSC by Mr. Elwood Wilson has been resolved. The Sewer District explained their procedures to Mr. Wilson, who is now satisfied. Therefore, the Final Internal Memorandum recommends the Commission dismiss the complaint.

Miscellaneous Attachments for Board Review:

Copy of Thank you note received 01/02/03 from employee Karen Wagoner for the Christmas Dinner & food basket given to each employee.

Copy of Mr. Alexander's 12/27/02 resignation letter to the Berkeley County Commission.

Report of District Engineer

Ms. Thiel recommends for approval, an AMEA for Harvey Trumbower Development for a mainline extension to serve Stonebridge Golf Community Phase 6. Motion made to approve.

Motion—Wayne Dunham
Second—Howard Collins
Passed—Unanimously

Ms. Thiel recommends approval of design plans and Health Department Permit applications for Ridgefield Section 2 and Spring Hill Section 3. Motion made for approval.

Motion—Bill Stubblefield
Second—Bruce Dorsey
Passed—Unanimously

Mr. Thiel also recommends approval of a SMLE on Caledonia Drive in Stonebridge, for 165 feet of 2" line. Motion made for approval.

Motion—Bill Stubblefield
Second—Wayne Dunham
Passed—Unanimously

The District has requested prices from several local contractors for installation of 187 feet of 8" ductile iron pipe for Strobridge Road at the Middle Creek crossing. This replaces pipe removed during the Division of Highways bridge replacement project from approximately 5 years ago. At that time BCPSD purchased new pipe and stored in on a neighbor's property near that location. Currently negotiating a "storage fee" for this individual.

Facilities Plan—Received a draft contract from Dewberry & Davis. Looks to be about $267,000. Includes base map. The District has recently hired a CAD technician to work on these types of items.

Good of the Order

Appreciation was expressed to Mr. Alexander for his tremendous work with the Board and the District as a whole, with regrets at his resignation.

Adjournment

There being no further business, motion made for adjournment.

Motion—Bruce Dorsey
Second—Wayne Dunham
Passed—Unanimously

Bill Alexander
Chairman

Bill Stubblefield
Secretary

Jill Unger
Recording Secretary

Minutes

BERKELEY COUNTY PUBLIC SERVICE WATER DISTRICT

Board of Directors Meeting

Monday, February 10, 2003

The Board of Directors of Berkeley County Public Service Water District met at the District office at 5:00 p.m. on Monday, February 10, 2003.

Present: Board Members Bill Stubblefield, Howard Collins, Bruce Dorsey, Wayne Dunham, Greg Rhoe; Executive Director Paul Fisher; District Engineer Chris Thiel; Legal Counsel Hoy Shingleton; Guests Mr. John Wright of the County Commission and Mr. Pete Perry of The Journal; Recording Secretary Jill Unger.

Welcome Guests

Mr. Stubblefield called the meeting to order promptly at 5:00 p.m. and welcomed all in attendance.

Approval of Minutes of the regular meeting of January 27, 2003.

Motion made to approve the minutes of January 27, 2003.

Motion—Wayne Dunham
Second—Bruce Dorsey
Passed—Unanimously

Election of Officers – Secretary

Mr. Greg Rhoe nominated for Secretary.

Wayne Dunham nominated Greg Rhoe.
Second—Howard Collins
Passed—Unanimously

Approval of check registers for January.

Motion made for approval of check registers as presented.

Motion—Howard Collins
Second—Greg Rhoe
Passed—Unanimously

Discussion on WVPSC Staff report regarding Case No. 02-1406-PWD-42A (Rate Request) and Case No. 01-0009-PWD-CN (Reopen South Berkeley Certificate Case).

Mr. Fisher went over the various aspects of the rate tariffs as proposed by the Public Service Commission. He would like to go on record as saying the District needs rates adequate to do what the PSC is approving the District to do.

Two items of concern are:

1. The proposed preconstruction tariff includes reducing the Bulk Water rate to $0.4898 per thousand gallons. It costs the District more than that to produce the water.

2. DuPont is under a different type of arrangement, in that it is charged for water under a contract rate. However, the PSC is proposing reducing their rate-per-thousand to a lower amount than in 1993. This would ultimately be at the expense of the residential and commercial customers.

Mr. Fisher summed up the PSC's proposal by saying that it appears the District will get a rate increase of $285,742 before the debt service, and $440,025 after, if the District accepts everything as proposed by the PSC.

In order for the BCPSD Board of Directors and Mr. Fisher to discuss the proposal and make decisions, Mr. Shingleton asked the PSC for a 7-day extension today, by fax.

There are a couple of options in responding to the PSC's recommendations:

1. Can totally object to it, and that will require a public hearing and a two- or three-month delay.
2. Can file exceptions only to certain items, and that will not require a hearing and would result in negotiations with PSC staff.

Mr. Fisher pointed out that a delay could cause a loss of the project bids, which have already been extended once and recommends being satisfied with that the PSC has proposed, except for the DuPont and Bulk Water issues.

Will go back to them with a letter to the PSC covering the DuPont rate issue and bulk water rate issue.

Mr. Collins expressed his concern that none of the projects proposed are income-producing projects.

Mr. Stubblefield feels that a future meeting with the staff and commissioners will be beneficial.

Report of Executive Director

AT&T Wireless has yet to submit an executed copy of the agreement for the General Motors Tank.

Mr. David Decker of Cox Hollida has given his approval for the District to pay for the computer equipment from the Renewal & Replacement fund. A reimbursement check in the amount of $5,385.00 was made to the Maintenance & Operations Fund on 02/05/03.

Mr. Brian Shade and Mr. Fisher attended the Hedgesville Town Council meeting on 02/05/03 to present the District's plans for the Hedgesville property. Everyone present made it very clear that the Town would be better served if these plans were not carried out. In addition to neighbors using the property for private parking, those in the audience said that their children play in the rear yard. Now that the District has been made aware of this, for liability reasons, "No Trespassing" signs will be placed in the front and rear of the property within the week. May need to discuss selling this property in the near future.

PSC updates not already covered by agenda items:

Petition for a Declaratory Ruling from the WV PSC – The ALJ must issue his decision by April 11, 2003.

Petition for Consent and Approval of Borrowing (Refunding of 93A & 94 Bond Issues) – Approved by PSC 02/04/03.

Miscellaneous Attachments:

Copy of Certified Letter from USEPA regarding HAA5 violation from this past summer at the Potomac River WTP. This violation was discussed at both of the previous October meetings. Mr. Daryl Mason & Mr. Fisher are working on the list of information requested and the Public Notification. Mr. Stubblefield will assist with the press release that will be given to the news media at the same time that the Public Notification is printed. All of the compiled information will be available for discussion at the next Board Meeting.

Report of District Engineer

Ms. Thiel recommends approval of a mainline extension by Mr. Phil Cogar to serve 50 single-family homes in Bentwood Estates Phase 3. Also recommended for approval is a Future Subdivision Agreement for Carol Henesy of 305 N. Mary

Street in Hedgesville. This is an existing structure being converted into apartments. Motion made for approval of these two items.

Motion—Bruce Dorsey
Second—Wayne Dunham
Passed—Unanimously

Good of the Order

Mr. Stubblefield was commended on his Letter to the Editor regarding the District crews working long hours due to meter freeze-ups.

County Commission has discussed an individual who needed an emergency water service because his well was not usable due to construction damage. The issue was raised as to whether or not the District was responsive in this case. A letter of response explained the process the District used and that BCPSWD was as responsive as possible.

On 02/19/03, PSC Commissioners will be in town at 10:00 a.m. at the City Council Chambers. Mr. Stubblefield will attend to see the workings of this Commission.

Adjournment

There being no further business, motion made for adjournment.

Motion—Bruce Dorsey
Second—Wayne Dunham
Passed—Unanimously

Bill Stubblefield
Chairman

Greg Rhoe
Secretary

Jill Unger
Recording Secretary

Minutes

BERKELEY COUNTY PUBLIC SERVICE WATER DISTRICT

Regular Meeting

Monday, April 14, 2003
5:00 p.m.

The Board of Directors of Berkeley County Public Service Water District met at the District Board Room at 5:00 p.m. on Monday, April 14, 2003.

Present: Bill Stubblefield, Howard Collins, Bruce Dorsey, Wayne Dunham, Greg Rhoe; Executive Director Paul Fisher; District Engineer Chris Thiel; Human Resources Manager Marla Boyer; Legal Counsel Hoy Shingleton; Guests Customer Mr. Bill Hale, Mr. Vince Collins of Steptoe & Johnson, Mr. Brian Nurick of Ross Sinclair, Ms. Katy Fidler of Newbraugh-Ryan LLC, Mr. Mark Markle, Mr. Terry Markle, Mr. Doug Bayer, Mr. Tom Cronin all of Webber Springs; Recording Secretary Jill Unger.

Welcome Guests

Mr. Stubblefield called the meeting to order at 5:00 and began the meeting with a moment of silence for the troops and civilians in Iraq.

Approval of Minutes of the regular meeting of March 24, 2003.

Mr. Dunham pointed out that on Page 3 under the 2nd paragraph of "Good of the Order", need to remove the dollar sign before the 16+%.

Motion made for approval of the minutes of March 24, 2003 with the above correction.
Motion—Howard Collins
Second—Wayne Dunham
Passed—Unanimously

Mr. Bill Hale of 149 Hook Drive will be present to discuss his September 23, 2002 water bill.

Mr. Hale was present to discuss his September 2002 bill for 67,000 gallons. His complaint is that during the months he watered his grass he only used approximately 22,000 gallons, and he did no watering in September.

Mr. Hale gave several names of neighbors who received large bills around the same time he did. Mr. Fisher pointed out that these could be due to the previous month's estimations.

Dan Ryan Builders has been to Mr. Hale's home to check for household leaks. None were found.

Mr. Fisher noted that since a formal complaint has been filed with the WV Public Service Commission, the BCPSWD Board cannot make an official decision on the matter. Mr. Stubblefield would like to see recommendations made to the PSC on the matter by the District's Board. At the previous meeting it was agreed upon by the Board that the water did go through the meter, even though it is not clear where it went, and that the meter is correct, as it has been tested, therefore the bill is due and owing. Mr. Dorsey made a motion to stay with the same decision as before, and if the PSC makes a different ruling, the Board will comply.

Motion—Bruce Dorsey
Second—Greg Rhoe

Discussion: Mr. Hale asked if he could drop the case with the PSC and he and the District "meet in the middle" on the bill. Mr. Stubblefield explained that in order to keep consistent and not set precedence in this direction, the matter needs to be dealt with as it currently is.

Passed-Unanimously

Presentation by Brian Nurick of Ross Sinclaire re: Refinancing 1993A & 1994 Bonds.

Mr. Nurick gave a brief explanation of a handout showing annual payment comparisons of the current bonds and the proposed refinancing bonds. Total savings resulting from the refinance are projected to be $151,920.00. It was clarified that PSC approval is already in place for this.

Proposal/Approval of Bond Resolution authorizing Water Refunding Revenue Bonds, Series 2003A and Series 2003B.

Mr. Vince Collins began by noting that this will not stretch out the maturity time of either bond issue. He went over a few of the highlights of the resolution.

Motion made to approve authorization of the Bond Resolution of the Water Refunding Revenue Bonds, Series 2003A and 2003B.

Motion—Howard Collins
Second—Wayne Dunham
Passed—Unanimously

Proposal/Approval of Supplemental Resolution authorizing issuance of Water Refunding Revenue Bonds, Series 2003A and Series 2003B.

Mr. Vince Collins explained that the Supplemental Resolution would authorize Mr. Fisher to execute the Bond Purchase Agreement and the Certificates of Determination as long as the Net Present Value of the savings equaled or exceeded three (3%) percent.
Motion made for approval of the Supplemental Resolution authorizing issuance of Water Refunding Revenue Bonds Series 2003A and Series 2003B.

Motion—Bruce Dorsey
Second—Greg Rhoe
Passed—Unanimously

Proposal/Approval of Resolution authorizing request to WV Municipal Bond Commission for excess funds held.

Motion to approve a Resolution to authorize Mr. Fisher to submit a request to the WV Municipal Bond Commission for the refund of excess bond reserves. When the refund is received the proceeds will be used to pay down the Bond Anticipation Note.

Motion—Wayne Dunham
Second—Howard Collins
Passed—Unanimously

Discussion re: District's Wage/Salary Ranges in relation to other employers in the region.

Mr. Fisher wants the District's wage scale to be in a range that will entice good workers to apply for openings and for them to stay once employed. Following a brief discussion, the general opinion of the Board is that the District needs to be within 55-60% of the pay range for each position among area employers. Fringe benefits will be included in the analysis. Mr. Fisher and Ms. Boyer will investigate this further.

Approval of check registers for March.

Motion made to approve the March 2003 check registers.

Motion—Howard Collins
Second—Wayne Dunham
Passed—Unanimously

Status report of Construction Projects:

a. **Glenwood Forest Tank Replacement**—Ms. Thiel reported that the punch list walk-through was done on April 1. A letter was sent to the contractor for review and completion.

b. **Middle Creek Crossing at Strobridge Road**—Completed by Panhandle Builders and Excavators.

Report from Executive Director.

- The WV Legislature passed a number of bills in the last session that affect the District. A copy of the Legislative Update from the WV Rural Water Association was included in the meeting packets for each Board Member's review. The items pertaining to the water utility were highlighted. They include but are not limited to:
  - Committee Substitute for House Bill #3068, which eliminates the need to go to the PSC for approval of engineering agreements.
  - Senate Bill #412, which takes the responsibility of payment of a tenant's bill from the owner and places it with the tenant. Causes the BCPSWD security deposit to be decreased to $50.00. All tenants' deposits are to be kept by the District until they move from the property. Property owners' deposits can still be returned after 12 consecutive on-time payments.
  - Senate Concurrent Resolution #27, which protects the state's water supply. Local Senator John Unger deserves credit for spearheading this legislative action.

- Three easements are still needed for the Route 45 Interconnection and the Gregory/Botany Drive Main Replacement Projects. Mr. Fisher has met with the appraiser on one of the properties, has a meeting scheduled this week for the second, and Mr. Shingleton has been working with Riverton Corporation's attorney (Ms. Amy Lamp Leonard) on the third one.

- Mr. Fisher noted that the total out-of-pocket expenses to the District for the Rate Increase were $30,385.76.

- The tentative date for the quarterly meeting with the Sewer District is May 19, 2003 at 7:00 p.m. at the new Sewer office at 65 District Way.

- Mr. Fisher will be attending the WVPSC Managers Seminar in Beckley on 04/22-23 and is leaving a phone number where he can be reached if needed. A volunteer is needed to sign checks with Mr. Collins on the 23rd. Mr. Stubblefield volunteered.

- Mr. Fisher advised the Board of a problem with the IRS water bill account. Their primary location is delinquent for approximately $15,000 and a couple of others are delinquent by smaller amounts. The IRS was errantly told in August 2001 that they did not owe anything and their accounts were credited $7,000+. They are disputing the charges now because they are not

current charges. Mr. Dorsey does not feel the District should try to collect from them since it appears the District "changed its mind" regarding an old bill. After a brief discussion, on the advice of the Board, the account will be corrected and they will not be charged the amount in question, but must pay the legitimate penalties since it is part of our tariff.

PSC Updates:

⇒ Request for approval of Engineering Agreement with Dewberry & Davis for Facilities Management Plan—Final Joint Staff Memorandum dated 03/31/03 recommends approval.

⇒ Petition to Reopen Case and Approve Amendment to Use of Bond Proceeds—Further Joint Staff Memorandum dated 04/01/03 states that funding confirmation and proper notice of change in scope must be received before final recommendation may be made. A copy of the Response to Staff's Further Joint Staff Memorandum was included in meeting packets.

⇒ Petition for a Declaratory Ruling from the WV PSC—The WV PSC has ruled that the Administrative Law Judge must now give a decision by 06/12/03.

Miscellaneous Attachments:

- Copy of 04/03/03 letter from WV Infrastructure & Jobs Development Council indicating approval of the District's proposed projects for the $2,430,000 Certificate Case/Bond Issue.

- Copy of 03/28/03 Memo from Martinsburg Mayor Mr. George Karos regarding water availability.

- Copy of 04/10/03 letter to Mr. David Hinote Re: Glenwood Forest Tank liquidated damages.

Report from District Engineer.

Discussion regarding Route 51 Capacity Concerns—Currently there is a 6-inch main on Rt. 51 and a 6-inch main, which increases to an 8-inch main on Sulphur Springs Road. New development in that area includes 1000 new lots already planned, with water availability statements issued & design plans approved for many of these lots. This area is of immediate concern due to the demand on the 6" mains on Route 51. The District is working with Dewberry & Davis on a hydraulic model study to address the problem. There are several funding options available for this project. Ms. Thiel feels that it would be advisable not to issue any further water availability statements for developers for this area, or approve any prints or AMEAs until the problem has been resolved.

Mr. Stubblefield asked that Mr. Fisher, Ms. Thiel, Mr. Shingleton, and developers work together to come up with an idea regarding impact fees, and other financing options.

Motion made that no more availability statements will be issued, nor will any prints or AMEAs be approved on the Rt. 51 corridor for developments until the mainline issue is resolved.

Motion—Bruce Dorsey
Second—Greg Rhoe
Passed--Unanimously

Developer Activities:

Ms. Thiel is recommending approval by the Board of the following Alternate Mainline Extension Agreements:

a) Donald Wean, Royal Builders – 13 single-family homes in Patriot Hills. Subdivision is located north of Rt. 45, on eastern edge of Martinsburg.
b) South Berkeley Land LLC – 15 apartment buildings, with a total 120 apartments in Green Meadows Apartments. Location is off Nadenbousch Lane, 1 mile east of Rt. 11.
c) Bruce Sperow, Crown Pointe, Inc. – 286 single-family homes in Crown Pointe South. Subdivision is located east of Harlan Springs Road, north of Cumbo Yard Industrial Park.
d) Mills Farm, LLC – 200 town homes and 68 single-family homes in Mills Farm, Phases 4 through 7. Location is west of Near Bethels Way, ½ mile south of Vanville.
e) Kickshaw Investments, LLC – 105 single-family homes at the Village at Washington Trail West. Subdiv. Located on Shockey Memorial Blvd. Just north of Rt. 9.
f) Banberry Investments, LLP – 145 single family-homes at the Village at Washington Trail East, located across the road from the Village at Washington Trail East.
g) Panhandle Homes of Berkeley County – 180 town homes in Hammond's Mill Subdiv. located on Brown Road, ½ mile east of Rt. 11.
h) Panhandle Homes of Berkeley County – 172 single-family homes in Hammond's Mill Subdiv. located on Brown Road, ½ mile east of Rt. 11.
i) Sulfur Springs, LLC – 135 single-family homes in Inwood Meadows, Phase 2 & 3, located on Rt. 51, ½ mile east of Sulfur Springs Road.

Motion made to approve the above AMEAs.

Motion—Wayne Dunham
Second—Howard Collins
Passed—Unanimously

Ms. Thiel also recommends approval by the Board of the following design plans and Health Department permit applications:

a) Webber Springs Section 1 – 1,834 feet of 12-inch main and 4,426 feet of 8-inch main to serve 124 single-family residences. Subdivision is off Rt. 51, ½ mile east of Sulfur Springs Road.
b) Thomas Hartman, Valley Holdings, Inc. - 1,639 feet of 8-inch main to serve 28 single-family homes in Springfield Village, Phase 2B. Subdivision is located off Berkeley Station Road, ¼ mile east of Rt. 11.
c) Harvey Trumbower Development – 3,530 feet of 8-inch main and 445 feet of 6-inch main to serve 77 single-family homes in Stonebridge Golf Community, Phases 6A and 6B. Subdivision is located south of Needy Road, ½ mile east of Blairton Road.

Also recommended for approval by the Board are the following revised drawings:

a) Spring Hill, Section 3 – revised drawing showing field changes requested by developer; entire drawing set was approved January 13, 2003.
b) Cameron Acres – revised drawings showing changes in routing on Three Run Road requested by developer; entire drawing set was approved November 25, 2002.

Board approval recommended by Ms. Thiel for the following Future Subdivision Agreement:

a) Karen Riner, 492 Riner Lane, Hedgesville. Owner would like to put a second mobile home on her lot for occupancy by a family member.

Motion made to approve the above design plans & Health Department permit applications, revised drawings, and Future Subdivision Agreement.

Motion—Bruce Dorsey
Second—Wayne Dunham
Passed—Unanimously

Good of the Order.

Ms. Fidler spoke in support of the urgency of the Route 51 corridor issue.

Mr. Stubblefield and Mr. Fisher have talked about going to meet with Mr. Dave Ellis of the WV PSC. Mr. Fisher will be in that area 04/22 & 23 for a PSC Manager's Seminar and can stay an extra day if Mr. Ellis is available. Mr. Stubblefield is willing to drive down there and would like another Board Member to go along.
The first BCPSWD newsletter was published this month. It was informative and impressive.

Executive Session to discuss real estate and personnel matters.

Motion made to go into Executive Session for the purpose of discussing real estate and personnel matters.

Motion—Wayne Dunham
Second—Howard Collins
Passed—Unanimously

Motion made to go out of executive session.

Motion— Howard Collins
Second— Greg Rhoe
Passed— Unanimously

Motion to direct the Executive Director to write a letter to Mr. Lee Snyder, President, Valley Water and Sewer Services, Inc. informing him that the District is not interested in selling the Glenwood Forest water system at this time.

Motion— Howard Collins
Second— Wayne Dunham
Passed— Unanimously

Motion to approve merit wage increases as presented for 14 employees who received only a cost of living adjustment on July 1, 2002. These increases were deferred due to negative cash flow and until the WVPSC approved a rate increase. The increases will be effective April 28, 2003. It was also noted that this action was previously approved in principal.

Motion— Wayne Dunham
Second— Greg Rhoe
Passed— Unanimously

Adjournment.

There being no further business, motion made for adjournment.

Motion—Bruce Dorsey
Second—Greg Rhoe
Passed—Unanimously

Bill Stubblefield
Chairman

Gregory S. Rhoe
Secretary

Jill Unger
Recording Secretary

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April 30, 2003

Berkeley County Public Service District (West Virginia)
Water Refunding Revenue Bonds,
Series 2003 A (Bank Qualified)

Berkeley County Public Service District
Martinsburg, West Virginia

Ambac Assurance Corporation
New York, New York

Ross, Sinclaire & Associates, Inc.
Frankfort, Kentucky

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance by Berkeley County Public Service District (West Virginia) (the "Issuer") of its $1,330,000 in aggregate principal amount Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified) (the "Series 2003 A Bonds").

The Series 2003 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 of the West Virginia Code of 1931, as amended (the "Act") and a Bond Resolution duly adopted by the Issuer on April 14, 2003, as supplemented by a Supplemental Resolution duly adopted by the Issuer on April 14, 2003 (collectively, the "Resolution") and are subject to all the terms and conditions of the Resolution. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Resolution.

The Series 2003 A Bonds are issued in fully registered form, are dated April 1, 2003, upon original issuance, mature on March 1 in years and amounts and bear interest payable each March 1 and September 1, commencing September 1, 2003, as follows:

Maturity	Amount	Interest Rate
3/1/04	$300,000	2.0000%
3/1/05	265,000	2.0000
3/1/06	275,000	2.0000
3/1/07	280,000	2.2000
3/1/08	110,000	2.5000
3/1/09	50,000	2.9000
3/1/10	50,000	3.2000

The Series 2003 A Bonds are not subject to redemption prior to maturity.

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The Series 2003 A Bonds are issued for the purposes of (i) paying a portion of the costs necessary to current refund all of the Issuer's outstanding Water Refunding Revenue Bonds, Series 1993 A, dated March 1, 1993, issued in the original aggregate principal amount of $3,350,000, of which $1,330,000 is presently outstanding (the "Series 1993 A Bonds"); (ii) partially funding a reserve account for the Series 2003 A Bonds and the Series 2003 B Bonds (as hereinafter defined) issued concurrently herewith; (iii) paying a portion of the costs of issuance of the Series 2003 A Bonds and the Series 2003 B Bonds and other costs in connection with such refunding; and (iv) paying the costs of acquisition and construction of certain additions, betterments and improvements to the System.

The Series 2003 A Bonds have been sold to Ross, Sinclaire & Associates (the "Purchaser"), pursuant to a Bond Purchase Agreement dated April 17, 2003, and accepted by the Issuer (the "Purchase Agreement").

The Series 1993 A Bonds will be defeased pursuant to a Prepayment Agreement dated the date hereof, by and between the West Virginia Municipal Bond Commission (the "Commission") and the Issuer (the "Prepayment Agreement").

As to questions of fact material to our opinion, we have relied upon representations of the Issuer, the Purchaser and other entities contained in the Resolution, the Tax and Non-Arbitrage Certificate and the Continuing Disclosure Agreement and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants of the Issuer, the Purchaser and other entities pertaining to tax matters set forth in the Resolution, the Tax and Non-Arbitrage Certificate and the Continuing Disclosure Agreement and with certain certificates delivered in connection with the issuance of the Series 2003 A Bonds, we are of the opinion, under existing law, that:

1. The Issuer is a duly created and validly existing public service district and public corporation under and pursuant to the laws of the State of West Virginia, with full power and authority to adopt the Resolution, enter into the Continuing Disclosure Agreement, the Prepayment Agreement and the Purchase Agreement, perform its obligations under the terms and provisions thereof and to issue and sell the Series 2003 A Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted the Resolution, has authorized, executed and delivered the Purchase Agreement, the Prepayment Agreement and the Continuing Disclosure Agreement and has issued and delivered the Series 2003 A Bonds to the Purchaser pursuant to the Purchase Agreement. The Resolution is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Purchase Agreement, the Prepayment Agreement and the Continuing Disclosure Agreement constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms; and the Series 2003 A Bonds, subject to the terms thereof, constitute valid and legally enforceable limited obligations

of the Issuer, payable and enforceable in accordance with their terms and the terms of the Resolution, and are entitled to the benefits of the Resolution and the Act.

4. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2003 A Bonds (including original issue discount properly allocable to owners of the Series 2003 A Bonds) is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations. It should be noted, however, that for the purpose of computing the alternative minimum tax on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. Ownership of tax-exempt obligations, including the Series 2003 A Bonds, may result in collateral federal income tax consequences to certain taxpayers, including without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. We offer no opinion as to such collateral tax consequences. Prospective purchasers of the Series 2003 A Bonds should consult their own tax advisors as to such consequences. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (the "Code") that must be satisfied subsequent to issuance of the Series 2003 A Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Series 2003 A Bonds set forth in the Resolution, and the Tax and Non-Arbitrage Certificate. Failure to comply with such Code provisions or such certifications, covenants and representations could cause the interest on the Series 2003 A Bonds to be includable in gross income retroactive to the date of issuance of the Series 2003 A Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Series 2003 A Bonds except as expressly set forth in paragraph 5.

5. Pursuant to Section 265(b)(3)(D)(ii) of the Code, the Series 2003 A Bonds shall be treated as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code and shall be deemed so designated as the Series 2003 A Bonds and the issue of which they are a part satisfy the requirements set forth in Section 265(b)(3)(D)(ii) of the Code. Therefore, the Series 2003 A Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

6. Under the Act, the Series 2003 A Bonds are exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Series 2003 A Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

7. The Series 1993 A Bonds have been paid within the meaning and with the effect expressed in the 1993 Resolution and the Prepayment Agreement, and the covenants, agreements and other obligations of the Issuer to the holders and owners of the Series 1993 A Bonds have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the certificate of the West Virginia Municipal Bond Commission relating to the sufficiency of the moneys on deposit in the Series

1993 A Bonds Sinking Fund to provide for the payment on June 15, 2003, of the principal of and interest on the Series 1993 A Bonds.

8. The Series 2003 A Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and the West Virginia Uniform Securities Act, as amended, and it is not necessary, in connection with the public offering and sale of the Series 2003 A Bonds, to register any securities under said Securities Acts.

9. The Series 2003 A Bonds have been duly authorized, issued, executed and delivered by the Issuer and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Resolution and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's Water Revenue Bonds, Series 1993 B, dated March 8, 1993, Water Revenue Bonds, Series 1993 D, dated July 29, 1993, Water Revenue Bonds, Series 1996, dated August 6, 1996, Water Revenue Bonds, Series 1997, dated June 25, 1997, Water Revenue Bonds, Series 2001 A, dated October 25, 2001, and Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified) (the "Series 2003 B Bonds") issued concurrently herewith (collectively, the "First Lien Bonds"), and senior and prior to the Issuer's Water Revenue Bonds, Series 1993 C, dated March 8, 1993 (the "Second Lien Bonds"), all in accordance with the terms of the Series 2003 A Bonds and the Resolution.

It is to be understood that the rights of the holders of the Series 2003 A Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Series 2003 A Bonds, the Resolution, the Continuing Disclosure Agreement and the Purchase Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the application of public policy, general principles of equity and the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond Nos. AR-1 through AR-7 of said issue, and in our opinion, said Series 2003 A Bonds are in proper form and have been duly executed and authenticated.

Very truly yours,

STEPTOE & JOHNSON PLLC

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April 30, 2003

Berkeley County Public Service District (West Virginia)
Water Refunding Revenue Bonds,
Series 2003 B (Non-Bank Qualified)

Berkeley County Public Service District
Martinsburg, West Virginia

Ambac Assurance Corporation
New York, New York

Ross, Sinclaire & Associates, Inc.
Frankfort, Kentucky

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance by Berkeley County Public Service District (West Virginia) (the "Issuer") of its $2,030,000 in aggregate principal amount Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified) (the "Series 2003 B Bonds").

The Series 2003 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 of the West Virginia Code of 1931, as amended (the "Act") and a Bond Resolution duly adopted by the Issuer on April 14, 2003, as supplemented by a Supplemental Resolution duly adopted by the Issuer on April 14, 2003 (collectively, the "Resolution") and are subject to all the terms and conditions of the Resolution. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Resolution.

The Series 2003 B Bonds are issued in fully registered form, are dated April 1, 2003, upon original issuance, mature on September 1 in years and amounts and bear interest payable each March 1 and September 1, commencing September 1, 2003, as follows:

Maturity	Amount	Interest Rate
9/1/03	$50,000	2.0000%
9/1/04	75,000	2.0000
9/1/05	75,000	2.0000
9/1/06	75,000	2.0000
9/1/07	50,000	2.3500
9/1/08	260,000	3.0000
9/1/09	60,000	3.0000
9/1/10	120,000	3.3000

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Maturity	Amount	Interest Rate
9/1/11	125,000	3.5500
9/1/12	125,000	3.7000
9/1/13	130,000	3.8000
9/1/14	135,000	3.9500
9/1/15	140,000	4.0000
9/1/16	145,000	4.1000
9/1/17	150,000	4.2000
9/1/18	155,000	4.3000
9/1/19	160,000	4.4000

The Series 2003 B Bonds are subject to optional and mandatory sinking fund redemption prior to maturity on the dates, in the amounts and at the redemption prices set forth in the Resolution.

The Series 2003 B Bonds are issued for the purposes of (i) paying a portion of the costs necessary to advance refund all of the Issuer's outstanding Water Revenue Bonds, Series 1994, dated September 1, 1994, issued in the original aggregate principal amount of $2,275,000, of which $1,835,000 is presently outstanding (the "Series 1994 Bonds"); (ii) partially funding a reserve account for the Series 2003 B Bonds and the Series 2003 A Bonds (hereinafter defined) issued concurrently herewith; (iii) paying a portion of the costs of issuance of the Series 2003 B Bonds and the Series 2003 A Bonds and other costs in connection with such refunding; and (iv) paying the costs of acquisition and construction of certain additions, betterments and improvements to the System.

The Series 2003 B Bonds have been sold to Ross, Sinclaire & Associates (the "Purchaser"), pursuant to a Bond Purchase Agreement dated April 17, 2003, and accepted by the Issuer (the "Purchase Agreement").

The Series 1994 Bonds will be defeased pursuant to an Escrow Agreement dated the date hereof, by and between the West Virginia Municipal Bond Commission (the "Commission") and the Issuer (the "Escrow Agreement").

As to questions of fact material to our opinion, we have relied upon representations of the Issuer, the Purchaser and other entities contained in the Resolution, the Tax and Non-Arbitrage Certificate and the Continuing Disclosure Agreement and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants of the Issuer, the Purchaser and other entities pertaining to tax matters set forth in the Resolution, the Tax and Non-Arbitrage

Certificate and the Continuing Disclosure Agreement and with certain certificates delivered in connection with the issuance of the Series 2003 B Bonds, we are of the opinion, under existing law, that:

1. The Issuer is a duly created and validly existing public service district and public corporation under and pursuant to the laws of the State of West Virginia, with full power and authority to adopt the Resolution, enter into the Continuing Disclosure Agreement, the Escrow Agreement and the Purchase Agreement, perform its obligations under the terms and provisions thereof and to issue and sell the Series 2003 B Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted the Resolution, has authorized, executed and delivered the Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Agreement and has issued and delivered the Series 2003 B Bonds to the Purchaser pursuant to the Purchase Agreement. The Resolution is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Agreement constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms; and the Series 2003 B Bonds, subject to the terms thereof, constitute valid and legally enforceable limited obligations of the Issuer, payable and enforceable in accordance with their terms and the terms of the Resolution, and are entitled to the benefits of the Resolution and the Act.

4. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Series 2003 B Bonds (including original issue discount properly allocable to owners of the Series 2003 B Bonds) is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations. It should be noted, however, that for the purpose of computing the alternative minimum tax on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. Ownership of tax-exempt obligations, including the Series 2003 B Bonds, may result in collateral federal income tax consequences to certain taxpayers, including without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. We offer no opinion as to such collateral tax consequences. Prospective purchasers of the Series 2003 B Bonds should consult their own tax advisors as to such consequences. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (the "Code") that must be satisfied subsequent to issuance of the Series 2003 B Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Series 2003 B Bonds set forth in the Resolution, and the Tax and Non-Arbitrage

Certificate. Failure to comply with such Code provisions or such certifications, covenants and representations could cause the interest on the Series 2003 B Bonds to be includable in gross income retroactive to the date of issuance of the Series 2003 B Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Series 2003 B Bonds.

5. Under the Act, the Series 2003 B Bonds are exempt from taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Series 2003 B Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

6. The Series 1994 Bonds have been paid within the meaning and with the effect expressed in the 1994 Resolution and the Escrow Agreement, and the covenants, agreements and other obligations of the Issuer to the holders and owners of the Series 1994 Bonds have been satisfied and discharged. In rendering the opinion set forth in this paragraph, we have relied upon the certificate of the West Virginia Municipal Bond Commission relating to the sufficiency of the moneys on deposit in the Series 1994 Bonds Sinking Fund to provide for the payment on September 1, 2004, of the principal of and interest on the Series 1994 Bonds.

7. The Series 2003 B Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and the West Virginia Uniform Securities Act, as amended, and it is not necessary, in connection with the public offering and sale of the Series 2003 B Bonds, to register any securities under said Securities Acts.

8. The Series 2003 B Bonds have been duly authorized, issued, executed and delivered by the Issuer and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Resolution and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's Water Revenue Bonds, Series 1993 B, dated March 8, 1993, Water Revenue Bonds, Series 1993 D, dated July 29, 1993, Water Revenue Bonds, Series 1996, dated August 6, 1996, Water Revenue Bonds, Series 1997, dated June 25,1997, Water Revenue Bonds, Series 2001 A, dated October 25, 2001, and Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified) (the "Series 2003 A Bonds") issued concurrently herewith (collectively, the "First Lien Bonds"), and senior and prior to the Issuer's Water Revenue Bonds, Series 1993 C, dated March 8, 1993 (the "Second Lien Bonds"), all in accordance with the terms of the Series 2003 B Bonds and the Resolution.

It is to be understood that the rights of the holders of the Series 2003 B Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Series 2003 B Bonds, the Resolution, the Continuing Disclosure Agreement and the Purchase Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the

application of public policy, general principles of equity and the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond Nos. BR-1 through BR-17 of said issue, and in our opinion, said Series 2003 B Bonds are in proper form and have been duly executed and authenticated.

Very truly yours,

STEPTOE & JOHNSON PLLC

067780.00002

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW
Clarksburg Charleston Morgantown Martinsburg Wheeling Parkersburg

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Writer's Contact Information

April 30, 2003

Berkeley County Public Service District
83 Monroe Street
Martinsburg, West Virginia 25401

Ross, Sinclaire & Associates
400 Democrat Drive
Frankfort, Kentucky 40601

$3,360,000
Berkeley County Public Service District (West Virginia)
Water Refunding Revenue Bonds,
Series 2003A (Bank Qualified) and
Series 2003 B (Non-Bank Qualified)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance and sale by Berkeley County Public Service District (the "District") of its $3,360,000 aggregate principal amount of Water Refunding Revenue Bonds, Series 2003A (Bank Qualified) and Series 2003 B (Non-Bank Qualified) (collectively, the "Series 2003 Bonds"). In our capacity as Bond Counsel, we are delivering an opinion of even date herewith concerning the legality of the Series 2003 Bonds and the exclusion of interest on the Series 2003 Bonds from gross income for federal income tax purposes (the "Bond Opinion"). We have examined the documents and instruments as described in the Bond Opinion, the Official Statement and such other matters as we have deemed necessary or appropriate to render this opinion. Words and terms used in this opinion shall have the meanings assigned to them in the Bond Purchase Agreement (the "Purchase Agreement") dated April 17, 2003, between the District and the Underwriter and approved by the District.

Based upon the foregoing, we are of opinion that:

(1) The Purchase Agreement has been authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the other parties thereto, is a legal, valid, binding and enforceable obligation of the District (except to the extent that enforceability may be limited by bankruptcy, insolvency or other laws or equitable principles affecting creditors' rights generally).

(2) The District, under the Act, has full power and authority to adopt the Resolution, enter into the Undertaking and the Purchase Agreement and perform its obligations thereunder.

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(3) The Official Statement has been duly approved, signed and delivered by the District, and the District has authorized the distribution of the Official Statement and the use thereof by the Underwriter in connection with the public offering of the Series 2003 Bonds.

(4) The statements and information contained in the Official Statement under the captions or subcaptions "The Series 2003 Bonds," "Security for the Series 2003 Bonds," "Financing Plan," "Tax Matters," "Legal Matters," "Continuing Disclosure," and, if applicable, the definitions and the summary of the Resolution in Appendix D to the Official Statement (except for financial or statistical data therein as to which no opinion is hereby expressed) do not contain any untrue statement of a material fact or omit to state a material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect.

(5) The Series 2003 Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Resolution is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

Very truly yours,

STEPTOE & JOHNSON PLLC

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Writer's Contact Information

April 30, 2003

Ross, Sinclaire & Associates
As the Underwriter named in the
Bond Purchase Agreement dated April 17, 2003,
by and between said Underwriter and
Berkeley County Public Service District

Berkeley County Public Service District
Martinsburg, West Virginia

Ambac Assurance Corporation
New York, NY 10004

$3,360,000
Berkeley County Public Service District (West Virginia)
Water Refunding Revenue Bonds,
Series 2003A (Bank Qualified) and
Series 2003 B (Non-Bank Qualified)

Ladies and Gentlemen:

We have served as bond counsel with respect to the above-referenced bonds (the "Series 2003 Bonds"). The initial public offering price of the (i) Series 2003 A Bonds maturing on March 1, in each of the following years, 2007 through 2010, each inclusive and (ii) Series 2003 B Bonds maturing on September 1, in each of the following years, 2015 through 2019, each inclusive (the "Discount Bonds"), is less than that amount payable on the Discount Bonds at maturity. The difference between the initial public offering price at which the Discount Bonds were sold and the amount payable at maturity constitutes an original issue discount ("OID"). In the case of any original Holder of a Discount Bond, the amount of the OID which is treated as having accrued with respect to such Discount Bond is added to the cost basis of the Holder in determining, for federal income tax purposes, gain or loss upon its disposition (including its sale, redemption or payment at maturity). We are of the opinion that amounts received upon such disposition which are attributable to accrued OID will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Interest in the form of OID is treated as compounding semiannually on days which are determined by reference to the maturity date of the Discount Bonds. The amount of OID, which is treated as having accrued in respect of a Discount Bond for any particular semiannual compounding period, is equal to the difference between the product of (a) one-half of the yield for the Discount Bonds (adjusted

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as necessary for an initial short period) and (b) the tax basis of the Discount Bond during such period. For purposes of the preceding sentence, the tax basis of a Discount Bond, if held by an original purchaser, can be determined by adding to the initial public offering price of such Discount Bond the OID that is treated as having accrued during all prior semiannual compounding periods. If a Discount Bond is sold or otherwise disposed of between semiannual compounding dates, the OID which would have accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amount among the days in such compounding period. Holders of Discount Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of OID accrued upon sale or redemption of such Discount Bonds, and with respect to the state and local tax consequences of owning such Discount Bonds.

The (i) Series 2003 A Bonds maturing on March 1, 2004 through 2006, each inclusive and (ii) the Series 2003 B Bonds maturing on September 1, 2003 through 2006, each inclusive, and September 1, 2008 ("OIP Bonds"), will be sold with an original issue premium ("OIP"). The original issue premium will be equal to the excess of a holder's tax basis in the OIP Bonds over the amount payable at maturity, or in the case of an OIP bond subject to redemption, the amount payable on the redemption date. Under current law, the original issue premium for an OIP Bond must be amortized on an annual basis by the holder thereof. The amount of original issue premium amortized each year will not be deductible for federal income tax purposes. Further, Section 1016 of the Internal Revenue Code of 1986, as amended, requires that the amount of annual amortization for the OIP Bonds be deducted from the holder's tax basis in such OIP Bonds. This reduction in a holder's tax basis will affect the amount of capital gain or loss to be recognized by the holder when the OIP Bonds are sold or redeemed. Holders of OIP Bonds should consult their tax advisors with respect to the determination and treatment of amortizable original issue premium for federal income tax purposes, and with respect to the state and local tax consequences of owning such OIP Bonds.

Very truly yours,

STEPTOE & JOHNSON PLLC

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April 30, 2003

Ross, Sinclaire & Associates
400 Democrat Drive
Frankfort, Kentucky 40601

Re: $3,360,000 Berkeley County Public Service District (West Virginia) Water Refunding Revenue Bonds, Series 2003A (Bank Qualified) and Series 2003 B (Non-Bank Qualified)

Ladies and Gentlemen:

We have acted as counsel to you (the "Underwriter") in connection with the issuance and sale by Berkeley County Public Service District (the "District") of the above-referenced Bonds (collectively, the "Series 2003 Bonds"). In connection with rendering this opinion, we have examined the Official Statement dated April 17, 2003, the Bond Purchase Agreement dated April 17, 2003 (the "Purchase Agreement"), the Continuing Disclosure Agreement between you and the District dated as of the closing date (the "Undertaking"), and Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"). Capitalized terms used but not defined herein shall have the meanings set forth in the Purchase Agreement.

Based upon the foregoing review, we are of the opinion that the Undertaking complies as to form in all material respects with the requirements of paragraph (b)(5) of the Rule.

Without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of our conferences with representatives of the District, counsel for the District, Bond Counsel and the Underwriter, and our examination of certain documents referred to in the Official Statement, nothing has come to our attention that would lead us to believe that the Official Statement (excluding therefrom the financial and statistical data included in the Official Statement, including Appendix B thereto as to which we express no opinion) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make

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the statements made therein, in light of the circumstances under which they were made, not misleading.

This opinion is solely for the benefit of, and may be relied upon only by, the Underwriter; and it is not to be used, circulated, quoted or otherwise referred to for any other purpose, except that a copy hereof may be included in the transcript of closing documents pertaining to the delivery of the Series 2003 Bonds.

Very truly yours,

Jackson Kelly PLLC

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April 30, 2003

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Charleston, West Virginia 25326

$3,360,000
Berkeley County Public Service District (West Virginia)
Water Refunding Revenue Bonds,
Series 2003A (Bank Qualified) and
Series 2003 B (Non-Bank Qualified)

Ladies and Gentlemen:

I have acted as counsel for Berkeley County Public Service District (the "District") and have acted as such in connection with the sale of the above-referenced Bonds (collectively, the "Series 2003 Bonds"), which are being delivered and sold pursuant to a Bond Purchase Agreement dated as of April 17, 2003 (the "Purchase Agreement") between Ross, Sinclaire & Associates (the "Underwriter") and the District. Any capitalized terms used herein and not defined shall have the meaning assigned to it in the Purchase Agreement.

In this connection, I have reviewed and examined certain proceedings and documents with respect to the Series 2003 Bonds, any such records, certificates and other documents as I have considered necessary or appropriate for the purposes of this opinion, the Constitution and the laws of the State of West Virginia, specifically Chapter 16, Article 13A of the Code of West Virginia, 1931, as amended (collectively, the "Act"), the Resolution of the District relating to the Series 2003 Bonds adopted on April 14, 2003, as supplemented and amended by a resolution adopted April 14, 2003 (collectively, the "Resolution"), the

Undertaking, the Purchase Agreement, the Official Statement dated April 17, 2003, with respect to the issuance and offering of the Series 2003 Bonds (collectively, the "Official Statement") and a closing certificate of the District. Based on such review and such other considerations of law and fact as I believe to be relevant, I am of the opinion that:

1. The District is a public service district and a public corporation and political subdivision of the State of West Virginia. The District is authorized by the laws of the State of West Virginia, as provided by the Act, to enter into and perform its obligations under the Resolution, the Undertaking and the Purchase Agreement.

2. The District has full power and authority to consummate all transactions contemplated by the Series 2003 Bonds, the Purchase Agreement, the Undertaking and any and all other agreements relating thereto, to which the District is a party.

3. The District has duly authorized all action necessary to be taken by it or on its behalf for (i) the execution and delivery of the Undertaking and the Purchase Agreement; (ii) the approval of the distribution of the Official Statement; (iii) the ratification of the actions of the District and the issuance and delivery of the Series 2003 Bonds upon the terms set forth in the Resolution; and (iv) the carrying out, giving effect to and consummation of the transactions contemplated thereby.

4. The Undertaking and the Purchase Agreement have been duly and validly authorized, executed and delivered by the District and the same are in full force and effect as of the date hereof and are valid and legally binding obligations of the District, enforceable against the District in accordance with their respective terms, except to the extent the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally.

5. The Resolution has been duly adopted at meetings of the governing body (Board) of the District which were called and held pursuant to law and in accordance with all applicable open meeting laws and at which a quorum was present and acting at the time of the enactment of the Resolution.

6. The execution and delivery by the District of the Undertaking and the Purchase Agreement and the performance of its obligations thereunder do not and will not result in a violation of any provision of, or in default under, the West Virginia statutes organizing and governing the District or, to the best of my knowledge after diligent inquiry and review of the District's records, any agreement or other instrument to which the District is a party or by which it or its properties are bound.

7. All actions necessary to be taken by the District have been taken, and no additional approval, authorization, consent or other order of the District or any public board or body is legally required to allow the District to enter into and perform its obligations under the Purchase Agreement or as described in the Official Statement.

8. The District is not in violation of any provision of, or in default under, West Virginia statutes organizing and governing the District.

9. There are no legal or governmental actions, proceedings, inquiries or investigations pending or threatened by governmental authorities or to which the District is a party or of which any property of the District is subject, except as described in the Official Statement, which, if determined adversely to the District, would individually or in the aggregate (i) materially and adversely affect the validity or the enforceability of the Series 2003 Bonds, the Undertaking or the Purchase Agreement, (ii) otherwise materially or adversely affect the ability of the District to comply with its obligations under the Purchase Agreement, or materially and adversely affect the transactions contemplated by the Official Statement to be engaged in by the District.

10. Based upon my experience as counsel for the District and on my review of the Official Statement, and after diligent inquiry, the statements and information contained in the Official Statement under the captions or subcaptions "Financing Plan," "The Series 2003 Bonds," "Security for the Series 2003 Bonds," "The System," "Litigation," and "Continuing Disclosure" do not contain any untrue statement of a material fact or omit to state any material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect.

I hereby consent to the references made to me in the Official Statement.

Very truly yours,

Hoy Shingleton, Jr., Esquire

$3,360,000

BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)

Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified)
and
Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. PUBLIC SERVICE COMMISSION APPROVAL
5. AWARD OF SERIES 2003 BONDS; SIGNATURES
6. DELIVERY AND PAYMENT
7. CERTIFICATION OF DOCUMENTS
8. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
9. MEETINGS, ETC.
10. INCUMBENCY AND OFFICIAL NAME
11. RATES
12. DEFEASANCE OF THE SERIES 1993 A BONDS AND SERIES 1994 BONDS
13. OFFICIAL STATEMENT CERTIFICATION
14. CERTIFICATIONS UNDER BOND PURCHASE AGREEMENT SECTION 6(c)(4) AND SECTION 6(c)(12);
15. DESIGNATION OF REGISTRAR, PAYING AGENT AND DEPOSITORY BANK
16. IRS INFORMATION RETURN
17. SPECIMEN SERIES 2003 BONDS
18. RELIANCE
19. USE OF SERIES 2003 BOND PROCEEDS
20. COUNTERPARTS

We, the undersigned CHAIRMAN and SECRETARY of Berkeley County Public Service District, West Virginia (the "Issuer") and the undersigned ATTORNEY for the Issuer, hereby certify in connection with the $1,330,000 aggregate principal amount of the Berkeley County Public Service District (West Virginia) Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified) (the "Series 2003 A Bonds") and the $2,030,000 aggregate principal amount of the Berkeley County Public Service District (West Virginia)

Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified) (the "Series 2003 B Bonds," and collectively with the Series 2003 A Bonds, the "Series 2003 Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meanings set forth in the bond resolution of the Issuer duly adopted April 14, 2003, as supplemented by a supplemental resolution duly adopted April 14, 2003, a Certificate of Determinations dated April 17, 2003 and a Second Supplemental Resolution duly adopted on April 28, 2003 (collectively, the "Bond Legislation"), and the Bond Purchase Agreement dated April 17, 2003 (the "Bond Purchase Agreement"), by and between the Issuer and the Underwriter.

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining, or affecting in any manner the issuance and delivery of the Series 2003 Bonds, or the collection of the Net Revenues of the System or the pledge thereof to the payment of the principal of and interest on the Series 2003 Bonds, nor in any manner questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Series 2003 Bonds, nor in any manner affecting the validity or enforceability of the Series 2003 Bonds, the Bond Legislation, the Undertaking, the Escrow Agreement or the Bond Purchase Agreement or any agreement or instrument relating thereto, used or contemplated by the Bond Purchase Agreement or any provisions made or authorized for the payment of the Series 2003 Bonds; nor in any manner questioning the valid existence of the Issuer or the authority or titles of the Chairman, Secretary and the members of the public service board of the Issuer to their respective offices; nor in any manner questioning any proceeding, procedure, action or thing followed, taken or done in connection with the issuance, sale and delivery of the Series 2003 Bonds or the refunding and payment of the Series 1993 A Bonds and Series 1994 Bonds which are not set forth in the Official Statement relating to the Series 2003 Bonds.

3. GOVERNMENTAL APPROVALS: All applicable and necessary approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the refunding of the Series 1993 A Bonds and the Series 1994 Bonds and the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Series 2003 Bonds, have been duly and timely obtained and remain in full force and effect.

4. PUBLIC SERVICE COMMISSION APPROVAL: The Public Service Commission of West Virginia has approved the issuance of the Series 2003 Bonds for the purpose of refunding the Series 1993 A Bonds and Series 1994 Bonds by Commission Order entered February 4, 2003, in Case No. 02-1998-PWD-PC. The time for appeal of the Commission Order entered February 4, 2003, has expired prior to the date hereof.

5. AWARD OF SERIES 2003 BONDS; SIGNATURES: (A) The Series 2003 A Bonds were awarded to Ross, Sinclaire & Associates (the "Underwriter") pursuant

to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of $1,309,640.25 (representing par value less an Underwriter's discount of $23,275 plus an original issue premium of $2,915.25), plus interest accrued of $2,316.78 on the Series 2003 A Bonds from April 1, 2003 to April 30, 2003 (the "Closing Date").

(B) The Series 2003 B Bonds shall be sold to the Underwriter, pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Issuer, at an aggregate purchase price of $1,992,120.90 (representing par value less an Underwriter's discount of $35,525 and an original issue discount of $2,354.10), plus interest accrued of $5,729.11 on the Series 2003 B Bonds from April 1, 2003 to April 30, 2003 (the "Closing Date").

As of the date hereof, the Series 2003 Bonds were duly signed by the manual signature of the Chairman of the Issuer, and the official seal of the Issuer, which seal is impressed upon this Certificate, was impressed thereon and attested by the manual signature of the Secretary of the Issuer.

6. DELIVERY AND PAYMENT: The undersigned Chairman did, on the date hereof, deliver to the Underwriter, the entire issue of the Series 2003 A Bonds, in various denominations and numbered AR-1 to AR-7, inclusive, and the Series 2003 B Bonds, in various denominations and numbered BR-1 to BR-17. At the time of delivery of the Series 2003 Bonds, there was paid to the Issuer (or others, on behalf of the Issuer) the agreed price therefor as follows:

Par Amount	$3,360,000.00
Less: Underwriter's Discount	(58,800.00)
Plus: Accrued Interest (April 1, 2003 to April 30, 2003)	8,045.89
Plus: Net Original Issue Premium	561.15
Total	$3,309,807.04

The Issuer has approved the transfer of $291,060 from the Series 1993 A Bonds Reserve Account held by the West Virginia Municipal Bond Commission to the Series 1993 A Bonds Sinking Fund to provide sufficient funds to defease the Series 1993 A Bonds and the transfer of $177,147.50 from the Series 1994 Bonds Reserve Account held by the West Virginia Municipal Bond Commission to the Series 1994 Bonds Sinking Fund to provide sufficient funds to defease the Series 1994 Bonds.

7. CERTIFICATION OF DOCUMENTS: There are delivered herewith true, correct and complete copies of the following documents, all of which remain in full force and effect and have not been amended, modified, supplemented, rescinded or repealed unless changed by the terms of other documents listed below:

Bond Resolution

Supplemental Resolution

Certificate of Determination and Second Supplemental Resolution

Public Service Commission Order

County Commission Orders Relating to Creation of District and Merging with Hedgesville and Opequon Public Service Districts

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Minutes of Current Year Organizational Meeting

Minutes on Adoption of Bond Resolution and Supplemental Resolution

Official Statement

Bond Purchase Agreement

Continuing Disclosure Agreement

Escrow Agreements

Verification Report

Consent of West Virginia Water Development Authority

8. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer or the System of the Issuer since June 30, 2002. Upon defeasance of the Series 1993 A Bonds and the Series 1994

Bonds on the date hereof, there is not any indebtedness or obligation of the Issuer outstanding and unpaid or for which full and irrevocable provision for payment has not been made which has priority over or ranks on a parity with the Series 2003 Bonds as to the sources of and security for payment, except the Prior Bonds described in the Official Statement. The Issuer has obtained the consent of the holders of the Prior Bonds to the issuance of the Series 2003 Bonds in the lien position as set forth in the Resolution.

9. MEETINGS, ETC.: All actions, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Series 2003 Bonds and/or operation of the System, including without limitation the imposition of rates and charges, were authorized or adopted at meetings of the public service board of the Issuer duly and regularly called and held pursuant to the rules of procedure of the public service board of the Issuer and all applicable statutes, including without limitation Chapter 6, Article 9A of the Official West Virginia Code of 1931, as amended, and a quorum of duly appointed, qualified and acting members of the public service board was present and acting at all times during all such meetings. All notices required to be posted or published were duly posted and published.

10. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "Berkeley County Public Service District." The Issuer is a public service district and public corporation duly created by The County Commission of Berkeley County and presently existing under the laws of, and a public corporation and political subdivision of, the State of West Virginia. The governing body of the Issuer is its Public Service Board, consisting of 5 duly appointed, qualified and acting members whose names and dates of commencement and termination of current terms of office are as follows:

Name	Date of Commencement of Office	Date of Termination of Office
1. Gregory Rhoe	January 23, 2003	June 30, 2007
2. Calvin B. Dorsey	July 1, 2001	June 30, 2003
3. D. Wayne Dunham	July 1, 2001	June 30, 2003
4. Howard W. Collins	July 1, 2001	June 30, 2005
5. William L. Stubblefield	July 1, 2001	June 30, 2005

The names of the duly elected and/or appointed, qualified and acting officers of the Public Service Board of the Issuer for the calendar year 2003 are as follows:

Chairman	-	William L. Stubblefield
Vice-Chairman	-	Calvin B. Dorsey
Secretary	-	Gregory Rhoe
Treasurer	-	Howard W. Collins
Parliamentarian	-	D. Wayne Dunham

The duly appointed and acting counsel to Issuer is Hoy Shingleton, Esquire of Martinsburg, West Virginia.

11. RATES: The rates for the System, as approved by the Public Service Commission of West Virginia, are in full force and effect.

12. DEFEASANCE OF THE SERIES 1993 A BONDS AND SERIES 1994 BONDS: (A) The funds on deposit with the Commission pursuant to the Prepayment Agreement by and between the Issuer and the West Virginia Municipal Bond Commission, the paying agent of the Series 1993 A Bonds, dated as of the date hereof, are sufficient to fully pay the entire outstanding principal of, the redemption premium and all interest accrued on the Series 1993 A Bonds on June 15, 2003, the Redemption Date. As of the date of hereof, the Series 1993 A Bonds have been defeased and currently refunded and the liens and pledges securing the Series 1993 A Bonds have been discharged and defeased.

(B) The funds on deposit with the Commission pursuant to the Escrow Agreement by and between the Issuer and the West Virginia Municipal Bond Commission, the paying agent of the Series 1994 Bonds, dated as of the date hereof, are sufficient to fully pay the entire outstanding principal of, the redemption premium and all interest accrued on the Series 1994 Bonds on September 1, 2004, the Redemption Date. As of the date of hereof, the Series 1994 Bonds have been defeased and advance refunded and the liens and pledges securing the Series 1994 Bonds have been discharged and defeased.

13. OFFICIAL STATEMENT CERTIFICATION: At and since the date of the Official Statement nothing has come to the attention of any signer hereof which would lead any such signer to believe that the Official Statement contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

14. CERTIFICATIONS UNDER BOND PURCHASE AGREEMENT SECTION 6(c)(4) AND SECTION 6(c)(12): In addition to the foregoing, the undersigned hereby certify, as of the date hereof, that: (i) the Issuer has duly performed all of its

obligations to be performed at or prior to the Closing and that each of its representations and warranties contained in the Bond Purchase Agreement are true as of the Closing, (ii) the Issuer has authorized, by all necessary action, the execution, delivery, receipt and due performance of the Series 2003 Bonds, the Bond Legislation, the Undertaking, and any and all such other agreements and documents as may be required to be executed, delivered and received by the Issuer in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Official Statement, (iii) to our knowledge no litigation is pending, or to our knowledge threatened, to restrain or enjoin the issuance or sale of the Series 2003 Bonds or in any way affecting any authority for or the validity of the Series 2003 Bonds, the Bond Legislation or the Issuer's existence or powers or the Issuer's right to use the proceeds of the Series 2003 Bonds to refund the Series 1993 A Bonds and Series 1994 Bonds, (iv) the execution, delivery, receipt and due performance of the Series 2003 Bonds, the Bond Legislation, the Undertaking and the other agreements contemplated by the Bond Purchase Agreement and the Official Statement under the circumstances contemplated thereby and the Issuer's compliance with the provisions thereof will not conflict with or constitute on its part a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which it is subject or by which it is or may be bound, and (v) the Issuer is obligated by the Undertaking established in the Continuing Disclosure Agreement and is in full compliance with all of its prior written continuing disclosure undertakings entered into pursuant to the provisions of Rule 15c2-12(b)(5).

15. DESIGNATION OF REGISTRAR, PAYING AGENT AND DEPOSITORY BANK: The Issuer hereby confirms the appointment of Fifth Third Bank, Cincinnati, Ohio, as Registrar, the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent, and F&M Bank, Martinsburg, West Virginia, as Depository Bank.

16. IRS INFORMATION RETURN: On the date hereof, the undersigned Chairman did officially sign a properly completed IRS Form 8038-G for each series and will cause such executed Form 8038-Gs to be filed in a timely manner with the Internal Revenue Service Center, Ogden, Utah. The information set forth in such Form 8038-Gs are true, correct and complete in all respects.

17. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Series 2003 Bonds.

18. RELIANCE: The undersigned acknowledge that it is intended that interest on the Series 2003 Bonds be exempt from federal income tax in the hands of the owners thereof, that the firm of Steptoe & Johnson PLLC is rendering opinions on the date hereof to said effect and with respect to other matters, and that, in rendering said opinions,

said firm is relying, among other things, upon the statements made herein. Said firm is entitled to rely upon such statements.

19. USE OF SERIES 2003 BOND PROCEEDS: The proceeds of the Series 2003 Bonds not used to currently refund the Series 1993 A Bonds and advance refund the Series 1994 Bonds, fund a reserve account for the Series 2003 Bonds or to pay costs of issuance of the Series 2003 Bonds and other costs in connection with such refunding, and all moneys returned to the Issuer by the Commission from the Series 1993 A Bonds Sinking Fund, the Series 1993 A Bonds Reserve Account, the Series 1994 Bonds Sinking Fund and the Series 1994 Bonds Reserve Account, shall be expended on capital projects of the Issuer within not more than six (6) months of April 30, 2003.

20. COUNTERPARTS: This Certificate may be executed in counterparts, and all counterparts shall be deemed to be the Certificate.

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WITNESS our signatures and the official corporate seal of the BERKELEY COUNTY PUBLIC SERVICE DISTRICT on this 30th day of April, 2003.

[CORPORATE SEAL]

Signature	Official Title
	Chairman
	Secretary
	Attorney

04/25/03
067780/00002

$3,360,000

BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)

Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified)
and
Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified)

TAX AND NON-ARBITRAGE CERTIFICATE

The undersigned, Chairman of Berkeley County Public Service District (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of the $1,330,000 Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified) (the "Series 2003 A Bonds") and $2,030,000 Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified) (the "Series 2003 B Bonds"), of the Issuer, all dated April 1, 2003 (collectively, the "Series 2003 Bonds"), hereby certifies as follows, all capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Resolution adopted by the Issuer on April 14, 2003, as supplemented (collectively, the "Resolution"), pursuant to which the Series 2003 Bonds are issued:

A. DEFINITIONS

The following words and phrases shall have the following meanings or such other meanings as may be required under the Code or the Regulations. Any capitalized word or term used herein but not defined herein shall have the meaning set forth in the Resolution.

"**Bona Fide Debt Service Fund**" shall mean a fund which may include proceeds of an issue, that:

(a) Is used primarily to achieve a proper matching of revenues with principal and interest payments within each Bond Year; and

(b) Is depleted at least once each Bond Year, except for a reasonable carryover amount not to exceed the greater of:

(i) the earnings on the fund for the immediately preceding Bond Year; or

(ii) one-twelfth (1/12th) of the principal and interest payments on the Series 2003 Bonds for the immediately preceding Bond Year.

"**Bond Act**" means Article 13A of Chapter 16 of the Code of West Virginia of 1931, as amended.

"**Bond Counsel**" means the law firm or firms delivering its or their approving opinion or opinions with the respect to the issuance of the Series 2003 Bonds and the exclusion of interest on the Series 2003 Bonds from gross income for the purposes of federal income taxation.

"**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, or such other period as shall be determined by the Issuer, except that the first Bond Year shall begin on the Closing Date.

"**Bond Yield**" means the yield of the Series 2003 Bonds, calculated in accordance with the provisions of Section 1.148-4 of the Regulations.

"**Code**" means the Internal Revenue Code of 1986, as amended, and all rulings and regulations promulgated thereunder.

"**Computation Date**" means each Installment Computation Date and the Final Computation Date.

"**Computation Date Credit**" means $1,000.00. Only one Computation Date Credit for each Computation Date is permitted for the Series 2003 Bonds.

"**Costs of Issuance**" means all costs incurred in connection with the issuance of the Series 2003 Bonds within the meaning of Section 147(g) of the Code. Examples of costs of issuance include (but are not limited to):

(a) underwriters' spread (whether realized directly or derived through purchase of the Series 2003 Bonds at a discount below the price at which a substantial number of Series 2003 Bonds are sold to the public);

(b) counsel fees (including Bond Counsel, Underwriters' Counsel, Issuer's Counsel, Insurance Company's Counsel, and any other specialized counsel fees incurred in connection with the issuance of the Series 2003 Bonds);

(c) financial advisor fees incurred in connection with the issuance of the Series 2003 Bonds;

(d) trustee fees and registrar fees;

(e) paying agent, disbursement agent, and certifying and authenticating agent fees related to issuance of the Series 2003 Bonds;

(f) accountant fees related to issuance of the Series 2003 Bonds;

(g) printing costs (for the Series 2003 Bonds and of preliminary and final offering materials); and

(h) costs incurred in connection with any required public approval process (e.g., publication costs for public notices generally and costs of the public hearing or voter referendum).

"**Date of Issue**" means April 30, 2003.

"**Discharged**" means, with respect to any Bond, the date on which all amounts due with respect to such Bond are actually and unconditionally due if cash is available at the place of payment and no interest accrues with respect to the Bond after such date.

"**Fair Market Value**" of an Investment means as follows:

(a) In General. Except as specifically otherwise provided below, the Fair Market Value of an Investment is the price at which a willing buyer would purchase the Investment from a willing seller in a bona fide arm's length transaction. The Fair Market Value of an Investment that is purchased directly from the United States Treasury is its purchase price.

(b) Safe Harbor for Establishing Fair Market Value for Guaranteed Investment Contracts and Investments Purchased for a Yield Restricted Defeasance Escrow. The purchase price of a guaranteed investment contract is treated as its Fair Market Value on the purchase date if -

(i) The institution makes a bona fide solicitation for a specified guaranteed investment contract and reserves at least

three (3) bona fide bonds from providers that have no material financial interest in the issue (e.g. as underwriters or brokers);

(ii) The institution purchases the highest yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees);

(iii) The yield on the guaranteed investment contract (determined net of broker's fees) is not less than the yield then available from the provider on reasonably comparable guaranteed investment contracts, if any, offered to persons from a source of funds other than gross proceeds of tax exempt bonds;

(iv) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the Issuer's reasonably expected draw down schedule for the amounts to be invested, exclusive of amounts deposited in debt service funds and reasonably required reserve or replacement funds;

(v) The terms of the guaranteed investment contract, including collateral security requirements, are reasonable; and

(vi) The obligor on the governmental investment contract certifies the administrative costs that it is paying (or expects to pay) to third parties in connection with the guaranteed investment contract.

(c) Safe Harbor for Establishing Fair Market Value for Certificates of Deposit. The Fair Market Value of a certificate of deposit is its purchase price if it has a fixed rate of interest, a fixed payment schedule, and a substantial penalty for early withdrawal and the yield on the certificate of deposit is not less than (i) the yield on reasonably comparable direct obligations of the United States; and (ii) the highest yield that is published or posted by the provider to be currently available on reasonably comparable certificates of deposit offered to the public.

"**Final Computation Date**" means the date on which the last Bond is Discharged.

"**Future Value**" means the amount determined by using the following formula:

$$FV = PV(1+i)^n$$

where:

FV = The future value of the nonpurpose receipt or payment at the end of the interval. Each interval ends on the last day of a compounding interval. The compounding interval is the same compounding interval used in computing the Bond Yield.

PV = The future value of the nonpurpose receipt or payment at the beginning of the interval, or the amount thereof if the computation is for the first interval. The first interval begins on the date the nonpurpose receipt or payment is actually or constructively received or paid (or otherwise is taken into account). The amount of every nonpurpose receipt and payment with respect to an issue that is taken into account at the beginning of the first interval may be rounded to the nearest whole dollar. The preceding sentence shall not apply to receipts and payments with respect to investments in a restricted escrow within the meaning of Section 1.148-8(g) of the Regulations.

i = The Bond Yield during the interval (expressed as a decimal) divided by the number of compounding intervals in a year.

^{n} = A fraction, the numerator of which is the length of the interval and the denominator of which is the length of a whole compounding interval.

"**Gross Proceeds**" means Proceeds and Replacement Proceeds of the Series 2003 Bonds within the meaning of the Regulations.

"**Installment Computation Date**" means the last day of the fifth Bond Year and each succeeding fifth Bond Year.

"**Investment**" means any security, obligation, annuity contract, or investment type property as defined in section 148(b) of the Code.

"**Investment Proceeds**" means any amounts actually or constructively received from investing Proceeds of an issue of bonds.

"**IRS**" means the Internal Revenue Service.

"**Issue Price**" means $3,368,607 being the initial offering price to the public at which price a substantial amount of the Series 2003 Bonds is sold, and includes accrued interest on the Series 2003 Bonds. For this purpose, ten percent (10%) is a substantial amount, and the term "the public" does not include bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers. The Issue Price generally is the first price at which the Series 2003 Bonds are sold to the public, and the issue

price will not change if part of the issue is subsequently sold at a different price. The Issue Price of bonds that are not substantially identical is determined separately. The Issue Price of a bond issue for which a bona fide public offering is made is determined as of the sale date based on reasonable expectations regarding the initial public offering price. The Issue Price of the Series 2003 Bonds may not exceed their fair market value as of the sale date.

"**Net Sale Proceeds**" means Sale Proceeds less the amount of those Sale Proceeds invested in a reasonably required reserve or replacement fund under section 148(d) of the Code and as part of a minor portion under section 148(e) of the Code.

"**Nonpurpose Investment**" means any Investment that is not acquired to carry out the governmental purpose of an issue.

"**Payment**" means a payment as defined in section 1.148-3(d) of the Regulations for purposes of computing the Rebate Amount, and a payment as defined in section 1.148-5(b) of the Regulations for purposes of computing the Yield on an Investment.

"**Present Value**" means the amount determined by using the following formula:

$$PV = \frac{FV}{(1+i)^n}$$

where i equals the discount rate divided by the number of compounding intervals in a year and n equals the sum of (i) the number of whole compounding intervals for the period ending on the date as of which the Future Value is determined and (ii) a fraction the numerator of which is the length of any short compounding interval during such period and the denominator of which is the length of a whole compounding interval.

"**Present Value of an Investment**" shall mean the value of an investment computed under the economic accrual method; using the same compounding interval and financial conventions used to compute the yield on the Series 2003 Bonds. On any valuation date, the Present Value of an Investment is equal to the Present Value of all unconditionally payable receipts to be received from the payments to be paid for the investment after that date, using the Yield on the Investment as the discount rate.

"**Proceeds**" means any Sale Proceeds, Investment Proceeds, and Transferred Proceeds of an issue of bonds. Proceeds do not include amounts that are actually or constructively received that with respect to an Investment that is acquired for the governmental purpose of an issue that are properly allocable to the immaterially higher yield under section 1.148-2(d) of the Regulations or section 143(g) of the Code or to qualified administrative cost recoverable under section 1.148-5(e).

"**Rebate Amount**" means, in respect of the Series 2003 Bonds, the amount determined pursuant to the Code and Regulations in accordance with section E(1) hereof. Generally, under the Regulations, the rebate amount, as of any date, equals the excess of the Future Value of all Receipts with respect to Nonpurpose Investments allocated to the Gross Proceeds of the Series 2003 Bonds over the Future Value of all the Payments with respect to such Nonpurpose Investments computed in accordance with the Regulations.

"**Rebate Analyst**" means the entity or person chosen by the Issuer in accordance with Section E(3) hereof to determine the Rebate Amounts.

"**Rebate Payment Date**" means the date following a Computation Date on which the Rebate Amount is mailed or otherwise filed with the IRS. The Rebate Payment Date cannot be a date which is more than 60 days after a Computation Date.

"**Receipt**" means a receipt as defined in section 1.148-3(d) of the Regulations for purposes of computing the Rebate Amount, and a receipt as defined in section 1.148-5(b) of the Regulations for purposes of computing Yield on an Investment.

"**Regulation**" or "**Regulations**" means the temporary, proposed or final Income Tax Regulations promulgated by the Department of the Treasury that are applicable to the Series 2003 Bonds.

"**Replacement Proceeds**" means amounts that are treated as replacement proceeds of an issue of bonds under section 1.148-1(c) of the Regulations. Generally, amounts are Replacement Proceeds of an issue if the amounts have a sufficiently direct nexus to the governmental purpose of the issue to conclude that the amounts would have been used for that governmental purpose if the proceeds of the issue were not used or to be used for that governmental purpose. Replacement Proceeds include, but are not limited to, sinking funds or pledged funds to the extent that those funds are held by or derived from a substantial beneficiary of the issue (which, for this purpose includes the issuer and any related party to the issuer).

"**Sale Proceeds**" means amounts actually or constructively received from the sale of an issue of bonds (including amounts used to pay underwriter's discount and compensation and accrued interest other than pre-issuance accrued interest). Sale Proceeds also include, but are not limited to, amounts derived from the sale of a right that is associated with a Bond and that is described in Section 1.148-4(b)(4) of the Regulations.

"**Tax-Exempt Bond**" means any tax-exempt bond within the meaning of section 103 of the Code and section 1.150-1 of the Regulations that is not investment property within the meaning of section 148(b)(3) of the Code.

"**Transferred Proceeds**" means Proceeds of a prior issue of bonds that have ceased to be allocated to that prior issue and are treated as Proceeds of a refunding issue under section 1.148-9 of the Regulations.

"**Transferred Proceeds of the Bonds**" means amounts that have ceased to be allocated to Prior Bonds and are treated as Transferred Proceeds of the Series 2003 Bonds.

"**Underwriter**" means Ross, Sinclaire & Associates, Frankfort, Kentucky.

"**Universal Cap**" means the maximum value of Nonpurpose Investments which may be allocated to the Series 2003 Bonds under section 1.148-6 of the Regulations and is determined by reference to the Value of all outstanding Series 2003 Bonds of the issue. For purposes of this determination Nonpurpose Investments include cash, Tax-Exempt Bonds (i.e., any tax-exempt bond that is not investment property under section 148(b)(3) of the Code), qualified mortgage loans, and qualified student loans.

"**Valuation Date**" means the date on which the value of the Universal Cap and the Nonpurpose Investments allocable to the Series 2003 Bonds thereunder must be determined under section 1.148-6 of the Regulations. In general, beginning with the first Bond Year beginning after second year anniversary of the Issue Date, the first day of each Bond Year constitutes a Valuation Date. In addition, the Regulations provide with respect to a refunded issue (e.g., the Prior Bonds) and a refunding issue (i.e., the Series 2003 Bonds) each date on which proceeds of the refunded issue would become transferred proceeds of the refunding issue, e.g., each date on which principal of the refunded issue is paid with proceeds of the refunding bonds, constitutes a Valuation Date.

"**Value of a Bond**" means the value of a bond determined under section 1.148-4(e) of the Regulations. Under those Regulations, value generally means:

> (a) In the case of a plain par bond (within the meaning of section 1.148-1(b) of the Regulations), its outstanding stated principal amount, plus accrued unpaid interest or in the case of a plain par bond actually redeemed, or that is treated as redeemed, its stated redemption price on the redemption date plus accrued unpaid interest; and
>
> (b) In the case of a bond other than a plain par bond, the value on a date of such a bond is generally its Present Value on that date, using the yield on the issue of which the bonds are a part as the discount factor. In determining the Present Value of a variable rate bond, the initial interest rate on the bond established by the index or other rate setting mechanism is used to determine the interest payments on that bond.

"**Value of an Investment**" means the value of an investment determined under section 1.148-5(d) of the Regulations. Under those Regulations, value as of any date generally means, for any fixed rate investment (within the meaning of section 1.148-1(b) of the Regulations) or Yield Restricted Investment, Present Value on that date, and for any plain par investment (within the meaning of section 1.148-1(b) of the Regulations), the outstanding stated principal amount, plus accrued unpaid interest, as of that date.

"**Yield**" or "**yield**" means the yield computed under section 1.148-4 of the Regulations for the Series 2003 Bonds, and the yield computed under Section 1.148-5 of the Regulations for an Investment.

"**Yield Restricted Investments**" means any Investments which either (1) bear a yield that is no greater than the Bond Yield, or (2) are investments in one or more Tax-Exempt Bonds.

B. GENERAL

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder (the "Code"). I am an officer of the Issuer charged with the responsibility of issuing the Series 2003 Bonds. I am familiar with the facts, circumstances, and estimates herein certified and am duly authorized to execute and deliver this certificate on behalf of the Issuer.

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

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

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on April 30, 2003, the date on which the Series 2003 Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. The Issuer has covenanted in the Resolution that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2003 Bonds which would cause the Series 2003 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2003 Bonds) so that the interest on the Series 2003 Bonds will be

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

6. The Series 2003 Bonds were sold on April 17, 2003, to the Underwriter for a purchase price of $3,301,761.15 (par amount of $3,360,000, plus original issue premium of $561.15, less underwriter's discount of $58,800.00) plus interest accrued thereon in the amount of $8045.89.

7. The Series 2003 Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of providing monies, together with the monies transferred from the Series 1993 A Bonds Sinking Fund, the Series 1993 A Bonds Reserve Account, the Series 1994 Bonds Sinking Fund and the Series 1994 Bonds Reserve Account, necessary (i) to current refund the Series 1993 A Bonds on June 15, 2003; (ii) to advance refund the Series 1994 Bonds; (iii) to fund a reserve account for the Series 2003 Bonds; (iv) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks facilities of the Issuer (the "Project"); and (v) to pay costs of issuance of the Series 2003 Bonds and related costs.

8. [RESERVED]

9. The face amount of the Series 2003 Bonds is $3,360,000. The sources and uses of proceeds of the Series 2003 Bonds and the monies transferred from the Series 1993 A Bonds Sinking Fund, the Series 1993 A Bonds Reserve Account, the Series 1994 Bonds Sinking Fund and the Series 1994 Bonds Reserve Account, in connection with the refunding of the Series 1993 A Bonds and the Series 1994 Bonds is as follows:

Sources

Par amount of Series 2003 Bonds	$3,360,000.00
Net Original Issue Premium	$ 561.15
Accrued Interest (April 1, 2003 to April 30, 2003)	$ 8,045.89
Transfer from Series 1993 A Bonds Reserve Account	$ 291,060.00
Transfer from Series 1994 Bonds Reserve Account	$ 177,147.50
Total Sources	$ 3,836,814.54

10. The proceeds of sale of the Series 2003 Bonds, together with the monies transferred from the Series 1993 A Bonds Reserve Account and Series 1994 Bonds Reserve Account, will be applied as follows:

Uses of Funds

Total Underwriter's Discount	$ 58,800.00
Cost of Credit Enhancement	$ 56,704.44
Costs of Issuance	$ 35,312.50
Deposit to Series 2003 A Bonds Sinking Fund	$ 2,316.78
Deposit to Series 2003 B Bonds Sinking Fund	$ 5,729.11
Deposit to Series 2003 A and Series 2003 Debt Service Reserve Fund (DSRF)	$ 319,822.46
Deposit to Series 1993 A Bonds Sinking Fund	$1,349,308.07
Deposit to Series 1994 Bonds Escrow Account	$2,007,358.07
Rounding Amount	$ 1,463.08
Total Uses	$3,836,814.54

11. The Underwriter has stated, in its certificate, a copy of which is attached as EXHIBIT A - UNDERWRITER'S CERTIFICATE hereto (the "Underwriter's Certificate") that the Series 2003 Bonds have been reoffered, and a substantial amount thereof sold, to purchasers other than bond houses, brokers or other intermediaries, at the initial offering prices not greater than the respective prices shown on the cover page of the Official Statement for the Series 2003 Bonds, including interest accrued on the Series 2003 Bonds from April 1, 2003. The yield on the Series 2003 Bonds, as so computed, has been determined to be 3.84436%, based on a "purchase price" equal to the Issue Price for the Series 2003 Bonds (including accrued interest thereon).

C. DEFEASANCE

1. The Issuer has entered into a Prepayment Agreement for Series 1993 A Bonds (the "Prepayment Agreement"), dated April 30, 2003, with the West Virginia Municipal Bond Commission, as Prepayment Agent. Provision will be made for the payment of the Series 1993 A Bonds by placing into the Series 1993 A Bonds Sinking Fund $1,330,000 from the proceeds of the Series 2003 A Bonds and $19,308.07 from the Series 1986 A Bonds Reserve Account, which will provide funds sufficient to provide for the payment of the outstanding principal of and interest on, plus a redemption premium for, the Series 1986 A Bonds as they become due on June 15, 2003, being the redemption date.

2. The Issuer has entered into an Escrow Agreement for Series 1994 Bonds (the "Escrow Agreement"), dated April 30, 2003, with the West Virginia Municipal Bond Commission, as Escrow Agent. The Escrow Agreement provides that the Escrow Agent purchase, with proceeds of the Series 2003 Bonds in the amount of $1,887,790 and from monies in the Series 1994 Bonds Reserve Account in the amount of $119,568, Government Securities in the amount of $2,006,359.35 and to hold the remaining $998.75 as cash, uninvested in the Escrow Fund. Maturing principal and interest (together with reinvestment proceeds thereof) of the Government Securities and uninvested cash in the Escrow Fund shall be applied solely to the payment of the outstanding principal of, interest on and redemption premium, if any, for the Series 1994 Bonds on September 1, 2004, the Redemption Date.

D. THE SERIES 2003 BONDS

1. The principal amounts, interest rates, interest and principal payment dates, and debt service with respect to the Series 2003 Bonds are detailed in the Series 2003 Bonds.

2. Using the initial offering price of the Series 2003 Bonds as the "purchase price" and taking into account accrued interest the yield on the Series 2003 Bonds is computed by the Underwriter to be 3.84436% (the "Bond Yield").

3. A Sinking Fund for each series of the Series 2003 Bonds is created under the Resolution. Monies deposited in each Sinking Fund, including subsequent deposits thereto, will be spent within a 13-month period beginning on the date of deposit and will be depleted at least once a year, except for a reasonable carryover amount not in excess of 1/12 of the annual debt service with respect to each series of the Series 2003 Bonds. The Series 2003 Bonds all bear interest at a fixed interest rate and the average maturity of the Series 2003 Bonds is in excess of 5 years. The Sinking Funds are designed to achieve a proper matching of the Issuer's revenues and debt service on each series of the Series 2003 Bonds within each Bond Year. All monies held in each Sinking Fund will be used to pay debt service on each respective series of Series 2003 Bonds. All Sale Proceeds of the Series 2003 Bonds deposited in either Sinking Fund will constitute accrued interest on the Series 2003 Bonds and will be applied to pay interest on the Series 2003 Bonds on the first interest payment date, being September 1, 2003. Each Sinking Fund qualifies as a Bona Fide Debt Service Fund and all monies in each Sinking Fund will be invested without restriction as to yield and are not subject to rebate.

4. A Reserve Account is created under the Resolution for each series of the Series 2003 Bonds in an aggregate amount equal to 125% of the Average Annual Debt Service on the Series 2003 Bonds (the "Reserve Account Requirement"). The Reserve Accounts are being funded by monies from the Series 2003 Bonds proceeds in the amount of $319,822. The Reserve Account Requirement is equal to 125% of the average annual principal and interest requirements of the Series 2003 Bonds, is not in excess of 10% of the stated principal amount of the Series 2003 Bonds and is not in excess of the maximum annual

principal and interest requirements of the Series 2003 Bonds. The monies in the Reserve Accounts will be invested without restriction as to yield. All earnings on amounts deposited in the Reserve Accounts will, to the extent the yield thereon exceeds the yield on the Series 2003 Bonds, be subject to rebate.

5. A Renewal and Replacement Fund is created under the Resolution, to be funded through monthly deposits of Revenues in an amount equal to 2 1/2% of the Gross Revenues of the System. Absent an Event of Default on the Series 2003 Bonds, and depletion in full of either Reserve Account, the Renewal and Replacement Fund is not expected to be used for the purpose of paying Debt Service on the Series 2003 Bonds. Such monies will be invested without restriction as to yield and are not subject to rebate.

6. A Redemption Account for each series of the Series 2003 Bonds is created under the Resolution. In the event monies are deposited into either Redemption Account, to the extent they are not part of a Bona Fide Debt Service Fund, they will, to the extent the yield thereon exceeds the yield on the Series 2003 Bonds, be subject to rebate. Otherwise, they will be invested without restriction as to yield and are not subject to rebate.

7. A Costs of Issuance Fund is created under the Resolution to be funded from proceeds of the Series 2003 Bonds in the amount of $36,775.58, to pay costs of issuance of the Series 2003 Bonds. All such amounts shall be fully expended within 6 months from the date hereof. Pending such disbursement, such monies will be invested without restriction as to yield and are not subject to rebate.

8. A Construction Fund is created under the Resolution to be funded only from remaining proceeds of the Series 2003 Bonds to pay costs of the Project. All such amounts shall be fully expended within 6 months from the date hereof. Pending such disbursement, such monies will be invested without restriction as to yield and are not subject to rebate. Work with respect to the acquisition and construction of the Project will commence shortly and will proceed with due diligence to completion. Acquisition and construction of the Project is expected to be completed within 6 months. All proceeds of the Series 2003 Bonds designated for the Project will be expended within 6 months from the date of issuance thereof. The Project will be operated solely for a public purpose as a local governmental activity of the Issuer. The Issuer expects no part of the Project financed by proceeds of the Series 2003 Bonds will be sold or otherwise disposed of prior to the last maturity date of the Series 2003 Bonds. None of the proceeds of the Series 2003 Bonds will be used to reimburse the Issuer for costs of the Project previously incurred and paid by the Issuer with its own funds.

Except for the proceeds of the Series 2003 Bonds designated for the Project, no other funds of the Issuer will be available to meet costs of the Project, which would constitute "replacement proceeds" within the meaning of Treas. Reg. § 1.148-1(c), inasmuch as (i) the Issuer does not reasonably expect that the term of the Series 2003 Bonds is longer than is reasonably necessary for the governmental purposes of the Issuer, (ii) the weighted average

maturity of the Series 2003 Bonds does not exceed 120% of the average expected economic life of the Project, and (iii) there are no amounts that have a sufficiently direct nexus to the Series 2003 Bonds or to the governmental purpose of the Series 2003 Bonds to conclude that the amounts would have been used for that governmental purpose if the proceeds of the Series 2003 Bonds were not used or to be used for that governmental purpose.

9. Other than the funds and accounts described above, there are no other funds or accounts of the Issuer which (i) are reasonably expected to be used to pay Debt Service on the Series 2003 Bonds or which are pledged as collateral to secure repayment of Debt Service on the Series 2003 Bonds and (ii) for which there is a reasonable assurance that amounts therein will be available to pay Debt Service on the Series 2003 Bonds.

10. Accrued interest with respect to the Series 2003 Bonds in an amount less than 6 month's interest on the Series 2003 Bonds may be applied within one year from the date hereof toward the payment of interest first due on the Series 2003 Bonds, as detailed in the Schedules. Pending such disbursement, such monies, if any, will be invested without restriction as to yield.

E. REBATE OF EXCESS ARBITRAGE

1. Rebate Fund; Calculation of Rebate Amount.

(a) Section 148(f) of the Code requires the payment to the United States of the excess of the amount earned on the investment of Gross Proceeds in Nonpurpose Investments over the amount that would have been earned on such investments had the amount so invested been invested at a rate equal to the Bond Yield, together with any income attributable to such excess. Except as provided below, and as previously set forth as excepted in Section D hereof, the Sinking Funds, the Reserve Accounts therein, the Costs of Issuance Fund and all other funds or accounts treated as containing Gross Proceeds are subject to this requirement.

(b) Pursuant to the Resolution, the Issuer has created the Rebate Fund to be held by the Depository Bank. On or before 45 days following each Computation Date, an amount shall be deposited into the Rebate Fund by the Issuer so that the balance held in the Rebate Fund shall equal the aggregate Rebate Amount due as of the Rebate Payment Date following such Computation Date. Monies so deposited shall be derived from the Issuer's own funds.

(c) To meet the rebate requirements of Section 148(f) of the Code, the Issuer (or the Rebate Analyst described in Section E(3) hereof) agrees and covenants to take the following actions:

(i) For each investment of (i) amounts held in the Reserve Accounts, (ii) Transferred Proceeds of the Series 2003

Bonds, and (iii) any other monies held by the Issuer which constitute Gross Proceeds, the Issuer shall record the purchase date of such investment, its purchase price, accrued interest due on its purchase date, its face amount, its coupon rate, the frequency of its interest payment, its disposition price, accrued interest due on its disposition date and its disposition date.

(ii) For each Installment Computation Date with respect to Rebate Amounts specified in paragraph (iii) below, the Issuer shall compute the Yield on the Series 2003 Bonds as required by the Code and Regulations. If the Series 2003 Bonds are redeemed prior to their scheduled maturity, the Issuer agrees to seek the advice of Bond Counsel or other rebate expert to recompute the Yield on the Series 2003 Bonds as required by the Regulations.

(iii) For each Computation Date, the Issuer shall determine the amount of earnings received on all Nonpurpose Investments described in paragraph (i) above this section E(1)(c) that are allocable to Gross Proceeds of the Series 2003 Bonds. In addition, where Nonpurpose Investments are retained by the Bond Commission after retirement of the Series 2003 Bonds, any unrealized gains or losses as of the date of retirement of the Series 2003 Bonds must be taken into account in calculating the earnings on such Nonpurpose Investments to the extent required by the Regulations.

(iv) In determining the Nonpurpose Investments that are allocable to Gross Proceeds of the Series 2003 Bonds, the Issuer shall consider the allocation rules set forth in the Regulations, including the rules relating to the Universal Cap. In general, the Universal Cap represents the maximum value of Nonpurpose Investments that may be allocated to an issue of bonds and is determined by reference to the Value of all the outstanding bonds of the issue.

(v) For each Computation Date, the Issuer shall calculate for each Nonpurpose Investment described in paragraph (iii) above, an amount equal to the earnings which would have been received on such Nonpurpose Investment at an interest rate equal to the Yield on the Series 2003 Bonds as described in paragraph (ii) above. The method of calculation shall follow that set forth in the Regulations.

(vi) In determining the amount of any rebate computed pursuant to this section, all earnings on any Bona Fide Debt Service Fund to the extent such earnings do not exceed $100,000 in any Bond year shall not be taken into account.

(vii) For each Computation Date, the Issuer shall calculate the Rebate Amount (computed from the Issue Date of the Series 2003 Bonds to each such Computation Date) by any appropriate method provided in the Code and Regulations that is applicable to the Series 2003 Bonds, taking into account any computation credit allowed thereunder. In determining the Rebate Amount, the Issuer shall account for the amounts determined under paragraphs (iii), (iv), and (v) above.

(viii) If the Rebate Amount exceeds the amount on deposit in the Rebate Account, the Issuer shall immediately pay that amount, or cause that amount to be paid, into the Rebate Account.

2. Payment to United States. (a) Installment Computation Dates. Unless the Series 2003 Bonds are redeemed prior to such time, the Issuer shall pay to the United States, not later than sixty (60) days after each Installment Computation Date, an amount which, when added to all previous rebate payments made with respect to the Series 2003 Bonds, is equal to not less than ninety percent (90%) of the Rebate Amount (computed from the date of issuance of the Series 2003 Bonds to each such Installment Computation Date).

(b) Final Computation Date. The Issuer shall pay to the United States, not later than sixty (60) days after the last outstanding Series 2003 Bonds are paid or redeemed, one hundred percent (100%) of the Rebate Amount for the Final Computation Date (computed from the date of issuance of the Series 2003 Bonds to the Final Computation Date).

(c) Mailing of Rebate Payment. Each Payment of an installment shall be mailed to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255. Each payment shall be accompanied by (i) a copy of IRS Form 8038-T, and (ii) the CUSIP number for the Series 2003 Bond with the latest maturity.

(d) Excess Balance in Rebate Fund; Excess Rebate Payments. If on the Rebate Payment Date the balance on deposit in the Rebate Fund is in excess of the Rebate Amount attributable to the Series 2003 Bonds, such excess may be withdrawn by the Issuer from the Rebate Fund. The Issuer may direct that any overpayment of rebate may be recovered from any rebate payment previously made to the United States under any procedure that may be permitted by the Code or the Regulations.

(e) Recordkeeping. In connection with the rebate requirement, the Issuer shall maintain (or cause to be maintained) the following records:

(i) The Issuer shall record all amounts paid to the United States pursuant to Section E(2) hereof.

(ii) The Issuer shall retain records of the rebate calculations until six years after the Final Computation Date.

(iii) The Issuer shall keep and record the data described in Section E(1)(c) hereof pertaining to the investment of the proceeds of the Series 2003 Bonds until six years after the Final Computation Date.

3. Rebate Analyst. (a) A Rebate Analyst shall be appointed to perform the rebate calculations, as required herein.

(b) The Issuer may rely conclusively upon the opinions, calculations, determinations, directions and advice of the Rebate Analyst. The charges and fees for such Rebate Analyst shall be paid by the Issuer upon presentation of an invoice for services rendered in connection therewith.

4. Failure to Pay Rebate Amounts. In the event the Issuer fails to pay at the proper time and in the proper amounts, any Rebate Amount, it will pay the rebate amount plus interest within 180 days after discovery of such failure as set forth in Section 1.148-3(h)(3) of the Regulations. Notwithstanding the foregoing, in the event the Issuer fails to pay at the proper time and in the proper amount any Rebate Payment or correction amount, it hereby covenants and agrees to pay any penalty required by Internal Revenue Service in lieu of a declaration of taxability on the Series 2003 Bonds.

F. MISCELLANEOUS

1. The amount designated as "Cost of Issuance" of the Series 2003 Bonds consists only of costs which are directly related to and necessary for the issuance of the Series 2003 Bonds and refunding of the Series 1993 A Bonds and Series 1994 Bonds.

2. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center, Ogden, Utah. The Form 8038-G attached hereto as EXHIBIT B - FORM 8038-G is, to the best of my knowledge, true and correct, and may be relied upon by Bond Counsel.

3. None of the proceeds of the Series 2003 Bonds will be used (directly or indirectly) in any trade or business carried on by, or will be used to make or finance loans to, any person who is not a governmental unit.

4. The original proceeds of the Series 2003 Bonds will not exceed the amount necessary for the purpose of the issue, except to the extent any such proceeds are required for rebate to the United States.

5. The Issuer shall use the proceeds of the Series 2003 Bonds solely to current refund the Series 1993 A Bonds and advance refund Series 1994 Bonds to their redemption date; to fund Reserve Accounts for each series of the Series 2003 Bonds; to pay the costs of acquisition and construction of the Project; and to pay costs of issuance thereof.

6. The Issuer shall not permit at any time or times any of the proceeds of the Series 2003 Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Series 2003 Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Series 2003 Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and the Treasury Regulations promulgated or to be promulgated thereunder.

7. The Series 2003 Bonds are not, and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

8. The Issuer has not entered and will not enter into any transaction to reduce the Yield on an investment of the Gross Proceeds of the Series 2003 Bonds so as to cause the amount to be rebated to the United States Treasury to be less than it would have been had the transaction been at arm's length and the Yield on the Series 2003 Bonds not been relevant to either party to the transaction, and that all investments of Gross Proceeds will be made on an arm's length, Fair Market Value basis.

9. On each Valuation Date, the Issuer agrees to value the Universal Cap and the Nonpurpose Investments allocable to the Series 2003 Bonds thereunder in accordance with the Regulations. Notwithstanding anything herein to the contrary, the failure to perform the determination of Nonpurpose Investments allocable to the Series 2003 Bonds as of a Valuation Date shall not be considered a violation of this provision if the application of the Universal Cap would not result in a reduction or reallocation of Gross Proceeds of an issue.

10. [RESERVED]

11. No portion of the proceeds of the Series 2003 Bonds will be used directly or indirectly to replace funds of the Issuer or other related governmental agency that have been used directly or indirectly to acquire securities or obligations which may reasonably be expected, on the date hereof, to produce a yield materially higher than the Yield on the Series 2003 Bonds.

12. In connection with the Series 2003 Bonds, there has not been created or established, and the Issuer does not expect that there will be created or established, any

sinking fund, pledged fund or similar fund (other than as specifically identified in this Tax and Arbitrage Certificate), including without limitation any arrangement under which money, securities, or obligations are pledged directly or indirectly to secure the Series 2003 Bonds or any contract securing the Series 2003 Bonds or any arrangement providing for compensating or minimum balances to be maintained by the Issuer or related governmental agencies with any registered owner of the Series 2003 Bonds.

13. The Series 2003 Bonds are not and will not be part of a transaction or series of transactions that (i) attempt to circumvent the provisions of Section 148 of the Code, or any successor thereto, and the Regulations promulgated thereunder which enable the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage or (ii) increase the burden on the market for tax-exempt obligations in any manner, including, without limitation, by selling obligations that would not otherwise be sold or selling a larger amount of obligations, or issuing them sooner, or allowing them to remain outstanding longer, than would otherwise be necessary.

14. No other obligations are being issued by the Issuer or any related entity at substantially the same time and sold pursuant to a common plan of financing and which will be paid out of substantially the same source of funds (or which will have substantially the same claim to be paid out of substantially the same source of funds) as the Series 2003 Bonds or which will be paid directly or indirectly from proceeds of the sale of the Series 2003 Bonds.

15. Gross Proceeds of the Series 2003 Bonds, other than gross proceeds that are allocable to:

(a) the payment of principal of, interest on, and redemption premium for the Series 1993 A Bonds;

(b) the payment of the principal of, interest on, and redemption premium for the Series 1994 Bonds;

(c) the payment of pre-issuance accrued interest on the Series 2003 Bonds from April 1, 2003 to April 17, 2003;

(d) the payment of the Costs of the Project;

(e) the payment of the Costs of Issuance of the Series 2003 Bonds;

(f) the payment of administrative costs allocable to repaying the Series 1993 A Bonds and the Series 1994 Bonds, or carrying and repaying the Series 2003 Bonds, or the reasonable investments of Proceeds of the Series 2003 Bonds;

(g) Transferred Proceeds allocable to expenditures for governmental purpose of the Series 1993 A Bonds and Series 1994 Bonds;

(h) amounts deposited in the Sinking Funds (including investment earnings thereon) to pay debt service on the Series 2003 Bonds; and

(i) qualified guarantee fees (within the meaning of the Regulations) for the Series 2003 Bonds;

will not exceed 1% of the Sale Proceeds from the Series 2003 Bonds.

16. The issuance of the Series 2003 Bonds will not involve the use of a "device" or an "abusive transaction" within the meaning of Section 149(d)(4) of the Code and the Regulations thereunder.

17. The Issuer covenants to comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2003 Bonds in order that the interest thereon be and continue to be excludable from gross income for federal income tax purposes.

18. The Issuer will rebate to the United States the amount, if any, required by the Code and to take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take all other actions required of it in order to maintain the exclusion of interest on the Series 2003 Bonds from gross income for federal income tax purposes.

19. The Issuer has retained the right to amend the Resolution authorizing the issuance of the Series 2003 Bonds if such amendment is necessary to assure compliance with Section 148(f) of the Code or as may otherwise be necessary to assure the exclusion of interest on the Series 2003 Bonds from the gross income of the holders thereof.

20. The Issuer shall comply with all yield restrictions on Series 2003 Bond proceeds as set forth in the Code.

21. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Series 2003 Bonds and the interest thereon. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2003 Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of the Resolution.

22. The Series 2003 Bonds are a fixed yield issue. No interest or other amount payable on any of the Series 2003 Bonds (other than in the event of an unanticipated contingency) is determined by reference to (or by reference to an index that reflects) market interest rates or stock or commodity prices after the date of issue.

23. Under section 1.148-2(b) of the Regulations, an officer of the Issuer must certify the issuer's expectations as of the issue date. In accordance therewith, the undersigned Chairman of the Issuer hereby in good faith certifies that the representations and covenants set forth in this Certificate constitute the reasonable expectations of the Issuer as of the Issue Date. Accordingly, the representations and covenants set forth herein are intended and may be relied upon as the certification described in section 1.148-2(b) of the Regulations and are being delivered as part of the record of proceedings in connection with the issuance of the Series 2003 Bonds.

24. Pursuant to Section 265(b)(3)(D)(ii) of the Code, the Series 2003 A Bonds shall be treated as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code and shall be deemed so designated as the Series 2003 A Bonds and the issue of which they are a part satisfy the requirements set forth in Section 265(b)(3)(D)(ii) of the Code.

25. 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.

26. Steptoe & Johnson PLLC is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the Series 2003 Bonds.

27. Notwithstanding any other provision hereof, any provision of this Tax and Arbitrage Certificate shall be amended at any time and such amendment shall be complied with, upon receipt by the Issuer of an opinion of Bond Counsel that such amendment is necessary or permissible under the then current Code and Regulations and is either necessary to or will not adversely affect the excludability of interest on the Series 2003 Bonds from gross income of the recipients thereof for federal income tax purposes.

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

WITNESS my signature this 30th day of April, 2003.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

Executive Director

04/17/03
067780.00002

EXHIBIT A

UNDERWRITER'S CERTIFICATE

[Included in Transcript as Document No. 24]

EXHIBIT B

IRS FORM 8038-G

[Included in Transcript as Document No. 51]

$3,360,000

BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)

Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified)
and
Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified)

REGISTRAR'S CERTIFICATE

Fifth Third Bank, Cincinnati, Ohio (the "Bank"), as Registrar for the above-captioned Bonds (the "Bonds"), hereby certifies as follows, all capitalized terms used herein to have the same meanings set forth in the Resolution of Berkeley County Public Service District (the "Issuer") adopted April 14, 2003, as supplemented (collectively, the "Resolution"):

1. The Bank is an Ohio banking corporation national banking association duly organized, validly existing, and in good standing under the laws of the United States of America, may lawfully conduct business in West Virginia, and is lawfully empowered, pursuant to such laws, to accept the duties and obligations contemplated and as provided under the Resolution and to serve in the capacity of Registrar under the Resolution.

1. The Bank has duly authorized, by all necessary action, the authentication of the Bonds and the execution and delivery of this Certificate and the acceptance of all duties of Registrar under the Resolution, and any and all other documents and agreements as may be required to be executed, delivered and received by the Bank in order to carry out, give effect to, and consummate the transactions contemplated thereby.

2. The person indicated in paragraph 4 below was at the time of the authentication of the Bonds, and is now, a duly elected, qualified and acting incumbent in his or her office; and, pursuant to authorization from the Board of Directors of the Bank, such person, in his or her official capacity, was and is authorized to authenticate the Bonds for and on behalf of the Bank.

3. Appearing opposite the name and title of the person indicated below is a true and correct specimen of his or her signature.

Name	Title	Signature
Fred T. Overbeck	Assistant Vice President	Fred T Overbeck

5. There have been filed with the Bank all of the documents listed in Section 3.12 of the Resolution; the Bonds have been duly authenticated and delivered to the Original Purchaser, and proceeds of the Bonds have been deposited as required by the Resolution.

6. Attached hereto as EXHIBIT A is a correct listing of the Bond numbers, CUSIP numbers, maturity dates, principal amounts, interest rates and yields of the Bonds.

WITNESS my signature on this 30th day of April.

FIFTH THIRD BANK

By: _____

Its: Authorized Officer

EXHIBIT A

SERIES 2003 A BOND TERMS

Bond No.	CUSIP	Maturity Date	Principal Amount	Interest Rate	Yield
AR-1	084246 CR 6	March 1, 2004	$300,000.00	2.0000%	1.2000%
AR-2	084246 CS 4	March 1, 2005	$265,000.00	2.0000	1.5500
AR-3	084246 CT 2	March 1, 2006	$275,000.00	2.0000	1.8500
AR-4	084246 CU 9	March 1, 2007	$280,000.00	2.2000	2.3000
AR-5	084246 CV 7	March 1, 2008	$110,000.00	2.5000	2.6500
AR-6	084246 CW 5	March 1, 2009	$ 50,000.00	2.9000	3.0000
AR-7	084246 CX 3	March 1, 2010	$ 50,000.00	3.2000	3.3000

SERIES 2003 B BOND TERMS

BondNo.	CUSIP	Maturity Date	Principal Amount	Interest Rate	Yield
BR-1	084246 CY 1	September 1, 2003	$ 50,000.00	2.0000	1.2000%
BR-2	084246 CZ 8	September 1, 2004	$ 75,000.00	2.0000	1.2500
BR-3	084246 DA 2	September 1, 2005	$ 75,000.00	2.0000	1.6000
BR-4	084246 DB 0	September 1, 2006	$ 75,000.00	2.0000	1.9000
BR-5	084246 DC 8	September 1, 2007	$ 50,000.00	2.3500	2.3500
BR-6	084246 DD 6	September 1, 2008	$260,000.00	3.0000	2.7000
BR-7	084246 DE 4	September 1, 2009	$ 60,000.00	3.0000	3.0000
BR-8	084246 DF 1	September 1, 2010	$120,000.00	3.3000	3.3000
BR-9	084246 DG 9	September 1, 2011	$125,000.00	3.5500	3.5500
BR-10	084246 DH 7	September 1, 2012	$125,000.00	3.7000	3.7000
BR-11	084246 DJ 3	September 1, 2013	$130,000.00	3.8000	3.8000
BR-12	084246 DK 0	September 1, 2014	$135,000.00	3.9500	3.9495
BR-13	084246 DL 8	September 1, 2015	$140,000.00	4.0000	4.1000
BR-14	084246 DM 6	September 1, 2016	$145,000.00	4.1000	4.2000
BR-15	084246 DN 4	September 1, 2017	$150,000.00	4.2000	4.3000

BR-16	084246 DP 9	September 1, 2018	$155,000.00	4.3000	4.4000
BR-17	084246 DQ 7	September 1, 2019	$160,000.00	4.4000	4.5000

$3,360,000

BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)

Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified)
and
Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified)

UNDERWRITER'S CERTIFICATE

The undersigned Brian G. Nurick, Senior Vice President of Ross, Sinclaire & Associates (the "Underwriter"), for and on behalf of the Underwriter, as purchaser of the above-captioned Bonds (the "Bonds"), hereby certifies that:

(a) At least 10% of each maturity of the Bonds have been the subject of an initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers), made pursuant to the Bond Purchase Agreement dated April 17, 2003, by and between Berkeley County Public Service District (the "Issuer") and the Underwriter, at initial offering prices no higher than, or yields no lower than, those shown on the cover of the Official Statement dated April 17, 2003, relating to the Bonds, including interest accrued on the Bonds from April 1, 2003, to April 30, 2003. We have made a bona fide public offering of all Bonds at the public offering price. At the time we agreed to purchase the Bonds, based upon our assessment of the then prevailing market conditions, we had no reason to believe any of the Bonds would be initially sold to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than the prices or yields less than the yields, shown on the cover of the Official Statement, including interest accrued on the Bonds from April 1, 2003, to April 30, 2003.

(b) The level of funding of the Reserve Account established by the Resolution authorizing issuance of the Bonds is reasonable and necessary because such an amount is required as a condition to marketing the Bonds at the interest rates and with the maturities established for the Bonds. Such amount was determined to be necessary to reduce the probability of a default on the Bonds due to a temporary decrease in Net Revenues or increase in operating expenses. The amount to be maintained in the Reserve Account ($319,822.46) is equal to 125% of the average annual debt service on the Bonds and is less than 10% of the face amount of the Bonds and the maximum annual debt service on the Bonds.

(c) The present value of the premium paid to Ambac Assurance Corporation to issue the policy to insure payment of principal of and interest on the Series 2003 Bonds when

due is less than the present value of the interest reasonably expected to be saved as a result of insuring the Series 2003 Bonds.

(d) The weighted average maturity of the Bonds is 6.940476 years.

(e) The remaining weighted average maturity of the Series 1993 A Bonds is 3.383459 years.

(f) The remaining weighted average maturity of the Series 1994 Bonds is 9.859673 years.

(g) The net interest cost on the Bonds is 3.85320% and the yield on the Bonds is 3.84436749%.

(h) This certificate may be relied upon by the Issuer with respect to completion of its Tax and Non-Arbitrage Certificate and IRS Form 8038-G relating to the Bonds, and by Steptoe & Johnson PLLC in rendering its tax opinion with respect to the Bonds.

Dated this 30th day of April.

ROSS, SINCLAIRE & ASSOCIATES

By _____
Senior Vice President

04/28/03
067780.00002

CH595710.1

CoxHollida LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Berkeley County Public Service District (West Virginia)
Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified) and
Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified)

Berkeley County Public Service District
Martinsburg, West Virginia

Ross, Sinclaire & Associates
Frankfort, Kentucky

West Virginia Water Development Authority
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

In connection with the issuance and delivery of the above-captioned bonds (collectively, the "Series 2003 Bonds"), a portion of the proceeds of which will be used to prepay and current refund Berkeley County Public Service District's (the "Issuer") Water Refunding Revenue Bonds, Series 1993 A (the "Series 1993 A Bonds") and advance refund the Issuer's Water Revenue Bonds, Series 1994 (the "Series 1994 Bonds" and, collectively with the Series 1993 A Bonds, the "Refunded Bonds"), we have reviewed the debt service schedules (copies of which are attached hereto and incorporated herein by reference) for the Refunded Bonds and the Series 2003 Bonds and, based upon such review, we hereby certify that the savings to be achieved by such refundings will be approximately $175,986, determined by deducting $3,870,998, the amount of the total net debt service on the Series 2003 Bonds, from $4,046,984, the amount of the total net debt service remaining on the Refunded Bonds.

We have also reviewed the water rates of the Issuer, as approved by the order of the Public Service Commission of West Virginia entered March 13, 2003, in Case No. 02-1406-PWD-42A and the current operating expenses and customer usage as provided by the Issuer. It is our opinion that such rates are sufficient (i) to provide for all operating expenses of the waterworks system of the Issuer (the "System"), and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for the payment of principal of and interest on the Issuer's Water Revenue Bonds, Series 1993 B, dated March 8, 1993, Water Revenue Bonds, Series 1993 C, dated March 8, 1993, Water Revenue Bonds, Series 1993 D, dated July 29, 1993, Water Revenue Bonds, Series 1996, dated August 6, 1996, Water Revenue Bonds, Series 1997, dated June 25, 1997, and Water Revenue Bonds, Series 2001 A (West Virginia Water Development Authority), dated October 25, 2001 (collectively, the "Prior Bonds"), and the Series 2003 Bonds.

It is further our opinion that the Net Revenues actually derived from the System during the fiscal year preceding the date hereof, plus the increased annual Net Revenues expected to be received during the first year following the date hereof, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for principal of and interest on the Prior Bonds and the Series 2003 Bonds.

Very truly yours,

CoxHollida LLP

April 29, 2003

BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)
Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified)
and
Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified)

CERTIFICATE OF BIDDING AGENT

This Certificate is being furnished by Investment Management Advisory Group, Inc. (the "Bidding Agent") with respect to Berkeley County Public Service District (West Virginia) Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified) and Series 2003 B (Non-Bank Qualified) (collectively, the "Bonds"), which are being issued and delivered on the date hereof by Berkeley County Public Service District (the "Issuer"). This Certificate is intended to enable Steptoe & Johnson PLLC as Bond Counsel with respect to the Bonds, to render their opinion regarding the exclusion from gross income of interest payable on the Bonds. The undersigned authorized representative of the Bidding Agent HEREBY CERTIFIES as follows:

1. The Bidding Agent participated in the solicitation of bids for the investment of gross proceeds of the Bonds held in the Refunding Escrow Account. In this connection, the Bidding Agent timely forwarded to 3 separate potential providers bona fide solicitations for certain direct United States Treasury Securities (the "Investment Securities") that specified, in writing, all material terms of the securities.

2. The terms of the bid specifications were commercially reasonable. Each term was included for a legitimate business reason, other than to increase the purchase price or decrease the yield of the Investment Securities.

3. The bid specifications contained a notice to potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any formal or informal agreement that the potential provider has with the Issuer, the Bidding Agent, or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the Issuer, the Bidding Agent, or any other person for purpose of satisfying the federal income tax requirement that investments purchased with proceeds of tax-exempt obligations must be purchased at fair market value prices.

4. At least three reasonably competitive providers were solicited for bids for each Investment Security. A reasonably competitive provider is a provider that has an established reputation as a competitive provider of the type of investments being purchased. All potential providers had an equal opportunity to bid, and no potential provider was given the opportunity to review other bids before providing a bid.

5. The Bidding Agent received at least three bids for each of the Investment Securities meeting the qualifications of the specifications, from providers having no material financial interest in the Bonds, that were solicited by the Bidding Agent. At least one of the three bids for each of the Investment Securities was from a reasonably competitive provider, and no bid was from the Bidding Agent.

6. The winning bid of Dolphin & Bradbury, Inc. (the "Provider") was the lowest cost bona fide bid for the Investment Securities (including any broker's fees).

7. The Bidding Agent was paid a fee of $3,354.00 in connection with the Investment Securities. No other amount has been or will be paid to the Bidding Agent by any person in connection with the Investment Securities. Such fees are reasonable in amount for the Bidding Agent's services in connection with soliciting bids for the Investment Securities.

8. Attached hereto as Schedule A is documentation that the Bidding Agent provided to the Issuer, which sets forth (i) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and (ii) the bid solicitation form and, if the terms of the purchase agreement deviated from the bid solicitation form or a submitted bid was modified, a brief statement explaining the deviation and stating the purpose of the deviation.

Date: April 30, 2003

INVESTMENT MANAGEMENT ADVISORY GROUP, INC.

By: Robert W. Jones

Robert W. Jones
Managing Director

04/24/03
067780.00002

CH593783.1

EXHIBIT A

Investment Management
Advisory Group, Inc.

April 17, 2003

Mr. Brian Nurick
Ross, Sinclaire & Associates, Inc.
400 Democrat Drive
Frankfort, KY 40601

Re: Summary of Bids – Berkeley County Public Service Water District, West Virginia

Dear Mr. Nurick:

With regard to the Treasury Offering for the Berkeley County Public Service Water District, West Virginia, General Obligation Revenue Refunding Bonds, Series of 2003, Investment Management Advisory Group, Inc. (*IMAGE*) has received offers from the following firms:

	Offering Price	Time of Bid
Dolphin & Bradbury, Inc.	**$3,354,956.52**	**9:53 a.m.**
Wachovia Bank, N.A.	**$3,356,448.00**	**9:58 a.m.**
Bank of America, N.A.	**$3,360,471.55**	**9:55 a.m.**

Attached hereto is the final request for offers, and the signed offer forms received from each bidder. The bid was awarded to Dolphin & Bradbury.

If you have any questions, please do not hesitate to call me.

Sincerely,

Peter S. Loughead
Senior Vice President

886 Vaughn Road • Pottstown, PA 19465
TEL (610) 326-4900 • FAX (610) 326-4902

TREASURY OFFERING REQUESTED

Berkeley County Public Service Water District, West Virginia
General Obligation Revenue Refunding Bonds, Series of 2003

Fax Offerings to: IMAGE, attention Michael W. Garner
Phone: (610) 326-4900 FAX: (610) 326-4902
Offerings due by: 4/17/03 at 10:00 a.m. eastern time

Bidding Agent Fee

The winning bidder will pay a Bidding Agent Fee equal to 0.10% of the initial principal amount of investments purchased, not to exceed $10,000 (as described in 148-5(e)(2)(iv)(A) of the Treas. Regs.)

Provider Representations

Providers are hereby notified that by submitting a bid a representation is deemed to have been made that the provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the borrower or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the borrower or any other person for purposes of satisfying the requirements that (a) the borrower receive at least three bids from providers that the borrower solicited under a bona fide solicitation, and (b) at least one of the three bids is from a reasonably competitive provider.

Provider Certificate

The Provider will be required to sign a certificate in the form acceptable to Bond Counsel

	Par Amount	Final Maturity Date	Offering Price
Escrow for Series 2003			
Total Net Dollar Price Offered	$3,318,000	8/31/04	$ 3,354,956.52

Name of Firm DOLPHIN & BRADBURY, INC.

Authorized Signature [signature]

Phone 215-567-2467

Fax 215-496-0145

TREASURY OFFERING REQUESTED

Berkeley County Public Service Water District, West Virginia
General Obligation Revenue Refunding Bonds, Series of 2003

Fax Offerings to: IMAGE, attention Michael W. Garner
Phone: (610) 326-4900 FAX: (610) 326-4902
Offerings due by: 4/17/03 at 10:00 a.m. eastern time

Bidding Agent Fee

The winning bidder will pay a Bidding Agent Fee equal to 0.10% of the initial principal amount of investments purchased, not to exceed $10,000 (as described in 148-5(e)(2)(iv)(A) of the Treas. Regs.)

Provider Representations

Providers are hereby notified that by submitting a bid a representation is deemed to have been made that the provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the borrower or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the borrower or any other person for purposes of satisfying the requirements that (a) the borrower receive at least three bids from providers that the borrower solicited under a bona fide solicitation, and (b) at least one of the three bids is from a reasonably competitive provider.

Provider Certificate

The Provider will be required to sign a certificate in the form acceptable to Bond Counsel

	Par Amount	Final Maturity Date	Offering Price
Escrow for Series 2003			
Total Net Dollar Price Offered	$3,318,000	8/31/04	$ 3,356,448

Name of Firm Wachovia Bank, NA

Authorized Signature [signature]

Phone _____

Fax _____

TREASURY OFFERING REQUESTED

Berkeley County Public Service Water District, West Virginia
General Obligation Revenue Refunding Bonds, Series of 2003

Fax Offerings to: IMAGE, attention Michael W. Garner
Phone: (610) 326-4900 FAX: (610) 326-4902
Offerings due by: 4/17/2003 at 10:00 a.m. eastern time

Bidding Agent Fee

The winning bidder will pay a Bidding Agent Fee equal to 0.10% of the initial principal amount of investments purchased, not to exceed $10,000 (as described in 148-5(e)(2)(iv)(A) of the Treas. Regs.)

Provider Representations

Providers are hereby notified that by submitting a bid a representation is deemed to have been made that the provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the borrower or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the borrower or any other person for purposes of satisfying the requirements that (a) the borrower receive at least three bids from providers that the borrower solicited under a bona fide solicitation, and (b) at least one of the three bids is from a reasonably competitive provider.

Provider Certificate

The Provider will be required to sign a certificate in the form acceptable to Bond Counsel

	Par Amount	Final Maturity Date	Offering Price
Escrow for Series 2003 Total Net Dollar Price Offered	$3,318,000	8/31/2004	$ 3,360,471.55

Name of Firm: Bank of America

Authorized Signature: [signature]

Phone

Fax

TREASURY OFFERING REQUESTED

Berkeley County Public Service Water District, West Virginia
General Obligation Revenue Refunding Bonds, Series of 2003

Fax Offerings to: IMAGE, attention Michael W. Garner
Phone: (610) 326-4900 FAX: (610) 326-4902
Offerings due by: 4/17/2003 at 10:00 a.m. eastern time

Escrow for Series 2003

Security Maturity Date	Security Type	Par Amount	Coupon	Description
6/12/2003	Treasury Bill	1,349,000.00	0.000%	912795MR9
8/31/2003	Treasury Note	98,000.00	3.625%	9128277C0
2/29/2004	Treasury Note	33,000.00	3.000%	9128277M8
8/31/2004	Treasury Note	1,838,000.00	2.125%	912828AK6

Total Securities for Offer: **$ 3,318,000.00**

Adjustments The Issuer reserves the right to adjust the amounts +/- 1%

Securities to be Offered Direct Treasury Obligations

Delivery Subject to the successful completion of the Series of 2003 A/B transaction, and the Escrow Verification Report

Settlement Date **4/30/2003**

Basis of Award Lowest total dollar price($) offered for ALL SECURITIES, all or none. (net of Bidding Agent Fee).
The winning bidder must fax or E-mail on the enclosed Bid Form within 15 minutes of the conditional award notification of maturity, price, yield and principal amount of each security being offered for sale
All potential providers will have an equal opportunity to bid. No potential providers will have the opportunity to review other bids before providing a bid.

TREASURY OFFERING REQUESTED

Berkeley County Public Service Water District, West Virginia
General Obligation Revenue Refunding Bonds, Series of 2003

Fax Offerings to: IMAGE, attention Michael W. Garner
Phone: (610) 326-4900 FAX: (610) 326-4902
Offerings due by: 4/17/2003 at 10:00 a.m. eastern time

Bidding Agent Fee

The winning bidder will pay a Bidding Agent Fee equal to 0.10% of the initial principal amount of investments purchased, not to exceed $10,000 (as described in 148-5(e)(2)(iv)(A) of the Treas. Regs.)

Provider Representations

Providers are hereby notified that by submitting a bid a representation is deemed to have been made that the provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the borrower or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the borrower or any other person for purposes of satisfying the requirements that (a) the borrower receive at least three bids from providers that the borrower solicited under a bona fide solicitation, and (b) at least one of the three bids is from a reasonably competitive provider.

Provider Certificate

The Provider will be required to sign a certificate in the form acceptable to Bond Counsel

	Par Amount	Final Maturity Date	Offering Price
Escrow for Series 2003	$3,318,000	8/31/2004	$
Total Net Dollar Price Offered			

Name of Firm _____

Authorized Signature _____

Phone _____

Fax _____

BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)
Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified)
and
Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified)

CERTIFICATE OF THE INVESTMENT PROVIDER

This certification is being made by Dolphin & Bradbury, Inc. (the "Provider") in connection with the United States Treasury Securities (the "Investment Securities") provided by the Provider to Berkeley County Public Service District (the "Issuer"). The Provider understands that certain gross proceeds of the above-captioned obligations (the "Bonds") will be invested in the Investment Securities for the Issuer. The Provider certifies the following:

1. The Provider is a reasonably competitive provider of investment securities and the Provider has no material financial interest in the Bonds other than as investment provider.

2. The Provider is not paying, and does not expect to pay, any administrative costs to third parties, including any brokerage or selling commissions, legal and accounting fees other than a brokerage fee of $3,354.00 paid to Investment Management Advisory Group, Inc., investment advisory fees, recordkeeping, safekeeping, custody and similar costs or expenses, in connection with supplying the Investment Securities.

3. Provider did not consult with any other potential seller about its bid for the Investment. The bid was determined without regard to any other formal or informal agreement that the Provider has with the Issuer or any other person (whether or not in connection with the issue of Bonds), and the bid was not submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying applicable statutory or regulatory requirements. The Provider had no opportunity to review other bids for the Investment Securities before providing its bid.

Dated: April 30, 2003

DOLPHIN & BRADBURY, INC.

By: _____
SENIOR VICE PRESIDENT

04/24/03
067780.00002

CH596099.1

AMTEC

TAX-EXEMPT COMPLIANCE

BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA) WATER REVENUE REFUNDING BONDS, SERIES 2003 A & B

CASH FLOW AND YIELD VERIFICATION REPORT

*A*MTEC

TAX-EXEMPT COMPLIANCE

Berkeley County Public Service District
Martinsburg, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

West Virginia Municipal Commission
Charleston, West Virginia

Ross, Sinclaire & Associates, Inc.
Frankfort, Kentucky

Berkeley County
Public Service District
(West Virginia)
Water Revenue Refunding
Bonds, Series 2003 A & B

The Berkeley County Public Service District (the "District") proposes to issue the above referenced bonds (the "Bonds") dated April 1, 2003 on April 30, 2003. The Bonds consist of $3,360,000 Serial Bonds.

A portion of the proceeds of the bonds will be used to purchase Open Market Securities (the "Open Market Securities") which will be placed in an irrevocable trust together with an initial cash deposit to be used solely to refund that portion of the District's Water Refunding Revenue Bonds, Series 1993A & B and Water Revenue Bonds, Series 1994 (the "Refunded Bonds") described below:

Series	Principal Issued	Dated	Principal Refunded	Maturities Refunded	Redemption Date	Redemption Price
1993 A & B	$3,730,000	March 1, 1993	$1,330,000	3/1/04 to 3/1/10	6/15/03	100
1994	$2,275,000	September 1, 1994	$1,835,000	9/1/03,	9/1/03	100
				9/1/04,	9/1/04	100
				9/1/05 to 9/1/19	9/1/04	102

At your request, we have independently calculated, based on information and assumptions as provided to us by the Financial Advisor: (1) the sufficiency of the receipts from the Open Market Securities together with an initial cash deposit to pay to and at early redemption the principal, interest, and early redemption premium on the Refunded Bonds; and, (2) the "yields" to be considered by bond counsel in its determination that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended. The term "yield" as used herein, means that discount rate which, when used in computing the present value of all payments of principal and interest on an obligation compounded semiannually using a 30/360-day year basis, produces an amount equal to: in the case of the Open Market Securities, the purchase price of such securities; and, in the case of the bonds, the par amount plus any accrued interest, plus the net original issue premium.

At your request, we have independently verified the arithmetical accuracy of the computations based on scheduled provided to us by the Financial Advisor. We have relied solely on the assumptions and information as provided to us by the Financial Advisor and have not made any study or evaluation of them, except as noted below. We express no opinion on the reasonableness of the assumptions, or the likelihood that the debt service requirements of the Refunded Bonds will be paid as described in the accompanying Exhibits.

In the course of our engagement, we used excerpts from the Official Statement for the Refunded Bonds, the Official Statement for the Bonds and a summary of the trade tickets for the purchase of the Open Market Securities as provided by the Financial Advisor. We compared the information on the Open Market Securities, the Bonds and the Refunded Bonds as provided by the Financial Advisor with the information set forth in such documents with respect to prices, principal payment dates and amounts, interest payment dates and rates, yields, and redemption dates and prices. We found that the information on the Open Market Securities, the Bonds and the Refunded Bonds, as provided by the Financial Advisor, was in agreement with the above mentioned information set forth in such documents.

In our opinion, based on the assumptions and information provided by the Financial Advisor, the computations in the schedules provided to us are arithmetically accurate. The computations in the accompanying Exhibits prepared by us, based upon the escrow securities and deposits to be made as described in the escrow agreement as provided to us by the Financial Advisor, indicate that:

(1) the receipts from the Open Market Securities together with initial cash deposits of $710.89, for the Series 1993 A & B Issue, and $998.75, for the Series 1994 Issue, will be sufficient to pay to and at early redemption the principal, interest, and early redemption premium on the Refunded Bonds; and,

(2) the yield of the Bonds is 3.8443675% and the yields of the Open Market Securities are 0.2561535%, for the Series 1993 A & B Issue, and 0.9450039%, for the Series 1994 Issue.

This report is intended solely for the use of the District, its counsel, the Financial Advisor and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited. The terms of our engagement are such that we have no obligation to update this report or to verify any revised computations because of events and transactions occurring subsequent to the date of this report.

Amtec

West Hartford, Connecticut
April 30, 2003

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Water Revenue Refunding Bonds, Series 2003 A & B

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SOURCES AND USES OF FUNDS

Berkeley County Public Service District
Water Revenue Refunding Bonds, Series 2003 A & B

Dated Date	04/01/2003
Delivery Date	04/30/2003

Sources:	
Bond Proceeds:	
Par Amount	3,360,000.00
Accrued Interest	8,045.89
Original Issue Discount	-10,346.50
Premium	10,907.65
	3,368,607.04
Other Sources of Funds:	
Series 1993A DSR Fund	291,060.00
Series 1994 DSR Fund	177,147.50
	468,207.50
	3,836,814.54

Uses:	
Refunding Escrow Deposits:	
Cash Deposit	1,709.64
Open Market Purchases	3,354,956.53
	3,356,666.17
Other Fund Deposits:	
Debt Service Reserve Fund	319,822.46
Accrued Interest	8,045.89
	327,868.35
Cost of Issuance:	
Reimburse District Expenses	6,837.50
Steptoe + Johnson Legal Fees	20,000.00
Cox Nichols Hollida, CPA	475.00
Moodys Rating Fees	4,500.00
Fifth Third Bank Registrar Fee	3,000.00
Local Legal Counsel	500.00
	35,312.50
Underwriter's Discount:	
Other Underwriter's Discount	58,800.00
Other Delivery Date Expenses:	
Bond Insurance	56,704.44
Other Uses of Funds:	
Contingency	1,463.08
	3,836,814.54

ESCROW CASH FLOW

Berkeley County Public Service District
Water Revenue Refunding Bonds, Series 2003 A & B

Series 1993 A & B

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
04/30/2003		710.89	710.89	710.89
06/12/2003		1,349,000.00	1,349,000.00	1,349,710.89
06/15/2003	1,349,710.89		-1,349,710.89	
	1,349,710.89	1,349,710.89	0.00	

ESCROW CASH FLOW

Berkeley County Public Service District
Water Revenue Refunding Bonds, Series 2003 A & B

Series 1994

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
04/30/2003		998.75	998.75	998.75
08/31/2003		119,800.00	119,800.00	120,798.75
09/01/2003	120,243.75		-120,243.75	555.00
02/29/2004		53,023.75	53,023.75	53,578.75
03/01/2004	53,553.75		-53,553.75	25.00
08/31/2004		1,857,528.75	1,857,528.75	1,857,553.75
09/01/2004	1,857,553.75		-1,857,553.75	
	2,031,351.25	2,031,351.25	0.00	

PROOF OF ESCROW YIELD

Berkeley County Public Service District
Water Revenue Refunding Bonds, Series 2003 A & B

Series 1993 A & B

Date	Principal	Net Escrow Receipts	Present Value to 04/30/2003 @ 0.2561535%
06/12/2003	1,349,000.00	1,349,000.00	1,348,597.18
	1,349,000.00	1,349,000.00	1,348,597.18

Escrow Cost Summary

Purchase date	04/30/2003
Purchase cost of securities	1,348,597.18
Target for yield calculation	1,348,597.18

PROOF OF ESCROW YIELD

Berkeley County Public Service District
Water Revenue Refunding Bonds, Series 2003 A & B

Series 1994

Date	Principal	Interest	Net Escrow Receipts	Present Value to 04/30/2003 @ 0.9450039%
08/31/2003	98,000.00	21,800.00	119,800.00	119,424.11
02/29/2004	33,000.00	20,023.75	53,023.75	52,610.18
08/31/2004	1,838,000.00	19,528.75	1,857,528.75	1,834,325.06
	1,969,000.00	61,352.50	2,030,352.50	2,006,359.35

Escrow Cost Summary

Purchase date	04/30/2003
Purchase cost of securities	2,006,359.35
Target for yield calculation	2,006,359.35

ESCROW COST DETAIL

Berkeley County Public Service District
Water Revenue Refunding Bonds, Series 2003 A & B

Series 1993 A & B

Type of Security	Maturity Date	Par Amount	Rate	Yield	Price	Cost	Total Cost
TBill	06/12/2003	1,349,000		0.253547%	99.970139	1,348,597.18	1,348,597.18
		1,349,000				1,348,597.18	1,348,597.18

Escrow	Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
	04/30/2003	1,348,597.18	710.89	1,349,308.07	0.256154%
		1,348,597.18	710.89	1,349,308.07	

ESCROW COST DETAIL

Berkeley County Public Service District
Water Revenue Refunding Bonds, Series 2003 A & B

Series 1994

Type of Security	Maturity Date	Par Amount	Rate	Yield	Price	Cost	Accrued Interest	Total Cost
TBond	08/31/2003	98,000	3.625%	0.249999%	101.126614	99,104.08	588.87	99,692.95
TBond	02/29/2004	33,000	3.000%	0.779596%	101.842113	33,607.90	164.10	33,772.00
TBond	08/31/2004	1,838,000	2.125%	0.955502%	101.546256	1,866,420.19	6,474.21	1,872,894.40
		1,969,000				1,999,132.17	7,227.18	2,006,359.35

Escrow	Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
	04/30/2003	2,006,359.35	998.75	2,007,358.10	0.945004%
		2,006,359.35	998.75	2,007,358.10	

BOND DEBT SERVICE

Berkeley County Public Service District
Water Revenue Refunding Bonds, Series 2003 A & B

Date	Principal	Interest	Debt Service	Present Value to 04/30/2003 @ 3.8443675%
09/01/2003	50,000.00	41,616.67	91,616.67	90,451.56
03/01/2004	300,000.00	49,440.00	349,440.00	338,489.72
09/01/2004	75,000.00	46,440.00	121,440.00	115,415.97
03/01/2005	265,000.00	45,690.00	310,690.00	289,709.47
09/01/2005	75,000.00	43,040.00	118,040.00	107,993.07
03/01/2006	275,000.00	42,290.00	317,290.00	284,809.43
09/01/2006	75,000.00	39,540.00	114,540.00	100,875.67
03/01/2007	280,000.00	38,790.00	318,790.00	275,464.24
09/01/2007	50,000.00	35,710.00	85,710.00	72,664.67
03/01/2008	110,000.00	35,122.50	145,122.50	120,714.06
09/01/2008	260,000.00	33,747.50	293,747.50	239,733.41
03/01/2009	50,000.00	29,847.50	79,847.50	63,936.22
09/01/2009	60,000.00	29,122.50	89,122.50	70,017.13
03/01/2010	50,000.00	28,222.50	78,222.50	60,294.81
09/01/2010	120,000.00	27,422.50	147,422.50	111,491.89
03/01/2011		25,442.50	25,442.50	18,878.63
09/01/2011	125,000.00	25,442.50	150,442.50	109,524.83
03/01/2012		23,223.75	23,223.75	16,588.45
09/01/2012	125,000.00	23,223.75	148,223.75	103,877.72
03/01/2013		20,911.25	20,911.25	14,378.58
09/01/2013	130,000.00	20,911.25	150,911.25	101,809.62
03/01/2014		18,441.25	18,441.25	12,206.43
09/01/2014	135,000.00	18,441.25	153,441.25	99,648.75
03/01/2015		15,775.00	15,775.00	10,051.49
09/01/2015	140,000.00	15,775.00	155,775.00	97,384.55
03/01/2016		12,975.00	12,975.00	7,958.49
09/01/2016	145,000.00	12,975.00	157,975.00	95,069.94
03/01/2017		10,002.50	10,002.50	5,906.02
09/01/2017	150,000.00	10,002.50	160,002.50	92,692.41
03/01/2018		6,852.50	6,852.50	3,894.91
09/01/2018	155,000.00	6,852.50	161,852.50	90,260.84
03/01/2019		3,520.00	3,520.00	1,925.99
09/01/2019	160,000.00	3,520.00	163,520.00	87,783.61
	3,360,000.00	840,329.17	4,200,329.17	3,311,902.60

SUMMARY OF REFUNDING RESULTS

Berkeley County Public Service District
Water Revenue Refunding Bonds, Series 2003 A & B

Dated Date	04/01/2003
Delivery Date	04/30/2003
Arbitrage yield	3.844368%
Escrow yield	0.904621%
Bond Par Amount	3,360,000.00
True Interest Cost	3.844356%
Net Interest Cost	3.863548%
Average Coupon	3.603470%
Average Life	6.860
Par amount of refunded bonds	3,165,000.00
Average coupon of refunded bonds	5.984026%
Average life of refunded bonds	6.974

BOND PRICING

Berkeley County Public Service District
Water Revenue Refunding Bonds, Series 2003 A & B

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)
Serial Bond:						
	09/01/2003	50,000	2.000%	1.201%	100.266	133.00
	03/01/2004	300,000	2.000%	1.201%	100.662	1,986.00
	09/01/2004	75,000	2.000%	1.250%	100.990	742.50
	03/01/2005	265,000	2.000%	1.550%	100.810	2,146.50
	09/01/2005	75,000	2.000%	1.600%	100.912	684.00
	03/01/2006	275,000	2.000%	1.850%	100.411	1,130.25
	09/01/2006	75,000	2.000%	1.900%	100.320	240.00
	03/01/2007	280,000	2.200%	2.300%	99.633	-1,027.60
	09/01/2007	50,000	2.350%	2.350%	100.000	
	03/01/2008	110,000	2.500%	2.650%	99.321	-746.90
	09/01/2008	260,000	3.000%	2.700%	101.479	3,845.40
	03/01/2009	50,000	2.900%	3.000%	99.465	-267.50
	09/01/2009	60,000	3.000%	3.000%	100.000	
	03/01/2010	50,000	3.200%	3.300%	99.389	-305.50
	09/01/2010	120,000	3.300%	3.300%	100.000	
	09/01/2011	125,000	3.550%	3.550%	100.000	
	09/01/2012	125,000	3.700%	3.700%	100.000	
	09/01/2013	130,000	3.800%	3.800%	100.000	
	09/01/2014	135,000	3.950%	3.950%	100.000	
	09/01/2015	140,000	4.000%	4.100%	99.034	-1,352.40
	09/01/2016	145,000	4.100%	4.200%	98.982	-1,476.10
	09/01/2017	150,000	4.200%	4.300%	98.933	-1,600.50
	09/01/2018	155,000	4.300%	4.400%	98.888	-1,723.60
	09/01/2019	160,000	4.400%	4.500%	98.846	-1,846.40
		3,360,000				561.15

Dated Date	04/01/2003	
Delivery Date	04/30/2003	
First Coupon	09/01/2003	
Par Amount	3,360,000.00	
Premium	561.15	
Production	3,360,561.15	100.016701%
Underwriter's Discount	-58,800.00	-1.750000%
Purchase Price	3,301,761.15	98.266701%
Accrued Interest	8,045.89	
Net Proceeds	3,309,807.04	

ESCROW REQUIREMENTS

Berkeley County Public Service District
Water Revenue Refunding Bonds, Series 2003 A & B

Series 1993 A & B

Period Ending	Interest	Principal Redeemed	Total
06/15/2003	19,710.89	1,330,000.00	1,349,710.89
	19,710.89	1,330,000.00	1,349,710.89

ESCROW REQUIREMENTS

Berkeley County Public Service District
Water Revenue Refunding Bonds, Series 2003 A & B

Series 1994

Period Ending	Principal	Interest	Principal Redeemed	Redemption Premium	Total
09/01/2003	65,000.00	55,243.75			120,243.75
03/01/2004		53,553.75			53,553.75
09/01/2004	70,000.00	53,553.75	1,700,000.00	34,000.00	1,857,553.75
	135,000.00	162,351.25	1,700,000.00	34,000.00	2,031,351.25

PRIOR BOND DEBT SERVICE

Berkeley County Public Service District
Water Revenue Refunding Bonds, Series 2003 A & B

Series 1993 A & B

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/30/2003					
09/01/2003			34,115.00	34,115.00	34,115.00
03/01/2004	220,000	4.850%	34,115.00	254,115.00	
09/01/2004			28,780.00	28,780.00	282,895.00
03/01/2005	230,000	5.000%	28,780.00	258,780.00	
09/01/2005			23,030.00	23,030.00	281,810.00
03/01/2006	245,000	5.100%	23,030.00	268,030.00	
09/01/2006			16,782.50	16,782.50	284,812.50
03/01/2007	255,000	5.200%	16,782.50	271,782.50	
09/01/2007			10,152.50	10,152.50	281,935.00
03/01/2008	270,000	5.300%	10,152.50	280,152.50	
09/01/2008			2,997.50	2,997.50	283,150.00
03/01/2009	55,000	5.400%	2,997.50	57,997.50	
09/01/2009			1,512.50	1,512.50	59,510.00
03/01/2010	55,000	5.500%	1,512.50	56,512.50	
09/01/2010					56,512.50
	1,330,000		234,740.00	1,564,740.00	1,564,740.00

PRIOR BOND DEBT SERVICE

Berkeley County Public Service District
Water Revenue Refunding Bonds, Series 2003 A & B

Series 1994

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/30/2003					
09/01/2003	65,000	5.200%	55,243.75	120,243.75	120,243.75
03/01/2004			53,553.75	53,553.75	
09/01/2004	70,000	5.300%	53,553.75	123,553.75	177,107.50
03/01/2005			51,698.75	51,698.75	
09/01/2005	75,000	5.400%	51,698.75	126,698.75	178,397.50
03/01/2006			49,673.75	49,673.75	
09/01/2006	80,000	5.500%	49,673.75	129,673.75	179,347.50
03/01/2007			47,473.75	47,473.75	
09/01/2007	80,000	5.700%	47,473.75	127,473.75	174,947.50
03/01/2008			45,193.75	45,193.75	
09/01/2008	85,000	5.800%	45,193.75	130,193.75	175,387.50
03/01/2009			42,728.75	42,728.75	
09/01/2009	90,000	5.900%	42,728.75	132,728.75	175,457.50
03/01/2010			40,073.75	40,073.75	
09/01/2010	100,000	6.000%	40,073.75	140,073.75	180,147.50
03/01/2011			37,073.75	37,073.75	
09/01/2011	105,000	6.200%	37,073.75	142,073.75	179,147.50
03/01/2012			33,818.75	33,818.75	
09/01/2012	110,000	6.200%	33,818.75	143,818.75	177,637.50
03/01/2013			30,408.75	30,408.75	
09/01/2013	115,000	6.200%	30,408.75	145,408.75	175,817.50
03/01/2014			26,843.75	26,843.75	
09/01/2014	125,000	6.200%	26,843.75	151,843.75	178,687.50
03/01/2015			22,968.75	22,968.75	
09/01/2015	130,000	6.250%	22,968.75	152,968.75	175,937.50
03/01/2016			18,906.25	18,906.25	
09/01/2016	140,000	6.250%	18,906.25	158,906.25	177,812.50
03/01/2017			14,531.25	14,531.25	
09/01/2017	145,000	6.250%	14,531.25	159,531.25	174,062.50
03/01/2018			10,000.00	10,000.00	
09/01/2018	155,000	6.250%	10,000.00	165,000.00	175,000.00
03/01/2019			5,156.25	5,156.25	
09/01/2019	165,000	6.250%	5,156.25	170,156.25	175,312.50
	1,835,000		1,115,451.25	2,950,451.25	2,950,451.25

Appendix I

BERKELEY COUNTY PUBLIC SERVICE WATER DISTRICT
WATER REVENUE REFUNDING BONDS, SERIES 2003A / 2003B
FINAL: PRICED BY RSA ON 04/17/03 - DELIVERY: 04/30/03

Sources and Uses of Funds

Delivery Date: 4/30/ 3

Sources of Funds

PAR AMOUNT OF BONDS	$3,360,000.00	
+PREMIUM /-DISCOUNT	$561.15	
BOND PROCEEDS		3,360,561.15
ACCRUED INTEREST		8,045.89
SERIES 1993A DSR FUND		291,060.00
SERIES 1994 DSR FUND		177,147.50
		$3,836,814.54

Uses of Funds

ESCROW SERIES 1993 BONDS (GOVTS)	1,349,308.07
ESCROW SERIES 1994 BONDS (GOVTS)	2,007,358.10
REIMBURSE DISTRICT EXPENSES	6,837.50
STEPTOE + JOHNSON LEGAL FEES	20,000.00
COX NICHOLS HOLLIDA, CPA	475.00
MOODYS RATING FEES	4,500.00
FIFTH THIRD BANK REGISTRAR FEES	3,000.00
DEBT SERVICE RESERVE FUND	319,822.46
LOCAL LEGAL COUNSEL	500.00
AMBAC INSURANCE PREMIUM	56,704.44
UNDERWRITERS DISCOUNT (1.750000%)	58,800.00
ACCRUED INTEREST	8,045.89
CONTINGENCY	1,463.08
	$3,836,814.54

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 04-17-2003 @ 10:31:48 Filename: BERKPSD Key: 03(CMB)

BERKELEY COUNTY PUBLIC SERVICE WATER DISTRICT
WATER REVENUE REFUNDING BONDS, SERIES 2003A / 2003B
FINAL: PRICED BY RSA ON 04/17/03 - DELIVERY: 04/30/03

Bond Production Report

Dated 4/ 1/2003
Delivery 4/30/2003

Date	Principal	Bond Type	B/Y	Coupon	Yield	$Price	Priced to Call	Gross Production
9/ 1/ 3	50,000.00	Standard	21	2.0000	1.2000	100.266		50,133.00
3/ 1/ 4	300,000.00	Standard	296	2.0000	1.2000	100.662		301,986.00
9/ 1/ 4	75,000.00	Standard	402	2.0000	1.2500	100.990		75,742.50
3/ 1/ 5	265,000.00	Standard	910	2.0000	1.5500	100.810		267,146.50
9/ 1/ 5	75,000.00	Standard	1091	2.0000	1.6000	100.912		75,684.00
3/ 1/ 6	275,000.00	Standard	1893	2.0000	1.8500	100.411		276,130.25
9/ 1/ 6	75,000.00	Standard	2150	2.0000	1.9000	100.320		75,240.00
3/ 1/ 7	280,000.00	Standard	3246	2.2000	2.3000	99.633		278,972.40
9/ 1/ 7	50,000.00	Standard	3467	2.3500	2.3500	100.000		50,000.00
3/ 1/ 8	110,000.00	Standard	4008	2.5000	2.6500	99.321		109,253.10
9/ 1/ 8	260,000.00	Standard	5416	3.0000	2.7000	101.479		263,845.40
3/ 1/ 9	50,000.00	Standard	5712	2.9000	3.0000	99.465		49,732.50
9/ 1/ 9	60,000.00	Standard	6097	3.0000	3.0000	100.000		60,000.00
3/ 1/10	50,000.00	Standard	6443	3.2000	3.3000	99.389		49,694.50
9/ 1/10	120,000.00	Standard	7333	3.3000	3.3000	100.000		120,000.00
9/ 1/11	125,000.00	Standard	8385	3.5500	3.5500	100.000		125,000.00
9/ 1/12	125,000.00	Standard	9562	3.7000	3.7000	100.000		125,000.00
9/ 1/13	130,000.00	Standard	10916	3.8000	3.8000	100.000		130,000.00
9/ 1/14	135,000.00	Standard	12458	3.9500	3.9495	100.000 C	9/ 1/13 @ 100.000	135,000.00
9/ 1/15	140,000.00	Standard	14196	4.0000	4.1000	99.034		138,647.60
9/ 1/16	145,000.00	Standard	16141	4.1000	4.2000	98.982		143,523.90
9/ 1/17	150,000.00	Standard	18304	4.2000	4.3000	98.933		148,399.50
9/ 1/18	155,000.00	Standard	20693	4.3000	4.4000	98.888		153,276.40
9/ 1/19	160,000.00	Standard	23320	4.4000	4.5000	98.846		158,153.60
	3,360,000.00							3,360,561.15

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 04-17-2003 @ 08:16:32 Filename: BERKPSD Key: 03(CMB)

BERKELEY COUNTY PUBLIC SERVICE WATER DISTRICT
WATER REVENUE REFUNDING BONDS, SERIES 2003A / 2003B
FINAL: PRICED BY RSA ON 04/17/03 - DELIVERY: 04/30/03

Bond Production Report

Par Amount	3,360,000.00		
Production	561.15		
Gross Production	3,360,561.15		100.0167009
Bond Insurance	0.00		0.0000000
Underwriters Discount	58,800.00		1.7500000
Bid	3,301,761.15		98.2667009
Accrued	8,045.89		
Net to Issuer	3,309,807.04		
Gross Interest Cost	840,329.17		
+Net Discount	58,238.85		
Net Interest Cost	898,568.02		
N I C %	3.8532076	Using	98.2667009
T I C %	3.8443564	From	Dated Date
Arbitrage Yield	3.5494506		
Bond Years	23,320.000		
Average Coupon	3.603470		
Average Life	6.940476		

CALL OPTIONS:

9/ 1/2013 @ 100.000

C = Maturity was Priced to Call

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 04-17-2003 @ 08:16:32 Filename: BERKPSD Key: 03(CMB)

BERKELEY COUNTY PUBLIC SERVICE WATER DISTRICT
WATER REVENUE REFUNDING BONDS, SERIES 2003A / 2003B
FINAL: PRICED BY RSA ON 04/17/03 - DELIVERY: 04/30/03

Debt Service Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/ 3	50,000.00	2.000000	41,616.67	91,616.67	
3/ 1/ 4	300,000.00	2.000000	49,440.00	349,440.00	441,056.67
9/ 1/ 4	75,000.00	2.000000	46,440.00	121,440.00	
3/ 1/ 5	265,000.00	2.000000	45,690.00	310,690.00	432,130.00
9/ 1/ 5	75,000.00	2.000000	43,040.00	118,040.00	
3/ 1/ 6	275,000.00	2.000000	42,290.00	317,290.00	435,330.00
9/ 1/ 6	75,000.00	2.000000	39,540.00	114,540.00	
3/ 1/ 7	280,000.00	2.200000	38,790.00	318,790.00	433,330.00
9/ 1/ 7	50,000.00	2.350000	35,710.00	85,710.00	
3/ 1/ 8	110,000.00	2.500000	35,122.50	145,122.50	230,832.50
9/ 1/ 8	260,000.00	3.000000	33,747.50	293,747.50	
3/ 1/ 9	50,000.00	2.900000	29,847.50	79,847.50	373,595.00
9/ 1/ 9	60,000.00	3.000000	29,122.50	89,122.50	
3/ 1/10	50,000.00	3.200000	28,222.50	78,222.50	167,345.00
9/ 1/10	120,000.00	3.300000	27,422.50	147,422.50	
3/ 1/11			25,442.50	25,442.50	172,865.00
9/ 1/11	125,000.00	3.550000	25,442.50	150,442.50	
3/ 1/12			23,223.75	23,223.75	173,666.25
9/ 1/12	125,000.00	3.700000	23,223.75	148,223.75	
3/ 1/13			20,911.25	20,911.25	169,135.00
9/ 1/13	130,000.00	3.800000	20,911.25	150,911.25	
3/ 1/14			18,441.25	18,441.25	169,352.50
9/ 1/14	135,000.00	3.950000	18,441.25	153,441.25	
3/ 1/15			15,775.00	15,775.00	169,216.25
9/ 1/15	140,000.00	4.000000	15,775.00	155,775.00	
3/ 1/16			12,975.00	12,975.00	168,750.00
9/ 1/16	145,000.00	4.100000	12,975.00	157,975.00	
3/ 1/17			10,002.50	10,002.50	167,977.50
9/ 1/17	150,000.00	4.200000	10,002.50	160,002.50	
3/ 1/18			6,852.50	6,852.50	166,855.00
9/ 1/18	155,000.00	4.300000	6,852.50	161,852.50	
3/ 1/19			3,520.00	3,520.00	165,372.50
9/ 1/19	160,000.00	4.400000	3,520.00	163,520.00	
3/ 1/20					163,520.00

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 04-17-2003 @ 08:17:39 Filename: BERKPSD Key: 03(CMB)

BERKELEY COUNTY PUBLIC SERVICE WATER DISTRICT
WATER REVENUE REFUNDING BONDS, SERIES 2003A / 2003B
FINAL: PRICED BY RSA ON 04/17/03 - DELIVERY: 04/30/03

Debt Service Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
	3,360,000.00		840,329.17	4,200,329.17	
ACCRUED			8,045.89	8,045.89	
	3,360,000.00		832,283.28	4,192,283.28	

Dated 4/ 1/ 3 with Delivery of 4/30/ 3

Bond Years	23,320.000	
Average Coupon	3.603470	
Average Life	6.940476	
N I C %	3.853208 %	Using 98.2667009
T I C %	3.844356 %	From Dated Date
Arbitrage Yield	3.549451 %	

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 04-17-2003 @ 08:17:39 Filename: BERKPSD Key: 03(CMB)

BERKELEY COUNTY PUBLIC SERVICE WATER DISTRICT
WATER REFUNDING REVENUE BONDS, SERIES 2003A
FINAL: SERIES 2003A PORTION

Debt Service Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/ 3			11,983.33	11,983.33	
3/ 1/ 4	300,000.00	2.000000	14,380.00	314,380.00	326,363.33
9/ 1/ 4			11,380.00	11,380.00	
3/ 1/ 5	265,000.00	2.000000	11,380.00	276,380.00	287,760.00
9/ 1/ 5			8,730.00	8,730.00	
3/ 1/ 6	275,000.00	2.000000	8,730.00	283,730.00	292,460.00
9/ 1/ 6			5,980.00	5,980.00	
3/ 1/ 7	280,000.00	2.200000	5,980.00	285,980.00	291,960.00
9/ 1/ 7			2,900.00	2,900.00	
3/ 1/ 8	110,000.00	2.500000	2,900.00	112,900.00	115,800.00
9/ 1/ 8			1,525.00	1,525.00	
3/ 1/ 9	50,000.00	2.900000	1,525.00	51,525.00	53,050.00
9/ 1/ 9			800.00	800.00	
3/ 1/10	50,000.00	3.200000	800.00	50,800.00	51,600.00
	1,330,000.00		88,993.33	1,418,993.33	
ACCRUED			2,316.78	2,316.78	
	1,330,000.00		86,676.55	1,416,676.55	

Dated 4/ 1/ 3 with Delivery of 4/30/ 3

Bond Years	3,864.167	
Average Coupon	2.303041	
Average Life	2.905388	
N I C %	3.325672 %	Using 97.0288602
T I C %	3.392255 %	From Dated Date
Arbitrage Yield	2.757274 %	

Bond Insurance:
1.350000 % of (Total Debt Service Only) = 19,156.41

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 04-17-2003 @ 08:18:20 Filename: BERKPSD Key: 03A-REF

BERKELEY COUNTY PUBLIC SERVICE WATER DISTRICT
WATER REFUNDING REVENUE BONDS, SERIES 2003B
FINAL: SERIES 2003B PORTION

Debt Service Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
9/ 1/ 3	50,000.00	2.000000	29,633.33	79,633.33	
3/ 1/ 4			35,060.00	35,060.00	114,693.33
9/ 1/ 4	75,000.00	2.000000	35,060.00	110,060.00	
3/ 1/ 5			34,310.00	34,310.00	144,370.00
9/ 1/ 5	75,000.00	2.000000	34,310.00	109,310.00	
3/ 1/ 6			33,560.00	33,560.00	142,870.00
9/ 1/ 6	75,000.00	2.000000	33,560.00	108,560.00	
3/ 1/ 7			32,810.00	32,810.00	141,370.00
9/ 1/ 7	50,000.00	2.350000	32,810.00	82,810.00	
3/ 1/ 8			32,222.50	32,222.50	115,032.50
9/ 1/ 8	260,000.00	3.000000	32,222.50	292,222.50	
3/ 1/ 9			28,322.50	28,322.50	320,545.00
9/ 1/ 9	60,000.00	3.000000	28,322.50	88,322.50	
3/ 1/10			27,422.50	27,422.50	115,745.00
9/ 1/10	120,000.00	3.300000	27,422.50	147,422.50	
3/ 1/11			25,442.50	25,442.50	172,865.00
9/ 1/11	125,000.00	3.550000	25,442.50	150,442.50	
3/ 1/12			23,223.75	23,223.75	173,666.25
9/ 1/12	125,000.00	3.700000	23,223.75	148,223.75	
3/ 1/13			20,911.25	20,911.25	169,135.00
9/ 1/13	130,000.00	3.800000	20,911.25	150,911.25	
3/ 1/14			18,441.25	18,441.25	169,352.50
9/ 1/14	135,000.00	3.950000	18,441.25	153,441.25	
3/ 1/15			15,775.00	15,775.00	169,216.25
9/ 1/15	140,000.00	4.000000	15,775.00	155,775.00	
3/ 1/16			12,975.00	12,975.00	168,750.00
9/ 1/16	145,000.00	4.100000	12,975.00	157,975.00	
3/ 1/17			10,002.50	10,002.50	167,977.50
9/ 1/17	150,000.00	4.200000	10,002.50	160,002.50	
3/ 1/18			6,852.50	6,852.50	166,855.00
9/ 1/18	155,000.00	4.300000	6,852.50	161,852.50	
3/ 1/19			3,520.00	3,520.00	165,372.50
9/ 1/19	160,000.00	4.400000	3,520.00	163,520.00	
3/ 1/20					163,520.00

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 04-17-2003 @ 08:19:11 Filename: BERKPSD Key: 03B-REF

BERKELEY COUNTY PUBLIC SERVICE WATER DISTRICT
WATER REFUNDING REVENUE BONDS, SERIES 2003B
FINAL: SERIES 2003B PORTION

Debt Service Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
	2,030,000.00		751,335.83	2,781,335.83	
ACCRUED			5,729.11	5,729.11	
	2,030,000.00		745,606.72	2,775,606.72	

Dated 4/ 1/ 3 with Delivery of 4/30/ 3

Bond Years	19,455.833	
Average Coupon	3.861751	
Average Life	9.584154	
N I C %	4.249435 %	Using 96.2843778
T I C %	4.318350 %	From Dated Date
Arbitrage Yield	4.088064 %	

Bond Insurance:
1.350000 % of (Total Debt Service Only) = 37,548.03

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 04-17-2003 @ 08:19:11 Filename: BERKPSD Key: 03B-REF

BERKELEY COUNTY PUBLIC SERVICE WATER DISTRICT
WATER REVENUE REFUNDING BONDS, SERIES 2003A / 2003B
FINAL: PRICED BY RSA ON 04/17/03 - DELIVERY: 04/30/03

Maximum Allowable Arbitrage Yield

DELIVERY DATE: 4/30/ 3

Par		3,360,000.00
Accrued Interest		8,045.89
Original Issue (+Premium/-Discount)		561.15
Bond Insurance	(1.350000 %)	-56,704.44
% of Total D/S		
Arbitrage Yield Target Value		3,311,902.60

Arbitrage Yield 3.84436749 %

Date	Debt Service	Present Value Factor	Present Value @ 3.84436749%
9/ 1/2003	91,616.67	0.98728283	90,451.56
3/ 1/2004	349,440.00	0.96866334	338,489.72
9/ 1/2004	121,440.00	0.95039500	115,415.97
3/ 1/2005	310,690.00	0.93247119	289,709.47
9/ 1/2005	118,040.00	0.91488541	107,993.07
3/ 1/2006	317,290.00	0.89763129	284,809.43
9/ 1/2006	114,540.00	0.88070257	100,875.67
3/ 1/2007	318,790.00	0.86409311	275,464.24
9/ 1/2007	85,710.00	0.84779689	72,664.67
3/ 1/2008	145,122.50	0.83180802	120,714.06
9/ 1/2008	293,747.50	0.81612068	239,733.41
3/ 1/2009	79,847.50	0.80072919	63,936.22
9/ 1/2009	89,122.50	0.78562798	70,017.13
3/ 1/2010	78,222.50	0.77081156	60,294.81
9/ 1/2010	147,422.50	0.75627458	111,491.89
3/ 1/2011	25,442.50	0.74201175	18,878.63
9/ 1/2011	150,442.50	0.72801791	109,524.83
3/ 1/2012	23,223.75	0.71428798	16,588.45
9/ 1/2012	148,223.75	0.70081699	103,877.72
3/ 1/2013	20,911.25	0.68760005	14,378.58
9/ 1/2013	150,911.25	0.67463238	101,809.62
3/ 1/2014	18,441.25	0.66190927	12,206.43
9/ 1/2014	153,441.25	0.64942610	99,648.75
3/ 1/2015	15,775.00	0.63717836	10,051.49
9/ 1/2015	155,775.00	0.62516161	97,384.55
3/ 1/2016	12,975.00	0.61337148	7,958.49
9/ 1/2016	157,975.00	0.60180371	95,069.94
3/ 1/2017	10,002.50	0.59045410	5,906.02

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 04-17-2003 @ 08:15:57 Filename: BERKPSD Key: 03(CMB)

BERKELEY COUNTY PUBLIC SERVICE WATER DISTRICT
WATER REVENUE REFUNDING BONDS, SERIES 2003A / 2003B
FINAL: PRICED BY RSA ON 04/17/03 - DELIVERY: 04/30/03

Maximum Allowable Arbitrage Yield

Date	Debt Service	Present Value Factor	Present Value @ 3.84436749%
9/ 1/2017	160,002.50	0.57931853	92,692.41
3/ 1/2018	6,852.50	0.56839297	3,894.91
9/ 1/2018	161,852.50	0.55767346	90,260.84
3/ 1/2019	3,520.00	0.54715612	1,925.99
9/ 1/2019	163,520.00	0.53683712	87,783.61
Total	4,200,329.17		3,311,902.60

Calculations based on 2 Compoundings/Year on a 30/360 Year Basis

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 04-17-2003 @ 08:15:57 Filename: BERKPSD Key: 03(CMB)

BERKELEY COUNTY PUBLIC SERVICE DISTRICT, WEST VIRGINIA
WATER REFUNDING REVENUE BONDS, SERIES 1993
(PRIOR BONDS)

Cost of Candidates for Escrow Portfolio

Delivery Date: 4/30/ 3

Type	Maturity Date	Par Amount	Coupon	Yield	Price	Cost	Accrued Interest	Total Cost
TREASURY	6/12/ 3	1,349,000	0.000000	0.253547	99.970139	1,348,597.18	0.00	1,348,597.18
SUBTOTAL		1,349,000				1,348,597.18	0.00	1,348,597.18

---------- SUMMARY INFORMATION ----------

Escrow Cost .....

Beginning Cash	710.89
Cost of Securities	1,348,597.18
Total Cost of Escrow	1,349,308.07

Escrow Candidates .....

Weighted Bond Years	158.876
Weighted Average Life	0.117808
Debt Service (Principal + Interest):	
Bond Years	157.383
Average Life	0.116667
Yield	0.2561535477 %
Adjusted Yield	0.2561535477 %

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 04-17-2003 @ 10:28:12 Filename: BERKPSD Key: CBD-93-BERKELEY

BERKELEY COUNTY PUBLIC SERVICE DISTRICT, WEST VIRGINIA
WATER REVENUE BONDS, SERIES 1994
(PRIOR BONDS)

Cost of Candidates for Escrow Portfolio

Delivery Date: 4/30/ 3

Type	Maturity Date	Par Amount	Coupon	Yield	Price	Cost	Accrued Interest	Total Cost
TREASURY	8/31/ 3	98,000	3.625000	0.249999	101.126614	99,104.08	588.87	99,692.95
TREASURY	2/29/ 4	33,000	3.000000	0.779596	101.842113	33,607.90	164.10	33,772.00
TREASURY	8/31/ 4	1,838,000	2.125000	0.955502	101.546256	1,866,420.19	6,474.21	1,872,894.40
SUBTOTAL		1,969,000				1,999,132.17	7,227.18	2,006,359.35

---------- SUMMARY INFORMATION ----------

Escrow Cost .....

Beginning Cash	998.75
Cost of Securities	2,006,359.35
Total Cost of Escrow	2,007,358.10

Escrow Candidates .....

Weighted Bond Years	2,561.972
Weighted Average Life	1.281542
Debt Service (Principal + Interest):	
Bond Years	2,560.678
Average Life	1.261198
Yield	0.9450039226 %
Adjusted Yield	0.9450039226 %

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 04-17-2003 @ 10:30:01 Filename: BERKPSD Key: CBD-94-BERKELEY

BERKELEY COUNTY PUBLIC SERVICE DISTRICT, WEST VIRGINIA
WATER REFUNDING REVENUE BONDS, SERIES 1993
(PRIOR BONDS)

Debt Service and Call Report

Date	Original Principal	Coupon	Original Interest	Original Debt Service	Principal To Escrow	Call Premium	Interest To Escrow	Debt Service To Escrow
6/15/ 3					1,330,000.00		19,710.89	1,349,710.89
9/ 1/ 3			34,115.00	34,115.00				
3/ 1/ 4	220,000.00	4.850000	34,115.00	254,115.00				
9/ 1/ 4			28,780.00	28,780.00				
3/ 1/ 5	230,000.00	5.000000	28,780.00	258,780.00				
9/ 1/ 5			23,030.00	23,030.00				
3/ 1/ 6	245,000.00	5.100000	23,030.00	268,030.00				
9/ 1/ 6			16,782.50	16,782.50				
3/ 1/ 7	255,000.00	5.200000	16,782.50	271,782.50				
9/ 1/ 7			10,152.50	10,152.50				
3/ 1/ 8	270,000.00	5.300000	10,152.50	280,152.50				
9/ 1/ 8			2,997.50	2,997.50				
3/ 1/ 9	55,000.00	5.400000	2,997.50	57,997.50				
9/ 1/ 9			1,512.50	1,512.50				
3/ 1/10	55,000.00	5.500000	1,512.50	56,512.50				
	1,330,000.00		234,740.00	1,564,740.00	1,330,000.00		19,710.89	1,349,710.89

Dated 3/ 1/ 3 with Delivery of 3/ 1/ 3

Bond Years	4,500.000
Average Coupon	5.216444
Average Life	3.383459

Calls Performed

Call No.	Call Date	First Maturity Called	Last Maturity Called	Principal Called	Call Price	Call Premium
1)	6/15/ 3	3/ 1/ 4	3/ 1/10	1,330,000.00	100.000	0.00
				1,330,000.00		0.00

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 04-17-2003 @ 10:34:32 Filename: BERKPSD Key: 93-BERKELEY

BERKELEY COUNTY PUBLIC SERVICE DISTRICT, WEST VIRGINIA
WATER REVENUE BONDS, SERIES 1994
(PRIOR BONDS)

Debt Service and Call Report

Date	Original Principal	Coupon	Original Interest	Original Debt Service	Principal To Escrow	Call Premium	Interest To Escrow	Debt Service To Escrow
9/ 1/ 3	65,000.00	5.200000	55,243.75	120,243.75	65,000.00		55,243.75	120,243.75
3/ 1/ 4			53,553.75	53,553.75			53,553.75	53,553.75
9/ 1/ 4	70,000.00	5.300000	53,553.75	123,553.75	1,770,000.00	34,000.00	53,553.75	1,857,553.75
3/ 1/ 5			51,698.75	51,698.75				
9/ 1/ 5	75,000.00	5.400000	51,698.75	126,698.75				
3/ 1/ 6			49,673.75	49,673.75				
9/ 1/ 6	80,000.00	5.500000	49,673.75	129,673.75				
3/ 1/ 7			47,473.75	47,473.75				
9/ 1/ 7	80,000.00	5.700000	47,473.75	127,473.75				
3/ 1/ 8			45,193.75	45,193.75				
9/ 1/ 8	85,000.00	5.800000	45,193.75	130,193.75				
3/ 1/ 9			42,728.75	42,728.75				
9/ 1/ 9	90,000.00	5.900000	42,728.75	132,728.75				
3/ 1/10			40,073.75	40,073.75				
9/ 1/10	100,000.00	6.000000	40,073.75	140,073.75				
3/ 1/11			37,073.75	37,073.75				
9/ 1/11	105,000.00	6.200000	37,073.75	142,073.75				
3/ 1/12			33,818.75	33,818.75				
9/ 1/12	110,000.00	6.200000	33,818.75	143,818.75				
3/ 1/13			30,408.75	30,408.75				
9/ 1/13	115,000.00	6.200000	30,408.75	145,408.75				
3/ 1/14			26,843.75	26,843.75				
9/ 1/14	125,000.00	6.200000	26,843.75	151,843.75				
3/ 1/15			22,968.75	22,968.75				
9/ 1/15	130,000.00	6.250000	22,968.75	152,968.75				
3/ 1/16			18,906.25	18,906.25				
9/ 1/16	140,000.00	6.250000	18,906.25	158,906.25				
3/ 1/17			14,531.25	14,531.25				
9/ 1/17	145,000.00	6.250000	14,531.25	159,531.25				
3/ 1/18			10,000.00	10,000.00				
9/ 1/18	155,000.00	6.250000	10,000.00	165,000.00				
3/ 1/19			5,156.25	5,156.25				
9/ 1/19	165,000.00	6.250000	5,156.25	170,156.25				

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 04-17-2003 @ 10:34:45 Filename: BERKPSD Key: 94-BERKELEY

BERKELEY COUNTY PUBLIC SERVICE DISTRICT, WEST VIRGINIA
WATER REVENUE BONDS, SERIES 1994
(PRIOR BONDS)

Debt Service and Call Report

Date	Original Principal	Coupon	Original Interest	Original Debt Service	Principal To Escrow	Call Premium	Interest To Escrow	Debt Service To Escrow
	1,835,000.00		1,115,451.25	2,950,451.25	1,835,000.00	34,000.00	162,351.25	2,031,351.25

Dated 3/ 1/ 3 with Delivery of 3/ 1/ 3
Bond Years 18,092.500
Average Coupon 6.165269
Average Life 9.859673

Calls Performed

Call No.	Call Date	First Maturity Called	Last Maturity Called	Principal Called	Call Price	Call Premium
1)	9/ 1/ 4	9/ 1/ 5	9/ 1/19	1,700,000.00	102.000	34,000.00
				1,700,000.00		34,000.00

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 04-17-2003 @ 10:34:45 Filename: BERKPSD Key: 94-BERKELEY

BERKELEY COUNTY PUBLIC SERVICE DISTRICT, WEST VIRGINIA
WATER REFUNDING REVENUE BONDS, SERIES 1993
(PRIOR BONDS)

Escrow Cash Balancing Report

Delivery Date: 4/30/ 3

Date	Escrow Requirement	Candidate Receipts	Purchase Receipts	Total Receipts	Cash Balance
4/30/ 3					710.89
6/12/ 3		1,349,000.00		1,349,000.00	1,349,710.89
6/15/ 3	1,349,710.89				
	1,349,710.89	1,349,000.00		1,349,000.00	

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 04-17-2003 @ 10:28:08 Filename: BERKPSD Key: CBD-93-BERKELEY

BERKELEY COUNTY PUBLIC SERVICE DISTRICT, WEST VIRGINIA
WATER REVENUE BONDS, SERIES 1994
(PRIOR BONDS)

Escrow Cash Balancing Report

Delivery Date: 4/30/ 3

Date	Escrow Requirement	Candidate Receipts	Purchase Receipts	Total Receipts	Cash Balance
4/30/ 3					998.75
8/31/ 3		119,800.00		119,800.00	120,798.75
9/ 1/ 3	120,243.75				555.00
2/29/ 4		53,023.75		53,023.75	53,578.75
3/ 1/ 4	53,553.75				25.00
8/31/ 4		1,857,528.75		1,857,528.75	1,857,553.75
9/ 1/ 4	1,857,553.75				
	2,031,351.25	2,030,352.50		2,030,352.50	

ROSS, SINCLAIRE & ASSOCIATES - BNURICK

Date: 04-17-2003 @ 10:29:57 Filename: BERKPSD Key: CBD-94-BERKELEY

NEW ISSUE

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, and assuming compliance with certain covenants and certifications in the Resolution and tax certificate described herein, interest on the Bonds is excludable from gross income for federal income tax purposes, and, under existing laws of the State of West Virginia, as presently written and applied, the Bonds are exempt from direct taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia. See "TAX EXEMPTION" herein.

$3,730,000
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(West Virginia)
Water Refunding Revenue Bonds
Series 1993 A and Series 1993 B

Dated: March 1, 1993 **Due: March 1, as shown below**

The District is issuing two Series of Bonds known as the Water Refunding Revenue Bonds, Series 1993 A and Series 1993 B, sometimes referred to collectively as the Series 1993 Bonds.

Principal and premium, if any, are payable at the principal office of Charleston National Bank, Charleston, West Virginia, as registrar and paying agent. Semiannual interest (payable September 1, 1993 and each March 1 and September 1 thereafter) is payable by check or draft mailed to the person in whose name the Series 1993 Bond is registered on the 15th day of the month preceding such interest payment date, or, if requested, in the case of a registered owner of $500,000 or more of the Series 1993 Bonds, by wire transfer to a domestic bank account specified in writing by such registered owner at least 5 days prior to such interest payment date. The Series 1993 Bonds are issuable only in fully registered form, in denominations of $5,000 or any integral multiple thereof for any year of maturity. The Series 1993 Bonds are subject to optional redemption prior to maturity as described herein.

The Series 1993 Bonds and interest thereon are payable only from and secured by the Net Revenues derived from the existing waterworks system of the District and any additions, betterments, extensions and improvements thereto, the moneys in the sinking fund and all accounts therein, including (except as to the Series 1993 B Bonds) the Reserve Account, and other sources provided in the Resolution. The Series 1993B Bonds are junior and subordinate to the Series 1993A Bonds. The Series 1993 Bonds do not constitute an indebtedness of the District within the meaning of any constitutional or statutory provision or limitation. The District has no taxing power.

Payment of the principal of and interest on the Series 1993 Bonds when due will be insured by a municipal bond insurance policy to be issued by

AMBAC.
INDEMNITY CORPORATION

simultaneously with the delivery of the Series 1993 Bonds.

SERIES 1993 A BONDS
MATURITY SCHEDULE
$3,350,000 Serial Bonds

Due March 1	Principal Amount	Interest Rates	Price	Due March 1	Principal Amount	Interest Rates	Price
1994	$190,000	2.40%	100%	2003	$210,000	4.65%	100%
1995	195,000	3.00	100	2004	220,000	4.85	100
1996	200,000	3.40	100	2005	230,000	5.00	100
1997	205,000	3.60	100	2006	245,000	5.10	100
1998	220,000	3.80	100	2007	255,000	5.20	100
1999	220,000	4.00	100	2008	270,000	5.30	100
2000	185,000	4.20	100	2009	55,000	5.40	100
2001	195,000	4.40	100	2010	55,000	5.50	100
2002	200,000	4.50	100				

SERIES 1993 B BONDS
MATURITY SCHEDULE

Due March 1	Principal Amount	Interest Rate	Price
1998	$380,000	4.75%	100%

(Accrued interest from March 1, 1993 to be added)

This cover page contains only a brief description of the District, the County, the Bonds and the security therefor. It is not to be intended to be a summary of material information with respect to the Bonds. Investors should read the entire Official Statement to obtain information necessary to make an informed investment decision.

The Series 1993 Bonds are offered for delivery when, as, and if issued and received by the Underwriter, subject to prior sale, and to withdrawal or modification of the offering, without notice, and to the unqualified approval of the legality by Steptoe & Johnson, Clarksburg, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the District by Martin & Seibert, Martinsburg, West Virginia, District Counsel. It is expected that the Series 1993 Bonds will be available for delivery in New York, New York on or about March 24, 1993.

Ferris, Baker Watts, Incorporated

Dated: March 4, 1993

REDEMPTION OF SERIES 1993 BONDS

Optional Redemption

The Series 1993 A Bonds maturing on or after March 1, 2002, are subject to redemption prior to their stated dates of maturity at the option of the District on or after March 1, 2001, in whole at any time or in part on any interest payment date, and if in part then in such maturities designated by the District and within a maturity by lot, at the respective redemption prices (expressed as percentages of the principal amount to be redeemed) set forth below, plus interest accrued to the date fixed for redemption:

Redemption Periods (Both Dates Inclusive)	Redemption Prices
March 1, 2001 through February 28, 2002	102%
March 1, 2002 through February 28, 2003	101%
March 1, 2003 and thereafter	100%

The Series 1993 B Bonds are subject to redemption prior to their stated date of maturity at the option of the District at any time at par, plus interest accrued to the date fixed for redemption.

The Series 1993 Bonds may be transferred or exchanged only upon the Bond Register maintained at the office of the Registrar, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner in person or by his duly authorized attorney or legal representative. The Registrar may require the registered owner to pay any tax, fee, or other governmental charge levied upon the transfer or exchange and a service charge for certain exchanges. No transfer or exchange is required of any Series 1993 Bond called for redemption.

Notice of any redemption shall be given by the Registrar not less than thirty days nor more than sixty days prior to the date fixed for redemption by registered or certified mail at the address appearing in the Bond Register or at such other address as is furnished in writing by the registered owner to the Registrar. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 1993 Bonds; and failure to mail such notice shall not affect the validity of any such proceedings for any portion of the Series 1993 Bonds with respect to which no such failure has occurred. Notice of redemption having been given in the described manner, interest on the Series 1993 Bonds or portions thereof called for redemption shall cease to accrue on the date fixed for redemption.

Sinking Fund Redemption

The Series 1993 B Bonds due on March 1, 1998 will be subject to mandatory sinking fund redemption prior to maturity at the principal amount thereof plus accrued interest thereon to the date set for redemption from mandatory sinking fund installments paid from the Sinking Fund account on March 1 of the following years in the following amounts:

Year	Sinking Fund Installment
1994	$ 65,000
1995	70,000
1996	75,000
1997	80,000
1998	90,000

The amounts accumulated for any sinking fund installment may be applied by the Trustee prior to the 45th day preceding the due date of such sinking fund installment to the purchase of Series 1993 B Bonds subject to redemption at a price (including any brokerage and other charges) not exceeding the principal amount thereof, plus accrued interest to the date of purchase. Upon any purchase of Series 1993 B Bonds by application of moneys set aside to pay sinking fund installments, an amount equal to the principal amount thereof shall be credited toward the applicable sinking fund installment, and any principal amount of Series 1993 B Bonds purchased or redeemed in excess of such sinking fund installment may be applied toward reduction of any applicable future sinking fund installments as the District may designate.

OFFICIAL STATEMENT DATED OCTOBER 13, 1994

NEW ISSUE

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, and assuming compliance with certain covenants and certifications in the Resolution and tax certificate described herein, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes, and, under existing laws of the State of West Virginia, as presently written and applied, the Bonds are exempt from direct taxation by the State of West Virginia and the other taxing bodies of the State, and the interest on the Bonds is exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia. See "TAX EXEMPTION" herein.

$2,275,000
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
(West Virginia)
Water Revenue Bonds
Series 1994

Dated: September 1, 1994 **Due: September 1, as shown below**

Principal and premium, if any, are payable at the principal office of Bank One, West Virginia, N.A., as registrar and paying agent. Semiannual interest (payable March 1, 1995 and each September 1 and March 1 thereafter) is payable by check or draft mailed to the person in whose name the Series 1994 Bond is registered on the 15th day of the month preceding such interest payment date, or, if requested, in the case of a registered owner of $500,000 or more of the Series 1994 Bonds, by wire transfer to a domestic bank account specified in writing by such registered owner at least 5 days prior to such interest payment date. The Series 1994 Bonds are issuable only in fully registered form, in denominations of $5,000 or any integral multiple thereof for any year of maturity. The Series 1994 Bonds are subject to optional redemption prior to maturity as described herein.

The Series 1994 Bonds and interest thereon are payable only from and secured by the Net Revenues derived from the existing waterworks system of the District and any additions, betterments, extensions and improvements thereto, the moneys in the sinking fund and all accounts therein, including the Reserve Account, and other sources provided in the Resolution, on a parity with the District's outstanding Series 1993 A Bonds. The Series 1994 Bonds do not constitute an indebtedness of the District within the meaning of any constitutional or statutory provision or limitation. The District has no taxing power.

Payment of the principal of and interest on the Series 1994 Bonds when due will be insured by a municipal bond insurance policy to be issued by

AMBAC®

simultaneously with the delivery of the Series 1994 Bonds.

SERIES 1994 BONDS
MATURITY SCHEDULE
$1,085,000 Serial Bonds

Due September 1	Principal Amount	Interest Rates	Price	Due September 1	Principal Amount	Interest Rates	Price
1995	$45,000	3.90%	100%	2003	$ 65,000	5.20%	100%
1996	50,000	4.25	100	2004	70,000	5.30	100
1997	50,000	4.45	100	2005	75,000	5.40	5.45
1998	55,000	4.60	100	2006	80,000	5.50	5.60
1999	55,000	4.75	100	2007	80,000	5.70	5.75
2000	60,000	4.90	100	2008	85,000	5.80	5.90
2001	60,000	5.00	100	2009	90,000	5.90	6.00
2002	65,000	5.10	100	2010	100,000	6.00	6.10

$455,000 6.20% Term Bonds due September 1, 2014 Price: 6.30%
$735,000 6.25% Term Bonds due September 1, 2019 Price: 6.40%
(Accrued interest from September 1, 1994 to be added)

This cover page contains only a brief description of the District, the County, the Bonds and the security therefor. It is not intended to be a summary of material information with respect to the Bonds. Investors should read the entire Official Statement to obtain information necessary to make an informed investment decision.

The Series 1994 Bonds are offered for delivery when, as, and if issued and received by the Underwriter, subject to prior sale, and to withdrawal or modification of the offering, without notice, and to the unqualified approval of their legality by Steptoe & Johnson, Clarksburg, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the District by Martin & Seibert, Martinsburg, West Virginia, District Counsel. It is expected that the Series 1994 Bonds will be available for delivery in New York, New York on or about October 27, 1994.

Ferris, Baker Watts, Incorporated

ANNUAL DEBT SERVICE REQUIREMENTS

SERIES 1994 BONDS

	Series 1994 Bonds		
Year	Principal	Interest	Debt Service
1995	$ 45,000.00	$130,990.00	$175,990.00
1996	50,000.00	129,235.00	179,235.00
1997	50,000.00	127,110.00	177,110.00
1998	55,000.00	124,885.00	179,885.00
1999	55,000.00	122,355.00	177,355.00
2000	60,000.00	119,742.50	179,742.50
2001	60,000.00	116,802.50	176,802.50
2002	65,000.00	113,802.50	178,802.50
2003	65,000.00	110,487.50	175,487.50
2004	70,000.00	107,107.50	177,107.50
2005	75,000.00	103,397.50	178,397.50
2006	80,000.00	99,347.50	179,347.50
2007	80,000.00	94,947.50	174,947.50
2008	85,000.00	90,387.50	175,387.50
2009	90,000.00	85,457.50	175,457.50
2010	100,000.00	80,147.50	180,147.50
2011	105,000.00	74,147.50	179,147.50
2012	110,000.00	67,637.50	177,637.50
2013	115,000.00	60,817.50	175,817.50
2014	125,000.00	53,687.50	178,687.50
2015	130,000.00	45,937.50	175,937.50
2016	140,000.00	37,812.50	177,812.50
2017	145,000.00	29,062.50	174,062.50
2018	155,000.00	20,000.00	175,000.00
2019	165,000.00	10,312.50	175,312.50
Total	$2,275,000.00	$2,155,617.50	$4,430,617.50

REDEMPTION OF SERIES 1994 BONDS

Optional Redemption

The Series 1994 Bonds maturing on or after September 1, 2005, are subject to redemption prior to their stated dates of maturity at the option of the District on or after September 1, 2004, in whole at any time or in part on any interest payment date, and if in part then in such maturities designated by the District and within a maturity by lot, at the respective redemption prices (expressed as percentages of the principal amount to be redeemed) set forth below, plus interest accrued to the date fixed for redemption:

Redemption Periods (Both Dates Inclusive)	Redemption Prices
September 1, 2004 through August 31, 2005	102%
September 1, 2005 through August 31, 2006	101%
September 1, 2006 and thereafter	100%

The Series 1994 Bonds may be transferred or exchanged only upon the Bond Register maintained at the office of the Registrar, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner in person or by his duly authorized attorney or legal representative. The Registrar may require the registered owner to pay any tax, fee, or other governmental charge levied upon the transfer or exchange and a service charge for certain exchanges. No transfer or exchange is required of any Series 1994 Bond called for redemption.

Notice of any redemption shall be given by the Registrar not less than thirty days nor more than sixty days prior to the date fixed for redemption by first class mail at the address appearing in the Bond Register or at such other address as is furnished in writing by the registered owner to the Registrar. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Series 1994 Bonds; and failure to mail such notice shall not affect the validity of any such proceedings for any portion of the Series 1994 Bonds with respect to which no such failure has occurred. Notice of redemption having been given in the described manner, interest on the Series 1994 Bonds or portions thereof called for redemption shall cease to accrue on the date fixed for redemption.

Sinking Fund Redemption

The Series 1994 Bonds due on September 1, 2014 and September 1, 2019 will be subject to mandatory sinking fund

redemption prior to maturity at the principal amount thereof plus accrued interest thereon to the date set for redemption from mandatory sinking fund installments paid from the Sinking Fund account on September 1 of the following years in the following amounts:

Year	Sinking Fund Installment
2011	$105,000
2012	110,000
2013	115,000
2014	125,000
2015	$130,000
2016	140,000
2017	145,000
2018	155,000
2019	165,000

The amounts accumulated for any sinking fund installment may be applied by the Paying Agent prior to the 45th day preceding the due date of such sinking fund installment to the purchase of Series 1994 Bonds subject to redemption at a price (including any brokerage and other charges) not exceeding the principal amount thereof, plus accrued interest to the date of purchase. Upon any purchase of Series 1994 Bonds by application of moneys set aside to pay sinking fund installments, an amount equal to the principal amount thereof shall be credited toward the applicable sinking fund installment, and any principal amount of Series 1994 Bonds purchased or redeemed in excess of such sinking fund installment may be applied toward reduction of any applicable future sinking fund installments as the District may designate.

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW
Clarksburg Charleston Morgantown Martinsburg Wheeling Parkersburg

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

Writer's Contact Information

COPY

April 29, 2003

$3,360,000
Berkeley County Public Service District (West Virginia)
Water Refunding Revenue Bonds,
Series 2003A (Bank Qualified) and
Series 2003 B (Non-Bank Qualified)

Via Hand Delivery
Mr. R. Witter Hallan, Executive Director
West Virginia Municipal Bond Commission
8 Capitol Street, Suite 500, Terminal Building
Charleston, WV 25301

Dear Witter:

Please be advised that Berkeley County Public Service District (the "District") intends to issue the above-captioned bonds (the "Series 2003 Bonds") for the purpose of currently refunding all of its outstanding Water Refunding Revenue Bonds, Series 1993 A, dated March 1, 1993, to June 15, 2003, at which time they will be redeemed in full and to advance refund all of its outstanding Water Revenue Bonds, Series 1994, dated September 1, 1994, to September 1, 2004, at which time they will be redeemed in full. The Series 2003 Bonds will be purchased by Ross, Sinclaire & Associates, of Frankfort, Kentucky.

The closing for the above-referenced bonds is scheduled for April 30, 2003. Please accept the letter of Ross, Sinclaire & Associates of April 28, 2003 as the letter of instructions regarding the aforementioned refundings and you are hereby authorized to make the funds transfers and securities purchases set forth therein.

Please accept this letter as the recognition and affirmation by the District that the West Virginia Municipal Bond Commission was not involved in any way with the bidding and/or provision of the treasury securities utilized for the refundings. The treasury securities were selected through a bidding agent.

Finally, please find enclosed herein copies of the authorizing Resolution, Supplemental Resolutions, the Prepayment Agreement, the Escrow Agreement, the Joint Certificates of the District and the Commission and the Verification Report.

Thank you for your attention to this letter and cooperation with the issues set forth herein. If you have any questions regarding any aspect of this transaction, please do not hesitate to call.

My best regards.

Very truly yours,

John C. Stump

JCS/bal
Enclosures
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$3,360,000

BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)

Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified)
and
Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified)

PREPAYMENT AGREEMENT FOR SERIES 1993 A BONDS

This PREPAYMENT AGREEMENT (the "Agreement"), made and entered into as of April 30, 2003, by and between BERKELEY COUNTY PUBLIC SERVICE DISTRICT (the "Issuer") and the WEST VIRGINIA MUNICIPAL BOND COMMISSION (the "Commission").

W I T N E S E T H T H A T:

WHEREAS, the Issuer presently owns and operates a public waterworks system (the "System") and has heretofore financed the acquisition and construction of the System and certain additions, extensions and improvements thereto by issuance of several series of bonds;

WHEREAS, the Issuer has determined that substantial debt service savings can be obtained through the current refunding of its Water Refunding Revenue Bonds, Series 1993 A, dated March 1, 1993, originally issued in the aggregate principal amount of $3,350,000, of which $1,330,000 is presently outstanding (the "Series 1993 A Bonds");

WHEREAS, the Issuer has determined to issue its Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified) (the "Series 2003 A Bonds") and its Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified) (collectively, the "Series 2003 Bonds"), pursuant to a bond resolution adopted on April 14, 2003, as supplemented (collectively, the "2003 Resolution"), and contemporaneously therewith, prepay and defease the Series 1993 A Bonds by depositing a portion of the proceeds of the Series 2003 A Bonds with the Commission; and

WHEREAS, the cash amounts which will be delivered to the Commission simultaneously with the delivery of the Series 2003 A Bonds, along with funds currently on deposit with the Commission, are in such amounts as to insure the payment on June 15, 2003 (the "Redemption Date"), of the entire principal amount of the Series 1993 A Bonds then outstanding, the redemption premium and all interest accrued thereon (collectively, the "Redemption Price");

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and in order further to secure payment of the Series 1993 A Bonds, as heretofore provided, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives, successors and assigns, as follows:

1. The deposit of moneys with the Commission shall constitute an irrevocable deposit of such moneys in trust for, and such moneys shall be applied to, the payment of the Redemption Price of the Series 1993 A Bonds on the Redemption Date.

2. Concurrently with the delivery of the Series 2003 Bonds, the Issuer shall deposit proceeds of the Series 2003 A Bonds in the amount of $1,330,000 in the Series 1993 A Bonds Sinking Fund. This deposit, along with a portion of the existing balance in the Series 1993 A Bonds Reserve Account of $19,308.07 (for a total of $1,349,308.07) will be sufficient to pay the Redemption Price of the Series 1993 A Bonds on the Redemption Date.

3. Monies remaining in the Series 1993 A Bonds Sinking Fund shall be transferred to the Series 2003 A Bonds Sinking Fund. Monies remaining in the Series 1993 A Bonds Reserve Account shall be transferred to the Series 2003 A and Series 2003 B Bonds Reserve Account.

4. The Commission as Paying Agent for the Series 1993 A Bonds shall apply the moneys in the Series 1993 A Bonds Sinking Fund to the payment in full on June 15, 2003, of the Redemption Price of the Series 1993 A Bonds.

5. The Commission will request the Registrar of the Series 1993 A Bonds to provide a notice of redemption by registered or certified mail to the registered owners of the Series 1993 A Bonds and any bond insurer of the Series 1993 A Bonds not more than 60 days nor less than 30 days prior to the Redemption Date, in accordance with the requirements of the 1993 Resolution.

6. The holders of the Series 1993 A Bonds shall have an express lien on all moneys and assets in the Series 1993 A Bonds Sinking Fund until paid out, used and applied in accordance with this Agreement.

7. This Agreement shall terminate on the date on which all the Outstanding Series 1993 A Bonds have been redeemed, paid in full and discharged. Upon termination of this Agreement, any moneys remaining in the Series 1993 A Bonds Sinking Fund at the Commission after payment of administrative fees shall be transferred to the Issuer.

8. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

9. This Agreement is made in the State of West Virginia under the Constitution and laws of such State and is to be so construed.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

Chairman

WEST VIRGINIA MUNICIPAL BOND COMMISSION

Executive Director

04/27/03
067780/00002

R | S | A

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fax: 270/247-0700

1900 Envoy Circle
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Louisville, KY
40299

502/491-3939
fax: 502/491-9979

April 28, 2003

VIA OVERNIGHT COURIER

R. Witter Hallan, Executive Director
West Virginia Municipal Bond Commission
8 Capital Street
Charleston, WV 25301

RE: $1,330,000 Berkeley County Public Service Water Refunding Revenue Bonds, Series 2003A;

$2,030,000 Berkeley County Public Service Water Refunding Revenue Bonds, Series 2003B

Dear Mr. Hallan:

Enclosed herewith are certain schedules in connection with the above-referenced Series of Bonds which are scheduled for delivery on April 30, 2003. The Bonds are being issued to refund the District's outstanding BCPSWD Series 1993A and BCPSWD Series 1994 Bonds (the "Prior Bonds").

The Bonds will be cleared through the Depository Trust Company (DTC). Ross, Sinclaire & Associates (RSA), as Underwriter, has made an application to DTC to qualify the issue. Melissa Seidt, closing coordinator with our Firm, will contact you on the date of closing to confirm receipt of the correct Proceeds amount and advise DTC via a conference call to release the Bond certificates.

Proceeds of the Bonds will be distributed in the form of two wires: (1) $3,217,790.10 to the WVMBC as Paying/Escrow Agent and (2) $92,016.94 to the Cost of Issuance Bank.

As the Paying Agent you will then distribute the following sources of funds in the amounts listed below to the appropriate Bond Funds on the closing date:

Sources:	
Portion of Series 2003A & 2003B Proceeds	$3,217,790.10
Series 1993A DSR Fund Principal Amount	$291,060.00
Series 1993A Sinking Fund - March 2003 Payment	$24,019.17
Series 1994 DSR Fund	$177,147.50
Series 1994 Sinking Fund - March 2003 Payment	$14,623.96
Total:	$3,724,640.73
Uses:	
Deposit Escrow Beginning Cash to Escrow Fund	$1,709.64
Deposit Escrow Securities Purchase Price to Escrow Fund	$3,354,956.53
Deposit Accrued & Portion of Series 1993A Sinking Fund Balance to Series 2003A Sinking Fund	$26,335.95
Deposit Accrued, Contingency & Portion of Series 1994 Sinking Fund Balance to Series 2003B Sinking Fund	$21,816.15
Fund Series 2003A & 2003B Combined DSR Fund	$319,822.46
Totals:	$3,724,640.73

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NASD MEMBER FIRM

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As Escrow Agent, you will then purchase the required securities to defease the Prior Bonds as presented on pages 21 and 30 of the enclosed schedules. The security provider is Dolphin & Bradbury, Inc. and your contact is Daniel C. Kluger at (800) 220-2663. Wiring instructions for the purchase are listed below:

Bank of New York / FCCORP
DTC # 0141
ABA # 021000018
Account No. 1504-7556

Upon the Purchase of the Securities the Prior Bonds will be defeased and no further payments from the District will be required. Rather, Proceeds from the Escrow Securities combined with the Beginning Cash Amount will then be used to pay any remaining payments on the Prior Bonds to their respective call dates. The cash flows of the Escrow for each of the Prior Series is presented on pages 23 and 32 of the enclosed schedules.

The District will then be making payments in accordance to the new payment schedules on page 13 and 16 of the enclosed schedules. A monthly breakdown of each Sinking Fund Cash Flows is depicted in the Master Sinking Fund Schedule as an attachment.

If you have any further questions concerning the schedules or the information above, please feel free to contact me at (800) 255-0795.

Yours truly,

Brian Nurick
Senior Vice President

enclosure

cc: Paul Fisher, Executive Director
Hoy Shingleton, Equire
Vincent A. Collins, Esquire
John C. Stump, Esquire
Samme Gee, Esquire
David Decker, CPA
Daniel C. Kluger, Senior Vice President
Melissa Seidt, Closing Coordinator

$3,360,000

BERKELEY COUNTY PUBLIC SERVICE DISTRICT (WEST VIRGINIA)

Water Refunding Revenue Bonds, Series 2003 A (Bank Qualified)
and
Water Refunding Revenue Bonds, Series 2003 B (Non-Bank Qualified)

JOINT CERTIFICATE OF THE ISSUER AND PREPAYMENT AGENT FOR
BERKELEY COUNTY PUBLIC SERVICE DISTRICT
WATER REFUNDING REVENUE BONDS, SERIES 1993 A

The undersigned Chairman of BERKELEY COUNTY PUBLIC SERVICE DISTRICT, a public corporation, public service district and political subdivision of the State of West Virginia in Berkeley County of said State (the "Issuer"), and the undersigned R. Witter Hallan, Executive Director of the WEST VIRGINIA MUNICIPAL BOND COMMISSION (the "Prepayment Agent"), hereby jointly certify as follows in connection with the above-captioned Bond issue:

1. We have executed the Prepayment Agreement between the Issuer and the Prepayment Agent, dated April 30, 2003 (the "Prepayment Agreement"), on behalf of the Issuer and the Prepayment Agent, respectively.

2. The Prepayment Agent has the authority to act as Prepayment Agent for and in connection with the Series 1993 A Bonds (defined under the Prepayment Agreement) and has the requisite powers to carry out its duties under the Prepayment Agreement, and the Prepayment Agreement has been duly and validly authorized, executed and delivered by the Prepayment Agent, and assuming due authorization, execution and delivery thereof by the Issuer, the Prepayment Agreement constitutes a valid and legally binding obligation of the Prepayment Agent, enforceable in accordance with its terms.

3. The funds on deposit in the Prepayment Fund established by the Prepayment Agreement have been invested as provided in the Prepayment Agreement.

4. The invested funds are sufficient to fully pay the Series 1993 A Bonds, including payment of the principal of, redemption premium and interest on the Series 1993 A Bonds on June 15, 2003, and the liens of the Series 1993 A Bonds and the ordinance pursuant to which the Series 1993 A Bonds were issued have been discharged.

WITNESS our signatures on this 30th day of April, 2003.

BERKELEY COUNTY PUBLIC SERVICE DISTRICT

Chairman

WEST VIRGINIA MUNICIPAL BOND COMMISSION

Executive Director

04/27/03
067780/00002

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