

**BLUEWELL PUBLIC SERVICE DISTRICT**

**Water Revenue Bonds  
Series 2000  
(West Virginia DWTRF Program)**

**Date of Closing: August 29, 2000**

**BOND TRANSCRIPT**

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**BLUEWELL PUBLIC SERVICE DISTRICT**

**Water Revenue Bonds, Series 2000  
(West Virginia DWTRF Program)**

**BOND TRANSCRIPT**

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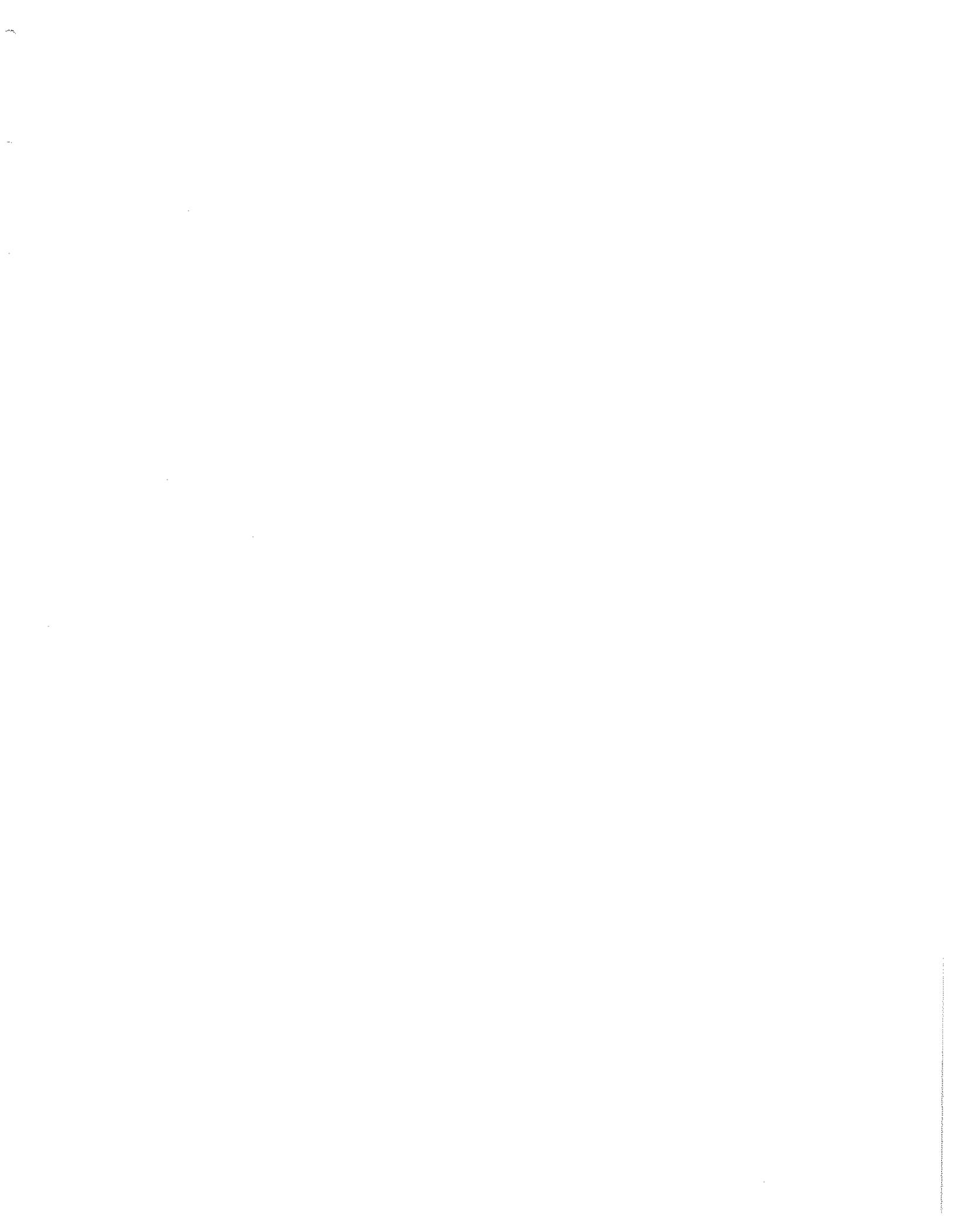
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**BLUEWELL PUBLIC SERVICE DISTRICT**

**WATER REVENUE BONDS, SERIES 2000  
(WEST VIRGINIA DWTRF PROGRAM)**

**BOND RESOLUTION**

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BLUEWELL PUBLIC SERVICE DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF BLUEWELL PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$1,275,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2000 (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF BLUEWELL PUBLIC SERVICE DISTRICT:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

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

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

A. Bluewell Public Service District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Mercer County of said State.

B. The Issuer presently owns and operates a public waterworks system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain extensions, additions, betterments and improvements to the existing public waterworks system of the Issuer, consisting of water distribution facilities to serve the existing water customers of the Town of Bramwell, the existing customers of the Bluewell Community Water System and the River Road area of Mercer County, including the purchase of certain assets of the public waterworks system of the Town of Bramwell as provided in that certain Intergovernmental Agreement dated as of August 30, 1999, together with all appurtenant facilities (collectively, the "Project") (the Project and any further improvements or extensions thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Drinking Water Treatment Revolving Fund pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2000 (West Virginia DWTRF Program), in the total aggregate principal amount of not more than \$1,275,000 (the "Series 2000 Bonds"), to be initially represented by a single bond, to permanently finance a portion of the costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2000 Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2000 Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the Administrative Fee (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2000 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs

prior to the issuance of the Series 2000 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 35 years.

F. It is in the best interests of the Issuer that its Series 2000 Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Bureau for Public Health (the "BPH"), in form satisfactory to the Issuer, the Authority and the BPH (the "Loan Agreement"), to be approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2000 Bonds as to liens, pledge, source of and security for payment, being the Issuer's (1) Waterworks Revenue Bond, Series A, dated September 2, 1964, issued in the original aggregate principal amount of \$768,460 (the "Series 1964 Bond"); (2) Water Revenue Bond, Series 1982, dated April 20, 1982, issued in the original aggregate principal amount of \$1,625,000 (the "Series 1982 Bond"); (3) Water Revenue Bond, Series 1993, dated July 15, 1993, issued in the original aggregate principal amount of \$311,000 (the "Series 1993 Bond"); (4) Water Revenue Bond, Series 1998 A, dated January 26, 1998, issued in the original aggregate principal amount of \$480,000 (the "Series 1998 A Bond"); and (5) Water Revenue Bond, Series 1998 B, dated January 26, 1998, issued in the original aggregate principal amount of \$142,000 (the "Series 1998 B Bond"), all held by the United States Department of Agriculture. The Series 1964 Bond, the Series 1982 Bond, the Series 1993 Bond, the Series 1998 A Bond and the Series 1998 B Bond are hereinafter collectively called the "Prior Bonds".

Prior to the issuance of the Series 2000 Bonds, the Issuer will obtain the written consent of the Holder of the Prior Bonds to the issuance of the Series 2000 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest, if any, on the Bonds (as hereinafter defined) and payments into all funds and accounts and other payments provided for herein and in the Prior Ordinances (as hereinafter defined).

I. In lieu of funding the Reserve Account (as hereinafter defined) with cash, the Issuer may obtain letters of credit, surety bonds or other credit facility for the benefit of the Commission to be drawn upon in the event that at any time payments are

inadequate to provide funds for the Issuer to make all payments required hereunder and in the Loan Agreement.

J. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2000 Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2000 Bonds or such final order will not be subject to appeal or rehearing.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2000 Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2000 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

"Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement for the Series 2000 Bonds.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2000 Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the

functions of the Authority, acting in its administrative capacity and upon authorization from the BPH under the Act.

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

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

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

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

"Bonds" means, collectively, the Series 2000 Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

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

"BPH" means the West Virginia Bureau for Public Health, a division of the West Virginia Department of Health and Human Resources, or any successor thereto.

"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 2000 Bonds for all or a portion of the proceeds of the Series 2000 Bonds from the Authority.

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

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

"Consulting Engineers" means Pentree, Inc., Princeton, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time

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

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

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

"Depreciation Reserve" means the Depreciation Reserve created by Prior Resolutions and continued hereby.

"DWTRF Regulations" means the DWTRF regulations set forth in the West Virginia Code of State Regulations, as amended from time to time.

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

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

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

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

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

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

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

"Investment Property" means:

- (A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),
- (B) any obligation,
- (C) any annuity contract,
- (D) any investment-type property, or
- (E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

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

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

"Loan Agreement" means, the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the BPH, providing for the purchase of the Series 2000 Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Net Proceeds" means the face amount of the Series 2000 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2000 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 2000 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, the Administrative Fee, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed 1/6th of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital; provided that all monthly amortization payments upon the Bonds and the Prior Bonds and into the Reserve Account and Depreciation Reserve have been made to the last monthly payment date prior to the date of such retention.

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

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2000 Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Series 1964 Bond, the Series 1982 Bond, the Series 1993 Bond, the Series 1998 A Bond and the Series 1998 B Bond.

"Prior Resolutions" means, collectively, the resolution of the Issuer adopted August 25, 1964, authorizing the Series 1964 Bond, the resolution of the Issuer adopted April 20, 1982, authorizing the Series 1982 Bond, the resolution of the Issuer adopted July 15, 1993, authorizing the Series 1993 Bond, and the resolution of the Issuer adopted January 26, 1998, authorizing the Series 1998 A Bonds and the Series 1998 B Bonds.

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

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

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

(a) Government Obligations;

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

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

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

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

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2000 Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts to be on deposit in any Reserve Account for the Prior Bonds and the Series 2000 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 1964 Bond" means the outstanding Waterworks Revenue Bond, Series A, of the Issuer described in Section 1.02G hereof.

"Series 1982 Bond" means the outstanding Water Revenue Bond, Series 1982, of the Issuer described in Section 1.02G hereof.

"Series 1993 Bond" means the outstanding Water Revenue Bond, Series 1993, of the Issuer described in Section 1.02G hereof.

"Series 1998 A Bond" means the outstanding Water Revenue Bond, Series 1998 A, of the Issuer described in Section 1.02G hereof.

"Series 1998 B Bond" means the outstanding Water Revenue Bond, Series 1998 B, of the Issuer described in Section 1.02G hereof.

"Series 2000 Bonds" means the Water Revenue Bonds, Series 2000 (West Virginia DWTRF Program), of the Issuer, authorized by this Resolution.

"Series 2000 Bonds Construction Trust Fund" means the Series 2000 Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2000 Bonds Sinking Fund" means the Series 2000 Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2000 Bonds Reserve Account" means the Series 2000 Bonds Reserve Account established by Section 5.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 2000 Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2000 Bonds, and not so included, may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, any sinking funds, reserve accounts or the Depreciation Reserve.

"System" means the existing waterworks of the Issuer as improved, extended, enlarged and expanded by the Project, and includes the complete waterworks system of the Issuer and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the waterworks system of the Issuer.

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

"West Virginia DWTRF Program" means the West Virginia Drinking Water Treatment Revolving Fund program established by the State, administered by the BPH and funded by capitalization grants awarded to the State pursuant to the federal Safe Drinking Water Act, as amended, for the purpose of establishing and maintaining a permanent perpetual fund for the acquisition, construction and improvement of drinking water projects.

Additional terms and phrases are defined in this Resolution as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neuter gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Chairman or the Secretary shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Chairman or Acting Secretary.

## ARTICLE II

### AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

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

There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of \$2,525,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2000 Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and has entered into or will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Authority and the BPH.

The cost of the Project is estimated to be \$2,525,000, of which \$1,275,000 will be obtained from proceeds of the Series 2000 Bonds, and \$1,250,000 will be obtained from a grant by the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia).

### ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2000 Bonds, funding the Series 2000 Bond Reserve Account, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2000 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the Series 2000 Bonds of the Issuer. The Series 2000 Bonds shall be issued as a single bond, designated as "Water Revenue Bonds, Series 2000 (West Virginia DWTRF Program)," in the principal amount of not more than \$1,275,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2000 Bonds remaining after funding of the Series 2000 Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2000 Bonds, if any, shall be deposited in or credited to the Series 2000 Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2000 Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2000 Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2000 Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2000 Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2000 Bonds. The Series 2000 Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2000 Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2000 Bonds shall cease to be such officer of the Issuer before the Series 2000 Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2000 Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2000 Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2000 Bonds and the Series 2000 B Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2000 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2000 Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that such Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2000 Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Series 2000 Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2000 Bonds or transferring the registered Series 2000 Bonds are exercised, all Series 2000 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2000 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2000 Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2000 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2000 Bonds or, in the case of any proposed redemption of Series 2000 Bonds, next preceding the date of the selection of Series 2000 Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2000 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2000 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2000 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2000 Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of all Series 2000 Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on a parity with the lien on Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2000 Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2000 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2000 Bonds to the original purchasers upon receipt of the documents set forth below:

- A. If other than the Authority, a list of the names in which the Series 2000 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;
- B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2000 Bonds to the original purchasers;
- C. An executed and certified copy of the Bond Legislation;
- D. An executed copy of the Loan Agreement; and
- E. The unqualified approving opinion of bond counsel on the Series 2000 Bonds.

Section 3.10. Form of Bonds. The text of the Series 2000 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
BLUEWELL PUBLIC SERVICE DISTRICT  
WATER REVENUE BONDS, SERIES 2000  
(WEST VIRGINIA DWTRF PROGRAM)

No. R- \_\_\_\_\_

\$ \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS: That BLUEWELL PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Mercer County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing \_\_\_\_\_ 1, 20\_\_\_\_, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing \_\_\_\_\_ 1, 20\_\_\_\_, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated \_\_\_\_\_, 2000.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing

public waterworks system of the Issuer (the "Project"); (ii) [to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii)] to pay certain costs of issuance hereof and related costs. The Project and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on \_\_\_\_\_, 2000, and a Supplemental Resolution duly adopted by the Issuer on \_\_\_\_\_, 2000 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (1) WATERWORKS REVENUE BOND, SERIES A, DATED SEPTEMBER 2, 1964, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$768,460; (2) WATER REVENUE BOND, SERIES 1982, DATED APRIL 20, 1982, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,625,000; (3) WATER REVENUE BOND, SERIES 1993, DATED JULY 15, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$311,000; (4) WATER REVENUE BOND, SERIES 1998 A, DATED JANUARY 26, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$480,000; AND (5) WATER REVENUE BOND, SERIES 1998 B, DATED JANUARY 26, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$142,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Series 2000 Bonds (the "Series 2000 Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 2000 Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together

with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided that, in the event amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2000 Bonds Reserve Account and any reserve accounts for obligations on a parity with the Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

**IT IS HEREBY CERTIFIED, RECITED AND DECLARED** that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond do exist, have happened, and have been performed in due time, form

and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

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

IN WITNESS WHEREOF, BLUEWELL PUBLIC SERVICE DISTRICT  
has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto  
affixed and attested by its Secretary, and has caused this Bond to be dated \_\_\_\_\_,  
2000.

[SEAL]

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000 Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: \_\_\_\_\_, 2000.

ONE VALLEY BANK, NATIONAL  
ASSOCIATION, as Registrar

\_\_\_\_\_  
Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_

In the presence of:

\_\_\_\_\_

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2000 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "EXHIBIT A" and made a part hereof, and the Secretary is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved and incorporated into this Bond Legislation.

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

ARTICLE IV

[RESERVED]

## ARTICLE V

### FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

- (1) Revenue Fund (established by the Prior Resolutions);
- (2) Reserve Fund (established by the Prior Resolutions);
- (3) Depreciation Reserve (established by the Prior Resolutions); and
- (4) Series 2000 Bonds Construction Trust Fund.

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

- (1) Series 2000 Bonds Sinking Fund; and
- (2) Within the Series 2000 Bonds Sinking Fund, the Series 2000 Bonds Reserve Account

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and in the Prior Resolutions 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 in this Bond Legislation and in the Prior Resolutions. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the National Finance Office the amounts required by the Prior Resolutions to pay the interest on and principal of the Prior Bonds; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2000 Bonds, remit to the Commission for deposit in the Series 2000 Bonds Sinking Fund, an amount equal to 1/3 of the amount of principal which will mature and become due on the Series 2000 Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2000 Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Depository Bank the amount required by the Prior Resolutions to be deposited in the Reserve Fund for the Prior Bonds; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2000 Bonds, if not fully funded upon issuance of the Series 2000 Bonds, remit to the Commission for deposit in the Series 2000 Bonds Reserve Account, an amount equal to 1/120 of the Series 2000 Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2000 Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2000 Bonds Reserve Requirement.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund, and simultaneously remit to the Depository Bank for deposit in the Depreciation Reserve (i) the amount required by the Prior Resolutions to be deposited in the Depreciation Reserve for the Prior Bonds; and (ii) an amount equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account, so long as the Series 2000 Bonds are outstanding. All funds in the Depreciation Reserve shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and

disbursements may be made from the Depreciation Reserve 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 accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with moneys from the Depreciation Reserve.

(5) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, any moneys remaining therein and not permitted to be retained therein may be used to prepay installments of the Bonds, pro rata, or for any lawful purpose of the System.

Moneys in the Series 2000 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2000 Bonds as the same shall become due. Moneys in the Series 2000 Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2000 Bonds as the same shall come due, when other moneys in the Series 2000 Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2000 Bonds Sinking Fund shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2000 Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2000 Bonds and then to the next ensuing principal payment due thereon.

As and when additional Bonds ranking on a parity with the Series 2000 Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional parity Bonds.

The Issuer shall not be required to make any further payments into the Series 2000 Bonds Sinking Fund when the aggregate amount of funds therein are at least equal to the respective aggregate principal amount of the Series 2000 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2000 Bonds and the Prior Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2000 Bonds Sinking Fund and the Series 2000 Bonds Reserve Account created hereunder, and all amounts required for said funds shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2000 Bonds Sinking Fund and the Series 2000 Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2000 Bonds Sinking Fund and the Series 2000 Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2000 Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 2000 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement.

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

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

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

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

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 2000 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2000 Bonds, there shall first be deposited with the Commission in the Series 2000 Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2000 Bonds for the period commencing on the date of issuance of the Series 2000 Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2000 Bonds, there shall be deposited with the Commission in the Series 2000 Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2000 Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2000 Bonds, such moneys shall be deposited with the Depository Bank in the Series 2000 Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2000 Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2000 Bonds shall be applied as directed by the BPH.

Section 6.02. Disbursements From the Bond Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the BPH a report listing the specific purposes for which the proceeds of the Series 2000 Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for the costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2000 Bonds Construction Trust Fund shall be made only after submission to the BPH of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement, in compliance with the construction schedule, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

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

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

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

Pending such application, moneys in the Series 2000 Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

## ARTICLE VII

### ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01.      General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2000 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2000 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2000 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02.      Bonds not to be Indebtedness of the Issuer. The Series 2000 Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2000 Bonds, shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2000 Bonds or the interest, if any, thereon.

Section 7.03.      Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 2000 Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Prior Bonds and the Series 2000 Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04.      Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Order of the Public Service Commission of West Virginia entered August 9, 2000 (Case No. 99-1761-PWD-CN), and such rates are hereby adopted.

So long as the Series 2000 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the

Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2000 Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, except as provided in the Prior Resolutions. Additionally, so long as the Series 2000 Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the BPH, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2000 Bonds, immediately be remitted to the Commission for deposit in the Series 2000 Bonds Sinking Fund, and, with the written permission of the Authority and the BPH, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2000 Bonds. Any balance remaining after the payment of the Series 2000 Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of \$10,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of \$10,000 but not in excess of \$50,000, the Issuer shall first, in writing, determine upon consultation with a professional engineer that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. 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 consent of the BPH and the Authority, be remitted to the

Commission for deposit in the Depreciation Reserve. Payment of such proceeds into the Revenue Fund or the Depreciation Reserve shall not reduce the amounts required to be paid into such funds by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2000 Bonds and the Prior Bonds. All obligations issued by the Issuer after the issuance of the Series 2000 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 2000 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 2000 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 2000 Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Resolutions shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2000 Bonds, except with the prior written consent of the Authority and the BPH under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2000 Bonds.

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

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Secretary a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall be 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 following:

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

The "estimated average increased annual Net Revenues expected to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates adopted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Secretary prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12 consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds theretofore or

subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

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

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

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

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

The Issuer shall keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable

times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

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

The Issuer shall file with the BPH, the Authority, or any other original purchaser of the Series 2000 Bonds, and shall mail in each year to any Holder or Holders of the Series 2000 Bonds and the Consulting Engineer, requesting the same, an annual report containing the following:

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2000 Bonds, and shall submit said report to the BPH and the Authority, or any other original purchaser of the Series 2000 Bonds. Such audit report submitted to the BPH and the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

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

The Issuer shall provide the BPH with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in Exhibit D of the Loan Agreement for the Series 2000 Bonds or as promulgated from time to time.

Section 7.09.      Rates. Prior to the issuance of the Series 2000 Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2000 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2000 Bonds, including the Prior Bonds; provided that, in the event amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2000 Bonds Reserve Account and any reserve accounts for obligations on a parity with the Series 2000 Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2000 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2000 Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10.      Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare

and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the BPH within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the BPH and to any Holder of any Bonds, within 30 days of adoption thereof, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the BPH and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

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

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the BPH, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the BPH is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

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

Unless otherwise waived by the BPH, the Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the BPH in writing of such receipt.

Unless otherwise waived by the BPH, the Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the DWTRF Regulations, to the BPH when the Project is 90% completed. The Issuer shall at all times provide operation and maintenance of the System in compliance with all State and federal standards.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the BPH in writing of the certified operator employed at the 50% completion stage.

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

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

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

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

Section 7.15.      Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2000 Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and

such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(4) FLOOD INSURANCE, if the facilities of the System are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

(5) BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

(6) FIDELITY BONDS will be provided as to every officer, member and employee of the Issuer or the Governing Body having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

B. The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction.

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

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Section 7.17. Completion, Operation and Maintenance of Project; Permits and Orders. The Issuer shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards. The Issuer shall take all steps to properly operate and maintain the System and make the necessary replacements due to normal wear and tear so long as the Series 2000 Bonds are outstanding.

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

Section 7.18. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2000 Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon delivery of the Series 2000 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.19. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer shall provide the BPH with copies of all documents submitted to the Authority.

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

Section 7.20. Securities Laws Compliance. The Issuer shall provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2000 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the BPH for written approval. The Issuer shall obtain the written approval of the BPH before expending any proceeds of the Series 2000 Bonds held in "contingency" as set forth in the schedule attached to the Certificate of Consulting Engineer. The Issuer shall also obtain the written approval of the BPH before expending any proceeds of the Series 2000 Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding provided by the BPH and the Authority in any press release, publication, program bulletin, sign or other public communication that

references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

## ARTICLE VIII

### INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2000 Bonds are Outstanding.

Section 8.02.      Certificate and Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2000 Bonds as a condition to issuance of the Series 2000 Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2000 Bonds as may be necessary in order to maintain the status of the Series 2000 Bonds as public purpose bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2000 Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, the Council or the BPH, as the

case may be, from which the proceeds of the Series 2000 Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, the Council or the BPH, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

## ARTICLE IX

### DEFAULT AND REMEDIES

Section 9.01.      Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2000 Bonds :

- (1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2000 Bonds; or
- (2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2000 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2000 Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or
- (3) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or
- (4) If default occurs with respect to the Prior Bonds or the Prior Resolutions.

Section 9.02.      Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 2000 Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2000 Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2000 Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2000 Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2000 Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03.      Appointment of Receiver. Any Registered Owner of a Series 2000 Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and

after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Series 2000 Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Series 2000 Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Series 2000 Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Series 2000 Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of the System shall remain in the Issuer, and no

court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

## ARTICLE X

### PAYMENT OF BONDS

Section 10.01.     Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2000 Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2000 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

## ARTICLE XI

### MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2000 Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2000 Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2000 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2000 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2000 Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2000 Bonds, required for consent to the above-permitted amendments or modifications.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2000 Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 2000 Bonds.

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

Section 11.05. Notices. All notices to be sent to the Issuer, the Authority or the BPH shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail, postage prepaid, addressed as follows:

ISSUER:

Bluewell Public Service District  
Post Office Box 3066  
Bluefield, West Virginia 24701  
Attention: Chairman

AUTHORITY:

West Virginia Water Development Authority  
180 Association Drive  
Charleston, West Virginia 25311-1571  
Attention: Director

BPH:

West Virginia Bureau for Public Health  
815 Quarrier Street, Suite 418  
Charleston, West Virginia 25301  
Attention: Environmental Engineering

All notices to be sent to the BPH hereunder, shall also be sent to the Authority.

Section 11.06. Conflicting Provisions Repealed. All orders or resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Resolution and the Prior Resolutions, the Prior Resolutions shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Resolution do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Chairman, Secretary and members of the Governing Body were at all times when any actions in connection with this Resolution occurred and are duly in office and duly qualified for such office.

Section 11.08. Public Notice of Proposed Financing. Prior to making formal application to the Public Service Commission of West Virginia for a Certificate of Public Convenience and Necessity and adoption of this Resolution, the Secretary of the Governing Body shall have caused to be published in a newspaper of general circulation in each municipality in Bluewell Public Service District and within the boundaries of the District, a Class II legal advertisement stating:

(a) The maximum amount of the Series 2000 Bonds to be issued;

(b) The maximum interest rate and terms of the Series 2000 Bonds authorized hereby;

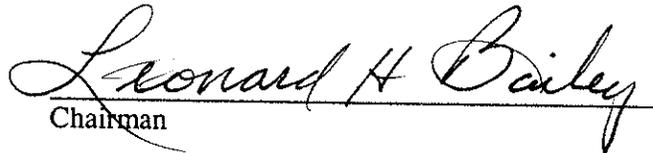
(c) The public service properties to be acquired or constructed and the cost of the same;

(d) The maximum anticipated rates which will be charged by the Issuer; and

(e) The date that the formal application for a certificate of public convenience and necessity is to be filed with the Public Service Commission of West Virginia.

Section 11.09. Effective Date. This Resolution shall take effect immediately upon adoption.

Adopted this August 15, 2000.

  
Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of BLUEWELL PUBLIC SERVICE DISTRICT on August 15, 2000.

Dated: August 29, 2000.

[SEAL]

  
Secretary

08/14/00  
088390/00001

EXHIBIT A

Loan Agreement included in bond transcript as Document 3.



BLUEWELL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2000  
(West Virginia DWTRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2000 (WEST VIRGINIA DWTRF PROGRAM), OF BLUEWELL PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Public Service Board (the "Governing Body") of Bluewell Public Service District (the "Issuer"), has duly and officially adopted a bond resolution, effective August 15, 2000 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF BLUEWELL PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$1,275,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2000 (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED

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

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

WHEREAS, the Bond Resolution provides for the issuance of Water Revenue Bonds, Series 2000 (West Virginia DWTRF Program), of the Issuer (the "Bonds"), in the aggregate principal amount not to exceed \$1,275,000, and has authorized the execution and delivery of the loan agreement relating to the Series 2000 Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH") (the "Loan Agreement"), all in accordance with Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Resolution it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

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

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds, Series 2000 (West Virginia DWTRF Program), of the Issuer, originally represented by a single Bond, numbered R-1, in the principal amount of \$1,275,000. The Series 2000 Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2031, and shall bear no interest. The principal of the Series 2000 Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2001, and ending September 1, 2031, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2000 Bonds. The Series 2000 Bonds shall be subject to redemption upon the written consent of the Authority and the BPH, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2000 Bonds. The Issuer does hereby approve and shall pay the Administrative Fee equal to 1% of the principal amount of the Series 2000 Bonds set forth in the "Schedule Y" attached to the Loan Agreement.

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

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

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

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

Section 6. The Issuer does hereby appoint and designate First Community Bank, National Association, Bluewell, West Virginia, to serve as Depository Bank under the Bond Resolution.

Section 7. Series 2000 Bonds proceeds in the amount of -0- shall be deposited in the Series 2000 Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2000 Bonds proceeds in the amount of -0- shall be deposited in the Series 2000 Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2000 Bonds shall be deposited in or credited to the Series 2000 Bonds Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 10. The Chairman and Secretary are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Bonds may be delivered on or about August 29, 2000, to the Authority pursuant to the Loan Agreement.

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

Section 12. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Resolution held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Moneys in the Series 2000 Bonds Sinking Fund, including the Series 2000 Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

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

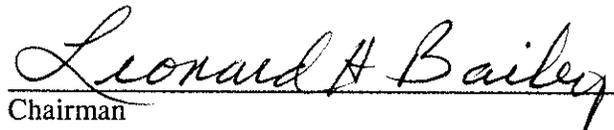
Section 14. The Issuer hereby ratifies that certain Intergovernmental Agreement dated as of August 30, 1999, by and between the Issuer and the Town of Bramwell (the "Agreement") and hereby renews the Agreement, as provided in Section 16 thereof, for one (1) additional fiscal year, to run from July 1, 2000 to June 30, 2001. The Issuer hereby approves, accepts and authorizes the execution of all documents related to the acquisition by the Issuer of certain assets of the public waterworks system of the Town of Bramwell.

Section 15. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 16. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 15th day of August, 2000.

BLUEWELL PUBLIC SERVICE DISTRICT

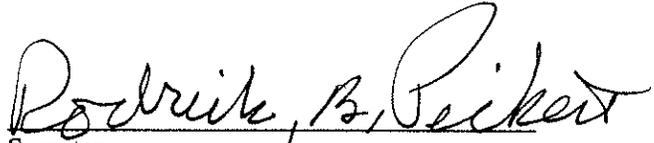
  
Chairman

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Public Service Board of Bluewell Public Service District on the 15th day of August, 2000.

Dated: August 29, 2000.

[SEAL]

  
Secretary

08/14/00  
088390/00001

DWTRF  
(4/7/00)

## LOAN AGREEMENT

THIS DRINKING WATER TREATMENT REVOLVING FUND LOAN AGREEMENT (the "Loan Agreement"), made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), acting under the direction of the WEST VIRGINIA BUREAU FOR PUBLIC HEALTH, a division of the West Virginia Department of Health and Human Resources (the "BPH"), and the local entity designated below (the "Local Entity").

BLUEWELL PUBLIC SERVICE DISTRICT  
(Local Entity)

### WITNESSETH:

WHEREAS, the United States Congress under Section 1452 of the Safe Drinking Water Act, as amended (the "Safe Drinking Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining drinking water treatment revolving funds for the construction, acquisition and improvement of drinking water systems;

WHEREAS, pursuant to the provisions of Chapter 16, Article 13C of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a drinking water treatment revolving fund program (the "Program") to direct the distribution of loans to eligible Local Entities pursuant to the Safe Drinking Water Act;

WHEREAS, under the Act the BPH is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards (U.S. General Services Administration; Catalog of Federal Domestic Assistance, 32nd Edition §66.458 (1998)) and BPH has been awarded capitalization grants to partially fund the Program;

WHEREAS, the Act establishes a permanent perpetual fund known as the "West Virginia Drinking Water Treatment Revolving Fund" (hereinafter the "Fund"), which fund is to be administered and managed by the Authority under the direction of the BPH;

WHEREAS, pursuant to the Act, the Authority and BPH are empowered to make loans from the Fund to Local Entities for the acquisition or construction of drinking water projects by such Local Entities, all subject to such provisions and limitations as are contained in the Safe Drinking Water Act and the Act;

WHEREAS, the Local Entity constitutes a local entity as defined by the Act;

WHEREAS, the Local Entity is included on the BPH State Project Priority List and the Intended Use Plan and has met BPH's pre-application requirements for the Program;

WHEREAS, the Local Entity is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a drinking water project and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Local Entity;

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

WHEREAS, the Local Entity has completed and filed with the Authority and BPH an Application for a Construction Loan with attachments and exhibits and an Amended Application for a Construction Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and BPH are willing to lend the Local Entity the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Entity with moneys held in the Fund, subject to the Local Entity's satisfaction of certain legal and other requirements of the Program.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Local Entity, BPH and the Authority hereby agree as follows:

## ARTICLE I

### Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "fund," "local entity," and "project" have the definitions and meanings ascribed to them in the Act or in the DWTRF Regulations.

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any successor thereto.

1.3 "Loan" means the loan to be made by the Authority and BPH to the Local Entity through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

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

1.5 "Local Bonds" means the revenue bonds to be issued by the Local Entity pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority with money held in the Fund, all in accordance with the provisions of this Loan Agreement.

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

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

1.8 "Program" means the drinking water facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Safe Drinking Water Act and administered by BPH.

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

1.10 "DWTRF Regulations" means the regulations set forth in the West Virginia Code of State Regulations.

1.11 "System" means the drinking water system owned by the Local Entity, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

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

## ARTICLE II

### The Project and the System

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

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

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

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

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

2.6 The Local Entity agrees that it will permit the Authority and BPH and their respective agents to have access to the records of the Local Entity pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the

Project and commencement of operation thereof or if the Project is an improvement to an existing system at any reasonable time following commencement of construction.

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

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

2.9 The Local Entity shall provide and maintain competent and adequate engineering services satisfactory to the Authority and BPH covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, BPH and the Local Entity at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Entity shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to it within 60 days of the completion of the Project. The Local Entity shall notify BPH in writing of such receipt.

2.10 The Local Entity shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the DWTRF Regulations, to BPH when the Project is 90% completed. The Local Entity shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Entity shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System during the entire term of

this Loan Agreement. The Local Entity shall notify BPH in writing of the certified operator employed at the 50% completion stage.

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

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

2.13 The Local Entity, during construction of the Project, shall complete Payment Requisition Forms, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward such forms to BPH in compliance with the Local Entity's construction schedule.

### ARTICLE III

#### Conditions to Loan; Issuance of Local Bonds

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

(a) The Local Entity shall have delivered to BPH and the Authority a report listing the specific purposes for which the proceeds of the Loan will be expended and the procedures as to the disbursement of loan proceeds, including an estimated monthly draw schedule;

(b) The Local Entity shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

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

(d) The Local Entity shall either have received bids or entered into contracts for the construction of the Project, which are in an amount and otherwise compatible with the plan of financing described in the Application; provided, that, if the Loan will refund an interim construction financing, the Local Entity must either be constructing or have constructed its Project for a cost and as otherwise compatible with the plan of financing described in the Application; and,

in either case, the Authority and BPH shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit C;

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

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

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

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

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

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

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

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

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

3.5 The Local Entity understands and acknowledges that it is one of several local entities which have applied to the Authority and BPH for loans from the Fund to finance drinking water projects and that the obligation of the Authority to make any such loan is subject to the Local Entity's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the requirements of the Program. The Local Entity specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to execution of this Loan Agreement, the Authority may purchase the bonds of other local entities set out in the State Project Priority List, as defined in the DWTRF Regulations. The Local Entity further specifically recognizes that all loans will be originated in conjunction with the DWTRF Regulations and with the prior approval of BPH.

3.6 The Local Entity shall provide BPH with the appropriate documentation to comply with the special conditions regarding the public release requirements established by federal and State regulations as set forth in Exhibit D attached hereto at such times as are set forth therein.

#### ARTICLE IV

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

4.1 The Local Entity shall, as one of the conditions of the Authority and BPH to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of

the Local Entity in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows:

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

(i) to pay Operating Expenses of the System;

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

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

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

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

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the gross or net revenues, as applicable, of the System as provided in the Local Act;

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent

(115%) of the maximum amount required in any year for debt service on the Local Bonds and all other obligations secured by a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the Reserve Account is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount equal to the Reserve Requirement and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

(iii) That the Local Entity will complete the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or the DWTRF Regulations, 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 from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of the System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

(v) That the Local Entity shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority and BPH;

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

(vii) That the Local Entity will not render any free services of the System;

(viii) That the Authority may, by proper legal action, compel the performance of the duties of the Local Entity under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law and all rights as set forth in Section 5 of the Act;

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

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

(xi) That the Local Entity shall annually, within six months of the end of the fiscal year, cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and BPH. If the Local Entity receives \$300,000 or more (in federal funds) in a fiscal year, the audit shall be obtained in accordance with the Single Audit Act (as amended from time to time) and the applicable OMB Circular (or any successor thereto). Financial statement audits are required once all funds have been received by the Local Entity. The audit shall include a statement that the Local Entity is in compliance with the terms and provisions of the Local Act and this Loan Agreement and that the Local Entity's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

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

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Local Entity may authorize redemption of the Local Bonds with 30 days written notice to BPH and the Authority;

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

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

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

(xix) That the Local Entity shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and BPH, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and BPH is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

(xx) That the Local Entity shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate its services to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore such services until all delinquent charges for the services of the System have been fully paid; and

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

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

4.2 The Loan shall be secured by the pledge and assignment by the Local Entity, as effected by the Local Act, of the fees, charges and other revenues of the Local Entity from the System.

4.3 At least five percent (5%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the Authority monthly as required by the Local Entity to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Entity, the BPH and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the DWTRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.4 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Local Entity. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the DWTRF Regulations, the Local Entity agrees to pay from time to time, if required by the Authority and BPH, the Local Entity's allocable share of the reasonable administrative expenses of the BPH and the Authority relating to the Program. Such administrative expenses shall be determined by the BPH and the Authority and shall include, without limitation, Program expenses, legal fees paid by the BPH and the Authority and fees paid for any bonds or notes to be issued by the Authority for contribution to the Fund.

4.6 The obligation of the Authority to make any loans shall be conditioned upon the availability of moneys in the Fund in such amount and on such terms and conditions as, in the sole judgment of the Authority, will enable it to make the Loan.

## ARTICLE V

### Certain Covenants of the Local Entity; Imposition and Collection of User Charges; Payments To Be Made by Local Entity to the Authority

5.1 The Local Entity hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Local Entity hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority

to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof.

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

5.3 In the event the Local Entity defaults in any payment due to the Authority pursuant to Section 4.2 hereof, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.4 The Local Entity hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Entity, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

## ARTICLE VI

### Other Agreements of the Local Entity

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

6.2 The Local Entity hereby warrants and represents that all information provided to the Authority and BPH in this Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the Loan and receiving the Local Bonds, the Authority and BPH shall have the right to cancel all or any of their obligations under this Loan Agreement if (a) any representation

made to the Authority and BPH by the Local Entity in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Entity has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act, the DWTRF Regulations or this Loan Agreement.

6.3 The Local Entity hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project, provided that such repayment shall not be made from the proceeds of the Loan.

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

6.5 Notwithstanding Section 6.4, the Authority and BPH may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local Entity to be monitored or cause the rebate calculations for the Local Entity to be prepared, in either case at the expense of the Local Entity.

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

6.7 The Local Entity hereby agrees to file with the Authority and BPH upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule A to the Application, setting forth the actual costs of the Project and sources of funds therefor.

## ARTICLE VII

### Miscellaneous

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

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

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

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

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

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

7.7 This Loan Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Entity from either the Authority or BPH;

(ii) the end of ninety (90) days after the date of execution hereof by the Authority if the Local Entity has failed to deliver the Local Bonds to the Authority;

(iii) termination by the Authority and BPH pursuant to Section 6.2 hereof;

or

(iv) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Entity to the Authority or BPH.

In the event funds are not available to make all of the Loan, the responsibility of the Authority and BPH to make all the Loan is terminated; provided further that the obligation of the Local Entity to repay the outstanding amount of the Loan made by the Authority and BPH is not terminated due to such non-funding on any balance of the Loan. The BPH agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-funding of the Loan shall not be considered an event of default under this Loan Agreement.

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

BLUEWELL PUBLIC SERVICE DISTRICT

[Name of Local Entity]

(SEAL)

By: Leonard H Bailey

Its: Chairman

Attest:

Date: August 15, 2000

Robert B. Pickett

Its Secretary

WEST VIRGINIA WATER  
DEVELOPMENT AUTHORITY

(SEAL)

By: Daniel B. Gombosky

Its: Director

Attest:

Date: August 15, 2000

Barbara B. Meadows  
Secretary-Treasurer

000832/00520  
4/7/00

**EXHIBIT A**

[Form of Monthly Financial Report]

[Name of Local Entity]

[Name of Bond Issue]

Fiscal Year - \_\_\_\_\_

Report Month: \_\_\_\_\_

	<u>ITEM</u>	<u>CURRENT MONTH</u>	<u>TOTAL YEAR TO DATE</u>	<u>BUDGET YEAR TO DATE</u>	<u>BUDGET YEAR MINUS YEAR TO DATE</u>
1.	Gross Revenues Collected				
2.	Operating Expenses				
3.	Other Bond Debt Payments (including Reserve Account Deposits)				
4.	DWTRF Bond Payments (include Reserve Account Deposits)				
5.	Renewal and Replacement Fund Deposit				

Witnesseth my signature this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
[Name of Local Entity]

By: \_\_\_\_\_  
Authorized Officer

## Instructions for Completing Monthly Financial Report

1. You will need a copy of the current fiscal year budget adopted by the Local Entity to complete Items 1 and 2. In Item 1, provide the amount of actual gross revenues for the current month and the total amount year to date in the respective columns. Divide the budgeted annual gross revenues by 12. For example, if gross revenues of \$1,200 are anticipated to be received for the year, each month the base would be increased by \$100 ( $1200/12$ ). This is the incremental amount for the Budget Year to Date column.
2. In Item 2, provide the amount of actual operating expenses for the current month and the total amount year to date in the respective columns. The SRF administrative fee should be included in the operating expenses. Divide the budgeted annual operating expenses by 12. For example, if operating expenses of \$900 are anticipated to be incurred for the year, each month the base would be increased by \$75 ( $900/12$ ). This is the incremental amount for the Budget Year to Date column.
3. In Item 3, provide the principal, interest and reserve account payments for all the outstanding bonds of the Local Entity other than this Loan.
4. In Item 4, provide the principal, interest and reserve account payments for this Loan. You need to call the Municipal Bond Commission for the exact amount of these payments and when they begin.
5. In Item 5, provide the amount deposited into the Renewal and Replacement Fund each month. This amount is equal to 2.5% of gross revenues minus the total reserve account payments included in Items 3 and 4. If gross revenues are \$12,000, the Renewal and Replacement Fund should have an amount of \$300 (2.5% of \$12,000), LESS the amount of all reserve account payments in Items 3 & 4. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Local Entity.
6. The Local Entity must complete the Monthly Financial Report and forward it to the BPH by the 10<sup>th</sup> day of each month, commencing on the date contracts are executed for the construction of the Project and for 2 years following the completion of the Project. BPH will notify the Local Entity when the Monthly Financial Report no longer needs to be filed.

**EXHIBIT B**

**PAYMENT REQUISITION FORM**

EXHIBIT C

FORM OF CERTIFICATE OF CONSULTING ENGINEER

\_\_\_\_\_  
(Issuer)

\_\_\_\_\_  
(Name of Bonds)

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

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

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by BPH and any change orders approved by the Issuer, BPH and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least \_\_\_\_\_ years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule A attached hereto as Exhibit A, and my firm<sup>1</sup> has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been \_\_\_\_\_.

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

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

WITNESS my signature and seal on this \_\_\_\_\_ day of \_\_\_\_\_ ,

[SEAL]

By: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

West Virginia License No. \_\_\_\_\_

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

## EXHIBIT D

### Special Conditions

The Local Entity agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, groundbreaking or project dedication program documents and other documents describing projects or programs funded in whole or in part with federal money, (1) the percentage of the total costs of the program or project which will be financed with federal money, (2) the dollar amount of federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

# EXHIBIT E

## [Monthly Payment Form]

West Virginia Water Development Authority  
180 Association Drive  
Charleston, WV 25311-1511

Re: [Name of bond issue]

Ladies and Gentlemen:

The following deposits were made to the West Virginia Municipal Bond Commission

on behalf of \_\_\_\_\_ on \_\_\_\_\_  
[Local Entity] [Date]

Sinking Fund:

Interest \$ \_\_\_\_\_

Principal \$ \_\_\_\_\_

Total: \$ \_\_\_\_\_

Reserve Account: \$ \_\_\_\_\_

Witness my signature this \_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
[Name of Local Entity]

By: \_\_\_\_\_  
Authorized Officer

Enclosure: wire transfer form

**EXHIBIT F**

[Opinion of Bond Counsel for Local Entity]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority  
180 Association Drive  
Charleston, WV 25311-1511

West Virginia Bureau for Public Health  
815 Quarrier Street, Suite 418  
Charleston, WV 25301-2616

Ladies and Gentlemen:

We are bond counsel to \_\_\_\_\_ (the "Local Entity"), a  
\_\_\_\_\_.

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

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

We have also examined the applicable provisions of \_\_\_\_\_ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond \_\_\_\_\_ duly adopted or enacted by the Local Entity on \_\_\_\_\_, as supplemented by the supplemental resolution duly adopted by the Local Entity on \_\_\_\_\_ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

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

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

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

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

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

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

Very truly yours,

## SCHEDULE X

### DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds	\$ <u>1,275,000</u>
Purchase Price of Local Bonds	\$ <u>1,275,000</u>

The Local Bonds shall bear no interest. Commencing December 1, 2001, principal of the Local Bonds is payable quarterly, with an administrative fee of 1%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Local Entity shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local Entity shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Commission. The Local Entity shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

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

The Local Entity may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and BPH. The Local Entity shall request approval from the Authority and BPH in writing of any proposed debt which will be issued by the Local Entity on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

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

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2000 Bonds as to liens, pledge, source of and security for payment, being the Issuer's (1) Waterworks Revenue Bond, Series A, dated September 2, 1964, issued in the original aggregate principal amount of \$768,460; (2) Water Revenue Bond, Series 1982, dated April 20, 1982 issued in the original aggregate principal amount of \$1,625,000; (3) Water Revenue Bond, Series 1993, dated July 15, 1993, issued in the original aggregate principal amount of \$311,000; (4) Water Revenue Bond, Series 1998 A, dated January 26, 1998, issued in the original aggregate principal amount of \$480,000; and (5) Water Revenue Bond, Series 1998 B, dated January 26, 1998, issued in the original aggregate principal amount of \$142,000, all held by the United States Department of Agriculture.

SCHEDULE Y

**Bluewell Public Service District (West Virginia)**

*DWTRF Loan of \$1,275,000*

*30 Years, 0% Interest Rate, 1% Administrative Fee*

*Closing Date: August 29, 2000*

**DEBT SERVICE SCHEDULE**

<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Total P+i</b>
9/01/2000	-	-	-
12/01/2000	-	-	-
3/01/2001	-	-	-
6/01/2001	-	-	-
9/01/2001	-	-	-
12/01/2001	10,625.00	-	10,625.00
3/01/2002	10,625.00	-	10,625.00
6/01/2002	10,625.00	-	10,625.00
9/01/2002	10,625.00	-	10,625.00
12/01/2002	10,625.00	-	10,625.00
3/01/2003	10,625.00	-	10,625.00
6/01/2003	10,625.00	-	10,625.00
9/01/2003	10,625.00	-	10,625.00
12/01/2003	10,625.00	-	10,625.00
3/01/2004	10,625.00	-	10,625.00
6/01/2004	10,625.00	-	10,625.00
9/01/2004	10,625.00	-	10,625.00
12/01/2004	10,625.00	-	10,625.00
3/01/2005	10,625.00	-	10,625.00
6/01/2005	10,625.00	-	10,625.00
9/01/2005	10,625.00	-	10,625.00
12/01/2005	10,625.00	-	10,625.00
3/01/2006	10,625.00	-	10,625.00
6/01/2006	10,625.00	-	10,625.00
9/01/2006	10,625.00	-	10,625.00
12/01/2006	10,625.00	-	10,625.00
3/01/2007	10,625.00	-	10,625.00
6/01/2007	10,625.00	-	10,625.00
9/01/2007	10,625.00	-	10,625.00
12/01/2007	10,625.00	-	10,625.00
3/01/2008	10,625.00	-	10,625.00
6/01/2008	10,625.00	-	10,625.00
9/01/2008	10,625.00	-	10,625.00
12/01/2008	10,625.00	-	10,625.00
3/01/2009	10,625.00	-	10,625.00
6/01/2009	10,625.00	-	10,625.00
9/01/2009	10,625.00	-	10,625.00
12/01/2009	10,625.00	-	10,625.00
3/01/2010	10,625.00	-	10,625.00
6/01/2010	10,625.00	-	10,625.00
9/01/2010	10,625.00	-	10,625.00
12/01/2010	10,625.00	-	10,625.00
3/01/2011	10,625.00	-	10,625.00
6/01/2011	10,625.00	-	10,625.00
9/01/2011	10,625.00	-	10,625.00
12/01/2011	10,625.00	-	10,625.00

**Bluewell Public Service District (West Virginia)**

*DWTRF Loan of \$1,275,000*

*30 Years, 0% Interest Rate, 1% Administrative Fee*

*Closing Date: August 29, 2000*

**DEBT SERVICE SCHEDULE**

<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Total P+I</b>
3/01/2012	10,625.00	-	10,625.00
6/01/2012	10,625.00	-	10,625.00
9/01/2012	10,625.00	-	10,625.00
12/01/2012	10,625.00	-	10,625.00
3/01/2013	10,625.00	-	10,625.00
6/01/2013	10,625.00	-	10,625.00
9/01/2013	10,625.00	-	10,625.00
12/01/2013	10,625.00	-	10,625.00
3/01/2014	10,625.00	-	10,625.00
6/01/2014	10,625.00	-	10,625.00
9/01/2014	10,625.00	-	10,625.00
12/01/2014	10,625.00	-	10,625.00
3/01/2015	10,625.00	-	10,625.00
6/01/2015	10,625.00	-	10,625.00
9/01/2015	10,625.00	-	10,625.00
12/01/2015	10,625.00	-	10,625.00
3/01/2016	10,625.00	-	10,625.00
6/01/2016	10,625.00	-	10,625.00
9/01/2016	10,625.00	-	10,625.00
12/01/2016	10,625.00	-	10,625.00
3/01/2017	10,625.00	-	10,625.00
6/01/2017	10,625.00	-	10,625.00
9/01/2017	10,625.00	-	10,625.00
12/01/2017	10,625.00	-	10,625.00
3/01/2018	10,625.00	-	10,625.00
6/01/2018	10,625.00	-	10,625.00
9/01/2018	10,625.00	-	10,625.00
12/01/2018	10,625.00	-	10,625.00
3/01/2019	10,625.00	-	10,625.00
6/01/2019	10,625.00	-	10,625.00
9/01/2019	10,625.00	-	10,625.00
12/01/2019	10,625.00	-	10,625.00
3/01/2020	10,625.00	-	10,625.00
6/01/2020	10,625.00	-	10,625.00
9/01/2020	10,625.00	-	10,625.00
12/01/2020	10,625.00	-	10,625.00
3/01/2021	10,625.00	-	10,625.00
6/01/2021	10,625.00	-	10,625.00
9/01/2021	10,625.00	-	10,625.00
12/01/2021	10,625.00	-	10,625.00
3/01/2022	10,625.00	-	10,625.00
6/01/2022	10,625.00	-	10,625.00
9/01/2022	10,625.00	-	10,625.00
12/01/2022	10,625.00	-	10,625.00
3/01/2023	10,625.00	-	10,625.00
6/01/2023	10,625.00	-	10,625.00

**Bluewell Public Service District (West Virginia)**

*DWTRF Loan of \$1,275,000*

*30 Years, 0% Interest Rate, 1% Administrative Fee*

*Closing Date: August 29, 2000*

**DEBT SERVICE SCHEDULE**

<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Total P+I</b>
9/01/2023	10,625.00	-	10,625.00
12/01/2023	10,625.00	-	10,625.00
3/01/2024	10,625.00	-	10,625.00
6/01/2024	10,625.00	-	10,625.00
9/01/2024	10,625.00	-	10,625.00
12/01/2024	10,625.00	-	10,625.00
3/01/2025	10,625.00	-	10,625.00
6/01/2025	10,625.00	-	10,625.00
9/01/2025	10,625.00	-	10,625.00
12/01/2025	10,625.00	-	10,625.00
3/01/2026	10,625.00	-	10,625.00
6/01/2026	10,625.00	-	10,625.00
9/01/2026	10,625.00	-	10,625.00
12/01/2026	10,625.00	-	10,625.00
3/01/2027	10,625.00	-	10,625.00
6/01/2027	10,625.00	-	10,625.00
9/01/2027	10,625.00	-	10,625.00
12/01/2027	10,625.00	-	10,625.00
3/01/2028	10,625.00	-	10,625.00
6/01/2028	10,625.00	-	10,625.00
9/01/2028	10,625.00	-	10,625.00
12/01/2028	10,625.00	-	10,625.00
3/01/2029	10,625.00	-	10,625.00
6/01/2029	10,625.00	-	10,625.00
9/01/2029	10,625.00	-	10,625.00
12/01/2029	10,625.00	-	10,625.00
3/01/2030	10,625.00	-	10,625.00
6/01/2030	10,625.00	-	10,625.00
9/01/2030	10,625.00	-	10,625.00
12/01/2030	10,625.00	-	10,625.00
3/01/2031	10,625.00	-	10,625.00
6/01/2031	10,625.00	-	10,625.00
9/01/2031	10,625.00	-	10,625.00
<b>Total</b>	<b>1,275,000.00</b>	<b>-</b>	<b>1,275,000.00 *</b>

\*Plus one-percent administrative fee of \$1,607 paid quarterly. Total fee over the life of the loan is \$192,840.

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

**FINAL**

Entered: July 20, 2000

8-9-00

CASE NO. 99-1761-PWD-CN

BLUEWELL PUBLIC SERVICE DISTRICT,  
a public utility.

Application for a certificate of convenience and necessity to construct water distribution facilities to serve the Bramwell, Bluewell Community and Duhring-Bramwell areas at Bluewell, Mercer County.

RECOMMENDED DECISION

On February 22, 2000, Bluewell Public Service District (District) filed an application, duly verified, for a certificate of convenience and necessity to construct water distribution facilities to serve the Bramwell, Bluewell Community and Duhring-Bramwell areas at Bluewell, Mercer County, West Virginia. The District proposes to acquire, construct, operate and maintain certain public service district properties, consisting of water distribution facilities to serve the existing water customers of the Town of Bramwell, the existing customers of the Bluewell Community Water System and the River Road area. The District contemplates financing the project through the issuance of Water Revenue Bonds or local bank notes in the aggregate principal amount estimated not to exceed \$1,125,000, bearing an interest rate not to exceed 1%, for a period not to exceed 30 years, and a Block Grant of \$1,250,000, for an estimated project cost of \$2,375,000.

By Order dated February 28, 2000, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before September 19, 2000.

On April 4, 2000, the Commission received an affidavit of publication from the Bluefield Daily Telegraph, indicating that the Notice of Filing was published in Mercer County on February 29, 2000. No protests were received to the filing within the thirty-day protest period.

On May 26, 2000, Staff filed its Final Joint Staff Memorandum recommending that the Commission issue a certificate to the District for the project, subject to the District obtaining Commission approval of any change in financing or engineering of the project. Staff recommended that the funding of the project be approved and the Staff-recommended rates be adopted. Staff also recommended that the District's request for

a waiver of Water Rule 5.6.16 be denied even though Staff feels the District should not be barred from requiring customers to replace dilapidated lines.

Attached to Staff's memorandum was a letter received from Reginald N. Sexton on April 22, 2000. Mr. Sexton stated that he did not believe the City of Bramwell provided adequate notice and opportunity for public comment before holding a referendum on the sale of Bramwell's water system to the District. Staff noted that an intergovernmental agreement between the City of Bramwell and the District was approved by a November 24, 1999 Recommended Decision which became a final order on December 14, 1999, in Case No. 99-1467-PWD-W-PC. The District filed a certified copy of election results approving the sale in compliance with West Virginia Code §8-12-17. Staff advised that it was unaware of any other obligation imposed by statute upon a municipality before it sells its utility assets. Staff opined that, if Mr. Sexton believes the City did not comply with the statutory obligations of a municipality, those concerns would best be addressed in circuit court. Staff sent a courtesy copy of its recommendation to Mr. Sexton.

On June 5, 2000, the District filed a response to Staff's memorandum indicating that it would accept Staff's recommendations rather than delay the project. However, the District addressed several issues and provided additional support for its position on those issues.

By Order issued June 9, 2000, a procedural schedule was established to allow the parties to file additional responses. Also, on June 9, 2000, Staff filed its Further Final Joint Staff Memorandum recommending that an Order be issued consistent with its previous recommendation or that a hearing be scheduled.

On June 26, 2000, the District advised that its bids were higher than expected and that an additional \$150,000 is needed for the project. The District requested that Staff's rates be revisited.

By Procedural Order issued June 28, 2000, Staff was directed to file its final recommendation in this matter no later than July 10, 2000. The District was directed to advise the Administrative Law Judge whether it accepted or rejected Staff's recommendation and wished to proceed to hearing no later than July 17, 2000. A hearing was scheduled to be held on Friday, July 21, 2000, in the Conference Room, Bluefield City Hall, 200 Rogers Street, Bluefield, West Virginia, to commence at 10:30 a.m., if the District wished to proceed to hearing.

On July 5, 2000, Staff filed its Fourth Joint Staff Memorandum recommending approval of the rates originally sought by the District, without hearing. With the exception of the changes in funding and rates, Staff reiterated its recommendation contained in its Final Joint Staff Memorandum filed May 26, 2000.

On July 5, 2000, the District supplied copies of letters from the West Virginia Infrastructure & Jobs Development Council (WVIJDC) and the Department of Health and Human Resources (DHHR). The WVIJDC advised that it had reviewed the District's bid overrun and recommended that the District pursue an additional \$150,000 from the DWTRF to complete the

financing of the project. DHHR advised that the DWTRF loan had been increased from \$1,125,000 to \$1,275,000. Also on July 5, 2000, the District advised that it accepted Staff's revised recommendation to approve the District's originally proposed rates and did not wish to proceed to hearing.

By Order issued July 7, 2000, the hearing scheduled to be held on July 21, 2000, in Bluefield, West Virginia, was cancelled.

#### FINDINGS OF FACT

1. On February 22, 2000, Bluewell Public Service District filed an application for a certificate of convenience and necessity to construct water distribution facilities to serve the Bramwell, Bluewell Community and Duhring-Bramwell areas at Bluewell, Mercer County, West Virginia. (See, application).
2. The District proposed to acquire, construct, operate and maintain certain public service district properties consisting of water distribution facilities to serve the existing water customers of the Town of Bramwell, the existing customers of the Bluewell Community Water System and the River Road area. (See, application; Final Joint Staff Memorandum received May 26, 2000).
3. The project is to be financed through a Drinking Water Treatment Revolving Fund (DWTRF) loan in the amount of \$1,275,000, at an interest rate not to exceed 1% for a period not to exceed 30 years, and a Small Cities Block Grant in the amount of \$1,250,000, for an estimated project cost of \$2,525,000. (See, application; Final Joint Staff Memorandum received May 26, 2000; Fourth Joint Staff Memorandum received July 5, 2000; District's June 26, 2000 filing).
4. The Commission received an affidavit of publication from the Bluefield Daily Telegraph, indicating that the Notice of Filing was published in Mercer County on February 29, 2000. No protests were received to the filing within the thirty-day protest period. (See, affidavit of publication received April 4, 2000).
5. The District received a State of West Virginia Office of Environmental Health Services Permit No. 14,314 for the project. (See, Final Joint Staff Memorandum received May 26, 2000).
6. Commission Staff believes the need for the project has been adequately documented by the District and its project engineer, Pentree, Incorporated, and stated that the District was running out of water. (See, Final Joint Staff Memorandum, with attachments, received May 26, 2000).
7. Staff recommended that the proposed project and funding be approved and that the District be required to seek additional regulatory approval of any changes in the costs, scope or financing of the project. (See, Final Joint Staff Memorandum received May 26, 2000).

8. On July 5, 2000, Staff recommended approval of the rates originally sought by the District, without hearing. (See, Fourth Joint Staff Memorandum received July 5, 2000).

CONCLUSIONS OF LAW

1. The public convenience and necessity requires the issuance of a certificate of public convenience and necessity to the Bluewell Public Service District to acquire, construct, operate and maintain water distribution facilities to serve the Bramwell, Bluewell Community and Duhring-Bramwell areas at Bluewell, Mercer County, West Virginia.

2. The project is adequately financed and economically feasible and supported by the District's proposed rates, which Staff recommended.

3. It is reasonable to approve the funding for the project, being a Drinking Water Treatment Revolving Fund loan in the amount of \$1,275,000, at an interest rate not to exceed 1% for a period not to exceed 30 years, and a Small Cities Block Grant in the amount of \$1,250,000.

ORDER

IT IS, THEREFORE, ORDERED that the application filed by Bluewell Public Service District for a certificate of convenience and necessity to acquire, construct, operate and maintain water distribution facilities to serve the Bramwell, Bluewell Community and Duhring-Bramwell areas at Bluewell, Mercer County, West Virginia, be, and hereby is, approved.

IT IS FURTHER ORDERED that the financing of the project, consisting of a Drinking Water Treatment Revolving Fund loan in an amount of \$1,275,000 at an interest rate not to exceed 1% for a period not to exceed 30 years, and a Small Cities Block Grant in the amount of \$1,250,000, be, and hereby is, approved.

IT IS FURTHER ORDERED that the following rates and charges be, and hereby are, approved for use by the Bluewell Public Service District, to become effective for all services rendered on or after the date the project is certified as complete:

Applicable within entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

METERED RATE

First	2,000 gals./month	\$ 7.37 per 1,000 gals.
Next	8,000 gals./month	\$ 6.95 per 1,000 gals.
Next	10,000 gals./month	\$ 5.13 per 1,000 gals.
Next	20,000 gals./month	\$ 4.92 per 1,000 gals.
All Over	40,000 gals./month	\$ 4.85 per 1,000 gals.

MINIMUM CHARGE

The above schedule is subject to a monthly minimum charge based on the size of the meter as follows:

5/8 inch meter	\$ 14.74 per month
3/4 inch meter	\$ 22.11 per month
1 inch meter	\$ 36.85 per month
1-1/4 inch meter	\$ 53.80 per month
1-1/2 inch meter	\$ 73.70 per month
2 inch meter	\$ 117.92 per month
3 inch meter	\$ 221.10 per month
4 inch meter	\$ 368.50 per month
6 inch meter	\$ 737.00 per month
8 inch meter	\$1,179.20 per month

FIRE HYDRANT RENTAL

There shall be no special charge for hydrant service.

DELAYED PAYMENT PENALTY

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

PRECONSTRUCTION CONNECTION CHARGE

For all customers in the project not presently served by a public or community water system, the connection charge shall be one hundred dollars (\$100.00) for all customers requesting service prior to the beginning of construction. After construction begins, the normal charge of two hundred fifty dollars (\$250.00) will be charged.

CONNECTION CHARGE

A fee of two hundred fifty dollars (\$250.00) will be charged for each new connection to the system.

RECONNECTION CHARGE

The reconnection charge shall be twenty-five dollars (\$25.00).

LEAK ADJUSTMENT INCREMENT

\$0.80 per M gal. To be used where the bill reflects unusual consumption which can be attributed to eligible leakage on the customers side of the meter. The rate is used to calculate consumption above the customer's historic usage.

BAD CHECKS - RETURNED CHECKS

If a check received is returned by the bank for any reason, the bank's charge to the Bluewell Public Service District will be the District's charge to the customer for a bad check, up to a maximum charge of \$15.00.

IT IS FURTHER ORDERED that the request for the waiver of Rule 5.6.16 of the Commission's Rules and Regulations for the Government of Water Utilities be, and hereby is, denied.

IT IS FURTHER ORDERED that the District notify the Commission within thirty (30) days of the completion of this project.

IT IS FURTHER ORDERED that the District file an original and five (5) copies of a revised tariff with the Commission within thirty (30) days of the date of completion of this project.

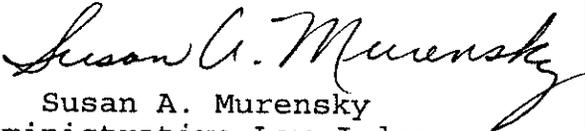
IT IS FURTHER ORDERED that, if there is a change in any of the terms, conditions, financing or scope of the proposed project, Bluewell Public Service District will notify the Public Service Commission and file for Commission approval of the revised project and financing.

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 will 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.

  
Susan A. Murensky  
Administrative Law Judge

SAM:pst  
991761ac.wpd



# West Virginia Infrastructure & Jobs Development Council

**Public Members:**

James D. Williams, Chairman  
St. Albans  
William J. Hamman, PE, Vice Chairman  
Grafton  
Dwight Calhoun  
Petersonburg  
Tim Rutledge  
Gilbert

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

Katy Mallory, PE  
Executive Secretary

KMallory@ezwv.com

July 5, 2000

Ray Tilley, PE, General Manager  
Bluewell Public Service District  
4146 Coal Heritage Road  
P.O. Box 3066 Bluewell Station  
Bluefield, WV 24701

Re: Bluewell Public Service District  
Bluewell / Bramwell water Project 97W-315

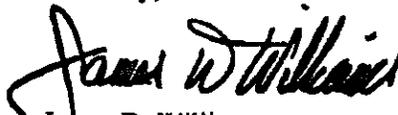
Dear Mr. Tilley:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the Bluewell Public Service District's (the "District") bid overrun for its proposed Bluewell-Bramwell water project (the "Project").

Upon consideration of the bid overrun, the Council recommends that the District utilize the \$1,250,000 committed Small Cities Block Grant and \$1,125,000 Drinking Water Treatment Revolving Fund (DWTRF) loan committed to the Project. The Council also recommends the District pursue an additional \$150,000 DWTRF loan, increasing the DWTRF loan to \$1,275,000, to complete the financing of this Project. Please contact the Bureau for Public Health at 558-2981 for specific information on the steps the District needs to follow to apply for these funds. **Please note that this letter does not constitute funding approval from the DWTRF.**

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

Sincerely,



James D. Williams

JDW/km

cc: Walt Ivey, PE, BPH  
Region I Planning & Development



BLUEWELL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2000  
(West Virginia DWTRF Program)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On the 29th day of August, 2000, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Chairman of Bluewell Public Service District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Water Revenue Bonds, Series 2000 (West Virginia DWTRF Program), of the Issuer, in the principal amount of \$1,275,000, numbered R-1 (the "Series 2000 Bonds"), issued as a single, fully registered Bond, and dated August 29, 2000.
2. At the time of such receipt, all the Series 2000 Bonds had been executed by the Chairman and the Secretary of the Issuer by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.
3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2000 Bonds, of \$260,750, being a portion of the principal amount of the Series 2000 Bonds. The balance of the principal amount of the Series 2000 Bonds will be advanced by the Authority and the West Virginia Bureau for Public Health to the Issuer as acquisition and construction of the Project progresses.

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT  
AUTHORITY

Barbara B Meadows  
Authorized Representative

BLUEWELL PUBLIC SERVICE DISTRICT

Leonard H Bailey  
Chairman

08/11/00  
088390/00001



BLUEWELL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2000  
(West Virginia DWTRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

One Valley Bank, National Association,  
as Bond Registrar  
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 29th day of August, 2000:

(1) Bond No. R-1, constituting the entire original issue of Bluewell Public Service District Water Revenue Bonds, Series 2000 (West Virginia DWTRF Program), in the principal amount of \$1,275,000 (the "Series 2000 Bonds"), dated August 29, 2000 (the "Bonds"), executed by the Chairman and Secretary of Bluewell Public Service District (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Resolution duly adopted by the Issuer on August 15, 2000, and a Supplemental Resolution duly adopted by the Issuer on August 15, 2000 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of a loan agreement for the Series 2000 Bonds, dated August 15, 2000, by and between the Issuer and the West Virginia Water Development Authority on behalf of the West Virginia Bureau for Public Health (the "Loan Agreement"); and

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

You are hereby requested and authorized to deliver the Series 2000 Bonds to the Authority upon payment to the Issuer of the sum of \$260,750, representing a portion of the principal amount of the Series 2000 Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

BLUEWELL PUBLIC SERVICE DISTRICT

*Leonard H Bailey*  
Chairman

08/11/00  
088390/00001



# SPECIMEN

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
BLUEWELL PUBLIC SERVICE DISTRICT  
WATER REVENUE BONDS, SERIES 2000  
(WEST VIRGINIA DWTRF PROGRAM)

No. R-1

\$1,275,000

KNOW ALL MEN BY THESE PRESENTS: That BLUEWELL PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia in Mercer County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of ONE MILLION TWO HUNDRED SEVENTY FIVE THOUSAND DOLLARS (\$1,275,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2001, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2001, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated August 15, 2000.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project") and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The Project and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and

statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on August 15, 2000, and a Supplemental Resolution duly adopted by the Issuer on August 15, 2000 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL OTHER RESPECTS, WITH THE ISSUER'S (1) WATERWORKS REVENUE BOND, SERIES A, DATED SEPTEMBER 2, 1964, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$768,460; (2) WATER REVENUE BOND, SERIES 1982, DATED APRIL 20, 1982, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,625,000; (3) WATER REVENUE BOND, SERIES 1993, DATED JULY 15, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$311,000; (4) WATER REVENUE BOND, SERIES 1998 A, DATED JANUARY 26, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$480,000; AND (5) WATER REVENUE BOND, SERIES 1998 B, DATED JANUARY 26, 1998, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$142,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Series 2000 Bonds (the "Series 2000 Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the moneys in the Series 2000 Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided that, in the event amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2000 Bonds

Reserve Account and any reserve accounts for obligations on a parity with the Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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

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

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

IN WITNESS WHEREOF, BLUEWELL PUBLIC SERVICE DISTRICT  
has caused this Bond to be signed by its Chairman and its corporate seal to be hereunto  
affixed and attested by its Secretary, and has caused this Bond to be dated August 29, 2000.

[SEAL]

*Leonard H Bailey*  
Chairman

ATTEST:

*Rodrick B. Ricketts*  
Secretary

**SPECIMEN**

**SPECIMEN**

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000 Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: August 29, 2000.

ONE VALLEY BANK, NATIONAL  
ASSOCIATION, as Registrar

*Charles S. Morgan*  
Authorized Officer

**SPECIMEN**

EXHIBIT A  
RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$260,750	08/29/00	(19) \$	
(2) \$		(20) \$	
(3) \$		(21) \$	
(4) \$		(22) \$	
(5) \$		(23) \$	
(6) \$		(24) \$	
(7) \$		(25) \$	
(8) \$		(26) \$	
(9) \$		(27) \$	
(10) \$		(28) \$	
(11) \$		(29) \$	
(12) \$		(30) \$	
(13) \$		(31) \$	
(14) \$		(32) \$	
(15) \$		(33) \$	
(16) \$		(34) \$	
(17) \$		(35) \$	
(18) \$		(36) \$	
TOTAL		\$	<u>                    </u>

**EXHIBIT B**

**Bluewell Public Service District (West Virginia)**

*DWTRF Loan of \$1,275,000*

*30 Years, 0% Interest Rate, 1% Administrative Fee*

*Closing Date: August 29, 2000*

**DEBT SERVICE SCHEDULE**

<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Total P+i</b>
9/01/2000	-	-	-
12/01/2000	-	-	-
3/01/2001	-	-	-
6/01/2001	-	-	-
9/01/2001	-	-	-
12/01/2001	10,625.00	-	-
3/01/2002	10,625.00	-	10,625.00
6/01/2002	10,625.00	-	10,625.00
9/01/2002	10,625.00	-	10,625.00
12/01/2002	10,625.00	-	10,625.00
3/01/2003	10,625.00	-	10,625.00
6/01/2003	10,625.00	-	10,625.00
9/01/2003	10,625.00	-	10,625.00
12/01/2003	10,625.00	-	10,625.00
3/01/2004	10,625.00	-	10,625.00
6/01/2004	10,625.00	-	10,625.00
9/01/2004	10,625.00	-	10,625.00
12/01/2004	10,625.00	-	10,625.00
3/01/2005	10,625.00	-	10,625.00
6/01/2005	10,625.00	-	10,625.00
9/01/2005	10,625.00	-	10,625.00
12/01/2005	10,625.00	-	10,625.00
3/01/2006	10,625.00	-	10,625.00
6/01/2006	10,625.00	-	10,625.00
9/01/2006	10,625.00	-	10,625.00
12/01/2006	10,625.00	-	10,625.00
3/01/2007	10,625.00	-	10,625.00
6/01/2007	10,625.00	-	10,625.00
9/01/2007	10,625.00	-	10,625.00
12/01/2007	10,625.00	-	10,625.00
3/01/2008	10,625.00	-	10,625.00
6/01/2008	10,625.00	-	10,625.00
9/01/2008	10,625.00	-	10,625.00
12/01/2008	10,625.00	-	10,625.00
3/01/2009	10,625.00	-	10,625.00
6/01/2009	10,625.00	-	10,625.00
9/01/2009	10,625.00	-	10,625.00
12/01/2009	10,625.00	-	10,625.00
3/01/2010	10,625.00	-	10,625.00
6/01/2010	10,625.00	-	10,625.00
9/01/2010	10,625.00	-	10,625.00
12/01/2010	10,625.00	-	10,625.00
3/01/2011	10,625.00	-	10,625.00
6/01/2011	10,625.00	-	10,625.00
9/01/2011	10,625.00	-	10,625.00
12/01/2011	10,625.00	-	10,625.00

**Bluewell Public Service District (West Virginia)**

*DWTRF Loan of \$1,275,000*

*30 Years, 0% Interest Rate, 1% Administrative Fee*

*Closing Date: August 29, 2000*

**DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Total P+I
3/01/2012	10,625.00	-	10,625.00
6/01/2012	10,625.00	-	10,625.00
9/01/2012	10,625.00	-	10,625.00
12/01/2012	10,625.00	-	10,625.00
3/01/2013	10,625.00	-	10,625.00
6/01/2013	10,625.00	-	10,625.00
9/01/2013	10,625.00	-	10,625.00
12/01/2013	10,625.00	-	10,625.00
3/01/2014	10,625.00	-	10,625.00
6/01/2014	10,625.00	-	10,625.00
9/01/2014	10,625.00	-	10,625.00
12/01/2014	10,625.00	-	10,625.00
3/01/2015	10,625.00	-	10,625.00
6/01/2015	10,625.00	-	10,625.00
9/01/2015	10,625.00	-	10,625.00
12/01/2015	10,625.00	-	10,625.00
3/01/2016	10,625.00	-	10,625.00
6/01/2016	10,625.00	-	10,625.00
9/01/2016	10,625.00	-	10,625.00
12/01/2016	10,625.00	-	10,625.00
3/01/2017	10,625.00	-	10,625.00
6/01/2017	10,625.00	-	10,625.00
9/01/2017	10,625.00	-	10,625.00
12/01/2017	10,625.00	-	10,625.00
3/01/2018	10,625.00	-	10,625.00
6/01/2018	10,625.00	-	10,625.00
9/01/2018	10,625.00	-	10,625.00
12/01/2018	10,625.00	-	10,625.00
3/01/2019	10,625.00	-	10,625.00
6/01/2019	10,625.00	-	10,625.00
9/01/2019	10,625.00	-	10,625.00
12/01/2019	10,625.00	-	10,625.00
3/01/2020	10,625.00	-	10,625.00
6/01/2020	10,625.00	-	10,625.00
9/01/2020	10,625.00	-	10,625.00
12/01/2020	10,625.00	-	10,625.00
3/01/2021	10,625.00	-	10,625.00
6/01/2021	10,625.00	-	10,625.00
9/01/2021	10,625.00	-	10,625.00
12/01/2021	10,625.00	-	10,625.00
3/01/2022	10,625.00	-	10,625.00
6/01/2022	10,625.00	-	10,625.00
9/01/2022	10,625.00	-	10,625.00
12/01/2022	10,625.00	-	10,625.00
3/01/2023	10,625.00	-	10,625.00
6/01/2023	10,625.00	-	10,625.00

**Bluewell Public Service District (West Virginia)**

*DWTRF Loan of \$1,275,000  
30 Years, 0% Interest Rate, 1% Administrative Fee  
Closing Date: August 29, 2000*

**DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Total P+i
9/01/2023	10,625.00	-	10,625.00
12/01/2023	10,625.00	-	10,625.00
3/01/2024	10,625.00	-	10,625.00
6/01/2024	10,625.00	-	10,625.00
9/01/2024	10,625.00	-	10,625.00
12/01/2024	10,625.00	-	10,625.00
3/01/2025	10,625.00	-	10,625.00
6/01/2025	10,625.00	-	10,625.00
9/01/2025	10,625.00	-	10,625.00
12/01/2025	10,625.00	-	10,625.00
3/01/2026	10,625.00	-	10,625.00
6/01/2026	10,625.00	-	10,625.00
9/01/2026	10,625.00	-	10,625.00
12/01/2026	10,625.00	-	10,625.00
3/01/2027	10,625.00	-	10,625.00
6/01/2027	10,625.00	-	10,625.00
9/01/2027	10,625.00	-	10,625.00
12/01/2027	10,625.00	-	10,625.00
3/01/2028	10,625.00	-	10,625.00
6/01/2028	10,625.00	-	10,625.00
9/01/2028	10,625.00	-	10,625.00
12/01/2028	10,625.00	-	10,625.00
3/01/2029	10,625.00	-	10,625.00
6/01/2029	10,625.00	-	10,625.00
9/01/2029	10,625.00	-	10,625.00
12/01/2029	10,625.00	-	10,625.00
3/01/2030	10,625.00	-	10,625.00
6/01/2030	10,625.00	-	10,625.00
9/01/2030	10,625.00	-	10,625.00
12/01/2030	10,625.00	-	10,625.00
3/01/2031	10,625.00	-	10,625.00
6/01/2031	10,625.00	-	10,625.00
9/01/2031	10,625.00	-	10,625.00
<b>Total</b>	<b>1,275,000.00</b>	<b>-</b>	<b>1,275,000.00 *</b>

\*Plus one-percent administrative fee of \$1,607 paid quarterly. Total fee over the life of the loan is \$192,840.

**Bluewell Public Service District (West Virginia)**

*DWTRF Loan of \$1,275,000*

*30 Years, 0% Interest Rate, 1% Administrative Fee*

*Closing Date: August 29, 2000*

**DEBT SERVICE SCHEDULE**

**YIELD STATISTICS**

Bond Year Dollars.....	\$20,566.46
Average Life.....	16.131 Years
Average Coupon.....	-
Net Interest Cost (NIC).....	-
True Interest Cost (TIC).....	-
Bond Yield for Arbitrage Purposes.....	1.69E-12
All Inclusive Cost (AIC).....	1.69E-12
	0.9328968%
<b>IRS FORM 8038</b>	
Net Interest Cost.....	-
Weighted Average Maturity.....	16.131 Years

*Ferris, Baker Watts, Incorporated*  
*Public Finance*

*File = dwrf bluewell psd.sf-8 08 00- SINGLE PURPOSE*  
*8/ 8/2000 4:08 PM*

(Form of)

ASSIGNMENT

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

Dated: \_\_\_\_\_, \_\_\_\_\_.

In the presence of:

\_\_\_\_\_

08/25/00  
088390/00001

# STEPTOE & JOHNSON

ATTORNEYS AT LAW

BANK ONE CENTER

SEVENTH FLOOR

P. O. BOX 1588

CHARLESTON, W. VA. 25326-1588

(304) 353-8000

FACSIMILE (304) 353-8180

August 29, 2000

Bluewell Public Service District  
Water Revenue Bonds, Series 2000  
(West Virginia DWTRF Program)

BANK ONE CENTER, SIXTH FLOOR  
P. O. BOX 2180  
CLARKSBURG, W. VA. 26302-2180  
(304) 624-8000  
FACSIMILE (304) 624-8183

1000 HAMPTON CENTER  
P. O. BOX 1616  
MORGANTOWN, W. VA. 26507-1616  
(304) 598-8000  
FACSIMILE (304) 598-8116

126 EAST BURKE STREET  
P. O. BOX 2629  
MARTINSBURG, W. VA. 25402-2629  
(304) 263-6991  
FACSIMILE (304) 262-3541

RILEY BUILDING, FOURTH FLOOR  
14TH AND CHAPLINE STREETS  
P. O. BOX 180  
WHEELING, W. VA. 26003-0020  
(304) 233-0000  
FACSIMILE (304) 233-0014

THE RIVERS OFFICE PARK  
200 STAR AVENUE, SUITE 220  
P. O. BOX 826  
PARKERSBURG, W. VA. 26102-0826  
(304) 422-6483  
FACSIMILE (304) 422-6482

ALAN B. MULLOCHAN INNOVATION CENTER  
1000 TECHNOLOGY DRIVE  
P. O. BOX 2210  
FAIRMONT, W. VA. 26554-8824  
(304) 368-8000  
FACSIMILE (304) 368-8413

WRITER'S DIRECT DIAL NUMBER

Bluewell Public Service District  
Bluewell Station, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Bureau for Public Health  
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Bluewell Public Service District (the "Issuer"), a public service district, public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its \$1,275,000 Water Revenue Bonds, Series 2000 (West Virginia DWTRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement dated August 15, 2000, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2001, and ending September 1, 2031, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 16,

Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public waterworks facilities of the Issuer, including, but not limited to, the cost of acquiring certain assets of the public waterworks system of the Town of Bramwell (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and the Bond Resolution duly adopted by the Issuer on August 15, 2000, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 15, 2000 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

1. The Issuer is a duly created and validly existing public service district, public corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.
2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the BPH and cannot be amended by the Issuer so as to affect adversely the rights of the Authority or the BPH or diminish the obligations of the Issuer without the written consent of the Authority and the BPH.
3. The Bond Legislation and all other necessary orders and resolutions have been duly and effectively adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.
4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's (1) Waterworks Revenue Bond, Series A, dated September 2, 1964, issued in the original aggregate principal amount of \$768,460; (2) Water Revenue Bond, Series 1982, dated April 20, 1982, issued in the original aggregate principal amount of \$1,625,000; (3) Water Revenue Bond, Series 1993, dated July 15, 1993, issued in the original aggregate principal amount of \$311,000; (4) Water Revenue Bond, Series 1998 A, dated January 26, 1998, issued in the original aggregate principal amount of \$480,000; and (5) Water Revenue Bond, Series 1998 B, dated January 26, 1998, issued in the original aggregate principal

amount of \$142,000, all held by the United States Department of Agriculture, all in accordance with the terms of the Bonds and the Bond Legislation.

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

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

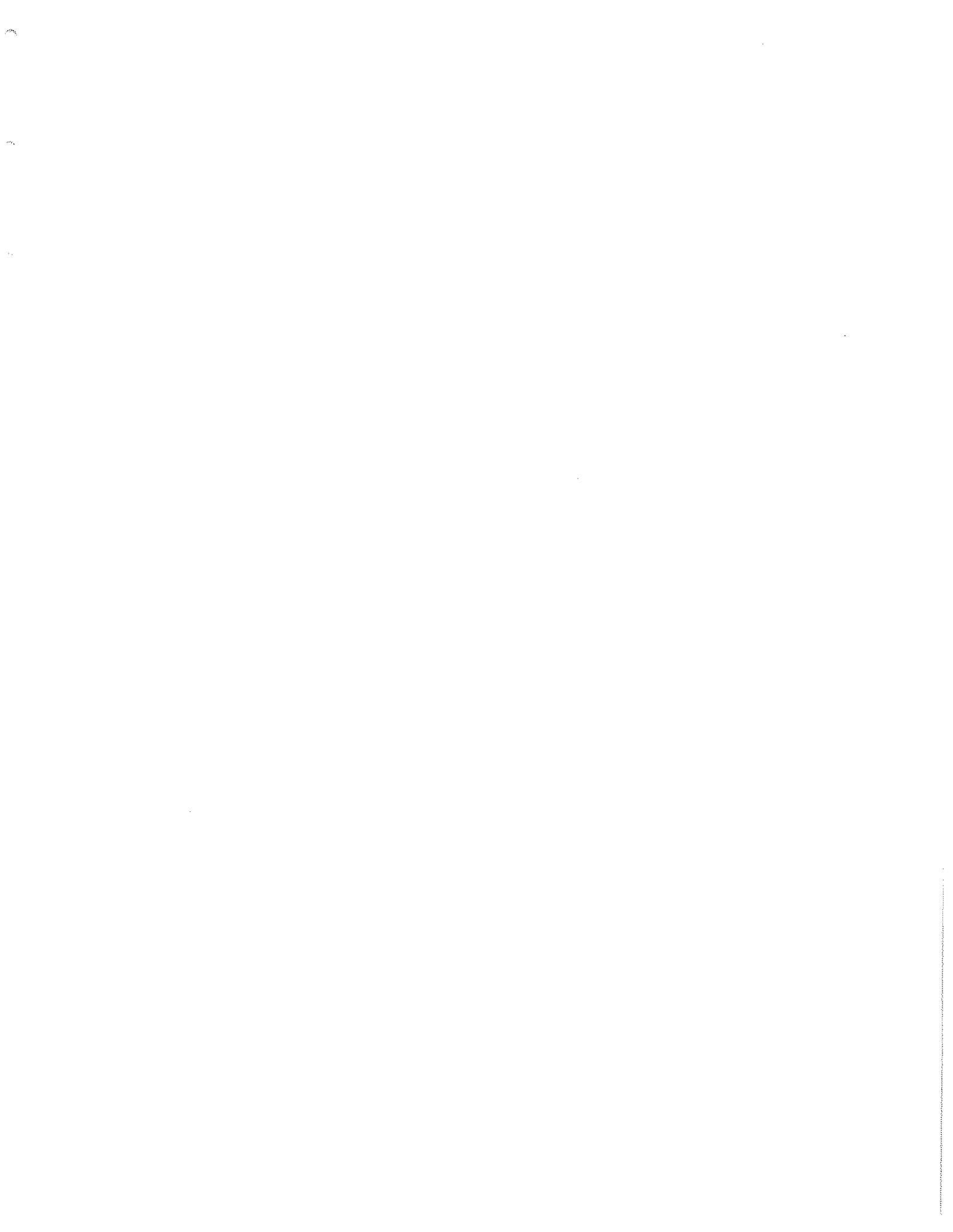
It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws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

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

Very truly yours,

  
STEPHENS & JOHNSON

08/16/00  
088390/00001



THIS FINANCING STATEMENT IS presented to a filing officer for filing pursuant to the Uniform Commercial Code: 3 Maturity date (if any):

<b>1 Debtor(s) (Last Name First) and address(es)</b> Bluewell Public Service District Post Office Box 3066 Bluewell Station, West Virginia 24701	<b>2 Secured Party(ies) and address(es)</b> West Virginia Water Development Authority 180 Association Drive Charleston, West Virginia 25311	<b>For Filing Officer (Date, Time, Num and Filing Office)</b> <i>attach</i> 0546174 00 AUG 23 PM 2:33
---	--	--

4 This financing statement covers the following types (or items) of property:

WV SEC. OF STATE  
FILED

- See Schedule I attached hereto and made a part hereof.

ASSIGNEE OF SECURED PARTY

Check  if covered:  Proceeds of Collateral are also covered  Products of Collateral are also covered No. of additional Sheets presented:

Filed with: Secretary of State of the State of West Virginia

Bluewell Public Service District  
 By Leonard H Bailey  
 Chairman Signature(s) of Debtor(s)

West Virginia Water Development Authority  
 By Daniel B [Signature]  
 Director Signature(s) of Secured Party(ies)

2 FILING OFFICER COPY - NUMERICAL

**SCHEDULE I**  
**TO FINANCING STATEMENT**

All Net Revenues from the System; the System; all funds in the Revenue Fund, the Depreciation Reserve, the Series 2000 Bonds Construction Trust Fund, the Series 2000 Bonds Sinking Fund; the Series 2000 Bonds Reserve Account, and all funds therein deposited from time to time; and all proceeds of the foregoing.

For the purposes of this financing statement, these terms are defined as follows:

"Depreciation Reserve" means the Depreciation Reserve created by the Prior Resolutions and continued by Section 5.01 of the Bond Resolution as described below.

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, the Administrative Fee, insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed 1/6th of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital, provided that all monthly amortization payments upon the Bonds and the Prior Bonds and into the Reserve Accounts and Depreciation Reserve have been made to the last monthly payment date prior to the date of such retention.

"Revenue Fund" means the Revenue Fund created by the Prior Resolutions and continued by Section 5.01 of the Bond Resolution as described below.

"Series 2000 Bonds Construction Trust Fund" means the Series 2000 Bonds Construction Trust Fund established by Section 5.01 of the Bond Resolution as described below.

"Series 2000 Bonds Reserve Account" means the Series 2000 Bonds Reserve Account established by Section 5.02 of the Bond Resolution as described below.

"Series 2000 Bonds Sinking Fund" means the Series 2000 Bonds Sinking Fund established by Section 5.02 of the Bond Resolution as described below.

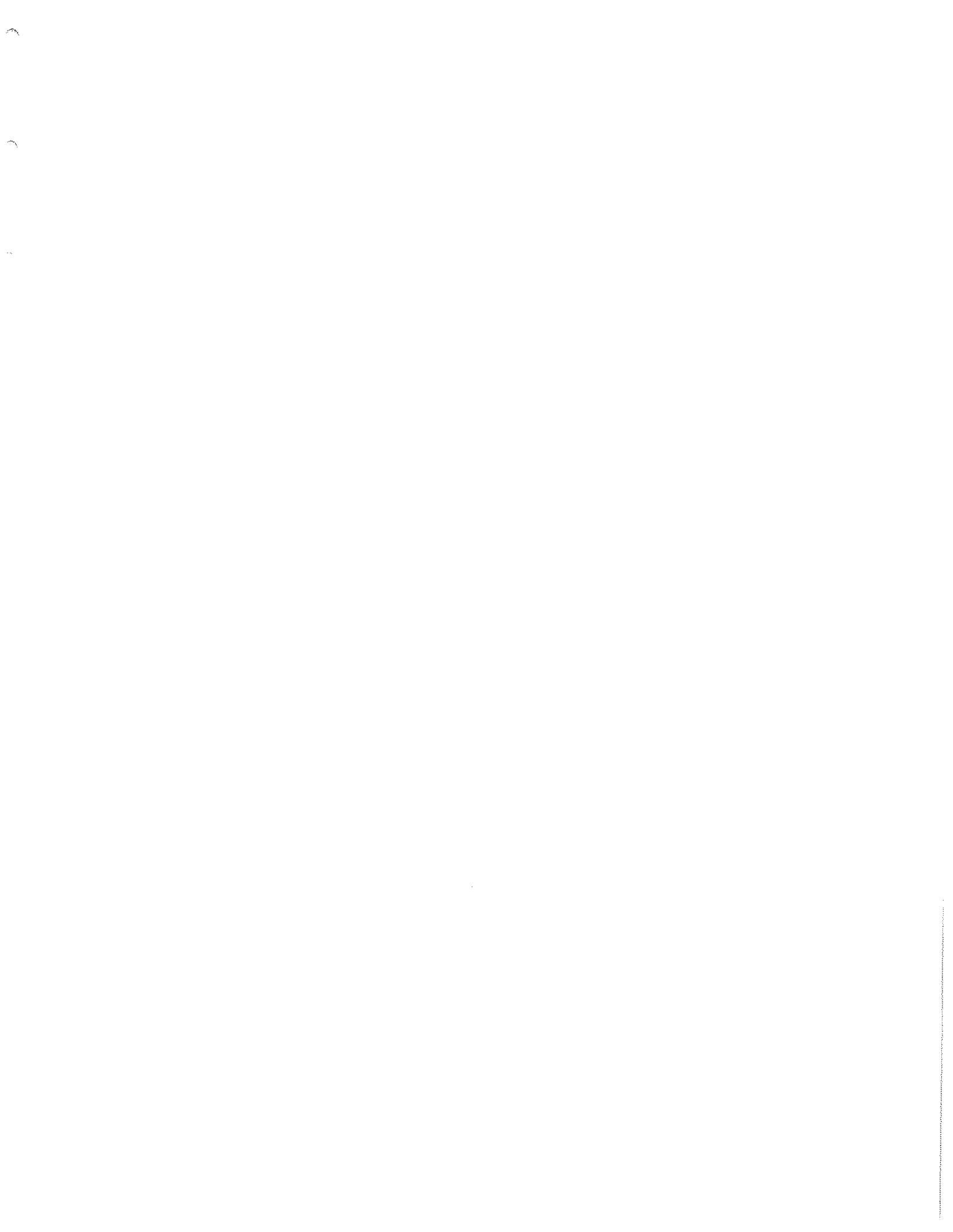
"System" means the existing waterworks of the Issuer as improved, extended, enlarged and expanded by the Project, and includes the complete waterworks system of the Issuer and all waterworks facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the waterworks system; and shall also include any and

all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the waterworks system of the Issuer.

Other terms used in this Schedule I and not defined herein shall have the meanings ascribed to them in the Bond Resolution authorizing the Bluewell Public Service District Water Revenue Bonds, Series 2000 (West Virginia DWTRF Program), a copy of which is on file and may be inspected at the office of the Secured Party indicated above.

08/25/00  
088390/00001

CH401415.1



BLUEWELL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2000  
(West Virginia DWTRF Program)

CERTIFICATE OF FILING OF  
FINANCING STATEMENT - SECRETARY OF STATE

I, KEN HECHLER, Secretary of State of the State of West Virginia, hereby certify that on August 29, 2000, at the hour set forth below, there was filed in my office:

(1) A FINANCING STATEMENT between Bluewell Public Service District, as debtor, and West Virginia Water Development Authority, as secured party, filed at the hour of 2:33 p.m. as Financing Statement No. 0546174.

[SEAL]



\_\_\_\_\_  
Secretary of State of the State of West Virginia

08/14/00  
088390/00001



# STEPTOE & JOHNSON

ATTORNEYS AT LAW

BANK ONE CENTER

SEVENTH FLOOR

P. O. BOX 1588

CHARLESTON, W. VA. 25326-1588

(304) 353-8000

FACSIMILE (304) 353-8180

August 29, 2000

Bluewell Public Service District  
Water Revenue Bonds, Series 2000  
(West Virginia DWTRF Program)

BANK ONE CENTER, SIXTH FLOOR  
P. O. BOX 2190  
CLARKSBURG, W. VA. 26302-2190  
(304) 624-8000  
FACSIMILE (304) 624-8183

1000 HAMPTON CENTER  
P. O. BOX 1616  
MORGANTOWN, W. VA. 26507-1616  
(304) 598-8000  
FACSIMILE (304) 598-8116

126 EAST BURKE STREET  
P. O. BOX 2629  
MARTINSBURG, W. VA. 25402-2629  
(304) 263-6991  
FACSIMILE (304) 262-3541

RILEY BUILDING, FOURTH FLOOR  
14TH AND CHAPLINE STREETS  
P. O. BOX 150  
WHEELING, W. VA. 26003-0020  
(304) 233-0000  
FACSIMILE (304) 233-0014

THE RIVERS OFFICE PARK  
200 STAR AVENUE, SUITE 220  
P. O. BOX 628  
PARKERSBURG, W. VA. 26102-0628  
(304) 422-6463  
FACSIMILE (304) 422-6462

ALAN B. MOLLOHAN INNOVATION CENTER  
1000 TECHNOLOGY DRIVE  
P. O. BOX 2210  
FAIRMONT, W. VA. 26554-6824  
(304) 368-8000  
FACSIMILE (304) 368-8413

WRITER'S DIRECT DIAL NUMBER

Bluewell Public Service District  
Bluewell Station, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Bureau for Public Health  
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by Bluewell Public Service District (the "Issuer"), a public service district, public corporation and political subdivision created and existing under the laws of the State of West Virginia, of its \$1,275,000 Water Revenue Bonds, Series 2000 (West Virginia DWTRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement dated August 15, 2000, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing December 1, 2001, and ending September 1, 2031, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13A and Chapter 16,

Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public waterworks facilities of the Issuer, including, but not limited to, the cost of acquiring certain assets of the public waterworks system of the Town of Bramwell (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and the Bond Resolution duly adopted by the Issuer on August 15, 2000, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 15, 2000 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

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

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

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

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's (1) Waterworks Revenue Bond, Series A, dated September 2, 1964, issued in the original aggregate principal amount of \$768,460; (2) Water Revenue Bond, Series 1982, dated April 20, 1982, issued in the original aggregate principal amount of \$1,625,000; (3) Water Revenue Bond, Series 1993, dated July 15, 1993, issued in the original aggregate principal amount of \$311,000; (4) Water Revenue Bond, Series 1998 A, dated January 26, 1998, issued in the original aggregate principal amount of \$480,000; and (5) Water Revenue Bond, Series 1998 B, dated January 26, 1998, issued in the original aggregate principal

amount of \$142,000, all held by the United States Department of Agriculture, all in accordance with the terms of the Bonds and the Bond Legislation.

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

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

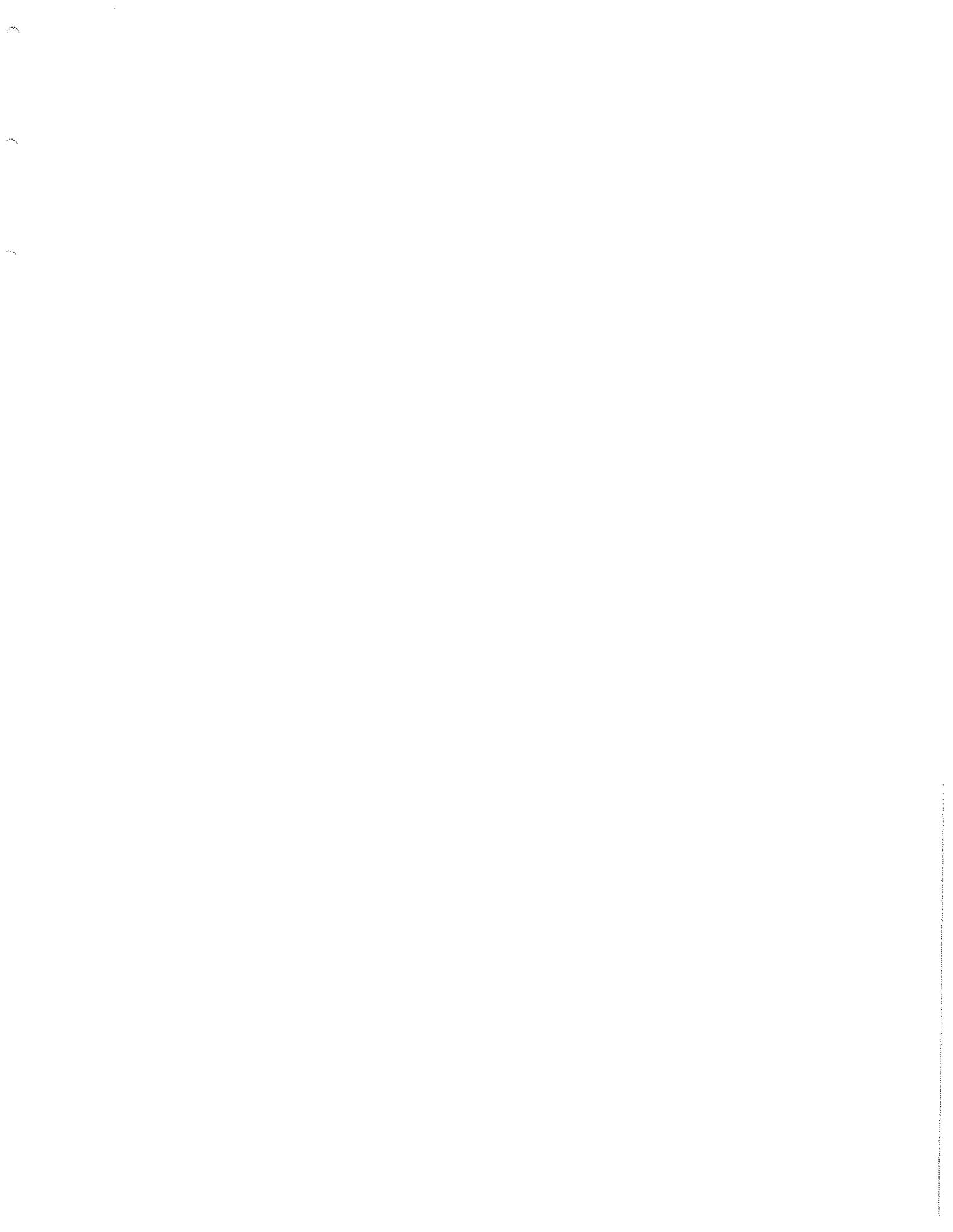
It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws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

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

Very truly yours,

  
STEPTOE & JOHNSON

08/16/00  
088390/00001



CHARLES W. PACE

*Attorney at Law*

TELEPHONE (304) 487-2610  
FAX (304) 425-7340

August 29, 2000

1608 WEST MAIN STREET  
PRINCETON, WEST VIRGINIA 24740

Bluewell Public Service District  
Water Revenue Bonds, Series 2000  
(West Virginia DWTRF Program)

Bluewell Public Service District  
Bluefield, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Bureau for Public Health  
Charleston, West Virginia

Steptoe & Johnson  
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to Bluewell Public Service District, a public service district, in Mercer County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson, as bond counsel, a loan agreement dated August 15, 2000, including all schedules and exhibits attached thereto, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH") (the "Loan Agreement"), the Bond Resolution duly adopted by the Issuer on August 15, 2000, as supplemented by the Supplemental Resolution duly adopted by the Issuer on August 15, 2000 (collectively, the "Bond Legislation"), orders of The County Commission of Mercer County relating to the Issuer and the appointment of members of the Public Service Board of the Issuer, the Intergovernmental Agreement dated August 30, 1999, by and between the Issuer and the Town of Bramwell (the "Town"), the Escrow Agreement dated August 29, 2000, by and among the Issuer, the Town and myself, as Escrow Agent, and other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer (collectively, the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

I am of the opinion that:

1. The Issuer is duly created and validly existing as a public service district and as a public corporation and political subdivision of the State of West Virginia.
2. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority, constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.
3. The members and officers of the Public Service Board of the Issuer have been duly, lawfully and properly appointed and elected, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.
4. The Bond Legislation has been duly adopted by the Issuer and is in full force and effect.
5. To the best of my knowledge after due inquiry with the Issuer, the execution and delivery of the Bonds, the Loan Agreement, the Intergovernmental Agreement and the Escrow Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement, the Intergovernmental Agreement, the Escrow Agreement and the Bond Legislation and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any order, resolution, agreement or other instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, court order or consent decree to which the Issuer is subject.
6. To the best of my knowledge after due inquiry with the Issuer, the Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt

of all requisite orders, certificates and approvals from The County Commission of Mercer County, the West Virginia Infrastructure and Jobs Development Council, the BPH and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the adoption of a resolution prescribing such rates and charges. The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on August 9, 2000, in Case No. 99-1761-PWD-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project and the rates for the System. The time for appeal of such Final Order has not expired prior to the date hereof. However, the Issuer and the other parties to such Final Order have stated that they do not intend to appeal such Final Order. Such Final Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to original application.

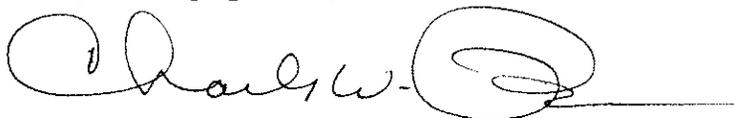
7. The Issuer has duly authorized, executed, delivered and renewed the term of, the Intergovernmental Agreement. The Intergovernmental Agreement has been approved by the Attorney General of the State of West Virginia and by the Public Service Commission of West Virginia, by Final Order entered on December 14, 1999, in Case No. 99-1467-PWD-W-PC, the time for appeal of which has expired prior to the date hereof without appeal. The Issuer has duly approved, authorized and executed the Escrow Agreement and all other documents necessary for the acquisition of certain assets of the public waterworks system of the Town. The real property of the Town of Bramwell to be conveyed under the Intergovernmental Agreement may, however, be subject to a claim against the Town's title thereto by a third party. The Town of Bramwell has covenanted in the Escrow Agreement that, prior to the conveyance of the Assets of the Town to the District as provided therein, the Town will clarify and resolve all possible encroachments on the real property to provide that the Issuer shall have clear title to, or an easement for, all real property which is necessary for the ownership,

construction, operation and/or maintenance of the System.

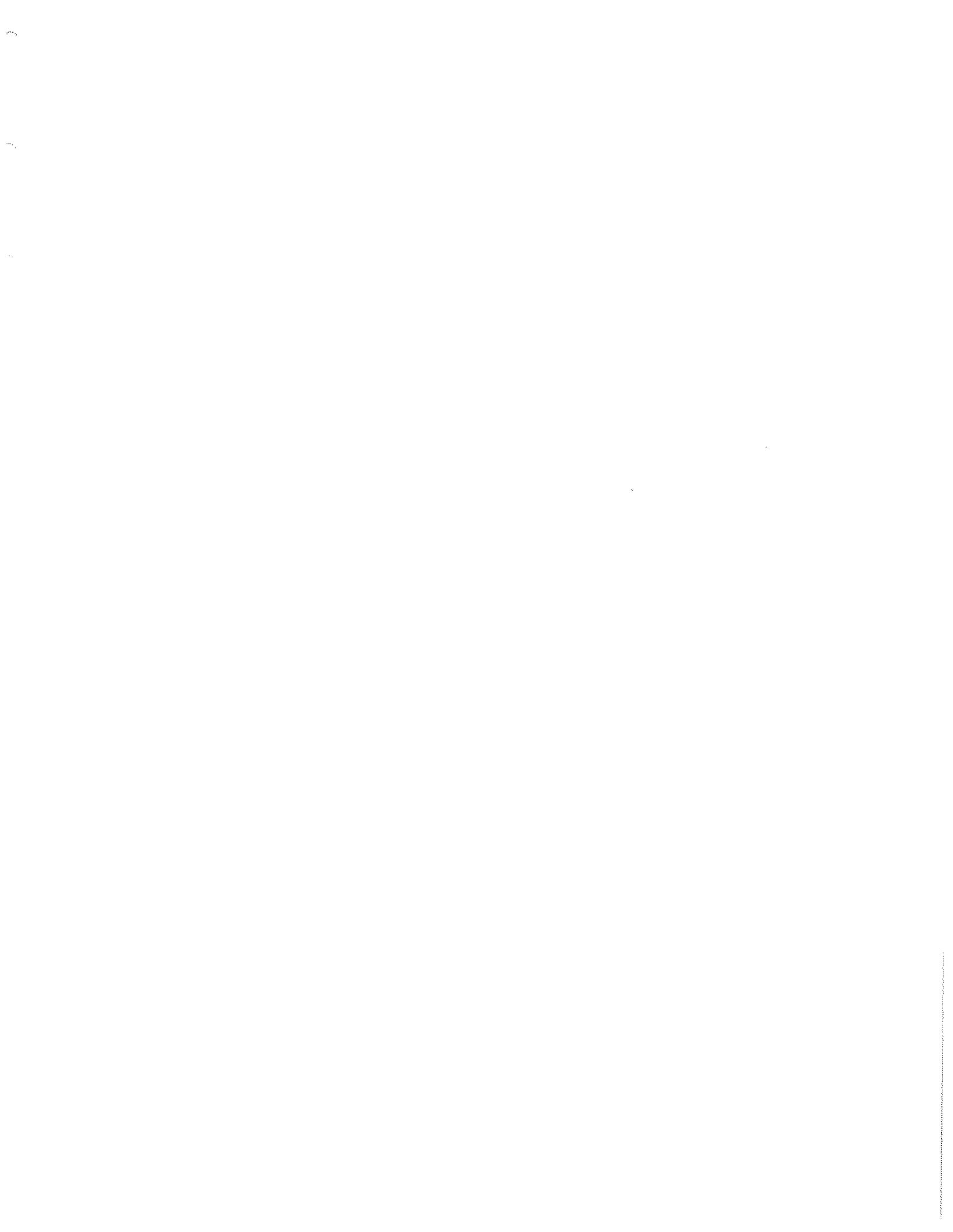
8. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreement, the Bond Legislation, the Intergovernmental Agreement, the Escrow Agreement, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds or the collection or pledge of the Net Revenues therefor.
9. Prior to the execution of construction contracts by the Issuer, I will verify that all successful bidders have made the required provisions for all insurance and payment and performance bonds and I will verify such insurance policies or binders and such bonds for accuracy. Prior to the execution of construction contracts by the Issuer, I will review the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, I will verify that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the Loan Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,



Charles W. Pace



FEUCHTENBERGER & BARRINGER LEGAL CORPORATION

ATTORNEYS AT LAW

335 NEW HOPE ROAD

P. O. BOX 5726

PRINCETON, WV 24740

304-425-5060 304-425-5062

J.W. FEUCHTENBERGER  
J.W. BARRINGER  
KELLI L. HARSHBARGER

FAX 304-487-2350

August 29, 2000

Bluewell Public Service District  
Water Revenue Bonds, Series 2000  
(West Virginia DWTRF Program)

Town of Bramwell  
Bramwell, West Virginia

Bluewell Public Service District  
Bluefield Station  
Bluefield, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Bureau for Public Health  
Charleston, West Virginia

Steptoe & Johnson  
Charleston, West Virginia

Ladies and Gentlemen:

We are counsel to the Town of Bramwell, a municipal corporation in Mercer County, West Virginia (the "Town"). As such counsel, we have examined copies of the Intergovernmental Agreement dated August 30, 1999, by and between Bluewell Public Service District (the "District") and the Town, the Escrow Agreement dated August 29, 2000, by and among the District, the Town and Charles W. Pace, as Escrow Agent, and other documents, papers, agreements, instruments and certificates relating to the aforementioned Intergovernmental Agreement and Escrow Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Intergovernmental Agreement and Escrow Agreement when used herein.

We are of the opinion that:

1. The Town is duly created and validly existing as a municipal corporation and political subdivision of the State of West Virginia with full power and authority to enter into the Intergovernmental Agreement and the Escrow Agreement and to sell the assets of its public waterworks system.

2. The Intergovernmental Agreement and the Escrow Agreement have been duly authorized, executed and delivered by the Town, and, assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding agreements of the Town enforceable in accordance with their terms.

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

4. To the best of our knowledge, after due inquiry with the issuer, the execution and delivery of the Intergovernmental Agreement and the Escrow Agreement and the consummation of the transactions contemplated by the Intergovernmental Agreement and the Escrow Agreement and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Town, a breach of or default under any order, resolution, agreement or other instrument to which the Town is a party or by which the Town or its properties are bound or any existing law, regulation, court order or consent decree to which the Town is subject.

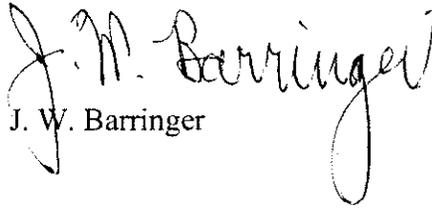
5. The Town has duly authorized, executed, delivered and renewed the term of the Intergovernmental Agreement. The Intergovernmental Agreement has been approved by the Attorney General of the State of West Virginia and by the Public Service Commission of West Virginia, by Final Order entered on December 14, 1999, in Case No. 99-1467-PWD-W-PC, the time for appeal of which has expired prior to the date hereof without appeal. The Town has duly approved, authorized and executed the Escrow Agreement and all other documents necessary for the sale of certain assets of the public waterworks system of the Town to the District. The real property of the Town of Bramwell to be conveyed under the Intergovernmental Agreement may, however, be subject to a claim against the Town's title thereto by a third party. The Town of Bramwell has covenanted in the Escrow Agreement that, prior to the conveyance of the Assets of the Town to the District as provided therein, the Town will clarify and resolve all possible encroachments on the Real Property to provide that the Issuer shall have clear title to, or an easement for, all real property which is necessary for the ownership, construction, operation and/or maintenance of the System.

6. To the best of our knowledge, after due inquiry with the Issuer, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Intergovernmental Agreement or the Escrow Agreement.

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

Very truly yours,

FEUCHTENBERGER & BARRINGER  
LEGAL CORPORATION

  
J. W. Barringer

JBW:dne

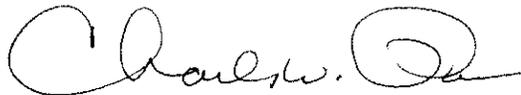


West Virginia Water Development Authority  
and West Virginia Bureau for Public Health  
Page 3  
August 29, 2000

and through public rights-of-way as shown in the  
plans.

If you have any questions regarding any of the information  
contained in this final title opinion, please contact this office.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Charles W. Pace". The signature is written in dark ink and is positioned above the typed name.

Charles W. Pace

CWP:bsc

Enclosure



**PENTREE, INCORPORATED**  
CONSULTING ENGINEERS

1428 MAIN STREET  
P. O. BOX 1309  
PRINCETON, WEST VIRGINIA 24740-1309  
TELEPHONE 304-431-7800

August 22, 2000

Charles W. Pace,  
Attorney at Law  
1608 West Main Street  
Princeton, WV 24740

**Re: Bluewell PSD/ Mercer County  
Bramwell-Bluewell Community Water Project - #99DWTRF003**

Dear Mr. Pace:

The District has acquired all railroad permits and highway permits required for the project. We have enclosed a listing of the railroad and highway permits for your use. Should you have any questions, please let us know.

Sincerely yours,

**PENTREE, INCORPORATED**

Robert D. Hazelwood, P.E., P.S.  
Vice President

Enclosures

cc: Bluewell PSD

**Bluewell PSD**  
**Bramwell-Bluewell Community Water Project**  
**#99DWTRF003**

Highway Permits-West Virginia Department of Highways

Contract 1 - Permit No. 0-99-0226

Contract 2 - Permit No. 0-00-0015

Contract 3 - Permit No. 0-99-0014

Railroad Permits - Norfolk Southern

The District has executed agreements on the following permits:

Activity No. 1021341	Milepost B-2 minus 1912 feet (4")	Contract 2 (Rt. 20)
Activity No. 1021342	Milepost B-2 plus 3,112 feet (8")	Contract 2 (Rt. 20)
Activity No. 1021343	Milepost B-5 minus 2,700 feet (8")	Contract 1
Activity No. 1021345	Milepost B-6 plus 3,430 feet (4")	Contract 1
Activity No. 1021346	Milepost B-7 minus 125 feet	Contract 1 **
Activity No. 1027938	Milepost B-4 plus 2,570 feet (8")	Contract 2 (Rt. 52)

The District will execute the agreement on the following permit if it change ordered back into the project towards the end of construction:

Activity No. 1027939	Milepost B-5 minus 1,040 feet (4")	Contract 1 **
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\*\* These crossings are included in deductive alternates which have been deleted from the contract work at the present time.

The letters of correspondence on the permits are attached.



WEST VIRGINIA DEPARTMENT OF TRANSPORTATION  
**Division of Highways**

Office of the District Administrator  
District Ten

270 Hardwood Lane • Princeton, West Virginia 24740 • 304/487-5228

Cecil H. Underwood  
Governor

Samuel G. Bonasso, P.E.  
Secretary

Samuel H. Beverage, P.E.  
Commissioner of Highways

Thomas F. Badgett  
Assistant Commissioner

June 29, 1999

Mr. Bob D. Hazelwood, P.E.  
Pentree, Inc. for  
Bluewell Public Service District  
P.O. Box 1309  
Princeton, West Virginia 24740

Dear Mr. Hazelwood:

Permit No. 0-99-0226  
Waterline Installation - Contract #1  
Bramwell/Bluewell Community Water Project  
Mercer County Route 15

Returned herewith is your application for permission to install 17,735 lineal foot of water line on County Route 15 in Mercer County.

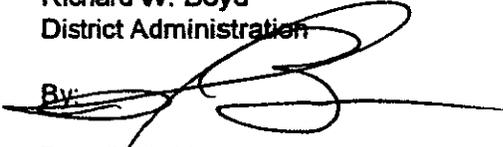
The Division of Highways will require surety in the amount of \$50,000.00 (fifty thousand dollars), to satisfy condition number 1 of the permit applications. We will not require you to provide the surety until after you award your contract(s) and at a reasonable time prior to the commencement of the work authorized within State Rights of Ways. Failure to provide the proper surety prior to the commencement of any work within State Right of Ways will result in the immediate cancellation of these permits.

Payment of the inspection fee due the Division is due 60 days after construction begins in accordance with the instructions on Form BF-125, attached to this letter.

The Construction Division, Utilities Section, will be responsible for the inspection. Mr. Charlie Pence is the District Utilities Supervisor, and can be reached at 487-5291 in Princeton.

Very truly yours,

Richard W. Boyd  
District Administration

By: 

Darrell W. Allen  
Director of Engineering

RWB:DAe  
Enclosure  
cc: Mr. Charlie Pence

West Virginia Department of Highways

PAYMENT INSTRUCTIONS FOR APPROVED PERMITS

FOR PUBLIC WATER AND SEWAGE PROJECTS ONLY

As noted on the attached PERMIT TO ENTER UPON AND UNDER THE STATE ROADS OF THE STATE OF WEST VIRGINIA, AS PROVIDED FOR IN SECTION 6 ARTICLE 16, CHAPTER 17, WV CODE, 1931 (Form MT-4) your request for entering upon the Department of Highways right-of-way has been approved. Payment of review, preparation, issuance inspection and collection of the work to be performed on the right-of-way is at the established rate of \$ 0.43 per lineal foot.

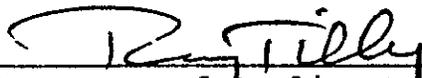
This project will encroach 17,735 feet on the Department of Highways right-of-way, according to the project plans. Therefore, the amount due to the Department of Highways is \$ 7,626.05. This form is to be considered an Invoice. Payment must be received by the Department of Highways no later than 60 days after construction.

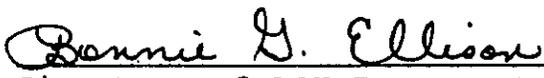
Payments must be made in the form of certified check or money order, made payable to the West Virginia Department of Highways. No cash or personal checks will be accepted. This payment is the responsibility of the applicant. The payment must be properly identified by the Permit number and Authorization Number and mailed to:

West Virginia Department of Highways  
Finance Division  
Attention: Accounts Receivable Section  
1900 Washington Street, East  
Charleston, WV 25305

Permit Number 0-99-0226

Authorization Number PW4062F

  
Signature of Applicant

  
Signature of DOH Representative

PERMIT TO ENTER UPON, UNDER, OVER OR ACROSS THE STATE ROADS OF THE STATE OF WEST VIRGINIA, AS PROVIDED FOR IN SECTION 8, ARTICLE 16, CHAPTER 17; SECTION 9, ARTICLE 16, CHAPTER 17; SECTION 8, ARTICLE 4, CHAPTER 17; WEST VIRGINIA CODE, 1931, AS AMENDED.

THIS PERMIT, Made this 10th day of May, 1999, between the WEST VIRGINIA DEPARTMENT OF TRANSPORTATION, DIVISION OF HIGHWAYS, a statutory corporation hereinafter called DIVISION and Bluewell Public Service District

Address: P.O. Box 3066, Bramwell Station, Bluefield, WV 24701

hereinafter called APPLICANT.

WITNESSETH

In consideration of the hereinafter set out covenants and in accordance with Section 6, Article 16, Chapter 17; or Section 9, Article 16, Chapter 17; or Section 8, Article 4, Chapter 17, of the Official Code of West Virginia, 1931, as amended, and the rules and regulations promulgated thereunder, APPLICANT does hereby apply to enter

Circle Type of Route: I US WV SLS D Route No. 15 DOH Project No. \_\_\_\_\_ (if applicable); at between Bramwell and Duhring Mile Post \_\_\_\_\_

in Mercer County, for the purposes hereinafter set forth and in accordance with the plans and specifications which are attached hereto and made a part hereof: Construct (1) 17,115 feet of 8", 6" and 2" waterlines parallel with roadways; (2) 389 feet of 8", 6" and 4" road crossings with casing; (3) 240 feet of 1" road jacks (see attached summary). Metallic tape shall be installed above waterlines 12" to 18" from the top of the trench.

(Bramwell/Bluewell Community Water Project - Contract 1)

APPLICANT further agrees to accept the conditions hereinafter set forth:

1. APPLICANT shall deposit with DIVISION the sum of \$ as required in the form of a certified check, money order, or executed bond with surety satisfactory to DIVISION to cover any damage and inspection costs DIVISION may sustain by reason of the granting of this permit, including any expense incurred in restoring said highway to its original condition or the proper repair of any and all damages that may result within one (1) year from the date of the completion of said work.
2. APPLICANT agrees to reimburse DIVISION for inspection costs as follows:
  - A. For any inspection costs incurred under this permit.
  - B. At \$ 0.43 per linear foot for 17,735 feet of water line under this permit.
  - C. At \$ \_\_\_\_\_ per linear foot for \_\_\_\_\_ feet of sewer line under this permit.
3. APPLICANT shall notify DIVISION at least 48 hours in advance of the date work will begin. Failure to comply will be cause for cancellation of this permit.
4. APPLICANT agrees to protect its employees, equipment and the users of the highway at all times in accordance with the current Division of Highways manual "Traffic Control For Streets and Highways Construction and Maintenance Operation".
5. APPLICANT agrees to comply with all applicable state and federal laws in the performance of work under this permit.
6. Supplementary conditions cited on the reverse side of this permit are understood and agreed to be a part hereof.
7. The work authorized under this permit shall be completed on or before the 31st day of December, 19 2000

RECOMMENDED: Original Signed By  
CHARLES E. PENCE  
Title DISTRICT UTILITIES SUPERVISOR

R. J. Kelly GENERAL MANAGER  
Signature and Title of Applicant

BOND REQUIREMENT:  
BOND NO. \_\_\_\_\_ /DATE \_\_\_\_\_  
Attached  On File

APPROVED: ORIGINAL SIGNED BY:  
WILSON BUTT  
Title Office Engineer  
West Virginia Division of Highways

INSPECTION REQUIREMENTS:  
Full Time  Part Time   
Periodic  Reimbursable  No Cost

REIMBURSABLE AUTHORIZATION NO. PW 4062R

PERMIT NO. 0-99-0226

## CHAPTER 17 WEST VIRGINIA CODE, 1931

17-4-8. Use of roadbed by railroad, telephone company, etc. — No railroad or electric or other railway shall be constructed upon the roadbed of any state road, except to cross the same, nor shall any person, firm or corporation enter upon or construct any works in or upon such road, or lay or maintain thereon or thereunder any drainage, sewer or water pipes, gas pipes, electric conduits or other pipes, nor shall any telephone or electric line or power pole, or any other structure whatsoever, be erected upon, in or over any portion of a state road, except under such restrictions, conditions and regulations as may be prescribed by the Commissioner of Highways. Whenever any railroad or electric or other railway, heretofore or hereafter constructed, shall cross any state road it shall be required to keep its own roadbed, and the bed of the road or highway at such crossing, in proper repair, or else to construct and maintain an overhead or undergrade crossing, subject to the approval of the Commissioner of Highways; and the tracks of such railroad or railway at grade crossings shall be so constructed as to give a safe and easy approach to and across the same, and when the construction of such approaches is made necessary by a change in the railroad grade at the grade crossing, the cost shall be upon the railway company.

17-16-8. Permit by commission or county court for openings in or structures on public roads; franchise and easement of oil, etc., transportation companies. — No openings shall be made in any state or county-district road or highway, nor shall any structure be placed therein or thereover, nor shall any structure, which has been so placed, be changed or removed, except in accordance with a permit from the West Virginia Department of Highways or county court, as the case may be. No road or highway shall be dug up for laying or placing pipes, sewers, poles or wires, or for other purposes, and no trees shall be planted or removed or obstructions placed thereon, without the written permit of the Department or county court, or its duly authorized agent, and then only in accordance with the regulation of the department or court. The work shall be done under the supervision and to the satisfaction of the department or court; and the entire expense of replacing the highway in as good condition as before shall be paid by the persons to whom the permit was given, or by whom the work was done: Provided, however, that nothing herein contained shall be so construed as to prevent any oil or gas company or person having a proper permit or franchise from transporting oil or gasoline along any of the public highways of this State, nor to give such a company a franchise without paying to the landowners through whose lands such road passes the usual and customary compensation paid or to be paid to the landowners for such right of way. Any grant or franchise when made shall be construed to give to such company or person only the right to use the easement in such public road.

A violation of any provision of this section shall be a misdemeanor, and the person or corporation violating the same shall, upon conviction thereof, be fined not less than twenty-five or more than one hundred dollars for each offense.

17-16-9. Private driveways or approaches to roads; obstruction of ditches. — The owner or tenant of land fronting on any state road shall construct and keep in repair all approaches or driveways to and from the same, under the direction of the West Virginia Department of Highways; and, likewise the owner or tenant of land fronting on any county-district road shall construct and keep in repair all approaches or driveways to and from the same, under the direction of the county road engineer, and it shall be unlawful for such owner or tenant to fill up any ditch, or place any material of any kind or character in any ditch, so as in any manner to obstruct or interfere with the purposes for which it was made.

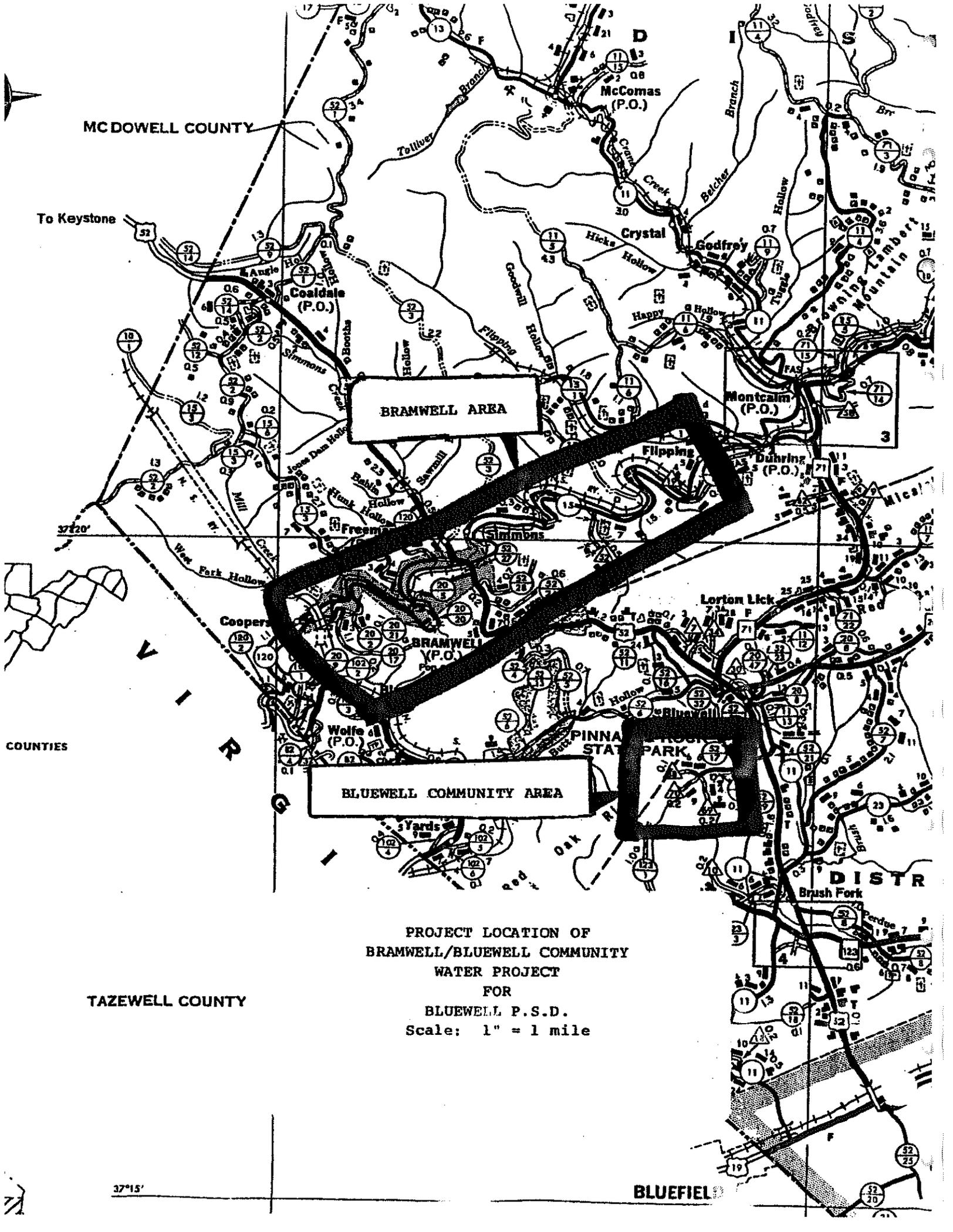
### SUPPLEMENTARY CONDITIONS

1. The person, firm or corporation to whom a permit is issued agrees to hold the State of West Virginia and DIVISION harmless on account of any damages to persons or property which may arise during the progress of the work authorized by this permit or by reason thereof.
2. Applications for permission to perform work within highway rights of way shall be made on DIVISION'S standard permit form and shall be signed by the authorized representative of the person, firm or corporation applying.
3. The APPLICANT shall give detailed information concerning the work to be performed and the application must include a sketch sufficient to show the nature of the work performed.
4. APPLICANT, his agents, successor, heirs or assigns, contractors or any other person, firm or corporation working under APPLICANT'S real or apparent authority, shall perform the work in a manner satisfactory to DIVISION. Damage to the road resulting at any time from work authorized under this permit shall be repaired by APPLICANT. Unsatisfactory repairs may be corrected by DIVISION or its authorized agent and the cost thereof paid by APPLICANT.
5. DIVISION assumes no liability for damage to the proposed work by reason of construction or maintenance work on the road.
6. This permit is granted subject to removal of the authorized installation by APPLICANT at no cost to DIVISION when required for improvement of the road, and subject to all regulations now or hereafter adopted by DIVISION.
7. Utility installations shall be in accordance with the current manual, "Accommodation of Utilities on Highway Rights of Way".
8. Driveways shall be in accordance with the current manual, "Rules and Regulations for Constructing Driveways on State Highway Rights-of-Way".
9. DIVISION reserves the right to cancel this permit at any time, should APPLICANT fail to comply with the terms and conditions under which it is granted.
10. This permit is granted only insofar as the DIVISION has a right to do so.

**BLUEWELL P.S.D. BRAMWELL / BLUEWELL COMMUNITY WATER PROJECT**  
**WEST VIRGINIA DOT-DIVISION OF HIGHWAYS**  
**DISTRICT 10**  
**PERMIT APPLICATION**  
**ROUTES AND QUANTITIES**  
**WATERLINE INSTALLATION**  
**CONTRACT 1**

Route No.	Sheet No.	Parallel (lf)			Road Crossings (lf)				1" Road Jack (lf)
					Bore			Open Cut	
		8"	6"	2"	8"	6"	4"	8"	
15	RR1	1770	255	—	—	35	—	—	30
15	RR2	5805	—	—	—	35	—	—	125
15	RR3	2575	—	—	—	—	—	—	25
15	RR4	3615	—	125	60	—	35	100	60
15	RR5	2970	—	—	80	—	35	—	—
<b>SUBTOTAL</b>		<b>16735</b>	<b>255</b>	<b>125</b>	<b>140</b>	<b>70</b>	<b>70</b>	<b>100</b>	<b>240</b>

**TOTAL FOOTAGE 17,735**



MC DOWELL COUNTY

To Keystone

BRAMWELL AREA

BLUEWELL COMMUNITY AREA

PROJECT LOCATION OF  
 BRAMWELL/BLUEWELL COMMUNITY  
 WATER PROJECT  
 FOR  
 BLUEWELL P.S.D.  
 Scale: 1" = 1 mile

TAZEWELL COUNTY

37°15'

BLUEFIELD



WEST VIRGINIA DEPARTMENT OF TRANSPORTATION  
**Division of Highways**

Office of the District Administrator  
District Ten

270 Hardwood Lane • Princeton, West Virginia 24740 • 304/487-5228

Cecil H. Underwood  
Governor

Samuel G. Bonasso, P.E.  
Secretary

Samuel H. Beverage, P.E.  
Commissioner of Highways

Thomas F. Badgett  
Assistant Commissioner

March 8, 2000

Mr. Bob D. Hazelwood, P.E.  
Pentree, Inc. for  
Bluewell Public Service District  
P.O. Box 1309  
Princeton, West Virginia 24740

Dear Mr. Hazelwood:

Permit No's. 0-00-0014 & 0-00-0015  
Waterline Installation – Contract's #2 & #3  
Bramwell/Bluewell Community Water Project  
Various Routes in Mercer County

Your applications to install waterlines on various routes in Mercer County has been reviewed by the Division of Highways. Final approval is granted subject to the following conditions. Numbers 1 through 3 will apply to both permits and 4 through 5 will apply only to Permit 0-00-0015.

1. On one-lane roads where waterlines may have to be placed in the roadway, a one-inch overlay may be required. Joints will be required at each end of overlay.
2. Where open cuts are allowed use typical details for trench backfill as called for by volume of traffic.
3. Shoulder or roadway asphalt repairs must be cut out and squared.
4. Crossings of culvert at Station 44+63 ±, on Old State Route 20, will be permitted if casing is placed over culvert. It should be extended on each side to allow replacement of culvert if needed.
5. On Old State Route 20 where the shoulders are narrow and waterline installation may damage good asphalt, milling to centerline may be required with one-inch overlay of asphalt.

Please make the necessary notes on the plans to stipulate the above.

The Division of Highways will require surety in the amount of \$50,000.00 (fifty thousand dollars), to satisfy condition number 1 of both permit applications. We will not require you to provide the surety until after you award your contract(s) and at a reasonable time prior to the commencement of the work authorized within State Rights of Ways. Failure to provide the proper surety prior to the commencement of any work within State Right of Ways will result in the immediate cancellation of these permits.

Payment of the inspection fee due the Division is due 60 days after construction begins in accordance with the instructions on Form BF-125, attached to this letter.

WEST VIRGINIA DIVISION OF HIGHWAYS

Mr. Bob Hazelwood

Page 2

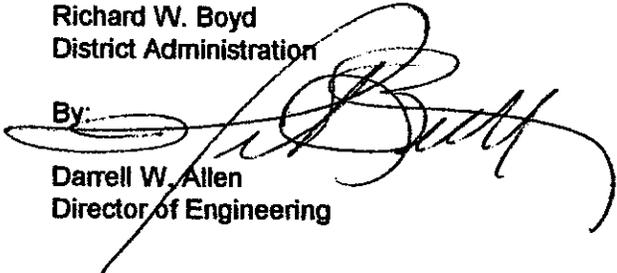
March 8, 2000

Please contact Mr. Charlie Pence, District Utilities Supervisor, twenty-four hours prior to the commencement of the work authorized by this permit in order that the Division may arrange to inspect the work in progress. You may contact Mr. Pence at 487-5291 in Princeton.

Very truly yours,

Richard W. Boyd  
District Administration

By:

  
Darrell W. Allen  
Director of Engineering

RWB:DAe  
Enclosure  
cc: Mr. Charlie Pence

PERMIT TO ENTER UPON, UNDER, OVER OR ACROSS THE STATE ROADS OF THE STATE OF WEST VIRGINIA, AS PROVIDED FOR IN SECTION 6, ARTICLE 16, CHAPTER 17; SECTION 9, ARTICLE 16, CHAPTER 17; SECTION 8, ARTICLE 4, CHAPTER 17; WEST VIRGINIA CODE, 1931, AS AMENDED.

THIS PERMIT, Made this 17th day of December, 19 99, between the WEST VIRGINIA DEPARTMENT OF TRANSPORTATION, DIVISION OF HIGHWAYS, a statutory corporation hereinafter called DIVISION and Bluewell Public Service District

Address: P.O. Box 3066, Bramwell Station, Bluefield, WV 24701

hereinafter called APPLICANT.

WITNESSETH

In consideration of the hereinafter set out covenants and in accordance with Section 6, Article 16, Chapter 17; or Section 9, Article 16, Chapter 17; or Section 8, Article 4, Chapter 17, of the Official Code of West Virginia, 1931, as amended, and the rules and regulations promulgated thereunder, APPLICANT does hereby apply to enter

Circle Type of Route: I US WV SLS D Route No.            \* DOH Project No.            (if applicable);  
at Town of Bramwell Mile Post             
in Mercer County, for the purposes hereinafter set forth and in accordance with the

plans and specifications which are attached hereto and made a part hereof. Construct (1) 10,807 feet of 8" and 2" waterlines parallel to perpendicular with roadways; (2) 300 feet of 8", 4" and 2" road crossings with casing; (3) 660 feet of 8", 2" and 1" open cut road crossings with casing; (4) 370 feet of 8" waterline in roadway without casing; (5) 175 feet of 1" road jack (see attached summary). Metallic tape shall be installed above waterlines 12" to 18" from the top of the trench. (Bramwell/Bluewell Community Water Project - Contract 2)

\* SEE ATTACHED

APPLICANT further agrees to accept the conditions hereinafter set forth:

1. APPLICANT shall deposit with DIVISION the sum of \$ as required in the form of a certified check, money order, or executed bond with surety satisfactory to DIVISION to cover any damage and inspection costs DIVISION may sustain by reason of the granting of this permit, including any expense incurred in restoring said highway to its original condition or the proper repair of any and all damages that may result within one (1) year from the date of the completion of said work.
2. APPLICANT agrees to reimburse DIVISION for inspection costs as follows:  
 A. For any inspection costs incurred under this permit.  
 B. At \$ 0.43 per linear foot for 12,312 feet of water line under this permit.  
 C. At \$            per linear foot for            feet of sewer line under this permit.
3. APPLICANT shall notify DIVISION at least 48 hours in advance of the date work will begin. Failure to comply will be cause for cancellation of this permit.
4. APPLICANT agrees to protect its employees, equipment and the users of the highway at all times in accordance with the current Division of Highways manual "Traffic Control For Streets and Highways Construction and Maintenance Operation".
5. APPLICANT agrees to comply with all applicable state and federal laws in the performance of work under this permit.
6. Supplementary conditions cited on the reverse side of this permit are understood and agreed to be a part hereof.
7. The work authorized under this permit shall be completed on or before the 21st day of December, 19 2001

RECOMMENDED: Original Signed By  
CHARLES E. PENCE  
DISTRICT UTILITIES SUPERVISOR  
Title           

Ray Tilly GENERAL MANAGER  
Signature and Title of Applicant

BOND REQUIREMENT:  
BOND NO.            /DATE             
Attached  On File

APPROVED: ORIGINAL SIGNED BY:  
WILSON BUTT  
Office Engineer  
Title             
West Virginia Division of Highways

INSPECTION REQUIREMENTS:  
Full Time  Part Time   
Periodic  Reimbursable  No Cost   
REIMBURSABLE AUTHORIZATION NO. PW4187R

PERMIT NO. 0-00-0015

BLUEWELL P.S.D. BRAMWELL / BLUEWELL COMMUNITY WATER PROJECT  
 WEST VIRGINIA DOT-DIVISION OF HIGHWAYS  
 DISTRICT 10  
 PERMIT APPLICATION  
 ROUTES AND QUANTITIES  
 WATERLINE INSTALLATION  
 CONTRACT 2

Route No.	Sheet No.	Parallel to Perpendicular (lf)		Parallel In Road Without Casing	Road Crossings (lf)						1" Road Jack (lf)
		8"	2"		Bore			Open Cut			
		8"	2"	8"	8"	4"	2"	8"	2"	1"	
WV 20	BR7	1485	—	—	—	—	—	—	—	—	—
WV 20	BR8	900	—	—	30	—	—	—	—	—	60
OLD 52	BR8	605	—	—	—	—	—	—	—	—	25
15	BR9	880	—	—	25	—	—	—	—	—	30
OLD 52	BR9	130	40	100	—	—	—	—	—	—	—
WV 20	BR10	—	—	—	—	65	—	—	—	—	—
WV 20	BR12	380	—	—	30	—	—	—	—	—	—
15/3	BR12 BR13 BR19	940	—	270	—	—	—	30	—	40	—
WV 20	BR13	670	—	—	30	—	—	—	—	—	—
20/5	BR14	—	—	—	—	—	—	—	—	300	—
US 52	BR15	265	—	—	50	—	—	—	—	—	—
OLD 52	BR15	375	—	—	—	—	—	40	—	—	—
WV 20	BR19	10	—	—	—	—	—	—	—	—	—
WV 20	BR20	510	—	—	30	—	40	—	—	—	—
20/20	BR20	1747	—	—	—	—	—	—	—	40	60
20/21	BR26	250	—	—	—	—	—	—	—	20	—
20/20	BR26	1620	—	—	—	—	—	30	20	140	—
<b>SUBTOTAL</b>		<b>10767</b>	<b>40</b>	<b>370</b>	<b>195</b>	<b>65</b>	<b>40</b>	<b>100</b>	<b>20</b>	<b>540</b>	<b>175</b>

TOTAL FOOTAGE 12,312



BLUEWELL P.S.D. BRAMWELL / BLUEWELL COMMUNITY WATER PROJECT  
 WEST VIRGINIA DOT-DIVISION OF HIGHWAYS  
 DISTRICT 10  
 PERMIT APPLICATION  
 ROUTES AND QUANTITIES  
 WATERLINE INSTALLATION  
 CONTRACT 3

Route No.	Sheet No.	Parallel (lf)			Open Cut Road Crossings (lf)					1" Road Bore (lf)
		8"	6"	2"	Without Casing		With Casing			
		8"	6"	2"	8" DIP	6" DIP	8"	6"	2"	
52/23	BC2	1325	—	—	—	—	—	—	25	75
52/42	BC2	—	—	845	—	—	—	—	—	140
52/23	BC3	240	—	—	—	—	25	20	—	50
52/19	BC3	260	190	—	—	—	—	20	—	100
52/36	BC4	—	720	—	—	—	—	—	20	80
52/23	BC5	—	—	65	—	—	20	—	—	—
52/36	BC5	—	65	—	—	—	35	—	—	—
52/19	BC5	700	225	—	—	—	20	—	—	80
52/37	BC5	—	—	985	20	—	—	—	—	100
52/19	BC6	—	870	—	—	—	—	—	—	80
52/37	BC7	240	270	—	—	30	—	—	—	40
<b>SUBTOTAL</b>		<b>2765</b>	<b>2340</b>	<b>1895</b>	<b>20</b>	<b>30</b>	<b>100</b>	<b>40</b>	<b>45</b>	<b>745</b>

TOTAL FOOTAGE 7,980

1" Road Crossing: Jack or Bore on Paved Roads  
 Open Cut on Unpaved Roads



Norfolk Southern Corporation  
Real Estate and Contract Services  
Suite 1650, One Georgia Center  
600 West Peachtree Street, N.W.  
Atlanta, GA 30308-3603

**Alfreda C. Brown**  
Contract Specialist  
Phone: (404) 962-5556  
FAX: (404) 527-2783  
E-Mail: [acbrow@nscorp.com](mailto:acbrow@nscorp.com)

April 14, 2000  
Activity Nos.: 1021341; 1021342; 1021343;  
1021345; 1021346; 1027938

Mr. Ray Tilley, P.E.  
General Manager  
Bluewell Public Service District  
P. O. Box 3066, Bluewell Station  
4146 Coal Heritage Road  
Bluefield, WV 24701

RE: **BRAMWELL, Mercer County, West Virginia** – Various Pipeline Agreements as described in the Attachment.

Dear Mr. Tilley:

Enclosed are six (6) fully executed originals of the above-referenced Agreements for your file.

This will also acknowledge receipt of Check No. 1005, payable to Norfolk Southern Railway Company, dated March 24, 2000, in the amount of \$11,900.00, covering the non-refundable, non-assignable one-time fee and Risk Financing fee for each Agreement.

Please note insurance requirements for General Liability Insurance must be met before construction begins. This evidence of such insurance must be furnished to and approved by Railway's Risk Manager, Norfolk Southern Corporation, Three Commercial Place, Norfolk, Virginia 23510-2191.

Upon receipt and approval of insurance by our Risk Management Department, please contact Mr. K. L. Grigsby, Division Engineer, at (304) 325-4202 and Mr. F. D. Watkins in our Communications & Signals Department at (304) 325-4288, giving at least 72 hours advance notice prior to commencing installation on our right of way.

If you should have any questions regarding these matters, please contact me referring to my above activity numbers.

Sincerely,

Alfreda C. Brown

ACB/mmh.#27533v1-Bluewell Public Service District

ATTACHMENT

- RE: (1) **BRAMWELL, Mercer County, West Virginia** - Agreement dated April 11, 2000, and effective April 15, 2000, between Norfolk Southern Railway Company and Bluewell Public Service District covering Installation, maintenance and operation of a 4-inch water pipeline under and across Railway's property at Milepost B-2 minus 1,912 feet; one-time fee \$1,200.00; Risk Financing fee \$450.00 (1021341);
- (2) **BRAMWELL, Mercer County, West Virginia** - Agreement dated April 11, 2000, and effective April 15, 2000, between Norfolk Southern Railway Company and Bluewell Public Service District covering Installation, maintenance and operation of an 8-inch water pipeline under and across Railway's property at Milepost B-2 plus 3,112 feet; one-time fee \$1,700.00; Risk Financing fee \$450.00 (1021342);
- (3) **BRAMWELL, Mercer County, West Virginia** - Agreement dated April 11, 2000, and effective April 15, 2000, between Norfolk Southern Railway Company and Bluewell Public Service District covering Installation, maintenance and operation of an 8-inch water pipeline under and across Railway's property at Milepost B-5 minus 2,700 feet; one-time fee \$1,700.00; Risk Financing fee \$450.00 (1021343);
- (4) **BRAMWELL, Mercer County, West Virginia** - Agreement dated April 11, 2000, and effective April 15, 2000, between Norfolk Southern Railway Company and Bluewell Public Service District covering Installation, maintenance and operation of a 4-inch water pipeline under and across Railway's property at Milepost B-6 plus 3,430 feet; one-time fee \$1,200.00; Risk Financing fee \$450.00 (1021345);
- (5) **BRAMWELL, Mercer County, West Virginia** - Agreement dated April 11, 2000, and effective April 15, 2000, between Norfolk Southern Railway Company and Bluewell Public Service District covering Installation, maintenance and operation of an 8-inch water pipeline under and across Railway's property at Milepost B-7 minus 125 feet; one-time fee \$1,700.00; Risk Financing fee \$450.00 (1021346); and
- (6) **BRAMWELL, Mercer County, West Virginia** - Agreement dated April 11, 2000, and effective April 15, 2000, between Norfolk Southern Railway Company and Bluewell Public Service District covering Installation, maintenance and operation of an 8-inch water pipeline in an 18-inch casing pipe, under and across Railway's property at Milepost B-4 plus 2,570 feet; non-refundable, non-assignable, one time fee \$1,700.00; Risk Financing fee \$450.00 (1027938).



Norfolk Southern Corporation  
Real Estate and Contract Services  
Suite 1650, One Georgia Center  
600 West Peachtree Street, N.W.  
Atlanta, GA 30308-3603

Alfreda C. Brown  
Contract Specialist  
My Direct Line is:  
Phone: (404) 962-5556  
FAX: (404) 527-2783

January 5, 2000  
Activity Nos.: 1027938; 1027939

VIA AIRBORNE EXPRESS

Mr. Robert D. Hazelwood, Vice President  
Pentree, Incorporated  
1428 Main Street  
Princeton, West Virginia 24740

RE: **Bramwell, Mercer County, West Virginia** -- Proposed Agreement between Norfolk Southern Railway Company and Bluewell Public Service District, concerning installation, maintenance, operation and removal of an 8-inch water pipeline in an 18-inch casing pipe, located at Milepost B-4 plus 2,570 feet; non-refundable, non-assignable, one time fee \$1,700.00; Risk Financing fee \$450.00 (1027938);

**Bramwell, Mercer County, West Virginia** -- Proposed Agreement between Norfolk Southern Railway Company and Bluewell Public Service District, concerning installation, maintenance, operation and removal of a 4-inch water pipeline in a 12-inch casing pipe, located at Milepost B-5 minus 1,040 feet; non-refundable, non-assignable, one time fee \$2,000.00; Risk Financing fee \$450.00 (1027939).

Dear Mr. Hazelwood:

Enclosed are duplicate originals of the above-referenced Agreements for your handling for execution and witnessing on behalf of Bluewell Public Service District. Thereafter, please return all originals to me, along with a check made payable to Norfolk Southern Railway Company in the amount of \$4,600.00, covering the non-refundable, non-assignable, one time fee and the Risk Financing fee for each agreement.

If you do not return the evidence of General Liability Insurance required by the Agreement when you return the partially executed originals, please forward your evidence of insurance directly to: Risk Manager, Norfolk Southern Corporation, Three Commercial Place, Norfolk, Virginia 23510-2191. Should you have any questions concerning the insurance requirements, please contact Mr. David W. Fries, Risk Manager, at (757) 629-2701.

Please do not date the Agreements as we will do so at the time of Railway execution, after which a fully-executed counterpart will be returned to you for your file. Thank you for your cooperation and if you should have any questions regarding these matters, please contact me referring to my activity numbers referenced above.

Sincerely,

Alfreda C. Brown



Norfolk Southern Corporation  
Real Estate and Contract Services  
Suite 1650, One Georgia Center  
600 West Peachtree Street, N.W.  
Atlanta, GA 30308-3603

J. M. Frachiseur  
Contracting Specialist  
My Direct Line Is:  
Phone: (404) 529-2334  
FAX: (404) 527-2783

July 17, 1998  
Activity Nos.: 1021341, 1021342, 1021343,  
1021345, & 1021346

Mr. Robert D. Hazelwood  
Vice President  
Bluewell Public Service District  
Box 3066  
Bluefield, WV 24701

RE: **BRAMWELL, Mercer County, West Virginia - Proposed Agreements between Norfolk and Western Railway Company and Bluewell Public Service District concerning:**

- (1) a 4-inch water pipeline under and across Railway's property at Milepost B-2 minus 1,912 feet; \$100.00 preparation fee; \$150.00 annual rental (1021341);
- (2) an 8-inch water pipeline under and across Railway's property at Milepost B-2 plus 3,112 feet; \$100.00 preparation fee; \$150.00 annual rental (1021342);
- (3) an 8-inch water pipeline under and across Railway's property at Milepost B-5 minus 2,700 feet; \$100 preparation fee; \$150.00 annual rental (1021343);
- (4) a 4-inch water pipeline under and across Railway's property at Milepost B-6 plus 3,430 feet; \$100 preparation fee; \$150.00 annual rental (1021345); and
- (5) an 8-inch water pipeline under and across Railway's property at Milepost B-7 minus 125 feet; \$100.00 preparation fee; \$150.00 annual rental (1021346).

Dear Mr. Hazelwood:

Enclosed please find duplicate originals of the above-referenced agreements for your handling for execution and witnessing on behalf of Bluewell Public Service District.

Thereafter, please return all counterparts to me for further handling along with a check in the amount of \$1,250.00 payable to Norfolk and Western Railway Company to cover preparation fees and the first year's annual rental. Upon execution by Railway, one fully-executed original of each agreement will be returned to you for your records.

Please note that you are required to provide evidence of insurance under Article 4 of the agreements. I am enclosing additional information in connection with this requirement. If you elect to be included under the Railway's Railroad Protective Liability Insurance Policy, please also include an additional \$375.00 per crossing in the amount of your check. This election does not affect the requirement to provide evidence of general liability insurance under the agreements.



BLUEWELL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2000  
(West Virginia DWTRF Program)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of Bluewell Public Service District in Mercer County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, to the best of his knowledge after due inquiry with the Issuer, hereby certify in connection with the Issuer's Water Revenue Bonds, Series 2000 (West Virginia DWTRF Program), dated the date hereof (the "Bonds" or the "Series 2000 Bonds"), as follows:

1. **TERMS:** All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Resolution of the Issuer duly adopted August 15, 2000, and the Supplemental Resolution duly adopted August 15, 2000 (collectively, the "Bond Legislation").

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

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

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

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2000 Bonds as to liens, pledge, source of and security for payment, being the Issuer's (1) Waterworks Revenue Bond, Series A, dated September 2, 1964, issued in the original aggregate principal amount of \$768,460; (2) Water Revenue Bond, Series 1982, dated April 20, 1982, issued in the original aggregate principal amount of \$1,625,000; (3) Water Revenue Bond, Series 1993, dated July 15, 1993, issued in the original aggregate principal amount of \$311,000; (4) Water Revenue Bond, Series 1998 A, dated January 26, 1998, issued in the original aggregate principal amount of \$480,000; and (5) Water Revenue Bond, Series 1998 B, dated January 26, 1998, issued in the original aggregate principal amount of \$142,000 (collectively, the "Prior Bonds"), all held by the United States Department of Agriculture.

The Issuer has obtained the written consent of the Holder of the Prior Bonds to the issuance of the Series 2000 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

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

Bond Resolution

Supplemental Resolution

Loan Agreement

Public Service Commission Order

Infrastructure and Jobs Development Council Approval

Financing Statement

County Commission Orders on Creation and Enlargement of District and Public Service Commission Order relating thereto and Resolution of Town of Bramwell

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Affidavit of Publication on Borrowing

Minutes of Current Year Organizational Meeting

Minutes on Adoption of Bond Resolution and Supplemental Resolution

Evidence of Small Cities Block Grant

Consent of United States Department of Agriculture to Issuance of Parity Bonds

Intergovernmental Agreement with the Town of Bramwell  
 Public Service Commission Order approving Intergovernmental Agreement  
 Ordinances of the Town of Bramwell and Election Results  
 Escrow Agreement  
 Deed  
 Bill of Sale  
 Assignment of Rights of Way and Easements

6. **INCUMBENCY AND OFFICIAL NAME:** The proper corporate title of the Issuer is "Bluewell Public Service District." The Issuer is a public service district and public corporation duly created by The County Commission of Mercer 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 3 duly appointed, qualified and acting members whose names and dates of commencement and termination of current terms of office are as follows:

<u>Name</u>	<u>Date of Commencement of Office</u>	<u>Date of Termination of Office</u>
Mr. Leonard Bailey	April 1, 1998	April 1, 2004
Mr. Roderick B. Pickett	April 1, 2000	April 1, 2006
Mr. George Harrison	April 9, 1996	April 9, 2002

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 2000 are as follows:

Chairman	-	Leonard Bailey
Secretary	-	Roderick Pickett
Treasurer	-	George Harrison

The duly appointed and acting counsel to the Issuer is Charles W. Pace, in Princeton, West Virginia.

7. **LAND AND RIGHTS-OF-WAY:** All land in fee simple and all rights-of-way and easements necessary for the acquisition and construction of the Project and

the operation and maintenance of the System have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds. The real property of the Town of Bramwell to be conveyed under the Intergovernmental Agreement may, however, be subject to a claim against the Town's title thereto by a third party. The Town of Bramwell has covenanted in the Escrow Agreement that, prior to the conveyance of the Assets of the Town to the District as provided therein, the Town will clarify and resolve all possible encroachments on the Real Property to provide that the Issuer shall have clear title to, or an easement for, all real property which is necessary for the ownership, construction, operation and/or maintenance of the System.

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

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

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

11. **RATES:** The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on August 9, 2000, in Case No. 99-1761-PWD-CN, approving the rates and charges for the services of the System, and has adopted a resolution prescribing such rates and charges. The time for appeal of such Final Order has not expired prior to the date hereof. However, the Issuer hereby states that it will not appeal such Final Order and the other parties to such Final Order have stated that they do not intend to appeal such Final Order. Such Final Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to original application. Such rates and charges will become effective upon completion of the Project.

12. **PUBLIC SERVICE COMMISSION ORDERS:** The Issuer has received the Final Order of the Public Service Commission of West Virginia entered on August 9, 2000, in Case No. 99-1761-PWD-CN, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Final Order has not expired prior to the date hereof. However, the Issuer hereby states that it will not appeal such Final Order and the other parties to such Final Order have stated that they do not intend to appeal such Final Order. Such Final Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to original application.

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

14. **BOND PROCEEDS:** On the date hereof, the Issuer received \$260,750 from the Authority and the BPH, being a portion of the principal amount of the Series 2000 Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

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

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

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

18. GRANTS: As of the date hereof, the grant from the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia) in the amount of \$1,250,000 is committed and in full force and effect.

19. ADDITIONAL COVENANTS: The Issuer hereby certifies that it will proceed with due diligence in its efforts to enlarge the Issuer's boundaries to include the Town of Bramwell in compliance with West Virginia Code Section 16-13A-2.

The Issuer hereby further certifies that if directed by the Holders of the Prior Bonds, the Issuer will transfer the Reserve Fund for the Prior Bonds from the Depository Bank to the West Virginia Municipal Bond Commission.

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

WITNESS our signatures and the official seal of BLUEWELL PUBLIC SERVICE DISTRICT on this 29th day of August, 2000.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Leonard H Bailey

Chairman

Rodrick B. Pickett

Secretary

\_\_\_\_\_

Counsel to Issuer

08/12/00  
088390/00001

WITNESS our signatures and the official seal of BLUEWELL PUBLIC SERVICE DISTRICT on this 29th day of August, 2000.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

\_\_\_\_\_

Chairman

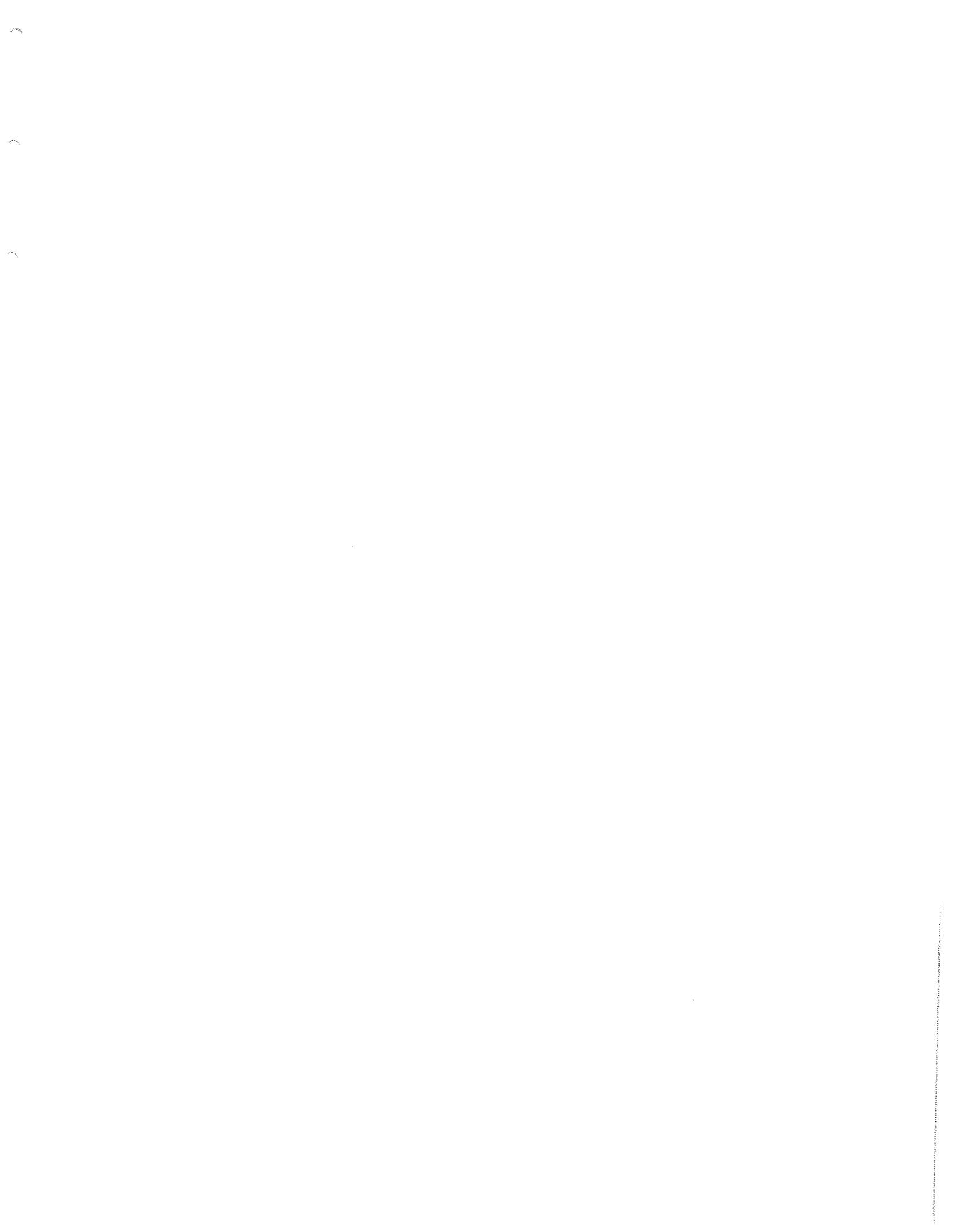
\_\_\_\_\_

Secretary

Charles W. [Signature]

Counsel to Issuer

08/22/00  
088390/00001



BLUEWELL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2000  
(West Virginia DWTRF Program)

CERTIFICATE OF ENGINEER

I, Robert D. Hazelwood, Registered Professional Engineer, West Virginia License No. 8452, of Pentree, Inc., in Princeton, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain improvements and extensions, including but not limited to, the acquisition of certain assets of the public waterworks system of the Town of Bramwell (the "Project") to the existing public waterworks facilities (the "System") of Bluewell Public Service District (the "Issuer") to be constructed in Mercer County, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Resolution adopted by the Issuer on August 15, 2000, the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), dated August 15, 2000, (the "Loan Agreement").

2. The Bonds are being issued (i) to pay a portion of the costs of acquisition and construction of the Project; and (ii) to pay certain costs of issuance hereof and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the BPH and any change orders approved by the Issuer, the BPH and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 35 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule B attached hereto as Exhibit A and the Issuer's counsel, Charles W. Pace, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received

any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the BPH and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (ix) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the BPH; and (x) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this 29th day of August, 2000.



PENTREE, INC.

*Robert D. Hazelwood*

Robert D. Hazelwood  
West Virginia License No. 8452

08/23/00  
088390/00001

**WEST VIRGINIA BUREAU OF PUBLIC HEALTH  
DRINKING WATER TREATMENT REVOLVING FUND**

**SCHEDULE B  
Binewell Public Service District  
Project # 99DWTRF003**

**FINAL TOTAL COST OF PROJECT, SOURCES OF FUNDS, AND COST OF FINANCING**

<b>A. Cost of Project</b>	<b>Total</b>	<b>SCBG</b>	<b>DWTRF</b>
1. Construction (Based on Actual Bids)	\$1,881,470.00	\$1,083,401.00	\$798,069.00
2. Technical Services	\$232,000.00	\$104,888.00	\$127,301.00
3. Legal & Fiscal	\$30,000.00		\$30,000.00
4. Administrative	\$40,000.00	\$40,000.00	
5. Accountant/Other	\$3,500.00		\$3,500.00
6. Sites & Other Lands	\$10,000.00	\$10,000.00	
7. Permits, Etc.	\$38,000.00	\$11,900.00	\$26,100.00
8. Interim Financing Costs	\$5,000.00		\$5,000.00
9. Contingency	\$80,030.00		\$80,030.00
10. Purchase of Bramwell Water System	\$225,000.00		\$225,000.00
11. Total of Lines 1 through 10	\$2,515,000.00	\$1,250,000.00	\$1,265,000.00
<b>B. Sources of Fund</b>			
12. Federal Grants			
a.			
13. State Grants			
a. SCBG	\$1,250,000.00	\$1,250,000.00	
13. Other Grants			
14. Any Other Source			
a. State Revolving Loan Fund			
b. Local			
15. Infrastructure Fund Grant			
16. Total of Lines 11 through 15	\$1,250,000.00		
17. Net Proceeds Required from Bond	\$1,265,000.00		\$1,265,000.00
<b>C. Cost of Financing</b>			
17. Funded Reserve Amount			
18. Other Costs Bond Counsel			
a. Bond Counsel	\$10,000.00		\$10,000.00
b.			
19. Total Cost of Financing (Lines 17 and 18)	\$10,000.00		\$10,000.00
20. Size of Bond Issue (Line 16 plus Line 19)	\$1,275,000.00		\$1,275,000.00

*Leonard H. Bailey*  
Binewell Public Service District

*Robert D. Hazlewood*  
Pantree, Inc.

DATE: 8-15-00

Date: 8/15/00

- 1 INCLUDE THE PROCEEDS OF ANY PARTY OR SUBORDINATE BOND ISSUES TO BE USED FOR SUCH PURPOSE AND ATTACHES SUPPORTING DOCUMENTATION.
- 2 CONSULT WITH BOND COUNCIL AND THE COUNCIL BEFORE AMENDING A FUND RESERVE.
- 3 FOR EXAMPLE, FEE OF ACCOUNTS, BOND COUNSEL AND LOCAL COUNSEL FOR THE GOVERNMENTAL AGENCY.



**Jeffrey S. Feamster, CPA**

Jeffrey S. Feamster  
Certified Public Accountant  
P.O. Box 121  
Lewisburg, West Virginia 24901

Phone: (304) 647-5980  
Fax: (304) 647-5980  
Cellular: (304) 667-7500  
Email: jsfcpa@write-me.com

August 29, 2000

Bluewell Public Service District  
Water Revenue Bonds,  
Series 2000 (West Virginia DWTRF Program)

Bluewell Public Service District  
Bluewell, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Bureau for Public Health  
Charleston, West Virginia

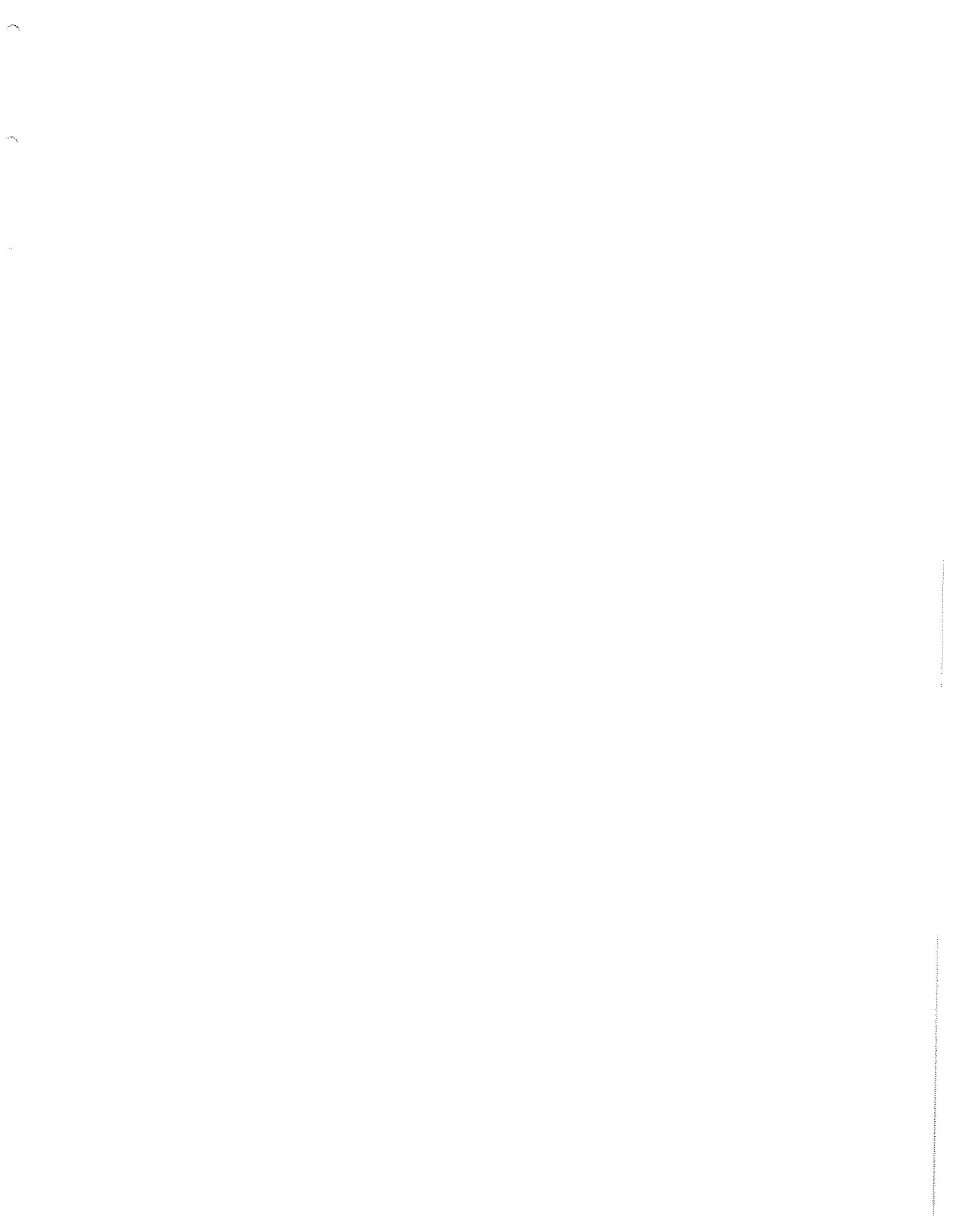
Ladies and Gentlemen:

Based upon the water rates and charges set forth in the Final Order of the Public Service Commission of West Virginia entered August 9, 2000, in Case No. 99-1761-PWD-CN, and projected operation and maintenance expenses and anticipated customer usage as furnished to me by Pentree, Inc., the consulting engineers of Bluewell Public Service District (the "Issuer"), it is my opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the waterworks system (the "System") of the Issuer, will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 120% of the maximum amount required in any year for debt service on the Issuer's Water Revenue Bonds, Series 2000 (West Virginia DWTRF Program) (the "Bonds"), to be issued to the West Virginia Water Development Authority on the date hereof, and all other obligations secured by or payable from the revenues of the System on a parity with the Bonds, including the Issuer's Waterworks Revenue Bond, Series A, dated September 2, 1964, issued in the original aggregate principal amount of \$768,460; Water Revenue Bond, Series 1982, dated April 20, 1982, issued in the original aggregate principal amount of \$1,625,000; Water Revenue Bond, Series 1993, dated July 15, 1993, issued in the original aggregate principal amount of \$311,000; Water Revenue Bond, Series 1998 A, dated January 26, 1998, issued in the original aggregate principal amount of \$480,000; and Water Revenue Bond, Series 1998 B, dated January 26, 1998, issued in the original aggregate principal amount of \$142,000, all held by the United States Department of Agriculture.

Very truly yours,



JEFFREY S. FEAMSTER, CPA



BLUEWELL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2000  
(West Virginia DWTRF Program)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Chairman of the Public Service Board of Bluewell Public Service District in Mercer County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of \$1,275,000 Water Revenue Bonds, Series 2000 (West Virginia DWTRF Program), of the Issuer, dated August 29, 2000 (the "Bonds" or the "Series 2000 Bonds"), hereby certify as follows:

1. I am one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Resolution duly adopted by the Issuer on August 15, 2000 (the "Bond Resolution"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on August 29, 2000, the date on which the Bonds are being physically delivered in exchange for an initial advance of \$260,750, being a portion of the principal amount of the Series 2000 Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

5. The Series 2000 Bonds were sold on August 29, 2000, to the Authority, pursuant to a loan agreement dated August 15, 2000, by and between the Issuer and the Authority, on behalf of the BPH, for an aggregate purchase price of \$1,275,000 (100% of par), at which time, the Issuer received \$260,750 from the Authority and the BPH, being the first advance of the principal amount of the Series 2000 Bonds. No accrued interest has been or will be paid on the Series 2000 Bonds. The balance of the principal amount of the Series 2000 Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2000 Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public waterworks facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend in excess of \$100,000 on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds constituting capitalized interest, if any, and proceeds deposited in the respective Reserve Accounts for the Bonds, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before August 15, 2001. The acquisition and construction of the Project is expected to be completed by May 15, 2001.

8. The total cost of the Project financed from the proceeds of the Bonds (including all costs of issuance of the Bonds) is estimated at \$2,525,000. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2000 Bonds	\$1,275,000.00
Small Cities Block Grant	\$1,250,000.00
Issuer's Funds	\$ -0-
Total Sources	<u>\$2,525,000.00</u>

USES

Costs of Acquisition and Construction of the Project	\$2,515,000
Capitalized Interest on the Bonds	\$-0-
Fund Series 2000 Bonds Reserve Account	\$-0-
Costs of Issuance	<u>\$10,000</u>
Total Uses	<u>\$2,525,000.00</u>

The amount of the costs of the Project is estimated to be at least equal to the gross proceeds of the Bonds.

9. Pursuant to Article V of the Bond Resolution, the following special funds or accounts have been created or continued relative to the Series 2000 Bonds:

- (1) Revenue Fund;
- (2) Reserve Fund;
- (3) Depreciation Reserve;
- (4) Series 2000 Bonds Construction Trust Fund;
- (5) Series 2000 Bonds Sinking Fund; and
- (6) Within the Series 2000 Bonds Sinking Fund, the Series 2000 Bonds Reserve Account.

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

(1) Bond proceeds in the amount of \$-0- will be deposited in the Series 2000 Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Series 2000 Bonds during acquisition and construction of the Project and for a period not to exceed six months following completion thereof.

(2) Series 2000 Bonds proceeds in the amount of \$-0- will be deposited in the Series 2000 Bonds Reserve Account.

(3) The balance of the proceeds of the Series 2000 Bonds will be deposited in the Series 2000 Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2000 Bonds and related costs.

11. Moneys held in the Series 2000 Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2000 Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 2000 Bonds Sinking Fund and Series 2000 Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2000 Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Resolution.

12. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 9 months of the date hereof.

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

14. With the exception of the amount deposited in the Series 2000 Bonds Sinking Fund for payment of interest, if any, on the Bonds and the amount deposited in the Series 2000 Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 12 months from the date of issuance thereof.

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

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

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

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

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

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

21. The Bonds are not federally guaranteed.

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

23. The Issuer has either (a) funded the Series 2000 Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2000 Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2000 Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 2000 Bonds Reserve Account and the Series 2000 Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

24. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with the Bonds and (c) will be paid out of substantially the same sources of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bonds.

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

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

WITNESS my signature on this 29th day of August, 2000.

BLUEWELL PUBLIC SERVICE DISTRICT

*Leonard H Bailey*  
Chairman

08/11/00  
088390/00001



BEFORE THE COUNTY COMMISSION OF MERCER COUNTY, WEST VIRGINIA

In re:

BLUEWELL PUBLIC SERVICE DISTRICT, TOWN OF  
BRAMWELL and BLUEGRASS PUBLIC SERVICE DISTRICT

PETITION FOR INCREASE OF DISTRICT BOUNDARIES

Pursuant to the provision of W. Va. Code § 16-13A-2 (1991 Replacement Vol.), the Bluewell Public Service District, Town of Bramwell and Bluegrass Public Service District petition the County Commission of Mercer County, West Virginia, to enlarge the boundary of the Bluewell Public Service District (BLUEWELL), a public service district providing water service to certain residents of Mercer County, West Virginia, and to reduce the water service boundaries of Town of Bramwell (BRAMWELL) and Bluegrass Public Service District (BLUEGRASS) to allow BLUEWELL to provide water service to additional residents of Mercer County, West Virginia:

1. The new areas to be included within the boundary of BLUEWELL are described in an attachment to this PETITION described as EXHIBIT "A".
2. The purpose for the geographical expansion of BLUEWELL is to provide water service to residents of the affected areas and to provide for expanded service areas.
3. The expansion of BLUEWELL is in the best interests of the affected citizens in Mercer County.

4. The expansion of BLUEWELL will provide increased services to residents of Mercer County through the delivery of a safe and stable source of potable water.

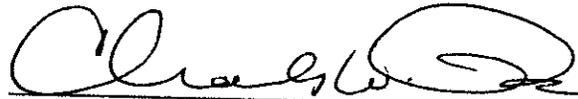
5. The reduction of the water service boundary of BRAMWELL and BLUEGRASS is also described in EXHIBIT "A". BRAMWELL and BLUEGRASS respectfully consent and concur with the boundary adjustment and reduction.

6. BLUEGRASS is being made a part of this PETITION since a portion of the area that BLUEWELL will be expanding its service is a portion of the area designated as BLUEGRASS' area. However, BLUEGRASS is a PSD formed by the Mercer County Commission, is inactive and has no directors or other governing body.

WHEREFORE, the Bluewell Public Service District, Town of Bramwell and Bluegrass Public Service District pray that this PETITION be filed, that a hearing be held on the PETITION, and that the County Commission enlarge the boundaries of the Bluewell Public Service District into the described areas and reduce the boundaries of BRAMWELL and BLUEGRASS accordingly.

BLUEWELL PUBLIC SERVICE DISTRICT

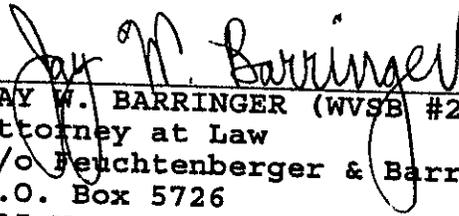
BY COUNSEL:



CHARLES W. PACE (WVSB #2797)  
Attorney at Law  
1608 West Main Street  
Princeton, West Virginia 24740  
(304) 487-2610

TOWN OF BRAMWELL

BY COUNSEL:



JAY W. BARRINGER (WVSB #253)  
Attorney at Law  
c/o Feuchtenberger & Barringer, L.C.  
P.O. Box 5726  
335 New Hope Road  
Princeton, WV 24740  
(304) 425-5060

**EXPANDING EXISTING WATER SERVICE BOUNDARY  
 OF  
 BLUEWELL PUBLIC SERVICE DISTRICT  
 AND  
 RETRACTING EXISTING WATER SERVICE BOUNDARIES  
 OF  
 BLUEGRASS PUBLIC SERVICE DISTRICT AND TOWN OF BRAMWELL  
 JANUARY 24, 2000**

**Bluewell Public Service District - Proposed Water Service Boundary Expansion**

The proposed water service boundary expansion for Bluewell Public Service District is needed for the District's proposed water projects which plan to provide water service to the following areas in Mercer County : Town of Bramwell, Bluewell Community, Duhring to Bramwell, Browning Lambert Mountain, Coaldale, and Bramwell Hill.

The description of the proposed water service boundary expansion is as follows:

**BEGINNING** at the southwest corner of the Bluewell Public Service District (Bluewell PSD) boundary located on the West Virginia-Virginia line, thence with Bluewell PSD's existing boundary N 69° 35' E, 4,400 feet; thence N 14° 14' 30" W, 10,040 feet; thence N 79° 15' W, 6,700 feet; thence N 36° 00' E, 16,200 feet; thence due East , 2,650 feet; thence N 30° E, 1,300 feet; thence due East, 2,500 feet to Latitude 37° 21' 32", Longitude 81° 14' 33", thence S 86° 45' W, 14,550 feet to a common boundary point with Green Valley-Glenwood PSD at Latitude 37° 21' 24", Longitude 81° 11' 32" ; thence leaving Green Valley-Glenwood PSD and Bluewell PSD's existing boundaries and running Northwest 11,150 feet to a common boundary point with Lashmeet PSD at Latitude 37° 22' 50", Longitude 81° 12' 59", thence with Lashmeet PSD boundary Northwest 11,850 feet to Latitude 37° 24' 34", Longitude 81° 14' 07", thence leaving Lashmeet PSD boundary and running in a Southwest direction 9,500 feet to Latitude 37° 23' 52", Longitude 81° 15' 33", thence continuing in a Southwest direction 11,320 feet to Latitude 37° 22' 30", Longitude 81° 17' 30", thence running due West 14,000 feet to the Mercer County-McDowell County line at Latitude 37° 22' 30", Longitude 81° 20' 24", thence with the Mercer County-McDowell County line in a Southwest direction 14,950 feet to the West Virginia-Virginia State line, thence leaving the McDowell County line and with the Mercer County, WV-Tazewell County, Va line in a Southeast direction 18,380 feet, thence continuing in a Southeast direction 10,820 feet to the **BEGINNING** and containing 21,217 acres or 33.16 square miles, acres, more or less.

In re:

BLUEWELL PUBLIC SERVICE DISTRICT and  
GREEN VALLEY/GLENWOOD PUBLIC SERVICE DISTRICT

ORDER TO INCREASE PUBLIC SERVICE DISTRICT BOUNDARIES

Pursuant to the provision of W. Va. Code § 16-13A-2 (1991 Replacement Vol.), on a former day came the Bluewell Public Service District and Green Valley/Glenwood Public Service District and filed their Petition to enlarge the boundary of the Bluewell Public Service District (Bluewell) and to decrease the boundary of Green Valley/Glenwood Public Service District (Green Valley), to provide water service to additional residents of Mercer County, West Virginia, in a water project for Bluewell.

On June 10, 1998, came the Petitioners and presented their Petition for a hearing. After hearing and review of the record, the Commission finds as follows:

1. Bluewell and Green Valley are public service districts formed by the County Commission of Mercer County, West Virginia;

2. Bluewell desires to provide water service to additional residents of Mercer County, West Virginia currently within the area of Green Valley;

3. The expansion of Bluewell is in the best interests of the affected citizens in Mercer County. The expansion will provide for safe, stable water service to residents of Mercer County and will in no way adversely affect the existing customers of Green Valley.

4. The Petitioners have caused to be published as a Class I advertisement a notice of the hearing, a copy of which publication is attached to this Order.

5. The Petitioners have caused to be posted 5 notices of the hearing within the area to be encompassed by the expansion.

Accordingly, it is therefore ORDERED that the boundary of the Bluewell Public Service District be enlarged to encompass and the boundary of Green Valley/Glenwood Public Service District will be decreased to eliminate the following territory which is within Mercer County:

**EXPANDING EXISTING BOUNDARIES  
OF  
BLUEWELL PUBLIC SERVICE DISTRICT  
AND  
RETRACTING BOUNDARIES OF BLUEGRASS PUBLIC SERVICE DISTRICT  
AND  
GREEN VALLEY-GLENWOOD PUBLIC SERVICE DISTRICT  
SEPTEMBER 22, 1997**

**Bluewell PSD- Sandlick-Littlesburg Boundary Expansion**

This proposed boundary expansion is needed for the District's proposed water projects which plan to provide water service to the Littlesburg and Sandlick areas of Mercer County.

Beginning at the northeast corner of the Bluewell Public Service District (Bluewell PSD) boundary, at the latitude  $37^{\circ}21'32''$ , longitude  $81^{\circ}14'33''$ , thence with old boundary due South 2000 feet; thence  $S 40^{\circ}15'07''W$ , 1498.46 feet; thence  $S 16^{\circ}05' E$ , 6300 feet; thence  $N 73^{\circ}55' E$ , 1000 feet; thence  $S 16^{\circ}05' E$ , 800 feet; thence  $S 73^{\circ}55' W$ , 1000 feet; thence  $S 16^{\circ}05' E$ , 800 feet; thence  $S 30^{\circ}10' W$ , 1600 feet; thence  $S 14^{\circ}53' E$ , 7000 feet; thence due East 2000 feet; thence  $S 30^{\circ} E$ , 1500 feet; thence  $S 57^{\circ}46'09'' W$ , 6380.30 feet; thence  $S 15^{\circ}20' E$ , 3700 feet; thence  $N 69^{\circ}35' E$ , 3000 feet; thence  $S 20^{\circ}25' E$ , 1896.85 feet; thence  $S 69^{\circ}35' W$ , 4970.83 feet; thence  $S 20^{\circ}25' E$ , 2500 ft, thence leaving Bluewell PSD existing boundary and thence with Bluefields' City limits  $N 65^{\circ}50' E$ , 11,100 feet to the south west most corner of the Green Valley-Glenwood Public Service District (Green Valley-Glenwood PSD) boundary at Latitude  $37^{\circ}17'01''$ , Longitude  $81^{\circ}12'22''$ ; thence with said boundary  $N 29^{\circ}28' W$ , 4066 feet; thence  $N 7^{\circ}16' E$ , 3200 feet; thence leaving old boundary line and thence with new western boundary line of Green Valley-Glenwood PSD  $N 51^{\circ}59'43'' E$ , 6298 feet; thence due North 6300 feet and crossing WV Route 20, thence due East 800 feet; thence due North 9700 feet, thence leaving boundary line with Green Valley-Glenwood PSD and running  $N 86^{\circ}45' W$ , 14550 feet to the beginning and containing 7559 acres, more or less.

**Green Valley-Glenwood PSD- Western Boundary Adjustment**

This proposed adjustment of the District's western boundary is needed for water projects being proposed by Green Valley-Glenwood PSD and Bluewell PSD to provide water service to the Littlesburg and Sandlick areas of Mercer County.

Beginning at the south west most corner of the Green Valley-Glenwood Public Service District (Green Valley-Glenwood PSD) existing boundary at Latitude  $37^{\circ} 17' 01''$ , Longitude  $81^{\circ} 12' 22''$ , with said corner being common with Bluewell PSD's proposed boundary expansion; thence with Bluewell PSD's proposed boundary expansion and existing boundary line N  $29^{\circ} 28' W$ , 4066 feet; thence N  $7^{\circ} 16' E$ , 3200 feet; thence leaving old western boundary line and thence with new western boundary line of Green Valley-Glenwood PSD N  $51^{\circ} 59' 43'' E$ , 6298 feet; thence due North 6300 feet and crossing WV Route 20, thence due East 800 feet; thence due North 9700 feet to existing boundary and corner to Bluewell PSD's proposed boundary expansion. This proposed adjustment to the western boundary represents a reduction of 2.44 square miles of area, more or less.

**NOTICE OF HEARING  
BLUEWELL PUBLIC SERVICE DISTRICT  
GREEN VALLEY / GLENWOOD  
PUBLIC SERVICE DISTRICT  
REQUEST FOR BOUNDARY CHANGE**

Please taken notice that Bluewell Public Service District and Green Valley / Glenwood Public Service District shall bring on before the County Commission of Mercer County at the Courthouse in Princeton, West Virginia, on June 10, 1998, at 10:00 A.M. a Petition and decrease the boundary of Green Valley / Glenwood Public Service District as follows:

**EXPANDING EXISTING BOUNDARIES OF BLUEWELL PUBLIC SERVICE DISTRICT AND RETRACTING BOUNDARIES OF BLUEGRASS PUBLIC SERVICE DISTRICT AND GREEN VALLEY - GLENWOOD PUBLIC SERVICE DISTRICT  
SEPTEMBER 22, 1997**

**Bluefield PSD - Sandlick - Littleburg Boundary Expansion**

This proposed boundary expansion is need for the District's proposed water projects which plan to provide water service to the Littleburg and Sandlick Areas of Mercer County.

Beginning at the northeast corner of the Bluewell Public Service District (Bluewell PSD) boundary, at the latitude 37 degrees 21' 32", longitude 81 degrees 14' 33", thence with old boundary due South 2000 feet; thence S. 40 degrees 15' 07" W, 1498.46 feet; thence S. 16 degrees 05' E. 6300 feet; thence N. 73 degrees 55' E. 1000 feet; thence S. 16 degrees 05' E. 800 feet; Thence S. 73 degrees 55' W. 1000 feet; thence S. 16 degrees 05' E. 800 feet; thence S. 30 degrees 10' W, 1600 feet; thence S. 14 degrees 33' E. 7000 feet; thence due East 2000 feet; thence S. 30 degrees E. 1500 feet; thence S. 57 degrees 46' 09" W. 6380.30 feet; thence S. 15 degrees 20' E. 3700 feet; thence N. 69 degrees 35' E. 3000 feet; thence S. 20 degrees 25' E. 1896.85 feet; thence S. 69 degrees 35' W. 4970.83 feet; thence S. 20 degrees 25' E. 2500 feet, thence leaving Bluewell PSD existing boundary and thence with Bluefields' City limits N. 65 degrees 50' E. 1,100 feet to the south west most corner of the Green Valley - Glenwood Public Service District (Green Valley - Glenwood PSD) boundary at latitude 37 degrees 17' 01". Longitude 81 degrees 2' 22"; thence with said boundary N. 29 degrees 8' W. 4066 feet; thence N. 7 degrees 16' E. 3200 feet; thence leaving old boundary line and thence with new western boundary line of Green Valley - Glenwood PSD N. 31 degrees 59' 43" E. 6298 feet; thence due North 6300 feet and crossing WV Route 20, thence due East 800 feet; thence due North 700 feet, thence leaving boundary line of Green Valley - Glenwood PSD and running N. 86 degrees 1' W. 14550 feet to the beginning and containing 559 acres, more or less.

**Green Valley - Glenwood PSD Western Boundary Adjustment**

This proposed adjustment of the District's western boundary is needed for water projects being proposed by Green Valley - Glenwood PSD and Bluewell PSD to provide water service to the Littleburg and Sandlick areas of Mercer County.

Beginning at the south west most corner of the Green Valley - Glenwood Public Service District (Green Valley - Glenwood PSD) existing boundary at Latitude 37 degrees 17' 01", Longitude 81 degrees 12' 22", with said corner being common with Bluewell PSD's proposed boundary expansion; thence with Bluewell PSD's proposed boundary expansion and existing boundary line N. 29 degrees 28' W. 4066 feet thence N. 7 degrees 16' E. 3200 feet; thence leaving old western boundary line and thence with new North 6300 feet and crossing WV Route 20, thence due East 800 feet; thence due North 9700 feet to existing boundary and corner to Bluewell PSD's proposed boundary expansion. The proposed adjustment to the western boundary represents a reduction of 2.44 square acres of area, more or less.

The purpose of the expansion is to allow Bluewell Public Service District to provide water service to unserved areas of Mercer County, West Virginia, in current water project.

Any person having comments, questions or who wishes to speak in favor of or in opposition to the boundary change should appear at that place and time.

**BLUEWELL PUBLIC SERVICE BY COUNSEL**  
Charles W. Pace, Attorney at Law, 1608 West Main Street, Princeton, WV 24740.

**GREEN VALLEY / GLENWOOD PUBLIC SERVICE DISTRICT BY COUNSEL** William S. Jeffrey, II, Attorney at Law, 1608 Box 1159, Princeton, WV 24740.

**CERTIFICATE OF PUBLICATION**

State of West Virginia, }  
County of Mercer, } To-wit:—

I, Teresa Myers of the Bluefield Daily Telegraph, a daily morning newspaper published in the City of Bluefield, Mercer County, West Virginia, do certify that the notice attached hereto under the caption;

was published in the said Bluefield Daily Telegraph Two (2) Times on the following days, namely: May 29, June 5

in the year 19 98

Publication Fee \$122.52

Teresa Myers

Subscribed and sworn to before me this 5th day of June 1998

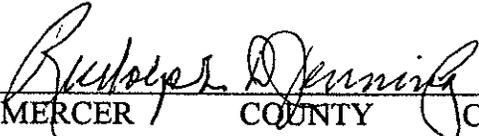
My Commission expires Feb. 20 19 2005  
Ruth J. Stopper  
Notary Public

STATE OF WEST VIRGINIA,

COUNTY OF MERCER, TO WIT;

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of an Order, as taken from the records in my said office.

Given under my hand and Seal of said Commission, this the 23<sup>rd</sup>, day of June, 1998.

  
MERCER COUNTY COMMISSION CLERK

WEST VIRGINIA:

At a regular adjourned session of the County Court, continued and held in the County of Mercer, at the Courthouse thereof, on Thursday, March 16th, 1956.

Present:	Fred Thomason,	President.
Present:	A. C. White,	Commissioner.
Present:	J. C. Fanning,	Commissioner.

Thereupon the Clerk of the County Court of Mercer County, West Virginia presented to the Court a petition of residents and property owners of the communities of Montcalm, Blue Well and Brush Fork of Mercer County, asking for the creation of a Public Service District in the area described therein, and asking that the County Court adopt a proposed resolution and enter an order fixing a date of hearing, on the creation of a public service district in the communities of Montcalm, Blue Well and Brush Fork of Mercer County as set forth in said petition.

Fred Thomason introduced and caused to be read a proposed resolution and order entitled:

"A Resolution and Order fixing a date of hearing on a Public Service District within the communities of Montcalm, Blue Well and Brush Fork, in Mercer County, West Virginia, and providing for the publication of the notice of such hearing."

Mr. White moved that said resolution and order be adopted.

Mr. Thomason seconded the motion, and after due consideration, the President put the question on the motion and the roll being called the following voted:

Aye:	Fred Thomason	President
	A. C. White	Commissioner
	J. C. Fanning	Commissioner

Nay: None

Whereupon the President declared the motion duly carried and said resolution and order duly adopted.

A RESOLUTION AND ORDER FIXING A DATE OF HEARING OF A PROPOSED PUBLIC SERVICE DISTRICT WITHIN THE COMMUNITIES OF MONTCALM, BLUE WELL AND BRUSH FORK IN MERCER COUNTY, WEST VIRGINIA, AND PROVIDING FOR THE PUBLICATION OF A NOTICE OF SUCH HEARING

WHEREAS, there has heretofore been filed in the office of the Clerk of the County Court of Mercer County, West Virginia, a petition to this County Court for the creation of a public service district, comprising generally the communities of Montcalm, Blue Well and Brush Fork in Mercer County, West Virginia; and

WHEREAS, said County Court Clerk has presented such petition to this County Court at this meeting; and

WHEREAS, pursuant to the provisions of Article 13A of Chapter 16 of the West Virginia Code, this County Court, upon presentation of such petition, is required to fix a date of hearing on the creation of the proposed public service district;

NOW, THEREFORE, be it and it is hereby resolved and ordered by the County Court of Mercer County, West Virginia, as follows:

Section 1: That the County Court of Mercer County, West Virginia, here-

by finds and declares that there has been filed in the office of the County Court Clerk and presented by said County Court Clerk to this County Court, a petition for the creation of a public service district comprising generally the communities of Montcalm, Blue Well and Brush Fork in Mercer County, West Virginia, which petition contains a description sufficient to identify the territory to be embraced within the proposed public service district and the name of the proposed public service district and which petition has been signed by at least 100 legal voters resident within and owning real property within the limits of the proposed public service district, and said County Court further finds and declares that said petition in all respects meets the requirements of Article 13A, Chapter 16 of the West Virginia Code:

Section 2: That said petition, among other things, states as follows:

a. The name and corporate title of said public service district shall be the "Blue Well Public Service District".

b. The territory to be embraced in said public service district shall be as follows:

"Beginning at a point having a North latitude  $37^{\circ} 16' 48''$  and West longitude  $81^{\circ} 14' 20''$  near the intersection of West Virginia Route 37 and 52/8, thence S.  $69^{\circ} 35' W.$  6,300 feet to a point, thence N.  $14^{\circ} 14' 30'' W.$  15,040.08 feet to a point, thence N.  $43^{\circ} 50' E.$  8,000 feet to a point, thence N.  $16^{\circ} 05' W.$  9,000 feet to a point, thence East 4,250 feet, thence S.  $16^{\circ} 05' E.$  10,000 feet, thence S.  $30^{\circ} 10' W.$  7,000 feet, thence S.  $15^{\circ} 20' E.$  11,550 feet to beginning. Comprising generally the communities of Montcalm, Blue Well and Brush Fork as shown on a map prepared by J. H. Milam, Inc., Consulting Engineers, dated February, 1956.

c. The purpose of said public service district shall be to construct, or acquire by purchase or otherwise, and maintain, operate, improve and extend properties supplying water and sewerage services within such territory, and also outside such territory to the extent permitted by law.

d. The territory described above does not include within its limits the territory of any other public service district organized under Article 13A of Chapter 16 of the West Virginia Code, nor does such territory include within its limits any city, incorporated town, nor other municipal corporation.

Section 3: That on April 6, 1956, at the hour of 10:00 o'clock A.M. this County Court shall meet in the County Court House at Princeton, West Virginia, for the purpose of conducting a public hearing on the creation of the proposed public service district, at which time and place all persons residing in or owning or having any interest in property in the proposed public service district may appear before this County Court and shall have an opportunity to be heard for and against the creation of said district, and at such hearing, this County Court shall consider and determine the feasibility of the creation of the proposed public service district.

Section 4: That the County Court Clerk is hereby authorized and directed to cause notice of such hearing in substantially the form hereinafter set out to be published on March 22, 1956, in the Sunset News, a newspaper of general circulation published in Mercer County:

NOTICE OF PUBLIC HEARING ON  
CREATION OF BLUE WELL PUBLIC  
SERVICE DISTRICT

NOTICE IS HEREBY GIVEN that a legally sufficient petition has been filed with the Clerk of the County Court of Mercer County, West Virginia, and has been presented to the County Court of Mercer County for the creation of a public service district within the

communities of Montcalm, Blue Well and Brush Fork in Mercer County, for the purpose of constructing or acquiring by purchase or otherwise and the maintenance, operation, improvement and extension of public service properties supplying water and sewerage services within said district and also outside said district to the extent permitted by law; to be named "Blue Well Public Service District; and having the following described boundaries:

Beginning at a point having a North latitude  $37^{\circ} 16' 48''$  and West longitude  $81^{\circ} 14' 20''$  near the intersection of West Virginia Route 37 and 52/8, thence S.  $69^{\circ} 35' W.$  6,300 feet to a point, thence N.  $14^{\circ} 14' 30'' W.$  15,040.08 feet to a point, thence N.  $43^{\circ} 50' E.$  8,000 feet to a point, thence N.  $16^{\circ} 05' W.$  9,000 feet to a point, thence East 4,250 feet, thence S.  $16^{\circ} 05' E.$  10,000 feet, thence S.  $30^{\circ} 10' W.$  7,000 feet, thence S.  $15^{\circ} 20' E.$  11,550 feet to beginning. Comprising generally the communities of Montcalm, Blue Well and Brush Fork as shown on a map prepared by J. H. Milan, Inc., Consulting Engineers, dated February 1956."

All persons residing in or owning or having any interest in property in said proposed public service district are hereby notified that the County Court of Mercer County will conduct a public hearing on April 6, 1956, at 10:00 o'clock A.M. in the County Court House at Princeton, West Virginia, at which time and place all interested persons may appear before the County Court and shall have an opportunity to be heard for and against the creation of the proposed public service district.

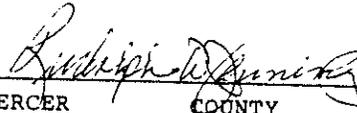
By Order of the County Court this 15th day of March, 1956.

STATE OF WEST VIRGINIA,  
COUNTY OF MERCER, TO WIT:

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of an Order, as taken from the records in my said office.

Given under my hand and Seal of said Commission, this the 16th day of June, 1993.



  
MERCER COUNTY COMMISSION CLERK

WEST VIRGINIA:

At an adjourned session of the County Court, continued and held for the County of Mercer, at the Courthouse thereof, on Friday, April 6th, 1956.

Present:	Fred Thomason,	President.
Present:	A. C. White,	Commissioner.
Present:	J. C. Fanning,	Commissioner.

The County Court of Mercer County, West Virginia, met in adjourned session pursuant to law and to the rules of said Court at the County Court House, Princeton, West Virginia, at 10 o'clock A. M. The meeting was called to order and the roll being called there were present Fred Thomason, President, presiding, and the following named Commissioners: A. C. White and J. C. Fanning.

Absent: None.

This being the date fixed by prior action of the County Court for conducting the public hearing on the creation of the proposed Blue Well Public Service District as contemplated and provided for in a resolution and order adopted by the County Court on March 15, 1956, the President announced that all persons residing in or owning or having any interest in property in such proposed public service district desiring to be heard for or against the creation of said district would be heard and all such interested persons desiring to be heard were given full opportunity.

The County Court then further discussed the creation of said public service district, whereupon Fred Thomason introduced and caused to be read a proposed resolution and order, entitled:

"A RESOLUTION AND ORDER CREATING BLUE WELL PUBLIC SERVICE DISTRICT IN MERCER COUNTY, WEST VIRGINIA,"

and moved that all rules otherwise requiring deferred consideration or several readings be suspended and said proposed resolution and order be adopted. A. C. White seconded the motion and after due consideration the President put the question on the motion and the roll being called, the following voted:

Aye: Fred Thomason, A. C. White and J. C. Fanning

Nay: None.

Whereupon the President declared the motion duly carried and said resolution and order duly adopted.

Fred Thomason introduced and caused to be read a proposed resolution and order, entitled:

"A RESOLUTION AND ORDER APPOINTING MEMBERS OF THE PUBLIC SERVICE BOARD OF THE BLUE WELL PUBLIC SERVICE DISTRICT,"

and moved that all rules otherwise requiring deferred consideration or several readings be suspended and said proposed resolution and order be adopted. A. C. White seconded the motion

and after due consideration the President put the question on the motion and the roll being called, the following voted:

Aye: Fred Thomason, A. C. White and  
J. C. Fanning.

Nay: None.

Whereupon the President declared the motion duly carried and said resolution and order duly adopted.

On motion and vote the meeting adjourned.

Fred Thomason  
President

ATTEST:

Lowery G. Bowling,  
Clerk

A RESOLUTION AND ORDER CREATING BLUE WELL  
PUBLIC SERVICE DISTRICT IN MERCER COUNTY,  
WEST VIRGINIA.

WHEREAS, the County Court of Mercer County, West Virginia, did heretofore by a resolution and order adopted March 15, 1956, fix a date for a public hearing on the creation of the proposed Blue Well Public Service District and in and by said resolution and order provide that all persons residing in or owning or having any interest in property in the proposed public service district might appear before the County Court at this meeting and have the opportunity to be heard for and against the creation of said district; and

WHEREAS, notice of this hearing was duly given in the manner provided and required by said resolution and order and by Article 13A of Chapter 16 of the West Virginia Code, and all interested persons have been afforded an opportunity of being heard for and against the creation of said district, but no written protest has been filed by the requisite number of qualified voters registered and residing within said proposed public service district and said County Court has given due consideration to all matters for which such hearing was offered; and

WHEREAS, it is now deemed desirable by said County Court to adopt a resolution and order creating said district:

NOW, THEREFORE, Be It and It Is Hereby Resolved and Ordered by the County Court of Mercer County, West Virginia, as follows:

Section 1. That a public service district within Mercer County, West Virginia, is hereby created, and said district shall have the following described boundaries:

"Beginning at a point having a North latitude 37° 16' 48" and West longitude 81° 14' 20" near the intersection of West Virginia Route 37 and 52/8, thence S. 69° 35' W. 6,300 feet to a point, thence N. 14° 14' 30" W. 15,040.08 feet to a point, thence N. 43° 50' E. 8,000 feet to a point, thence N. 16° 05' W. 9,000 feet to a point, thence East 4,250 feet, thence S. 16° 05' E. 10,000 feet, thence S. 30° 19' W. 7,000 feet, thence S. 15° 20' E. 11,550 feet to beginning." Comprising generally the communities of Montcalm, Blue Well and Brush Fork as shown on a map prepared by J. H. Milam, Inc., Consulting Engineers, dated February, 1956.

Section 2. That said public service district so created shall have the name and corporate title of "Blue Well Public Service District" and shall constitute a public corporation and political subdivision of the State of West Virginia having all of the rights and powers conferred on public service districts by the laws of the State of West

Virginia and particularly Article 13A of Chapter 16 of the West Virginia Code.

Section 3. That the County Court of Mercer County, West Virginia, has determined that the territory within Mercer County, West Virginia, having the hereinabove described boundaries, is so situated that the construction or acquisition by purchase or otherwise and the maintenance, operation, improvement and extension of properties supplying both water and sewerage services within such territory by said public service district will be conducive to the preservation of public health, comfort and convenience of such area.

ADOPTED BY THE COUNTY COURT April 6, 1956.

Fred Thomason  
President

ATTEST:

Lowery G. Bowling  
Clerk

A RESOLUTION AND ORDER APPOINTING MEMBERS TO  
THE PUBLIC SERVICE BOARD OF THE BLUE WELL  
PUBLIC SERVICE DISTRICT

WHEREAS, the County Court of Mercer County, West Virginia, did heretofore by resolution and order adopted April 6, 1956, create the Blue Well Public Service District; and

WHEREAS, under the provisions of Article 13A of Chapter 16 of the West Virginia Code the powers of said public service district shall be vested in and exercised by a public service board; and

WHEREAS, since there is no city, incorporated town or other municipal corporation included within said district, it is provided by said Article 13A of Chapter 16 of the West Virginia Code that this County Court shall appoint three members of said board, who shall be persons residing within the district:

NOW, THEREFORE, Be It and It Is Hereby Resolved and Ordered by the County Court of Mercer County, West Virginia, as follows:

Section 1. That the County Court of Mercer County, West Virginia, hereby finds and determines that C. A. Shupe, O. E. Jennings and C. C. Cravens, are persons residing within the Blue Well Public Service District, and the aforesaid persons are hereby appointed as members of the public service board of said district and their respective terms of office shall be as follows:

C. A. Shupe, for a term of six years from the first day of the month in which this resolution and order is adopted;

O. E. Jennings, for a term of four years from the first day of the month in which this resolution and order is adopted; and

C. C. Cravens, for a term of two years from the first day of the month in which this resolution and order is adopted.

Section 2. The aforesaid persons shall meet as soon as practicable at the office of the Clerk of said County Court and shall qualify by taking an oath of office, and thereafter said appointees constituting the initial public service board of the Blue Well Public Service District shall meet and organize in compliance with the provisions of Article 13A of Chapter 16 of the West Virginia Code.

ADOPTED BY THE COUNTY COURT April 6, 1956.

Fred Thomason  
President

ATTEST:

Lowery G. Bowling  
Clerk

CERTIFICATE OF PUBLICATION

State of West Virginia, }  
County of Mercer, } To-wit:—

I, Martha Claudia, Bookkeeper of the  
DAILY TELEGRAPH PRINTING COMPANY, a corporation, publisher of the  
Sunset News, Times Leader, a daily newspaper, published every evening  
(except Sundays) in the City of Bluefield, Mercer County, West Vir-  
ginia, do certify that the notice attached hereto under the caption;

Notice of Public Hearing on creation of Bluewell  
Public Service District. By Lowery G. Bowling,  
Country Court Clerk.

was published in the said newspaper one time only

on the following days, namely; March 22

in the year 1956.

Publication Fee 12.49

Martha Claudia  
Subscribed and sworn to before me this 22nd day of  
March, 1956.

My Commission expires \_\_\_\_\_ 19\_\_\_\_.

My Commission Expires  
January 27, 1963

Gene S. Robertson

Notary Public

Legal Notices

NOTICE OF PUBLIC HEARING ON  
CREATION OF BLUEWELL PUBLIC  
SERVICE DISTRICT

NOTICE IS HEREBY GIVEN that a  
legally sufficient petition has been filed  
with the Clerk of the County Court of Mer-  
cer County, West Virginia, and has been  
presented to the County Court of Mercer  
County for the creation of a public service  
district within the communities of Mont-  
calm, Bluewell and Brush Fork in Mercer  
County, for the purpose of constructing or  
acquiring by purchase or otherwise and  
the maintenance, operation, improvement  
and extension of public service properties  
within said district and also outside said  
district to the extent permitted by law;  
to wit: "Bluewell Public Service  
District" and having the following de-  
scribed boundaries:

Beginning at a point having a North  
latitude 37° 16' 30" and West longitude  
31° 12' 00" near the intersection of West  
Main Street and E. Main Street thence S  
89° 14' 00" E. 100 feet to a point, thence S  
N. 14° 30' E. 18,040.08 feet to a  
point, thence N. 43° 30' E. 5,000 feet to  
a point, thence N. 14° 05' W. 9,000 feet  
to a point, thence East 4,250 feet, thence  
S 16° 02' E. 14,000 feet, thence S. 30°  
12' W. 2,000 feet, thence S. 15° 30' E.  
12,000 feet to beginning. Comprising  
generally the communities of Montcalm,  
Bluewell and Brush Fork as shown on  
a map prepared by J. H. Milam, Inc.,  
Consulting Engineers, dated February  
1954.

All persons residing in or owning or  
having any interest in property in said  
proposed public service district are here-  
by notified that the County Court of Mer-  
cer County will conduct a public hearing  
on April 4, 1956, at 10:00 o'clock A.M. in the  
County Court House at Princeton, West  
Virginia, at which time and place all  
interested persons may appear before the  
County Court and shall have an oppor-  
tunity to be heard for and against the  
creation of the proposed public service  
district.

By Order of the County Court this 13th  
day of March, 1956.

LOWERY G. BOWLING  
County Court Clerk

Adopted by the County Court March  
13, 1956

FRED THOMASON  
President

Attest:  
LOWERY G. BOWLING  
Clerk

STATE OF WEST VIRGINIA,

COUNTY OF MERCER, TO WIT:

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of an Order, as taken from the records in my said office.

Given under my hand and Seal of said Commission, this the 16th day of June, 1993.



Rudolph D. Jennings CLERK  
MERCER COUNTY COMMISSION

WEST VIRGINIA:

At an adjourned session of the County Court, continued and held for the County of Mercer, at the Courthouse thereof, on Monday, July 11th, 1966.

Present: Frank Gibson, Commissioner.

Present: O. D. Compton, Commissioner.

IN RE: ANNEXATION OF ADDITIONAL AREA TO BLUEWELL PUBLIC  
SERVICE DISTRICT.

Thereupon the Clerk of the County Court presented to the Court a recommendation of the Health Department of Mercer County, West Virginia, proposing and recommending to the Court that the geographical boundaries and area constituting the Bluewell Public Service District be enlarged by annexation of approximately 0.70 square mile lying between the southerly end of the present District boundary and the northerly corporate boundary of the municipality of Bluefield, West Virginia. Such recommendation appearing proper to the Court, the Court of its own motion presented and caused to be read a proposed resolution and order entitled:

"A Resolution and Order Fixing a Date of Hearing on a Proposed Annexation to Bluewell Public Service District of 0.70 Square Mile in Beaver Pond District, Mercer County, West Virginia, Lying Between the Southerly Boundary of Bluewell Public Service District and the Northern Corporate Boundary of Bluefield, West Virginia, and Providing for the Publication of Notice of Such Hearing."

Mr. Frank Gibson moved said resolution and order be adopted. The motion was seconded by Mr. O. D. Compton, and after due consideration, the President put the question on the motion and the roll being called the following voted:

Aye: Frank Gibson  
 O. D. Compton

May: None.

Whereupon the President declared the motion duly carried and said resolution and order duly adopted.

A RESOLUTION AND ORDER FIXING A DATE OF HEARING ON A PROPOSED ANNEXATION TO BLUEWELL PUBLIC SERVICE DISTRICT OF 0.70 SQUARE MILE IN BEAVER POND DISTRICT, MERCER COUNTY, WEST VIRGINIA, LYING BETWEEN THE SOUTHERLY BOUNDARY OF BLUEWELL PUBLIC SERVICE DISTRICT AND THE NORTHERN CORPORATE BOUNDARY OF BLUEFIELD, WEST VIRGINIA, AND PROVIDING FOR THE PUBLICATION OF NOTICE OF SUCH HEARING.

WHEREAS, by order entered in this Court on the 6th day of April, 1956, there was created the Bluewell Public Service District, comprising generally the communities of Montcalm, Bluewell and Brush Fork in Mercer County, West Virginia; and

WHEREAS, the Health Department of Mercer County, West Virginia, has recommended to this Court the annexation of additional area to said Bluewell Public Service District, to consist of 0.70 square mile lying between the southerly end of the present District boundary and the northerly corporate boundary of Bluefield, West Virginia; and

WHEREAS, the Court of its own motion deemed such annexation to be proper, and pursuant to the provisions of Article 13A of Chapter 16 of the Code of West Virginia, this County Court is required to fix a date of hearing on the proposed annexation to Bluewell Public Service District;

NOW, THEREFORE, be it and it is hereby resolved and ordered by the County Court of Mercer County, West Virginia, as follows:

Section 1. That the County Court of Mercer County, West Virginia, hereby finds and declares that the annexation of 0.70 square mile lying in Beaver Pond District, Mercer County, West Virginia, between the southerly boundary of Bluewell Public Service District and the northerly corporate boundary of Bluefield, West Virginia, is proper, necessary and desirable to provide future public service facilities to said area proposed to be annexed, and the said County Court finds and declares that the proposed annexation by the Court on its own motion meets the requirements of Article 13A, Chapter 16, of the West Virginia Code.

Section 2. a. That said area proposed to be annexed will become a part of and be embraced in the boundaries of the public service district created by order of this Court on April 6, 1956, under the name and corporate title of "Bluewell Public Service District".

b. The territory to be annexed to and embraced in the said public service district shall be as follows:

BEGINNING at the southeasterly corner of the existing District Boundary and running thence S. 15° 20' E. 0.60 mile to a point in the northerly corporate boundary line of Bluefield, W. Va.; thence with said corporate boundary line S. 66° 20' W. 1.10 miles to the southeasterly corner of the Midway Public Service District; thence leaving the Bluefield corporate boundary and running N. 23° 40' W. 0.65 mile to the southwesterly corner of the existing Bluewell Public Service District boundary; thence with the southerly boundary line of Bluewell Public Service District N. 69° 35' E. 1.19 miles to the beginning, contain-

ing 0.70 square mile in Beaver Pond Magisterial District of Mercer County, West Virginia.

c. The purpose of said proposed annexation shall be to add to and increase the area or territory served by said public service district for constructing, acquiring by purchase or otherwise, maintaining, operating, improving and extending properties supplying water and sewer services within such territory, and also outside such territory to the extent permitted by law.

d. The territory described above does not include within its limits the territory of any other public service district organized under Article 13A of Chapter 16 of the West Virginia Code, nor does such territory include within its limits any city, incorporated town, nor other municipal corporation.

Section 3. That on the 8th day of August, 1966, at the hour of 10:00 o'clock A. M., this County Court shall meet in the County Courthouse at Princeton, West Virginia, for the purpose of conducting a public hearing on the proposed annexation to Bluewell Public Service District, at which time and place all persons residing in or owning or having any interest in property in the area proposed to be annexed to said Bluewell Public Service District may appear before this County Court and shall have an opportunity to be heard for and against the annexation of the above described area to the Bluewell Public Service District.

Section 4. That the County Court Clerk is hereby authorized and directed to cause notice of such hearing in substantially the form hereinafter set out to be published on July 21, 1966, in the Sunset News-Observer, a newspaper of general circulation published in Mercer County:

NOTICE OF PUBLIC HEARING ON ANNEXATION OF  
0.70 SQUARE MILE TO BLUEWELL PUBLIC SERVICE  
DISTRICT.

NOTICE IS HEREBY GIVEN that on recommendation of the Health Department of Mercer County, West Virginia, the County Court of Mercer County, West Virginia, proposes on its own motion to annex to the territory or area comprising Bluewell Public Service District, for the purpose of enlarging the area served by said District in Beaver Pond District, Mercer County, West Virginia, for the purpose of constructing or acquiring by purchase or otherwise and the maintenance operation, improvement and extension of public service properties supplying water and sewerage services within said District, and also outside said District to the extent permitted by law, the following described additional area;

BEGINNING at the southeasterly corner of the existing District Boundary and running thence S. 15° 20' E. 0.60 mile to a point in the northerly corporate boundary line of Bluefield, W. Va.; thence with said corporate boundary line S. 66° 20' W. 1.10 miles to the southeasterly corner of the Midway Public Service District; thence leaving the Bluefield corporate boundary and running N. 23° 40' W. 0.65 mile to the southwesterly corner of the existing Bluewell Public Service District boundary; thence with the southerly boundary line of Bluewell Public Service District N. 69° 35' E. 1.19 miles to the beginning, containing 0.70 square mile in Beaver Pond Magisterial District of Mercer County, West Virginia, and as shown on Map prepared by J. H. Milam, Inc., Consulting Engineers, dated May 17, 1966.

All persons residing in or owning or having any interest in property in the area proposed to be annexed to said Bluewell Public Service District are hereby notified that the County Court of Mercer County will conduct a public hearing on the 8 day of August, 1966, at 10:00 o'clock A. M., in the County Courthouse at Princeton, West Virginia, at which time and place all interested persons may appear before the County Court

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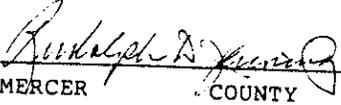
and shall have an opportunity to be heard for and against the annexation of the above described area to the Bluewell Public Service District.

STATE OF WEST VIRGINIA,  
COUNTY OF MERCER, TO WIT:

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of an Order, as taken from the records in my said office.

Given under my hand and Seal of said Commission, this the 16th day of June, 1993.



  
MERCER COUNTY COMMISSION CLERK

WEST VIRGINIA:

At an adjourned session of the County Court, continued and held for the County of Mercer, at the Courthouse thereof, on Monday, August 8th, 1966.

Present:	Fred Thomason,	President.
Present:	Frank H. Gibson,	Commissioner.
Present:	O. D. Compton,	Commissioner.

IN RE: ANNEXATION OF ADDITIONAL AREA TO BLUEWELL PUBLIC  
SERVICE DISTRICT.

The County Court of Mercer County, West Virginia, met in regular session pursuant to law and to the rules of said Court at the County Court House, Princeton, West Virginia, at 10 o'clock A. M. The meeting was called to order and the roll being called there were present Fred Thomason, presiding, and the following named Commissioners: Frank H. Gibson and O. D. Compton.

Absent: None.

This being the date fixed by prior action of the County Court on July 11, 1966, for conducting a public hearing on the proposed annexation of 0.70 square miles to Bluewell Public Service District as contemplated and provided for in a resolution and order adopted by the County Court on July 11, 1966, the President announced that all persons residing in or owning or having any interest in property in the area proposed for annexation to Bluewell Public Service District and desiring to be heard for or against the proposed annexation to such District would be heard for and against such proposed annexation and all such

interested persons desiring to so be heard would be given full opportunity therefor.

The County Court then further discussed the proposed annexation to said Public Service District, whereupon Frank H. Gibson introduced and caused to be read a proposed resolution and order entitled:

"A RESOLUTION AND ORDER FIXING A DATE OF HEARING ON A PROPOSED ANNEXATION TO BLUEWELL PUBLIC SERVICE DISTRICT OF 0.70 SQUARE MILE IN BEAVER POND DISTRICT, MERCER COUNTY, WEST VIRGINIA, LYING BETWEEN THE SOUTHERLY BOUNDARY OF BLUEWELL PUBLIC SERVICE DISTRICT AND THE NORTHERN CORPORATE BOUNDARY OF BLUEFIELD, WEST VIRGINIA, AND PROVIDING FOR THE PUBLICATION OF NOTICE OF SUCH HEARING."

and moved that all rules otherwise requiring deferred consideration or several readings be suspended and said proposed resolution and order be adopted. O. D. Compton seconded the motion and after due consideration the President put the question on the motion and the roll being called the following voted.

Aye:	Fred Thomason
	Frank H. Gibson
	O. D. Compton
Nay:	None

Whereupon the President declared the motion duly carried and said resolution and order duly adopted as follows:

"A RESOLUTION AND ORDER FIXING A DATE OF HEARING ON A PROPOSED ANNEXATION TO BLUEWELL PUBLIC SERVICE DISTRICT OF 0.70 SQUARE MILE IN BEAVER POND DISTRICT, MERCER COUNTY, WEST VIRGINIA, LYING BETWEEN THE SOUTHERLY BOUNDARY OF BLUEWELL PUBLIC SERVICE DISTRICT AND THE NORTHERN CORPORATE BOUNDARY OF BLUEFIELD, WEST VIRGINIA, AND PROVIDING FOR THE PUBLICATION OF NOTICE OF SUCH HEARING."

Whereas the County Court of Mercer County, West Virginia, did heretofore by a resolution and order adopted July 11, 1966, fix a date for public hearing on the proposed annexation of 0.70 square miles to Bluewell Public Service District and in said order and by said resolution that all persons residing in or having any interest in property in the area proposed to be annexed to Bluewell Public Service District might appear before the County Court at this meeting and have the opportunity to be heard for and against the annexation of such area to the Bluewell Public Service District; and

Whereas notice of this hearing was duly given in the manner provided and required by said resolution and order and by Article 13A of Chapter 16 of the West Virginia Code as amended, and all interested persons have been afforded an opportunity of being heard for and against the proposed annexation to said district, but no written protest has been filed by the requisite number of qualified voters registered and residing within the area proposed to be annexed to said Public Service District and said County Court has given due consideration to all matters for which such hearing was offered; and

Whereas it is now deemed desirable by said County Court to adopt a resolution and order annexing such area to said District:

NOW, THEREFORE, be it and it is hereby resolved and ordered by the County Court of Mercer County, West Virginia, as follows:

Section 1. That the County Court of Mercer County, West Virginia, hereby finds and declares that the annexation of 0.70 square mile lying in Beaver Pond District, Mercer County, West Virginia, between the southerly boundary of Bluewell Public Service District and the northerly corporate boundary of Bluefield, West Virginia, is proper, necessary and desirable to provide future public service facilities to said area proposed to be

annexed, and the said County Court finds and declares that the proposed annexation by the Court on its own motion meets the requirements of Article 13A, Chapter 16, of the West Virginia Code.

Section 2. a. That said area annexed will become a part of and be embraced in the boundaries of the public service district created by order of this Court on April 6, 1956, under the name and corporate title of "Bluewell Public Service District."

b. The following territory and area is hereby annexed to and embraced in said Public Service District:

BEGINNING at the southeasterly corner of the existing District Boundary and running thence S.  $15^{\circ} 20'$  E. 0.60 mile to a point in the northerly corporate boundary line of Bluefield, W. Va.; thence with said corporate boundary line S.  $66^{\circ} 20'$  W. 1.10 miles to the southeasterly corner of the Midway Public Service District; thence leaving the Bluefield corporate boundary and running N.  $23^{\circ} 40'$  W. 0.65 mile to the southwesterly corner of the existing Bluewell Public Service District boundary; thence with the southerly boundary line of Bluewell Public Service District N.  $69^{\circ} 35'$  E. 1.19 miles to the beginning, containing 0.70 square mile in Beaver Pond Magisterial District of Mercer County, West Virginia.

c. The area and territory so annexed is hereby added to and does increase the area or territory served by said Public Service District for constructing, acquiring by purchase or otherwise, maintaining, operating, improving and extending properties supplying water and sewer service within such territory and outside such territory to the extent permitted by law.

**NOTICE OF PUBLIC HEARING ON ANNEXATION OF 0.70 SQUARE MILE TO BLUEWELL PUBLIC SERVICE DISTRICT**

NOTICE IS HEREBY GIVEN that on recommendation of the Health Department of Mercer County, West Virginia, the County Court of Mercer County, West Virginia, proposes on its own motion to annex to the territory or area comprising Bluewell Public Service District, for the purpose of enlarging the area served by said District in Beaver Pond District, Mercer County, West Virginia, for the purpose of constructing or acquiring by purchase or otherwise and the maintenance, operation, improvement and extension of public service properties supplying water and sewerage service within said District, and also outside said District to the extent permitted by law, the following described additional area:

BEGINNING at the southeasterly corner of the existing District Boundary and running thence S. 15 degrees 20' E. 0.60 mile to a point in the northerly corporate boundary line of Bluefield, W. Va.; thence with said corporate boundary line S. 66 degrees 20' W. 1.10 miles to the southeasterly corner of the Midway Public Service District; thence leaving the Bluefield corporate boundary and running N. 23 degrees 40' W. 0.65 mile to the southwestly corner of the existing Bluewell Public Service District boundary; thence with the southerly boundary line of Bluewell Public Service District N. 69 degrees 35' E. 1.19 miles to the beginning, containing 0.70 square mile in Beaver Pond Magisterial District of Mercer County, West Virginia, and as shown on Map prepared by J. H. Milam, Inc., Consulting Engineers, dated May 17, 1966.

All persons residing in or owning or having any interest in property in the area proposed to be annexed to said Bluewell Public Service District are hereby notified that the County Court of Mercer County will conduct a public hearing on the 8th day of August, 1966, at 10:00 o'clock A.M., in the County Courthouse at Princeton, West Virginia, at which time and place all interested persons may appear before the County Court and shall have an opportunity to be heard for and against the annexation of the above described area to the Bluewell Public Service District. By order of the County Court this 11th day of July, 1966.

Harold C. Farley  
County Court Clerk

ADOPTED BY THE COUNTY COURT  
July 11, 1966.

Frank Gibson, Commissioner  
O. D. Compton, Commissioner

ATTEST: Harold C. Farley Clerk

**CERTIFICATE OF PUBLICATION**

State of West Virginia, }  
County of Mercer, } To-wit:—

I, Brenda Poole, Bookkeeper of the DAILY TELEGRAPH PRINTING COMPANY, a corporation, publisher of the Bluefield Daily Telegraph, a daily morning newspaper, published in the City of Bluefield, Mercer County, West Virginia and Sunset News-Observer a daily evening newspaper, published in the cities of Bluefield and Princeton, Mercer County, West Virginia, do certify that the notice attached hereto under the caption;

Notice of Public Hearing on annexation of 0.70 sq. mi. to Bluewell Public Service District

was published in the said SUNSET NEWS  
1 time only Times

on the following days, namely; July 21

in the year 1966.

Publication Fee \$0.21

Subscribed and sworn to before me this 22nd day of

July, 1966.

My Commission expires

My Commission Expires  
January 16, 1973

*[Signature]*  
Notary Public

STATE OF WEST VIRGINIA,  
COUNTY OF MERCER, TO WIT:

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of an Order, as taken from the records in my said office.

Given under my hand and Seal of said Commission, this the 16th day of June, 1993.



Rudolph D. Jennings CLERK  
MERCER COUNTY COMMISSION

WEST VIRGINIA:

At a regular session of the County Commission, held for the County of Mercer, at the Courthouse thereof, on Monday, June 7th. 1978.

Present:	Joe Coburn,	President.
Present:	Luther H. Byrd,	Commissioner.
Present:	Clarence W. Six,	Commissioner.

RE: BLUEWELL PUBLIC SERVICE DISTRICT.

This day came the Bluewell Public Service District by Edmund C. Stone, Jr., its Counsel, and requested that this Commission proceed by motion to enlarge the territorial limits of the Bluewell Public Service District in accordance with a map and metes and bounds description filed with this request, and it appearing to the Commission that this request was in order, that the Bluewell Public Service District could be expanded without encroachment upon any public service district that has extended service to the proposed extension area: that the entire extension area is located within the geographical territory of the Bluegrass Public Service District and that the proposed extension of the Bluewell Public Service District could be in the best interest of the residents of the proposed extension area, the Commission sets July 18th, 1978, at 9:30 a.m., for a public hearing upon the matter to be held in the Commission chambers in the Courthouse, Princeton, Mercer County, West Virginia, and directs that notice of this hearing be published as required by law.

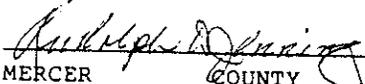
STATE OF WEST VIRGINIA,

COUNTY OF MERCER, TO WIT:

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of an Order, as taken from the records in my said office.

Given under my hand and Seal of said Commission, this the 16th day of June, 1993.



  
MERCER COUNTY COMMISSION CLERK

## WEST VIRGINIA:

At a special session of the County Commission, held for the County of Mercer, at the Courthouse thereof, on Tuesday, July 18th, 1978.

Present:	Joe Coburn,	President.
Present:	Luther H. Byrd,	Commissioner.
Present:	Clarence W. Six,	Commissioner.

The County Commission of Mercer County, West Virginia, met in special session pursuant to law and to the rules of said Court at the County Court House, Princeton, West Virginia, at 9:30 A. M. The meeting was called to order and the roll being called there were present Joe Coburn, presiding, and the following named Commissioners:

Luther H. Byrd and Clarence W. Six.

Absent: None.

This being the date fixed by prior action of the County Commission on June 7, 1978, for conducting a public hearing on the proposed expansion of Bluewell Public Service District as contemplated and provided for in a resolution and order adopted by the County Commission on June 7, 1978, the President announced that all persons residing in or owning or having any interest in property in the area proposed for expansion of Bluewell Public Service District and desiring to be heard for or against the proposed expansion of such District would be heard for and against such proposed expansion and all such interested persons desiring to be so heard would be given full opportunity therefore.

The County Commission then further discussed the proposed expansion to said Public Service District, whereupon Luther H. Byrd introduced and caused to be read a proposed resolution and order entitled:

"A RESOLUTION AND ORDER FIXING A DATE OF HEARING ON A PROPOSED EXPANSION OF BLUEWELL PUBLIC SERVICE DISTRICT TO EMBRACE 5292.04 ACRES MORE OR LESS IN BEAVER POND AND ROCK DISTRICTS, MERCER COUNTY, WEST VIRGINIA, AND PROVIDING FOR THE PUBLICATION OF NOTICE OF SUCH HEARING."

and moved that all rules otherwise requiring deferred consideration or several readings be suspended and said proposed resolution and order be adopted. Clarence W. Six seconded the motion and after due consideration the President put the question on the motion and the roll being called the following voted:

Aye: Joe Coburn, Luther H. Byrd, and Clarence W. Six.

Nay: None.

Whereupon the President declared the motion duly carried and said resolution and order duly adopted as follows:

"A RESOLUTION AND ORDER FIXING A DATE OF HEARING ON A PROPOSED EXPANSION OF BLUEWELL PUBLIC SERVICE DISTRICT TO EMBRACE 5292.04 ACRES MORE OR LESS IN BEAVER POND AND ROCK DISTRICTS, MERCER COUNTY WEST VIRGINIA, AND PROVIDING FOR THE PUBLICATION OF NOTICE OF SUCH HEARING."

Whereas the County Commission of Mercer County, West Virginia, did heretofore by a resolution and order adopted June 7, 1978, fix a date for public hearing on the proposed expansion of Bluewell Public Service District to embrace 5292.04 acres, more or less, in Beaver Pond and Rock Districts, and in said order by said resolution provide that all persons residing in or having any interest in property in the area proposed to be embraced in the boundaries of

Bluewell Public Service District might appear before the County Commission at this hearing and have the opportunity to be heard for and against the expansion of the Bluewell Public Service District; and

Whereas notice of this hearing was duly given in the manner provided and required by said resolution and order and by Article 13A of Chapter 16 of the West Virginia Code as amended, and all interested persons have been afforded an opportunity of being heard for and against the proposed expansion to said Districts, but no written protest has been filed by the requisite number of qualified voters registered and residing within the area proposed to be embraced in the boundaries of said Public Service District and said County Commission has given due consideration to all matters for which such hearing was offered; and

Whereas it is now deemed desirable by said County Commission to adopt a resolution and order expanding such area to said District:

NOW, THEREFORE, be it and it is hereby resolved and ordered by the County Commission of Mercer County, West Virginia, as follows:

Section 1. That the County Commission of Mercer County, West Virginia, hereby finds and declares that the expansion and enlargement of the boundaries of Bluewell Public Service District to embrace 5292.04 acres, more or less, in Beaver Pond and Rock Districts, Mercer County, West Virginia, is proper, necessary and desirable to provide future public service facilities to said area proposed to be expanded, and the said County Court finds and declares that the proposed expansion by the Court on its own motion meets the requirements of Article 13A, Chapter 16, of the West Virginia Code.

Section 2. a. That said area will become a part of and be embraced in the boundaries of the public service district created by order of this Court on April 6, 1956, under the name and corporate title of "Bluewell Public Service District".

b. The following territory and area is hereby embraced in said Public Service District:

BEGINNING at the southwest most corner of the old Bluewell Public Service District boundary at Latitude 37° 16' 32" North, Longitude 81° 15' 36" West. Thence, with the old boundary, N. 14° 14' 30" W, 2800.00 ft. Thence, leaving the old boundary, S 69° 34' W, 3000.00 ft; N 48° 25' 24" W, 2477.44 ft; and N 69° 35' E, 4400.00 ft to a point in the old boundary. Thence, with the old boundary, N. 14° 14' 30" W, 10,040.00 ft to a corner of the old boundary. Thence, leaving the old boundary, N 19° W, 2200.00 ft; N 37° 25' 25" E, 559.85 ft; and due East 2800.00 ft to a point in the old boundary. Thence, with the old boundary, N 43° 50' E, 4500.00 ft to a corner of the old boundary. Thence, with the old boundary, N 16° 05' W, 9000.00 ft to the northwest most corner of the old boundary. Thence, with the old boundary, due East, 2650.00 ft. Thence, leaving the old boundary, N 30° E, 1300.00 ft; due East 2500.00 ft; due South, 2000.00 ft; and S 40° 15' 07" W, 1498.46 ft to a point in the old boundary. Thence, with the old boundary, S 16° 05' E, 6300.00 ft. Thence, leaving the old boundary N 73° 55' E, 1000.00 ft; S 16° 05' E, 800.00 ft; and S 73° 55' W, 1000.00 ft to a point in the old boundary. Thence, with the old boundary, S 16° 05' E, 800.00 ft to a corner of the old boundary. Thence, with the old boundary, S 30° 10' W, 1600.00 ft. Thence, leaving the old boundary, S. 14° 53' E, 7000.00 ft; due East 2000.00 ft; S 30° E, 1500.00 ft; and S 57° 46' 09" W, 6380.30 ft to a point in the old boundary. Thence, with the old boundary, S 15° 20' E, 3700.00 ft. Thence, leaving the old boundary, N 69° 35' E, 3000.00 ft; S 20° 25' E, 1996.85 ft; S 69° 35' W, 4970.88 ft; S 20° 25' E, 2500.00 ft; S 69° 35' W, 1200.00 ft; and N 62° 03' 01" W, 4816.64 ft to the point of beginning. Containing 5292.04 acres more or less.

3. That no portions of the expanded and annexed territory has heretofore had public water or sewer service provided or extended by the Bluegrass Public Service District, and such service can be more practicably made available as need arises by Bluewell Public Service District, and the change herein provided will promote the public interest, and change in the boundaries of Bluegrass Public Service District is proper.

4. The area and territory so described does increase the area or territory serviced by said Bluewell Public Service District for constructing, acquiring by purchase or otherwise, maintaining, operating, improving and extending properties supplying water and sewer service within such territory and outside such territory to the extent permitted by law.

MERCER COUNTY COMMISSION

By /s/ Joe Coburn  
President.

**NOTICE OF PUBLIC HEARING ON  
A PROPOSED EXTENSION TO  
BLUEWELL PUBLIC SERVICE  
DISTRICT WITH CORRESPONDING  
DIMINISHING OF BLUEGRASS  
PUBLIC SERVICE DISTRICT.**

Notice is hereby given that upon request the Bluewell Public Service District The County Commission of Mercer County, West Virginia, proposes on its own motion to increase the area comprising Bluewell Public Service District for the purpose of permitting said service district to construct, acquire by purchase, or otherwise maintain, operate, improve, and extend the public service district properties supplying water and sewerage services to such increased area and by increasing said Bluewell Public Service District to diminish the area of the Bluegrass Public Service District to the extent permitted by law; the following described area is proposed to be incorporated within the Bluewell Public Service District which area described incorporates the present area served together with the proposed extension.

**BEGINNING** at the southwest most corner of the old Bluewell Public Service District boundary at Latitude 37 degrees 14' 22" North, Longitude 81 degrees 15' 34" West, Thence, with the old boundary, N 14 degrees 14' 30" W, 2800.00 ft. Thence, leaving the old boundary, S 49 degrees 35' W, 3000.00 ft. N. 48 degrees 25' 24" W, 2477.44 ft.; and N 49 degrees 35' E, 4500.00 ft. to a point in the old boundary; Thence, with the old boundary, N 16 degrees 14' 30" W, 10,040.00 ft. to a corner of the old boundary, Thence, leaving the old boundary, N. 19 degrees W, 2200.00 ft.; N 37 degrees 25' 25" E, 539.85 ft.; and due East 2800.00 ft. to a point in the old boundary; Thence, with the old boundary, N. 43 degrees 50' E, 4500.00 ft. to a corner of the old boundary; Thence, with the old boundary, N. 14 degrees 05' W, 9000.00 ft. to the northwest most corner of the old boundary, Thence, with the old boundary, due East, 2450.00 ft. Thence, leaving the old boundary, N. 30 degrees E, 1300.00 ft.; due East 2500.00 ft.; due South, 2000.00 ft.; and S 40 degrees 15' 07" W, 1498.46 ft. to a point in the old boundary, Thence, with the old boundary, S 16 degrees 05' E, 4300.00 ft. Thence, leaving the old boundary, N. 73 degrees 55" E, 1000.00 ft.; S 16 degrees 05' E, 800.00 ft.; and S 73 degrees 55' W, 1000.00 ft. to a point in the old boundary, Thence, with the old boundary, S. 14 degrees 05' E, 800.00 ft. to a corner of the old boundary, Thence, with the old boundary, S. 30 degrees 10' W, 1600.00 ft. Thence, leaving the old boundary, S. 14 degrees 57' E, 7000.20 ft.; due East 2000.00 ft.; S 30 degrees E, 1500.00 ft.; and S 57 degrees 48' 09" W, 6280.30 ft. to a point in the old boundary, Thence, with the old boundary, S 15 degrees 20' E, 3700.00 ft. Thence, leaving the old boundary, N 49 degrees 35' E, 3000.00 ft.; S 20 degrees 25' E, 1896.85 ft.; S 49 degrees 35' W, 4970.88 ft.; S 20 degrees 25' E, 1500.00 ft.; S 49 degrees 35' W, 1200.00 ft.; and N 42 degrees 03' 01" W, 4816.64 ft. to the point of beginning, Containing 5292.04 acres more or less.

All persons residing in or owning or having any interest in property in the area included in the above described proposed revision of said Bluewell Public Service District, are hereby notified that the County Commission of Mercer County will conduct a public hearing on the 18th day of July, 1978, at 9:30 a.m., in the County Courthouse at Princeton, West Virginia, at which time and place all interested persons may appear before the County Commission and shall have an opportunity to be heard for and against the proposed enlargement of the area of the Bluewell Public Service District with the corresponding diminishing of the Bluegrass Public Service District.

By Order of the County Commission this 7th day of June, 1978.  
MERCER COUNTY COMMISSION  
By JOE COBURN, PRESIDENT

**CERTIFICATE OF PUBLICATION**

State of West Virginia, } To-wit:—  
County of Mercer, }

I, Elaine Price, Bookkeeper

of the DAILY TELEGRAPH PRINTING COMPANY, a corporation, publisher of the Bluefield Daily Telegraph, a daily morning newspaper, published in the City of Bluefield, Mercer County, West Virginia, do certify that the notice attached hereto under the caption;

Notice of Public Hearing on a Proposed Extension to Bluewell Public Service District

was published in the said Daily Telegraph One Times

on the following days, namely; June 20

in the year 197 78.

Publication Fee 32.55

Subscribed and sworn to before me this 20th. day of

June, 197 78.

My Commission expires January 5, 19 83

June R. Robertson  
Notary Public

STATE OF WEST VIRGINIA,  
COUNTY OF MERCER, TO WIT:

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of an Order, as taken from the records in my said office.

Given under my hand and Seal of said Commission, this the 16th day of June, 1993.



Rudolph D. Jennings CLERK  
MERCER COUNTY COMMISSION

WEST VIRGINIA:

At an adjourned session of the County Commission, continued and held for the County of Mercer, at the Courthouse thereof, on Monday, January 13, 1992.

Present:	Charles E. Lohr,	President.
Present:	Ray Bragg,	Commissioner.
Present:	John K. Rapp,	Commissioner.

## IN THE COUNTY COMMISSION OF MERCER COUNTY, WEST VIRGINIA

IN RE:

PETITION OF BLUEWELL PUBLIC SERVICE  
DISTRICT FOR BOUNDARY EXPANSIONPETITION

Now comes the General Manager of Bluewell Public Service District, James Wesolowski, and says to the Mercer County Commission as follows:

1. That the Bluewell Public Service District is a public service district created and approved by the West Virginia Public Commission, and it is properly operating in Mercer County, West Virginia.
2. That the Commissioners of Bluewell Public Service District considered and approved, at its regularly scheduled meeting on November 12, 1992, boundary expansion into two separate and distinct areas: (1) the Duhring and Flipping Communities and (2) an area containing approximately 135 homes on Route 123. A legal description of the expanded area and a map with a color-coded legend showing the existing boundaries in yellow and the proposed expansion in blue are attached hereto and made a part hereof.
3. That such boundary expansion has the potential of providing quality water to approximately 835 Mercer County residents, and that it is in their best interests for such expansion and provision of services to be approved.
4. That a letter dated December 5, 1991, from Petitioner to Herb Tate of the Mercer County Commission intended as a petition is attached for reference. Petitioner says that this letter was discussed by this Commission at its regular meeting on December 9, 1991; however, this formal Petition is presented to complement that one in order to comply with the provisions of West Virginia Code §16-13A-2.

WHEREFORE, Petitioner prays that the Mercer County Commission fix a date for hearing on the proposed boundary expansion; that it cause to be published a Class I legal advertisement and that it cause to be posted a notice of said hearing in five conspicuous places within the public service district, all in compliance with the provisions of the aforementioned Code Section; that the hearing be held thereon; and that said expansion be approved after such hearing, subject to any necessary approval by the West Virginia Public Service Commission.

BLUEWELL PUBLIC SERVICE DISTRICT

By: /s/ James Wesolowski  
Its: General Manager

RE: BOUNDARY EXPANSION - BLUEWELL PUBLIC SERVICE DISTRICT.

This day after receiving the above Petition requesting boundary expansion of the Bluewell Public Service District, the Commission, on its own motion, set a public hearing for Friday, February 14, 1992, in the County Commission Courtroom, at the Courthouse, Princeton, West Virginia, at which time and place all interested persons for and against may appear before the Commission to be heard on said Petition.

**LEGAL NOTICE**

Please take notice that the Bluewell Public Service District has made application to expand its territory to include the hereinafter described areas:

1. An area encompassing WV Route 123 and adjoining areas between the present Bluewell Public Service District line and the boundary between the states of WV and VA described as beginning at a point, a corner of the presently constituted Bluewell P.S.D. thence S 69 degrees 35' W to a point in a line, the boundary between the states of VA and WV, thence with said boundary line N 50 degrees 00' W 2500 feet to a point N of said WV Route 123 thence N 69 degrees 35' E to a corner of Bluewell P.S.D. as presently constituted, thence with a line of said District to the point of beginning.

2. An area incorporating the communities of Duhring and Flipping as well as a portion of Route U.S. 52 and adjoining territory described as beginning at a point in the line of Bluewell P.S.D. as presently constituted thence N 79 degrees 15' W 6700 feet to a point near the west line of U.S. Route 52 and just north of the Division line between Rock District and Beaver Pond District of Mercer County, WV said point is further located Southwest of what is known as Pinnacle Rock, thence N 36 degrees 00' E 16,200 feet to a point the northwest corner of the Bluewell P.S.D. as presently constituted thence with the lines of said District to the point of beginning.

Said areas are further described on a map filed with the Clerk of the Mercer County, WV, Commission which is available for inspection during business hours of said office.

You are further notified that a Public Hearing upon the proposed expansion of Bluewell P.S.D. will be held before the Mercer County, WV, Commission at 10:15 A.M. on Monday, January 13, 1992, at which time you may appear and be heard.

Mercer County Commission  
Charles E. Lohr, President

**CERTIFICATE OF PUBLICATION**

State of West Virginia, }  
County of Mercer, } To-wit:—  
Shirley Smith

I, \_\_\_\_\_ of the Bluefield Daily Telegraph, a daily morning newspaper published in the City of Bluefield, Mercer County, West Virginia, do certify that the notice attached hereto under the caption:

was published in the said \_\_\_\_\_ Bluefield Daily Telegraph  
\_\_\_\_\_ One (1) \_\_\_\_\_ Times

on the following days, namely: Dec. 17th \_\_\_\_\_

in the year 19 \_\_\_\_\_ 91

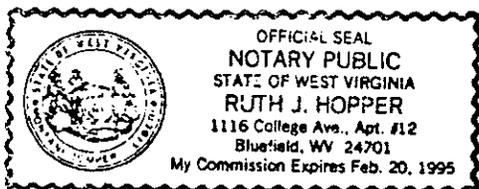
Publication Fee \$24.44

*Shirley Smith*

Subscribed and sworn to before me this 17th day of December 1991

My Commission expires \_\_\_\_\_ 1995

*Ruth J. Hopper*  
Notary Public



STATE OF WEST VIRGINIA,

COUNTY OF MERCER, TO WIT:

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of an Order, as taken from the records in my said office.

Given under my hand and Seal of said Commission, this the 16th day of June, 1993.



Rudolph D. Jennings CLERK  
MERCER COUNTY COMMISSION

WEST VIRGINIA:

At an adjourned session of the County Commission, continued and held for the County of Mercer, at the Courthouse thereof, on Friday, February 14, 1992.

Present:	Charles E. Lohr,	President.
Present:	Ray Bragg,	Commissioner.
Present:	John Rapp,	Commissioner.

IN THE COUNTY COMMISSION OF MERCER COUNTY, WEST VIRGINIA

IN RE:

PETITION OF BLUEWELL PUBLIC SERVICE  
DISTRICT FOR BOUNDARY EXPANSION

RESOLUTION AND ORDER

On the 13th day of January, 1992, the General Manager of Bluewell Public Service District, James Wesolowski, appeared before the Mercer County Commission and filed a Petition requesting expansion of Bluewell Public Service District's boundaries into two separate and distinct areas: (1) the Duhring and Flipping Communities and (2) an area containing approximately 135 homes on Route 123. Whereupon, the Mercer County Commission set this matter for public hearing on February 14, 1992, at 10:00 a.m. and ordered posting and publication of notices regarding same. A Certification of Posting and Publication of Notice has been filed with this Commission.

Whereupon, after all interested parties in attendance were allowed to speak for and against the expansion, the members of the Board of Commissioners, after due consideration, resolved and found it to be in the best interests of the citizens to be so served by Bluewell Public Service District for the expansion to be allowed.

Therefore, it is hereby RESOLVED and ORDERED that the boundaries of Bluewell Public Service District be expanded as per the legal description and map filed with this Commission, subject to any necessary approval by the West Virginia Public Service Commission.

ENTERED this 14th day of February, 1992.

MEMBERS OF THE MERCER COUNTY COMMISSION

/s/ Charles E. Lohr

/s/ Ray Bragg

/s/ John K. Rapo

\*\*\*\*\*

**NOTICE OF PUBLIC HEARING**

PLEASE TAKE NOTICE that the Bluewell Public Service District has made application to expand its territory to include the hereinafter described areas:

1. An area encompassing WV Route 123 and adjoining areas between the present Bluewell Public Service District line and the boundary between the states of WV and VA described as beginning at a point, a corner of the presently constituted Bluewell P.S.D.; thence S. 69 degrees 35' W. to a point in a line, the boundary between the states of VA and WV; thence with said boundary line N. 50 degrees 00' W 2500 feet to a point N of said WV Route 123; thence N. 69 degrees 35' E. to a corner of Bluewell P.S.D. as presently constituted; thence with a line of said District to the point of beginning.

2. An area incorporating the communities of Dubring and Flipping, as well as a portion of Route U.S. 52 and adjoining territory described as beginning at a point in the line of Bluewell P.S.D. as presently constituted; thence N. 79 degrees 15' W 6700 feet to a point near the west line of U.S. Route 52 and just north of the Division line between Rock District and Beaver Pond District of Mercer County, WV, said point is further located Southwest of what is known as Pinnacle Rock; thence N 36 degrees 00' E 16,200 feet to a point, the northwest corner of the Bluewell P.S.D. as presently constituted; thence with the lines of said District to the point of BEGINNING.

Said areas are further described on a map filed with the Clerk of the Mercer County, WV, Commission which is available for inspection during business hours of said office.

You are further notified that a Public Hearing upon the proposed expansion of Bluewell P.S.D. will be held before the Mercer County, WV, Commission at 10:00 a.m. on Friday, February 14, 1992, at which time you may appear and be heard.

Mercer County Commission  
Charles E. Lohr, President

**CERTIFICATE OF PUBLICATION**

State of West Virginia, }  
County of Mercer, } To-wit:--

I, Shirley Smith of the Bluefield Daily Telegraph, a daily morning newspaper published in the City of Bluefield, Mercer County, West Virginia, do certify that the notice attached hereto under the caption;

was published in the said Bluefield Daily Telegraph  
One (1) Times  
on the following days, namely: Jan. 31st

in the year 19 92

Publication Fee \$25.88

Shirley Smith

Subscribed and sworn to before me this 31st day of

January

My Commission expires

19 92  
February 19 95  
Ruth J. Hopper  
Notary Public



OFFICIAL SEAL  
NOTARY PUBLIC  
STATE OF WEST VIRGINIA  
RUTH J. HOPPER  
1116 College Ave., Apt. #12  
Bluefield, WV 24701  
My Commission Expires Feb. 20, 1995

STATE OF WEST VIRGINIA,  
COUNTY OF MERCER, TO WIT:

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of an Order, as taken from the records in my said office.

Given under my hand and Seal of said Commission, this the 16th day of June, 1993.



Rudolph D. Jennings CLERK  
MERCER COUNTY COMMISSION

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

Entered: August 7, 1992

CASE NO. 92-0205-PWD-PC

MERCER COUNTY COMMISSION  
Petition for permission to expand  
boundaries of Bluewell Public Service  
District.

**FINAL**

8-27-92

RECOMMENDED DECISION

PROCEDURE

On February 25, 1992, the Mercer County Commission filed a petition with the Public Service Commission seeking to expand the boundaries of Bluewell Public Service District, pursuant to the provisions of West Virginia Code §16-13A-2. Pursuant to this Code provision, it was necessary for the Public Service Commission to schedule a hearing in Mercer County for the purpose of completing compliance with the requirements of West Virginia Code §16-13A-2. By Order entered on March 26, 1992, the Public Service Commission issued its Referral Order in this matter referring this case to the Division of Administrative Law Judges and mandating that an Administrative Law Judge's Decision be rendered on or before September 21, 1992. On April 23, 1992, it was ordered by the Commission that the matters involved herein be heard on May 6, 1992. This case was heard as scheduled. Mr. Drexel Vealey, Staff Attorney, represented the Commission's Staff. Mr. J. W. Barringer, Esq., represented the Bluewell Public Service District. No briefs were necessary in this case.

EVIDENCE

Mr. George Harrison was called as a witness on behalf of the Bluewell Public Service District. Mr. Harrison has been a Board Member of the District for two (2) years and testified that the Bluewell Public Service District (Bluewell) met some months ago and decided that the District wanted to expand his boundaries in the two different areas. A letter from James Wesolowski, the General Manager of Bluewell, to Mr. Herb Tate, the Administrator for the Mercer County Commission, refers to a description of approximately 104 homes in the Duhring and Flipping communities, near Bluewell Public Service District. The second area for expansion deals with approximately 135 homes on Route 123. This letter also indicates that the combined expansion will serve an additional 835 Mercer County residents. (Tr., pp. 13&14).

4. Mr. Charles S. Nichols testified that he lives near Bluewell, in an area commonly called Brush Fork, on Route 123. Mr. Nichols testified that the residents in this area have wanted to become a part of Bluewell Public Service District for at least twenty-five (25) years. (See, Tr., p. 23).

#### CONCLUSION OF LAW

The evidence presented at the May 6, 1992 hearing shows a strong public need that the boundaries of the Bluewell Public Service District should be extended.

#### ORDER

IT IS, THEREFORE, ORDERED that the boundaries of the Bluewell Public Service District be expanded as requested in its petition filed on February 25, 1992. It should be noted that the granting of this petition should in no manner be interpreted to prejudge or preapprove any related certificate application or engineer contract which must be subsequently submitted for the Commission's review and approval, in accordance with the provisions of West Virginia Code §§16-13A-25 or 24-2-11.

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.

*Miles C. Cary*  
Miles C. Cary  
Administrative Law Judge

MCC:jas

WEST VIRGINIA;

At an adjourned session of the County Commission, continued and held for the County of Mercer, at the Courthouse thereof, on Monday, April 10, 2000.

Present: Joe Coburn, President.

Present: John P. Anderson Commissioner.

STATE OF WEST VIRGINA,

COUNTY OF MERCER, TO WIT:

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of an Order, as taken from the records in my said office.

Given under my hand and Seal of said Commission, this the 18<sup>th</sup> day of April, 2000.

  
MERCER COUNTY COMMISSION CLERK

BEFORE THE COUNTY COMMISSION OF MERCER COUNTY, WEST VIRGINIA

In re:

BLUEWELL PUBLIC SERVICE DISTRICT, TOWN OF  
BRAMWELL and BLUEGRASS PUBLIC SERVICE DISTRICT

ORDER TO INCREASE PUBLIC SERVICE DISTRICT BOUNDARIES

Pursuant to the provision of W. Va. Code § 16-13A-2 (1991 Replacement Vol.), on a former day came the Bluewell Public Service District and the Town of Bramwell and filed their Petition to enlarge the water service boundary of the Bluewell Public Service District (BLUEWELL) and to decrease the water service boundary of the Town of Bramwell (TOWN) and Bluegrass Public Service District (BLUEGRASS) to provide water service to additional residents of Mercer County, West Virginia in a water project for BLUEWELL.

On April 10, 2000 came the Petitioners and presented their Petition for a hearing. After hearing and review of the record, the Commission finds as follows:

1. BLUEWELL and BLUEGRASS are public service districts formed by the County Commission of Mercer County, West Virginia;
2. BLUEGRASS is an inactive public service district, has no directors or other governing body and this Commission is responsible for the administration of BLUEGRASS;
3. TOWN is a municipal corporation and currently operates a water treatment plant and distributes water to its residents;

4. BLUEWELL desires to provide water service to additional residents of Mercer County, West Virginia currently within the area of TOWN and BLUEGRASS;

5. The expansion of BLUEWELL is in the best interests of the affected citizens in Mercer County. The expansion will provide for safe, stable water service to residents of Mercer County and will in no way adversely affect the existing customers of TOWN and BLUEGRASS;

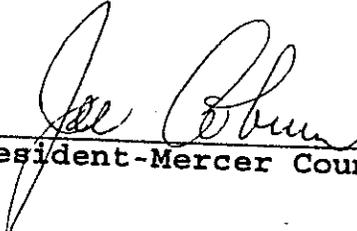
6. The Petitioners have caused to be published as a Class I advertisement a notice of the hearing, a copy of which publication is attached to this Order as EXHIBIT "A";

7. The Petitioners have caused to be posted 5 notices of the hearing within each of the areas to be encompassed by the expansion.

Accordingly, it is therefore ORDERED that the water service boundary of the Bluewell Public Service District be enlarged to encompass and the water service boundary of TOWN and BLUEGRASS will be decreased to eliminate the following territory which is within Mercer County as provided in that certain description entitled "EXPANDING EXISTING WATER SERVICE BOUNDARY OF BLUEWELL PUBLIC SERVICE DISTRICT AND RETRACTING EXISTING WATER SERVICE BOUNDARIES OF BLUEGRASS PUBLIC SERVICE DISTRICT AND TOWN OF BRAMWELL JANUARY 24, 2000" attached hereto as EXHIBIT "B".

The Clerk shall certify a copy of this ORDER to Counsel for the Bluewell Public Service District for filing with the Public Service Commission of West Virginia.

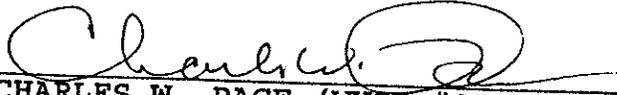
ENTER:

  
\_\_\_\_\_  
President-Mercer County Commission

READ AND APPROVED FOR ENTRY:

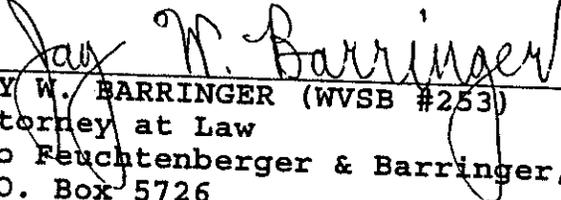
BLUEWELL PUBLIC SERVICE DISTRICT

BY COUNSEL:

  
\_\_\_\_\_  
CHARLES W. PACE (WVSB #2797)  
Attorney at Law  
1608 West Main Street  
Princeton, West Virginia 24740  
(304) 487-2610

TOWN OF BRAMWELL

BY COUNSEL:

  
\_\_\_\_\_  
JAY W. BARRINGER (WVSB #253)  
Attorney at Law  
c/o Feuchtenberger & Barringer, L.C.  
P.O. Box 5726  
335 New Hope Road  
Princeton, West Virginia 24740  
(304) 425-5060

TOWN OF BRAMWELL

RESOLUTION APPROVING, AUTHORIZING, CONFIRMING AND RATIFYING THE INCLUSION OF THE TOWN OF BRAMWELL WITHIN THE BOUNDARIES OF BLUEWELL PUBLIC SERVICE DISTRICT FOR THE PROVISION OF WATER SERVICE.

BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF BRAMWELL:

WHEREAS, the Town of Bramwell (the "Town") is a municipal corporation and political subdivision, duly created by the Circuit Court of Mercer County;

WHEREAS, the Town entered into an Intergovernmental Agreement, dated as of August 30, 1999 (the "Agreement"), with Bluewell Public Service District (the "District"), whereby the Town and the District agreed that the Town and the District will jointly undertake a project to improve the water system for the residents of the Town and that, upon conclusion of construction of the project, the Town will (i) transfer to the District certain assets of the existing waterworks system of the Town; (ii) cease operating its waterworks system; and (iii) cease being a provider of water service;

WHEREAS, the Town held an election on October 19, 1999, at which time the residents of the Town approved the sale of certain assets of the Town's existing waterworks system to the District;

WHEREAS, the Agreement was approved by the Attorney General of West Virginia on November 2, 1999, and by the Public Service Commission of West Virginia (the "PSC"), by Final Order entered on December 14, 1999, and by Ordinance of the town adopted on the 21st day of August, 2000, the Council renewed the term of the Agreement for an additional fiscal year, to begin on July 1, 2000, and expire on June 30, 2001;

WHEREAS, in order to effectuate actions provided for in the Agreement, the District's boundaries for the provision of water service must be extended to include the area within the municipal limits of the Town, and the Town must consent to being included within the extended boundaries of the District;

WHEREAS, in the Final Order of the PSC, the Town and District were ordered to proceed with the expansion of the District's boundaries for water service to include the Town and to file a petition with the PSC to approve such expansion;

WHEREAS, the Town and the District have jointly petitioned The County Commission of Mercer County to enter an order effectuating the extension of the District's boundaries for providing water service and The County Commission of Mercer County has entered such an order;

WHEREAS, the Town and the District have filed a petition with the PSC to approve the extension of the District's boundaries for providing water service and such petition is currently pending; and

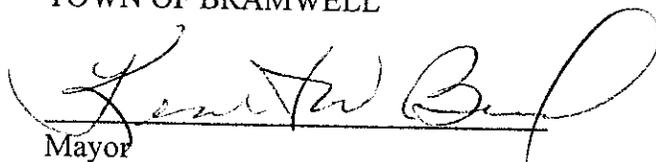
WHEREAS, the Town deems it desirable to adopt this resolution approving, authorizing and consenting to the inclusion of the Town within the boundaries of the District for providing water service, as required by Chapter 16, Article 13 of the Code of West Virginia, as amended:

NOW, WHEREFORE, BE IT RESOLVED by the Council of the Town of Bramwell:

1. The Town hereby approves, authorizes and consents to the expansion of the boundaries of the District for water service to include the Town.
2. The Town hereby ratifies all actions of the Town, the District and their respective officers and agents, which either have been or will be taken in such regard.
3. This Resolution shall take effect immediately following the adoption hereof.

DULY ADOPTED THIS 21ST DAY OF AUGUST 2000.

TOWN OF BRAMWELL

  
Mayor

8/20/00  
088390/00001  
CH400788.1

TOWN OF BRAMWELL

RESOLUTION APPROVING, AUTHORIZING, CONFIRMING AND RATIFYING THE INCLUSION OF THE TOWN OF BRAMWELL WITHIN THE BOUNDARIES OF BLUEWELL PUBLIC SERVICE DISTRICT FOR THE PROVISION OF WATER SERVICE.

BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF BRAMWELL:

WHEREAS, the Town of Bramwell (the "Town") is a municipal corporation and political subdivision, duly created by the Circuit Court of Mercer County;

WHEREAS, the Town entered into an Intergovernmental Agreement, dated as of August 30, 1999 (the "Agreement"), with Bluewell Public Service District (the "District"), whereby the Town and the District agreed that the Town and the District will jointly undertake a project to improve the water system for the residents of the Town and that, upon conclusion of construction of the project, the Town will (i) transfer to the District certain assets of the existing waterworks system of the Town; (ii) cease operating its waterworks system; and (iii) cease being a provider of water service;

WHEREAS, the Town held an election on October 19, 1999, at which time the residents of the Town approved the sale of certain assets of the Town's existing waterworks system to the District;

WHEREAS, the Agreement was approved by the Attorney General of West Virginia on November 2, 1999, and by the Public Service Commission of West Virginia (the "PSC"), by Final Order entered on December 14, 1999, and by Ordinance of the town adopted on the 21st day of August, 2000, the Council renewed the term of the Agreement for an additional fiscal year, to begin on July 1, 2000, and expire on June 30, 2001;

WHEREAS, in order to effectuate actions provided for in the Agreement, the District's boundaries for the provision of water service must be extended to include the area within the municipal limits of the Town, and the Town must consent to being included within the extended boundaries of the District;

WHEREAS, in the Final Order of the PSC, the Town and District were ordered to proceed with the expansion of the District's boundaries for water service to include the Town and to file a petition with the PSC to approve such expansion;

WHEREAS, the Town and the District have jointly petitioned The County Commission of Mercer County to enter an order effectuating the extension of the District's boundaries for providing water service and The County Commission of Mercer County has entered such an order;

WHEREAS, the Town and the District have filed a petition with the PSC to approve the extension of the District's boundaries for providing water service and such petition is currently pending; and

WHEREAS, the Town deems it desirable to adopt this resolution approving, authorizing and consenting to the inclusion of the Town within the boundaries of the District for providing water service, as required by Chapter 16, Article 13 of the Code of West Virginia, as amended:

NOW, WHEREFORE, BE IT RESOLVED by the Council of the Town of Bramwell:

1. The Town hereby approves, authorizes and consents to the expansion of the boundaries of the District for water service to include the Town.
2. The Town hereby ratifies all actions of the Town, the District and their respective officers and agents, which either have been or will be taken in such regard.
3. This Resolution shall take effect immediately following the adoption hereof.

DULY ADOPTED THIS 21ST DAY OF AUGUST 2000.

TOWN OF BRAMWELL

  
\_\_\_\_\_  
Mayor

8/20/00  
088390/00001

CH400788.1



WEST VIRGINIA:

At a regular session of the County Commission, held for the County of Mercer, at the Courthouse thereof, on Monday, March 9, 1998.

Present:	Joe Coburn,	President.
Present:	T. A. Warden, Jr.,	Commissioner.
Present:	John P. Anderson,	Commissioner.

RE: APPOINTMENT - MEMBER BLUEWELL PUBLIC SERVICE DISTRICT.

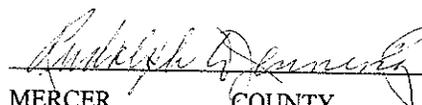
This day on motion of John P. Anderson, Commissioner, seconded by T. A. Warden, Jr., Commissioner, the Commission unanimously approved the re-appointment of Leonard H. Bailey, as a member of the Bluewell Public Service District, for a six (6) year term to begin April 1, 1998 and end April 1, 2004.

STATE OF WEST VIRGINIA,

COUNTY OF MERCER, TO WIT:

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of an Order, as taken from the records in my said office.

Given under my hand and Seal of said Commission, this the 3<sup>rd</sup> day of August, 2000.

  
\_\_\_\_\_ CLERK  
MERCER COUNTY COMMISSION

WEST VIRGINIA:

At an adjourned session of the County Commission, continued and held for [redacted] of Mercer, at the Courthouse thereof, on Monday, April 8, 1996.

Present:	John K. Rapp,	President.
Present:	T. A. Warden, Jr.,	Commissioner.
Present:	John P. Anderson,	Commissioner.

RE: APPOINTMENT – MEMBER BLUEWELL PUBLIC SERVICE DISTRICT.

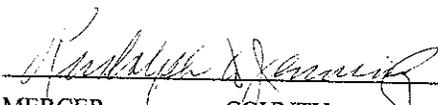
This day on motion of John P. Anderson, Commissioner, seconded by T. A. Warden, Jr., Commissioner, the Commission unanimously re-appointed George Harrison, as a member of the Bluewell Public Service District for a six (6) year term to begin April 9, 1996 and end April 9, 2002.

STATE OF WEST VIRGINIA,

COUNTY OF MERCER, TO WIT:

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of an Order, as taken from the records in my said office.

Given under my hand and Seal of said Commission, this the 3<sup>rd</sup> day of August, 2000.

  
 \_\_\_\_\_ CLERK  
 MERCER COUNTY COMMISSION

WEST VIRGINIA:

At an adjourned session of the County Commission, continued and held for the County of Mercer, at the Courthouse thereof, on Monday, May 15, 2000.

Present:	Joe Coburn,	President.
Present:	John P. Anderson,	Commissioner.
Present:	Karen Disibbio,	Commissioner.

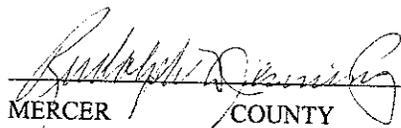
RE: APPOINTMENT - BLUEWELL PUBLIC SERVICE DISTRICT.

This day on motion of John P. Anderson, Commissioner, seconded by Karen Disibbio, Commissioner, the Commission unanimously re-appointed Roderick B. Pickett, as a member of the Bluewell Public Service District for a six (6) year term to begin April 1, 2000 and end April 1, 2006.

STATE OF WEST VIRGINIA,  
COUNTY OF MERCER, TO WIT:

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of an Order, as taken from the records in my said office.

Given under my hand and Seal of said Commission, this the 3<sup>rd</sup> day of August, 2000.

  
\_\_\_\_\_  
MERCER COUNTY CLERK COMMISSION



OATH OF OFFICE AND CERTIFICATE

STATE OF WEST VIRGINIA

COUNTY OF MERCER, TO-WIT:

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Member - Bluewell Public Service District

to the best of my skill and judgment, so help me God.

(Signature of affiant) George Harrison  
George Harrison

Subscribed and sworn to, before me, in said County and State, this 18th day of \_\_\_\_\_, 19 96



Rudolph D. Jennings  
RUDOLPH D. JENNINGS, CLERK  
MERCER COUNTY COMMISSION

STATE OF WEST VIRGINIA,

COUNTY OF MERCER, TO WIT:

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of a Oath of Office, as taken from Oath of Office Book #9 and Page #332.

Given under my hand and Seal of said Commission, this the 3rd day of August, 2000.

Rudolph D. Jennings CLERK  
MERCER COUNTY COMMISSION

OATH OF OFFICE AND CERTIFICATE

STATE OF WEST VIRGINIA

COUNTY OF MERCER, TO-WIT:

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Member - Bluewell Public Service District

to the best of my skill and judgment, so help me God.

(Signature of affiant) Leonard H. Bailey
Leonard H. Bailey

Subscribed and sworn to, before me, in said County and State, this 4th day of August, 2000

Rudolph D. Jennings
RUDOLPH D. JENNINGS, CLERK
MERCER COUNTY COMMISSION

STATE OF WEST VIRGINIA,
COUNTY OF MERCER, TO WIT:

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of a Oath of Office, as taken from Oath of Office Book #9 and Page #754.

Given under my hand and Seal of said Commission, this the 4th day of August, 2000.

Rudolph D. Jennings CLERK
MERCER COUNTY COMMISSION

OATH OF OFFICE AND CERTIFICATE

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

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of  
Member - Bluewell Public Service District

to the best of my skill and judgment, so help me God.

(Signature of affiant) Roderick B. Pickett  
Roderick B. Pickett

Subscribed and sworn to, before me, in said County and State, this 4th day of August, 2000

Rudolph D. Jennings  
RUDOLPH D. JENNINGS, CLERK  
MERCER COUNTY COMMISSION

STATE OF WEST VIRGINIA,  
COUNTY OF MERCER, TO WIT:

I, RUDOLPH D. JENNINGS, Clerk of the County Commission of the County and State aforesaid, do hereby certify that the foregoing writing is a true and correct copy of a Oath of Office, as taken from Oath of Office Book #9 and Page #753.

Given under my hand and Seal of said Commission, this the 4th day of August, 2000.

Rudolph D. Jennings CLERK  
MERCER COUNTY COMMISSION



RULES OF PROCEDURE  
BLUEWELL PUBLIC SERVICE DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: BLUEWELL PUBLIC SERVICE DISTRICT.

Section 2. The principal office of this Public Service District will be located at 4146 Coal Heritage Road, Bluewell, Mercer County, West Virginia.

Section 3. The Common Seal of the District shall consist of 2 concentric circles between which circles shall be inscribed Bluewell 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 Mercer County, West Virginia, or otherwise appointed pursuant to the Act, who shall serve for such terms as may be specified in the order of the County Commission or otherwise.

Section 2. Should any member of the Public Service Board resign or otherwise become legally disqualified to serve as a member of the Public Service Board, the Secretary shall immediately notify the County Commission or other entity provided under the Act and request the appointment of a qualified person to fill such vacancy. Prior to the end of the term of any member of the Public Service Board, the Secretary shall notify the County Commission or other entity provided under the Act of the pending termination and request the County Commission or other entity provided under the Act to enter an order of appointment or re-appointment to maintain a fully qualified membership of the Public Service Board.

## ARTICLE IV

### MEETINGS OF THE PUBLIC SERVICE BOARD

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

Section 2. At any meeting of the Public Service Board of the District, 3 members shall constitute a quorum. Each member of the Public Service Board shall have one vote at any membership meeting and if a quorum is not present, those present may adjourn the meeting to a later date.

Section 3. Unless otherwise agreed, notice to members of regular meetings shall not be required. Unless otherwise waived, notice of each special meeting of the membership shall be given to all members by the Secretary by fax, telephone, mail or other satisfactory means at least 3 days before the date fixed for such special meeting. The notice of any special meeting shall state briefly the purposes of such meeting and the nature of the business to be transacted thereat, and no business other than that stated in the notice or incidental thereto shall be transacted at any such special meeting.

## PUBLIC NOTICE OF MEETINGS

Section 4. Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended (1999 Revision), notice of the date, time, place and agenda of all regularly scheduled meetings of such Public Service Board, and the date, time, place and purpose of all special meetings of such Public Service Board, shall be made available, in advance, to the public and news media (except in the event of an emergency requiring immediate action) as follows:

A. Regular Meetings. A notice shall be posted and maintained by the Secretary of the Public Service Board of the Public Service District at the front door or bulletin board of the Mercer County Courthouse and at the front door or bulletin board of the place fixed for regular meetings of the Public Service Board of the date, time and place fixed and entered of record by the Public Service Board for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same locations by the Secretary of the Public Service Board not less than 48 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 Mercer County Courthouse and at the front door or bulletin board of the place fixed for the regular meetings of the Public Service Board not less than 48 hours before a special meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is cancelled, a notice of such cancellation shall be posted at the same locations as soon as feasible after such cancellation has been determined.

## ARTICLE V

### OFFICERS

Section 1. The officers of the Public Service Board shall be a Chairman, a Secretary and a Treasurer. The Chairman shall be elected from the members of the Public Service Board. The Secretary and Treasurer need not be members of the Public Service Board, and may be the same person.

Section 2. The officers of the Public Service Board shall be elected each year by the members at the first meeting held in such year. The officers so elected shall serve until the next annual

election by the membership and until their successors are duly elected and qualified. Any vacancy occurring among the officers shall be filled by the members of the Public Service Board at a regular or special meeting. Persons selected to fill vacancies shall serve until the following January meeting of the Board when their successors shall be elected hereinabove provided.

## ARTICLE VI

### DUTIES OF OFFICERS

Section 1. When present, the Chairman shall preside as Chairman at all meetings of the Public Service Board. The Chairman shall, together with the Secretary, sign the minutes of all meetings at which he or she shall preside. The Chairman shall attend generally to the executive business of the Board and exercise such powers as may be conferred by the Board, by these Rules of Procedure, or as prescribed by law. The Chairman shall execute, and if necessary, acknowledge for record, any deeds, deeds of trust, contracts, notes, bonds, agreements or other papers necessary, requisite, proper or convenient to be executed by or on behalf of the Board when and if directed by the members of the Board.

Section 2. The Secretary shall keep a record of all proceedings of the Board which shall be available for inspection as other public records. The Secretary shall, together with the Chairman, sign the minutes of the meetings at which he or she is present. The Secretary shall have charge of the minute book, be the custodian of the Common Seal of the District and all deeds and other writings and papers of the Board. The Secretary shall also perform such other duties as he or she may have under law by virtue of the office or as may be conferred from time to time by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 3. The Treasurer shall be the lawful custodian of all funds of the District and shall disburse funds of the District on orders authorized or approved by the Board. The Treasurer shall keep or cause to be kept proper and accurate books of accounts and proper receipts and vouchers for all disbursements made by or through him and shall prepare and submit such reports and statements of the financial condition of the Board as the members may from time to time prescribe. He shall perform such other duties as may be required of him by law or as may be conferred upon him by the members of the Board, these Rules of Procedure or as prescribed by law.

Section 4. If the Chairman, Secretary or Treasurer is absent from any meeting, the remaining members of the Board shall select a temporary chairman, secretary 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 15th day of August, 2000.

08/14/00  
088390/00001

CH399874.1



NOTICE

BLUEWELL PUBLIC SERVICE DISTRICT  
MERCER COUNTY, WEST VIRGINIA

NOTICE HEREBY GIVEN to the residents of the Bluewell Public Service District (the "District"), Mercer County, West Virginia, that the District intends to acquire, construct, operate and maintain certain public service properties, consisting of water distribution facilities to serve the existing water customers of the Town of Bramwell, the existing customers of the Bluewell Community Water System, and the River Road area (between Bramwell and Duhring) (the "Project") in the District.

The District contemplates financing the Project through the issuance of Water Revenue Bonds of local bank notes in the aggregate principal amount estimated not to exceed \$1,362,000 bearing an interest rate not to exceed 3% per annum and with maturities not to exceed 30 years, and Small Cities Block Grant of \$1,250,000. The estimated cost of the Project is \$2,612,000.

The anticipated rates which will be charged by the District for water service are estimated not to exceed the following:

**WATER RATES (Based on water Usage)**  
First 2,000 gallons at \$7.37 per 1000 gallons  
Next 8,000 gallons at \$6.95 per 1000 gallons  
Next 10,000 gallons at \$5.13 per 1000 gallons  
Next 20,000 gallons at \$4.92 per 1000 gallons  
Over 40,000 gallons at \$4.84 per 1000 gallons

**MINIMUM CHARGE**  
The above schedule is subject to a monthly minimum charge based on the size of the meter in use as follows:

5/8	inch meter	\$14.74 per month
3/4	inch meter	22.11 per month
1	inch meter	36.85 per month
1-1/4	inch meter	53.80 per month
1-1/2	inch meter	73.70 per month
2	inch meter	117.92 per month
3	inch meter	221.10 per month
4	inch meter	368.50 per month
6	inch meter	737.00 per month
8	inch meter	1,179.20 per month

**FIRE HYDRANT RENTAL**  
There shall be no special charge for fire hydrant service.

**DELAYED PAYMENT PENALTY**  
The above schedule is net. On all account not paid in full within twenty (20) days of the date of the bill, ten percent (10%) will be added to the current net charge.

**PRECONSTRUCTION CONNECTION CHARGE**

For all customers in the project not presently served by a public or community water system, a connection charge shall be one hundred dollars (\$100.00) for all customers requesting service prior to the beginning of construction. After construction begins, the normal connection charge of two hundred fifty dollars (\$250.00) will be charged.

**CONNECTION CHARGE**  
A fee of two hundred fifty dollars (\$250.00) will be charged for each new connection to the system.

**RECONNECTION CHARGE**  
The reconnection charge shall be twenty dollars (\$25.00).

**LEAK ADJUSTMENT INCREMENT**  
\$.64 per 1000 gallons. To be used where the bill reflects unusual consumption, which can be attributed to eligible leakage on the customer's side of the meter. This rate is used to calculate consumption above the customer's historic usage.

**BAD CHECKS-RETURNED CHECKS**  
If a check received is returned by the bank for any reason, the bank's charge to the Bluewell Public Service District shall be the District's charge to the customer for a bad check, up to a maximum charge of \$15.00.

On January 15, 2000, or as soon thereafter as practicable, the District will file its formal application for a Certificate of Public Convenience and Necessity for the financing of the Project with the Public Service Commission of West Virginia.

Leonard H. Bailey, Chairman  
Chairman, Public Service Board  
Bluewell Public Service District

CERTIFICATE OF PUBLICATION

State of West Virginia, }  
County of Mercer, } To-wit:—

I, Kay Chinsolo of the Bluefield Daily Telegraph, a daily morning newspaper published in the City of Bluefield, Mercer County, West Virginia, do certify that the notice attached hereto under the caption;

was published in the said Bluefield Daily Telegraph  
Two (2) Times

on the following days, namely; December 6, 13

in the year 19 99

Publication Fee \$126.20

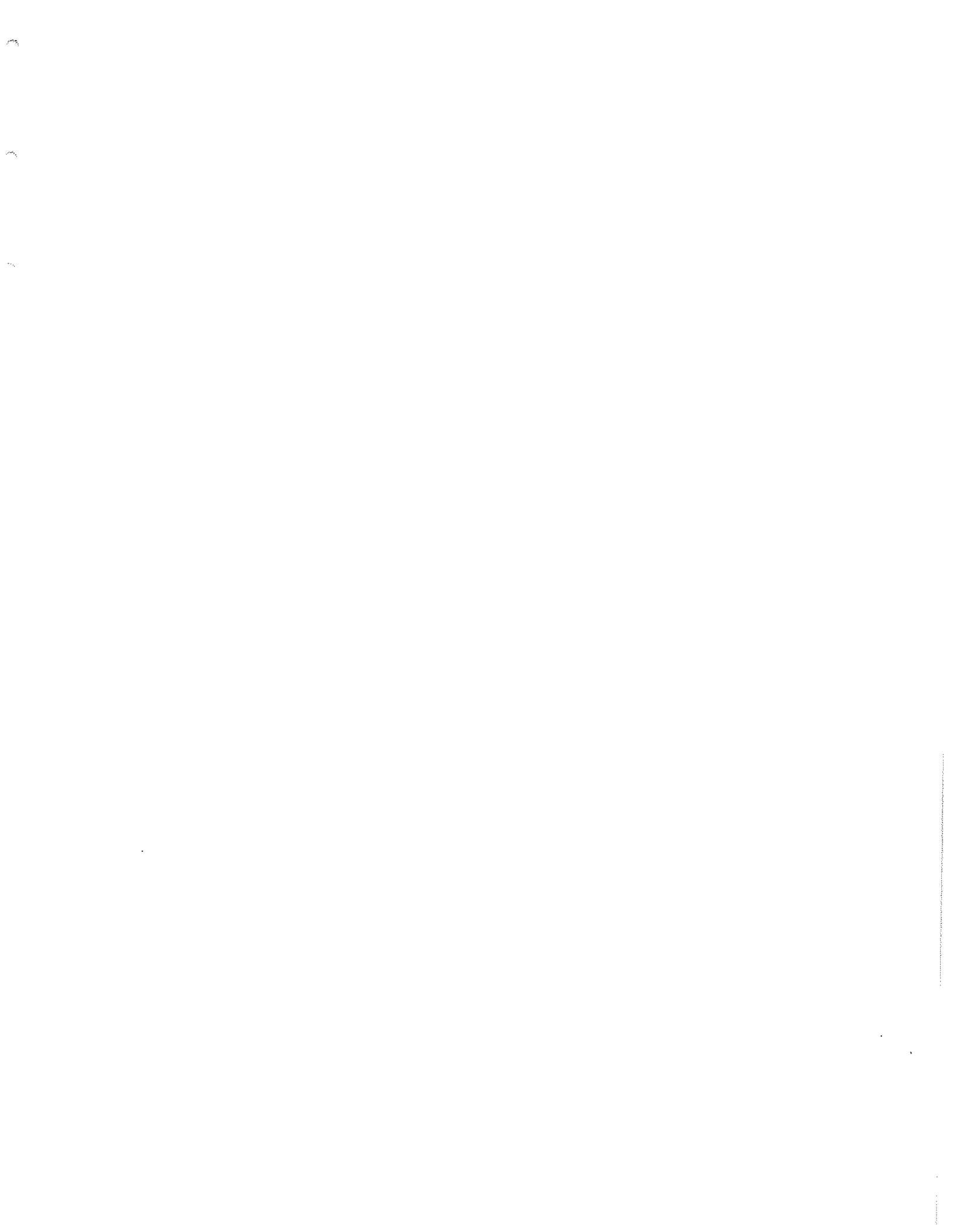
*LHB*  
Kay Chinsolo

Subscribed and sworn to before me this 7 day of December 19 99

My Commission expires Oct 21, 2007

Conne E. Burnett  
Notary Public

received  
12-14-99



MINUTES OF THE MEETING OF THE COMMISSIONERS  
OF THE BLUEWELL PUBLIC SERVICE DISTRICT  
JANUARY 4, 2000

The Commissioners of the Bluewell Public Service District met in their regular Bi-monthly meeting on January 4, 2000, at 10:00 A.M. at the District Office.

Commissioners present were: Mr. Leonard Bailey, Chairman  
Mr. George Harrison, Treasurer  
Mr. Rodrick B. Pickett, Secretary  
also present for the meeting was Ray Tilley, District General Manager.

The meeting opened with prayer by R.B. Pickett.

After a motion by George Harrison, second by R.B. Pickett and a unanimous vote, officers for the District were retained for the coming year as listed above.

The Minutes of the December 21, 1999, regular meeting were read and approved after a motion by R.B. Pickett and second by George Harrison. The decision was unanimous to accept minutes as read.

**BLUEWELL PSD OPERATIONS:**

**A. Water:**

1. Water Plant Upgrades: Engineers to be interviewed in special session this afternoon. Water Company response to Manager's request in progress. Still no response from Jim Spencer of Tazewell PSA.

2. Backwash Disposal Permit: Final permit issued which gives two years to construct backwash disposal facilities. Steptoe & Johnson still reviewing. District will accept permit and try to meet schedule.

**B. Sewer:**

1. Bluefield Sanitary Board/Brushfork Sewer Matter: Mr. Pace, Mr. Tilley and Mr. Feamster met with Mr. Ron Dodson on December 21<sup>st</sup> regarding transfer. Projected date March 1, 2000.

**C. General:**

1. Renewal of MAMSI Insurance: Upon a motion by George Harrison and second by R.B. Pickett, the decision was unanimous to renew MAMSI at an increase of \$112.00 per month. The renewal includes a \$100.00 per person deductible and a \$1,000,000 per person coverage cap.

**GOVERNMENT FUNDED PROJECTS & STUDIES:**

A. Bramwell/Bluewell Community Water Project Status: Design completed and health department application filed. Railroad has agreed to lower cost for crossing. PSC application to be filed around January 15, 2000.

B. Bramwell Hill/Coaldale Mountain/Browning Lambert Mountain AML: Manager met with project engineers and toured study areas on December 28, 1999.

**COMPLAINTS & REQUESTS:**

A. District has been using Falls Mills Water for improved taste.

PROJECTS SERVING NEW CUSTOMERS:

A. Lacy's on Lorton Lick Road: Lacy's have completed their portion of the line work and the station building. Power company work complete except for connecting. PSD work begun.

B. Dr. L.W. Dalton: Dr. Dalton (a professor at a Georgia college) reported that he wishes to proceed with the mainline extension and expected to make a ~~paying~~ <sup>PAYMENT</sup> before the end of the year. No payment was received.

UPGRADE PROJECTS: The Board reviewed and approved the upgrade projects list for 2000.

VISITORS TO SEE THE BOARD: None at this meeting.

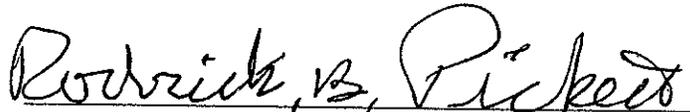
REPORT OF DELINQUENT ACCOUNTS

30 DAYS.....	\$19,692.79,	an increase of	\$686.83	from last month
60 DAYS.....	\$ 2,802.43,	an increase of	\$36.13	from last month
90 DAYS.....	\$20,250.90,	an increase of	\$889.40	from last month

Upon a motion by R.B. Pickett, second by George Harrison and with a unanimous vote, the Board agreed to write off \$2,076.29 in bad debts (copy attached). This action was taken per the recommendation of the collection agency.

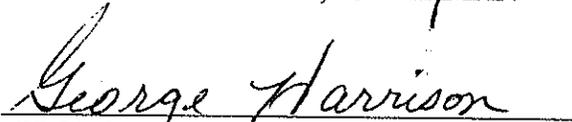
CURRENT BILLED: \$96,689.94 which is \$ 3,896.75 more than last month.

There being no further business, the meeting was adjourned at 11:20 a.m., after a motion by R.B. Pickett and second by George Harrison, the decision being unanimous to adjourn at that time.

  
RODRICK B. PICKETT, SECRETARY

APPROVED BY:

  
LEONARD H. BAILEY, CHAIRMAN

  
GEORGE HARRISON, TREASURER



BLUEWELL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2000  
(West Virginia DWTRF Program)

MINUTES ON ADOPTION OF  
BOND RESOLUTION AND SUPPLEMENTAL RESOLUTION

The undersigned, SECRETARY of the Public Service Board of Bluewell Public Service District, hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Public Service Board:

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The Public Service Board of Bluewell Public Service District met in regular session, pursuant to notice duly posted, on the 15th day of August, 2000, in Bluewell Station, West Virginia, at the hour of 11:00 a.m.

PRESENT: Leonard Bailey - Chairman and Member  
Roderick Pickett - Secretary and Member  
George Harrison - Treasurer and Member  
Ray Tilley - Manager

ABSENT: None.

Leonard Bailey, Chairman, presided, and Roderick Pickett acted as Secretary.

The Chairman announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Chairman presented proposed amended Rules of Procedure for consideration and there was discussion. Thereupon, upon motion duly made and seconded, it was unanimously ordered that the said Rules of Procedure be adopted and be in full force and effect on and from the date hereof.

Thereupon, the Chairman presented a proposed Bond Resolution in writing entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF BLUEWELL PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$1,275,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2000 (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, on motion duly made and seconded, it was unanimously ordered that the said Bond Resolution be adopted and be in full force and effect on and from the date hereof.

The Chairman then presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2000 (WEST VIRGINIA DWTRF PROGRAM), OF BLUEWELL PUBLIC SERVICE DISTRICT; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY

BANK; AND MAKING OTHER PROVISIONS AS TO  
THE BONDS.

and caused the same to be read and there was discussion. Thereupon, on motion duly made and seconded, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

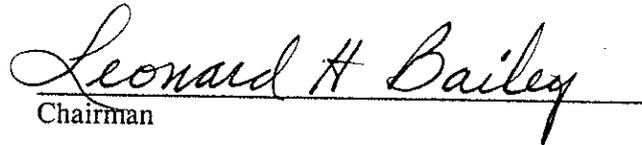
Thereupon, the Chairman presented a proposed resolution approving the payment of invoices for the water project from proceeds of the Bonds. Thereupon, a motion duly made and seconded, it was unanimously ordered that the said Resolution be adopted and be in full force and effect on and from the date hereof.

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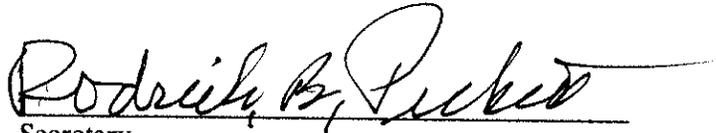
There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

  
Chairman

CERTIFICATION

I hereby certify that the foregoing action of said Public Service Board remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 29th day of August, 2000.

  
Secretary

08/15/00  
088390/00001



WV MUNICIPAL BOND COMMISSION  
812 Quarrier Street  
Suite 300  
Charleston, WV 25301  
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: August 29, 2000

(See Reverse for Instructions)

ISSUE: Bluewell Public Service District Water Revenue Bonds, Series 2000  
(West Virginia DWTRF Program)

ADDRESS: P. O. Box 3066, Bluewell Station, WV 24701

COUNTY: Mercer

PURPOSE OF ISSUE: New Money: X  
Refunding: N/A

REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: August 29, 2000

CLOSING DATE: August 29, 2000

ISSUE AMOUNT: \$1,275,000

RATE: 0%; Administrative Fee: 1%

1ST DEBT SERVICE DUE: December 1, 2001

1ST PRINCIPAL DUE: December 1, 2001

1ST DEBT SERVICE AMOUNT: \$10,625

PAYING AGENT: Municipal Bond Commission

**BOND**

COUNSEL: Steptoe & Johnson  
Contact Person: Vincent A. Collins, Esq.  
Phone: (304) 624-8161

**UNDERWRITERS**

COUNSEL: Jackson & Kelly  
Contact Person: Samme L. Gee, Esq.  
Phone: (304) 340-1318

CLOSING BANK: First Community Bank, National Association  
Contact Person: Mr. Dorwin Bryd, CEO  
Phone: (304) 589-3301

ESCROW TRUSTEE: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Phone: \_\_\_\_\_

**KNOWLEDGEABLE ISSUER CONTACT**

Contact Person: Ray Tilley, P. E.  
Position: Manager  
Phone: (304) 589-3470

**OTHER: West Virginia Bureau for Public Health**

Contact Person: Walt Ivey, P.E.  
Function: Manager  
Phone: (304) 558-2981

**DEPOSITS TO MBC AT CLOSE:**

By: \_\_\_\_\_ Wire  
\_\_\_\_\_ Check

Accrued Interest: \$ \_\_\_\_\_  
Capitalized Interest: \$ \_\_\_\_\_  
Reserve Account: \$ \_\_\_\_\_  
Other: \$ \_\_\_\_\_

**REFUNDS & TRANSFERS BY MBC AT CLOSE**

By: \_\_\_\_\_ Wire  
\_\_\_\_\_ Check  
\_\_\_\_\_ IGT

To Escrow Trustee: \$ \_\_\_\_\_  
To Issuer: \$ \_\_\_\_\_  
To Cons. Invest. Fund: \$ \_\_\_\_\_  
To Other: \$ \_\_\_\_\_

NOTES: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**FOR MUNICIPAL BOND COMMISSION USE ONLY:**

DOCUMENTS REQUIRED: \_\_\_\_\_  
TRANSFERS REQUIRED: \_\_\_\_\_  
\_\_\_\_\_

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.



INTERGOVERNMENTAL AGREEMENT

THIS INTERGOVERNMENTAL AGREEMENT, made this 30th day of August, 1999, by and between the BLUEWELL PUBLIC SERVICE DISTRICT, a Public Service District formed under West Virginia Code 16-13A-1 et seq. (hereinafter referred to as "PSD") and the TOWN OF BRAMWELL, WEST VIRGINIA, a municipal corporation (hereinafter referred to as "TOWN").

W I T N E S S E T H:

WHEREAS, the PSD has been created by the County Commission of Mercer County, West Virginia, pursuant to West Virginia Code § 16-13A-1, et seq. and provides water utility services to people in its area and owns and operates water treatment facilities; and

WHEREAS, TOWN has been created as a municipality pursuant to a Circuit Court Order of Mercer County, West Virginia and operates a water system in need of repair and improvements; and

WHEREAS, pursuant to the provisions of Article 23 of Chapter 8 and Article 13A of Chapter 16 of the West Virginia Code, it has been undertaken by these public purpose parties by this INTERGOVERNMENTAL AGREEMENT to unite the PSD and TOWN in their desire to cooperate with each other on a basis of mutual advantage and consolidate functions and, thereby, provide

services and facilities in a manner and pursuant to forms of governmental organization, which will result in the most economic and expeditious construction of the Town of Bramwell/Bluewell Community Waterline Project (hereinafter referred to as the "Project"); and

WHEREAS, the PSD and the TOWN are satisfied that the Project provides a reasonable and cost effective approach to assist in the financing and construction of said waterline project and the subsequent cost effective operation, maintenance, repair and replacement of the facilities for or on behalf of the TOWN; and

WHEREAS, the powers, privileges, authority, and public works as aforesaid may be undertaken by any one of the parties to this AGREEMENT acting alone, it is, therefore, recognized that pursuant to the provisions of these Chapters of the West Virginia Code, they may be exercised, enjoyed, engaged in or undertaken jointly by all of the parties hereto; and

WHEREAS, it is the intent of these public agencies, which are a part of this AGREEMENT, to enter into a written agreement with one another for joint and cooperative action pursuant to the terms and conditions provided by law, and as hereinafter set forth; and

WHEREAS, the State of West Virginia through its Development Office committed a Small Cities Block Grant in the amount of ONE MILLION TWO HUNDRED FIFTY THOUSAND And no/100 (\$1,250,000.00)

DOLLARS by letter dated February 25, 1999 (a copy of which is attached as EXHIBIT "A") to the TOWN to be used for the Project in the TOWN and PSD; and

WHEREAS, PSD has received a binding letter dated July 9, 1999 in the amount of ONE MILLION ONE HUNDRED TWENTY-FIVE THOUSAND And no/100 (\$1,125,000.00) DOLLARS from the U.S. EPA Drinking Water Treatment Revolving Fund (DWTRF) through the Bureau for Public Health; and

WHEREAS, it is the intent of the PSD and TOWN, in entering into this AGREEMENT, to confirm the rights, responsibilities and duties of the parties herein as it relates to the Project.

NOW, THEREFORE, for and in consideration of the promises, which are hereby made an integral part of the AGREEMENT and which are not to be construed as mere recitals, the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the PSD and the TOWN agree as follows:

1. The PSD and the TOWN will jointly develop and enable construction of the waterline project in the TOWN and its service area according to engineering plans being developed by Pentree, Inc. with the TOWN and the PSD. Project duration shall be twenty-four (24) months, or sooner, contingent on final approval of all contract

documents. The Project will serve approximately two hundred sixty (260) potential customers within the service area of the TOWN and shall consist of approximately eighteen thousand (18,000) lineal feet of eight inch (8") distribution main which will extend along the Bluestone River from Duhring which is now owned and operated by PSD to TOWN. This Project shall also replace certain portions of TOWN's existing system.

2. Once the Project is completed, PSD will assume the operation of TOWN's water system which shall be supplied by PSD's water treatment plant now located at Bluewell, West Virginia. Upon completion of the Project, TOWN shall abandon its water operation and PSD shall then be entitled to all revenues therefrom for water sold by PSD after the date of transfer by TOWN to PSD.
3. The PSD will make all decisions on all matters relating to this Project and will make all policy decisions, and when necessary a recorded vote will be taken and considered by the PSD Board. On tie votes, legal counsel will be obtained to resolve any dispute. The TOWN specifically

reserves all of its rights and authority relating to matters not directly related to the Project, but which may arise from this Project and which may adversely affect the TOWN. However, the burden is on TOWN to give prior written notice to PSD regarding such matters that may adversely affect the TOWN.

4. All financial records on the Project will be maintained and payments made by the TOWN upon the joint approval of the PSD, following verification by REGION I PLANNING AND DEVELOPMENT COUNCIL (hereinafter "REGION I") for compliance with all terms of the HUD SCBG grant as well as compliance with all contracts and local government regulations. REGION I shall function as administrator over the construction of the Project and shall have full control over the construction and policy related thereto. All Project payments shall be made in accordance with the financial procedures and ordinances of the TOWN. Project payments shall be made from monies received through the State of West Virginia SCBG grant and from other funds designated for this Project. All financial records shall be

available for audit and inspection at any time during the construction of the Project following proper notification of needs. At the conclusion of the Project, following final inspection and acceptance of the Project by the TOWN, PSD and REGION I, a final project audit for the Small Cities Grant portion of the Project shall be made by the TOWN, and the audit report shall be available for public inspection.

5. It is recognized by TOWN and PSD that the West Virginia Development Office, HUD, Bureau for Public Health, etc. shall have the right to exercise proper administrative control over this Project at all times, but in no way shall they alter plans and specifications once these plans have been approved and let to contract by the TOWN and PSD except through approved change orders. Any incident of non-compliance with the contract between REGION I and the State of West Virginia is grounds for REGION I declaring that the non-compliance will result in non-payment of any budget line item associated with the non-compliance until the non-compliance is corrected.

6. All easements, rights of way, and property shall be obtained in the name of the PSD. All tools of the job will become the property of the PSD. All required permits, authorizations and approvals shall become a part of this AGREEMENT and incorporated herein by reference.
7. Upon the completion of the joint construction project, title thereto will remain with the PSD for its administration, maintenance and operation. It shall thereafter be the PSD's obligation to obtain all the necessary state approvals for the operation of said PSD's Waterline Extension Project. If either party terminates this AGREEMENT in whole or in part, all work completed and incompleted on this Project will become the property of the PSD and the disposition or completion of incompleted work on the Project will become the responsibility of the PSD. At the time of the loan closing with the U.S. EPA Drinking Water Treatment Revolving Fund, PSD shall pay to TOWN as full and complete consideration for TOWN's waterline facility as described in paragraph 8 below the sum of TWO HUNDRED TWENTY-FIVE THOUSAND And no/100

(\$225,000.00) DOLLARS which at the time of said loan closing the proceeds therefrom will be paid by the Closing Agent for TOWN to pay off in full the U.S. EDA loan now owed by TOWN on its waterline facility in order that PSD will receive such waterline facility free and clear of all liens and encumbrances.

8. Upon completion of the Project, TOWN will provide PSD a "bill of sale" free and clear of all encumbrances of its waterline facility as well as an assignment of all easements and rights of way regarding TOWN's waterline system. Not included in the sale of TOWN's water system are the impoundment and treatment plant building now in use or the well and ground water plant formerly in use. PSD will have the option to remove any or all equipment in either treatment plant. Any equipment not removed within sixty (60) days after PSD assumes operation of the system shall remain the property of the TOWN.
9. The TOWN Waterline Extension Project shall be funded in the following manner from the sources indicated:

HUD - Small Cities Block Grant	\$1,250,000.00
DWTRF Loan to PSD	<u>1,125,000.00</u>
TOTAL	<u>\$2,375,000.00.</u>

10. The PSD is responsible for executing professional services agreements for project engineering, legal appraisals, and other necessary professional aspects of the Project. The TOWN, however, will retain consulting services for administration of the HUD funds. The awarding and operation of any contract, either professional or construction, will follow appropriate public notice in compliance with all federal, state and local regulations. Non-compliance will be grounds for immediate cancellation of any contract or service. Project employment will be subject to the selection made by the successful bidders on this Project, provided compliance conditions are met. Requests for payments and invoices covered by HUD-CD and other funds shall be submitted to the TOWN and PSD for review and approval before the PSD and REGION I authorize payment. The PSD and REGION I have ten (10) days for decision on payments.

11. Any change in the Project scope following final engineering design approval by TOWN and PSD can only be made with the approval of the TOWN, PSD and the State of West Virginia and any other funding agencies. All change orders must be submitted to the TOWN and PSD for evaluation and recommendation.
12. Upon completion, inspection and approval, any completed segment of this Project shall be transferred to the PSD for its administration and operation. Upon release of any section of the Project to the PSD, the PSD assumes full responsibility for that segment of the Project, as provided for in Section 15 of this AGREEMENT.
13. A final inspection on all aspects of the Project shall be made by the TOWN, PSD and REGION I along with the engineer and all funding agencies. A project "punch list" shall be prepared and responded to before there shall be final acceptance of the Project.
14. In furtherance of this AGREEMENT and the promised performance by PSD and TOWN, the TOWN and PSD agree that PSD shall submit to TOWN all necessary information concerning construction, financing

and related details to permit TOWN to enact an appropriate ordinance to authorize the implementation of the Project pursuant to West Virginia Code § 8-16-7.

15. It is understood and agreed that the PSD, upon acceptance of this Project, shall be solely responsible and liable for all claims, demands, suits, loss, damages, and injury (including death) to persons and property whatsoever that may result from or arise out of the construction or operation of the Project, and neither the TOWN nor its successors nor assigns shall have responsibility or liability therefor, and the PSD does hereby agree to hold and save harmless, indemnify and defend the TOWN or its successors or assigns therefrom.
16. This AGREEMENT shall be in effect for a period of one (1) fiscal year, subject to annual renewal for any additional period of time needed to complete all phases of the Project, each of which annual renewal periods shall be limited to one (1) fiscal year; provided that, in addition to the right of non-renewal, either party shall have the right to terminate this AGREEMENT by giving

to the other party thirty (30) days' written notice of such termination.

17. The provisions of this AGREEMENT are in addition to and not in derogation of any power and authority vested in these public bodies under any constitutional, statutory or other provisions which may now or hereafter be in effect.
18. This AGREEMENT shall become effective upon approval hereof by the Attorney General of the State of West Virginia or upon his failure to approve the same within thirty (30) days of this submission to him for review, all pursuant to the provisions of Chapter 8, Article 23, Section 3 of the West Virginia Code.
19. In addition to paragraph 18 above, this AGREEMENT shall become effective upon the affirmative vote as required by law of the voting residents of the TOWN OF BRAMWELL, said vote to occur on or before October 19, 1999.
20. The parties agree that this AGREEMENT may be submitted to the Public Service Commission of West Virginia for its approval.

IN WITNESS WHEREOF, the public agencies hereinbefore named as parties to this AGREEMENT properly adopted by the governing

bodies thereof, approve this AGREEMENT and direct their President or Chairman, respectively, to execute this AGREEMENT on their behalf and cause it to be filed and recorded in such manner as provided by law.

BLUEWELL PUBLIC SERVICE DISTRICT  
BY: Leonard H Bailey  
ITS: Chairman

TOWN OF BRAMWELL  
BY: Ker Beard  
ITS: Mayor

ATTORNEY GENERAL, STATE OF WEST VIRGINIA  
Approved as to form the 2nd day of  
November, 1999.

BY: Daune E Wayfield  
Assistant Attorney General

STATE OF WEST VIRGINIA  
OFFICE OF THE GOVERNOR  
CHARLESTON 25305

CECIL H. UNDERWOOD  
GOVERNOR

February 25, 1999

The Honorable Kenneth Beard  
Mayor  
Town of Bramwell  
Box 338  
Bramwell, West Virginia 24715

Dear Mayor Beard:

Thank you for your application to the Small Cities Block Grant program.

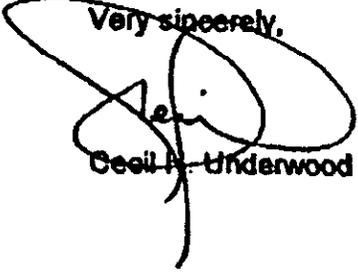
Your request has been approved in the amount of \$1,250,000. These funds will enable you to upgrade the town of Bramwell's water system and extend water service to the community of Bluewell.

In order to most effectively use the limited dollars available, I hereby commit \$500,000 from our fiscal year 1998 allocation, which will be immediately available to you. The remaining \$750,000 will be evaluated and committed in the coming fiscal year.

The West Virginia Development Office, Community Development staff, will contact you to complete the necessary contract in order to proceed with your project.

I am pleased to assist with these improvements for the citizens of Bramwell.

Very sincerely,

  
Cecil H. Underwood

CHU:jbe

AGREEMENT

THIS AGREEMENT is made and entered into this 18<sup>th</sup> day of February, 1998, by and between the BLUEWELL PUBLIC SERVICE DISTRICT, a statutory West Virginia Public Service District (hereinafter referred to as "DISTRICT") and the TOWN OF BRAMWELL, a statutory West Virginia incorporated town (hereinafter referred to as "TOWN").

WHEREAS, TOWN has advised DISTRICT that its Class II water plant operator for its water treatment facility is terminating his employment with TOWN; and

WHEREAS, TOWN has advised DISTRICT that it is having a difficult time finding a replacement Class II water plant operator because the TOWN is not able to offer such replacement operator certain fringe benefits which include but are not limited to health insurance and pension benefits; and

WHEREAS, on a previous date TOWN has requested DISTRICT as an accommodation to assist TOWN in procuring TOWN a Class II water plant operator and provide said operator employment benefits which TOWN is not able to otherwise provide its employees; and

WHEREAS, DISTRICT is desirous of assisting TOWN as an accommodation to TOWN in procuring a Class II water plant operator for TOWN's water treatment facility; and

WHEREAS, this AGREEMENT is prepared as a recital of the understanding of the parties hereto.

NOW, THEREFORE, for and in consideration of the premises which are hereby made an integral part of this AGREEMENT and which are not construed as mere recitals, the covenants contained herein and other good and valuable consideration, the receipt and

sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. TOWN acknowledges that it has interviewed and wishes to use the services of Joseph Brandon Shandor of Coalwood, West Virginia (hereinafter referred to as "SHANDOR").

2. TOWN acknowledges that it is its observation that SHANDOR is a competent and experienced Class II water plant operator.

3. TOWN hereby requests DISTRICT to hire SHANDOR as DISTRICT's employee and DISTRICT lease SHANDOR to TOWN to work at TOWN's water treatment and distribution system.

4. TOWN hereby agrees and authorizes DISTRICT to forthwith hire SHANDOR under the following terms and conditions:

a. SHANDOR shall and is hereby leased from DISTRICT to TOWN to work for TOWN at TOWN's water treatment facility a minimum of eight (8) hours a day, five (5) days a week (Monday through Friday). It is anticipated that SHANDOR in TOWN's sole discretion may from time to time be required to work overtime hours.

b. SHANDOR shall be paid EIGHT And 75/100 (\$8.75) DOLLARS per hour. The parties acknowledge that SHANDOR is currently seeking a Class III certification and once said classification is received by SHANDOR he shall then be paid NINE And 50/100 (\$9.50) DOLLARS per hour. The parties acknowledge and agree that SHANDOR's performance will be reviewed periodically

and should DISTRICT in its sole discretion determine appropriate, SHANDOR's hourly pay may from time to time be increased and TOWN agrees to accordingly pay DISTRICT for such increase and related costs.

c. SHANDOR as long as he is qualified and eligible shall receive all fringe benefits provided eligible employees of DISTRICT which shall include those matters enumerated in that certain letter dated January 9, 1998 which is attached hereto and made a part hereof as EXHIBIT "A".

5. All work and services shall be performed by SHANDOR at TOWN's premises. Such premises shall be maintained at TOWN's sole cost and expense. TOWN shall comply with all federal, state and local laws and regulations regarding the proper use and safety of such premises.

6. TOWN shall be solely responsible for and hereby agrees to be the "on-site supervisor" of SHANDOR. TOWN shall oversee administrative and managerial matters relating to SHANDOR's employment and he shall be under the direct supervision of TOWN. TOWN hereby acknowledges that DISTRICT is in no way warranting the work of SHANDOR and TOWN accepts total responsibility for same. It is further acknowledged by the parties hereto that TOWN shall have the ultimate authority regarding the operation of its water plant facility and any complaints TOWN has regarding SHANDOR's work performance shall be directed in writing to DISTRICT's General Manager. Any directives from TOWN to SHANDOR shall be in writing and any

protests to any such directives by either party shall be in writing.

7. TOWN shall provide solely at its own cost and expense such specialized job training as TOWN deems necessary for the proper performance of SHANDOR's tasks.

8. TOWN shall provide DISTRICT, on a bi-weekly basis and on forms which DISTRICT shall supply, a summary of the hours of services rendered by SHANDOR during the preceding week. Additionally, TOWN shall provide DISTRICT periodic reports concerning the quality of performance of SHANDOR, as TOWN deems necessary or as DISTRICT may reasonably request.

9. TOWN agrees to timely pay to DISTRICT all expenses, direct and indirect, incurred by DISTRICT as it relates to the employment of SHANDOR by DISTRICT.

10. DISTRICT shall submit to TOWN as soon after the first of each month during the term of this AGREEMENT as DISTRICT can reasonably produce same an itemized invoice for all expenses incurred by it relating to SHANDOR's employment. This invoice shall include such expenses incurred by DISTRICT for the month just ended. It is agreed that such invoice shall include but not be limited to related payroll taxes including the employer's share of FICA and Medicare assessments, West Virginia and federal unemployment taxes, workers' compensation premium assessment, employer's share of pension expenses, vacation pay paid to SHANDOR, sick pay paid to SHANDOR, insurance expense, pension costs and other expenses incurred by DISTRICT as a result of SHANDOR's employment with DISTRICT.

11. TOWN hereby agrees to pay the invoice from DISTRICT as outlined in paragraph 10 above within ten (10) days from the date of invoice. In the event TOWN fails to timely pay

the invoice from DISTRICT within said ten (10) day period, the DISTRICT may within its sole discretion immediately terminate this AGREEMENT and any duties DISTRICT has under this AGREEMENT to TOWN shall then terminate.

12. TOWN hereby agrees to forthwith prepay DISTRICT one (1) month's estimated expenses to be incurred by DISTRICT as a result of the hiring of SHANDOR which is estimated to be TWO THOUSAND THREE HUNDRED And no/100 (\$2,300.00) DOLLARS. It is the intent of the parties hereto that this deposit paid by TOWN to DISTRICT shall at all times during the term of this AGREEMENT remain on deposit with DISTRICT to assure payment to DISTRICT as contemplated herein. Should TOWN fail to timely pay DISTRICT, the DISTRICT may in its sole discretion apply said deposit to any such unpaid invoice. TOWN shall immediately then be required to pay DISTRICT such sum as necessary to bring such deposit balance back to the TWO THOUSAND THREE HUNDRED And no/100 (\$2,300.00) DOLLARS amount. At the termination of this AGREEMENT DISTRICT shall pay TOWN any amounts remaining on deposit with DISTRICT assuming DISTRICT has been paid all sums due it under this AGREEMENT.

13. Either party hereto may unilaterally terminate this AGREEMENT should SHANDOR resign employment with DISTRICT or should SHANDOR become unable to continue as an operator. Such termination shall be in writing from the party terminating this AGREEMENT and shall be effective at the end of the day of receipt by the non-terminating party. TOWN shall be responsible and liable to DISTRICT for all expenses incurred by DISTRICT prior to and subsequent to said termination which are related to SHANDOR's employment.

14. The term of this AGREEMENT shall be perpetual. Except as otherwise provided herein, either party to this AGREEMENT may terminate this AGREEMENT by providing the other party thirty (30) days notice of said direction to terminate. TOWN shall at all times be responsible and liable to DISTRICT for any costs incurred by DISTRICT under the terms of this AGREEMENT.

15. TOWN hereby agrees and does hereby indemnify and hold DISTRICT harmless from all claims arising out of all matters contemplated or resulting from this AGREEMENT. Such indemnification shall attend to any and all liabilities, expenses, costs, damages and/or losses of any kind, including reasonable attorney's fees and all expenses in connection with defending against any claim, arising out of any and all costs or omissions in connection with the performance of services rendered for TOWN by DISTRICT and/or SHANDOR. TOWN further agrees that it shall not sue, make any claim or demand, or otherwise seek any damages from DISTRICT for any injuries and/or claims arising out of any and all acts, failure to act or omissions of DISTRICT and/or SHANDOR in the connection with the performance of services and other matters contemplated herein.

16. The parties hereto acknowledge that the DISTRICT is entering into this AGREEMENT as an emergency measure to provide a means to keep a licensed operator in TOWN's water plant and thus to avoid a threat to public health. Continuation of the AGREEMENT is strictly contingent upon the approval of the West Virginia Public Service Commission. This AGREEMENT shall automatically terminate if DISTRICT is directed by the Public Service Commission and TOWN shall pay DISTRICT its costs incurred under this AGREEMENT.

17. No delay or failure by any party to exercise any right under this AGREEMENT, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

18. This AGREEMENT shall be construed in accordance with and governed by the laws of the State of West Virginia.

19. This AGREEMENT may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

20. This AGREEMENT may not be modified orally and no modification shall be valid unless in writing and signed by the parties hereto.

21. The provisions of this AGREEMENT shall be binding upon and inure to the benefit of each of the parties and their respective heirs, successors and assigns.

22. This AGREEMENT supersedes all prior agreements between the parties relating to its subject matter. There are no other understandings or agreements between them concerning the subject matter.

IN WITNESS WHEREOF, the public agencies hereinbefore recited have properly adopted by the governing bodies thereof, approve this AGREEMENT and direct their Chairman or Mayor, respectively, to execute this AGREEMENT on their behalf and cause it to be filed and recorded in such manner as provided by law.

Ray Tully  
Attest

2-23-98  
Date

BLUEWELL PUBLIC SERVICE DISTRICT  
BY Leonard H Bailey  
ITS: CHAIRMAN

Kathy L. Corner  
Attest  
2-18-98  
Date

TOWN OF BRAMWELL  
BY: Harry D. Mays  
ITS: MAYOR

STATE OF WEST VIRGINIA,  
COUNTY OF MERCER, to-wit:

I, the undersigned, a Notary Public within and for the County and State aforesaid, do hereby certify that Leonard H. Bailey, Chairman of the BLUEWELL PUBLIC SERVICE DISTRICT, a statutory West Virginia public service district, whose name is signed to the foregoing AGREEMENT bearing date the 23<sup>rd</sup> day of February, 1998, has this day in my said County, before me, acknowledged the said writing to be the act and deed of said public service district.

Given under my hand this 23<sup>rd</sup> day of February, 1998.  
My commission expires: August 28, 2006.

Patricia A. Zande  
NOTARY PUBLIC

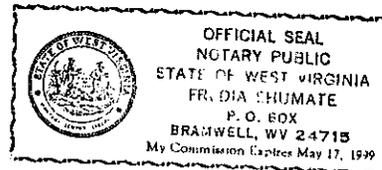
STATE OF WEST VIRGINIA,  
COUNTY OF MERCER, to-wit:

I, the undersigned, a Notary Public within and for the County and State aforesaid, do hereby certify that Harry D Murphy, Mayor of the TOWN OF BRAMWELL, a statutory West Virginia incorporated town, whose name is signed to the foregoing AGREEMENT bearing date the 18th day of February, 1998, has this day in my said County, before me, acknowledged the said writing to be the act and deed of said town.

Given under my hand this 18th day of February, 1998.

My commission expires: May 17, 1999.

Fredia Shumate  
NOTARY PUBLIC



# **BLUEWELL PUBLIC SERVICE DISTRICT**

EXHIBIT "A"

**P.O. BOX 3066, BLUEWELL STATION  
BLUEFIELD, WEST VIRGINIA 24701**

**304/589-3470  
FAX: 304/589-6202**

January 9, 1998

The Honorable Don Murphy, Mayor  
Town of Bramwell  
P.O. Box 338  
Bramwell, West Virginia 24715

Dear Mayor Murphy:

I have spoken with you, Mr. Ken Beard and Mr. Charles Sacre regarding the possibility of Bluewell PSD providing an operator to replace Mr. David Griggs. As we each consider that possibility, I wanted to make you aware of the benefits offered by Bluewell PSD and the expenses which result.

**Insurance.** The District pays the full cost of health insurance for the employee and the employee's family. We presently have coverage with MAMSI. For single employees, the cost is \$141.65 per month. For the employee and spouse or one child, the cost is \$269.13. For the employee, spouse and children or the employee and children, the cost is \$429.19. Again, the District pays the full cost of coverage. Additionally, the District reimburses its employees for their 20 percent co-payments. In calendar year 1997, the total paid was \$3,672.97. Divided among 14 employees, this amounts to \$262.32 per employee. Our carrier's maximum out-of-pocket is \$1,000 per person, \$2,000 per family.

In addition to health coverage, the District also provides a \$20,000 life insurance policy and short term disability coverage. The disability coverage pays \$200.00 per week or 75 percent of normal wages (whichever is less) for a period of 26 weeks. The cost for this coverage is age dependent and varies from \$10.00 to \$17.45 for our present employees.

The District also provides a cancer insurance to its employees. The District pays 75 percent of the monthly premium of \$38.65 which is \$28.99 per employee per month. Employees pay a monthly cost of \$9.66 through payroll deduction.

**Retirement.** The District is a member of the Public Employees Retirement System. As such, the District pays 9.5 percent of an employee's gross wages to PERS. The employee contributes another 4.5 percent as a payroll deduction.

**Overtime.** The District has certain policies regarding overtime which affect costs. The District pays time and one-half for all hours worked over 40 per week or all hours worked over 8 in one day. Under our present policy, an employee working 10 hours in one day would be paid 8 hours regular time and 2 hours overtime.

Mayor Murphy  
January 9, 1998  
Page Two

**Holidays.** The District normally observes 10 holidays per year. The policy manual grants eight days and the Board usually gives one more day at Thanksgiving and one extra day at Christmas. An employee working eight hours on a holiday receives 2.5 times his/her regular pay. That is, the employee is paid for the holiday and is then paid time and one-half for the hours worked on the holiday.

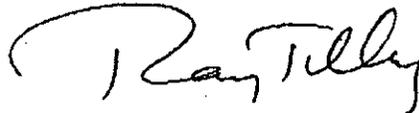
**Vacation and Sick Leave.** After one year of continuous service, an employee is entitled to 40 hours of vacation time and 40 hours of sick leave. After three years of continuous service, an employee is entitled to 80 hours of vacation time and 80 hours of sick leave.

**Personal Days.** Each employee receives two personal days per year.

Bluewell PSD's cost for Workers Compensation coverage totals 3.42 percent. Unemployment costs 2.5 percent of the first \$8,000 in wages.

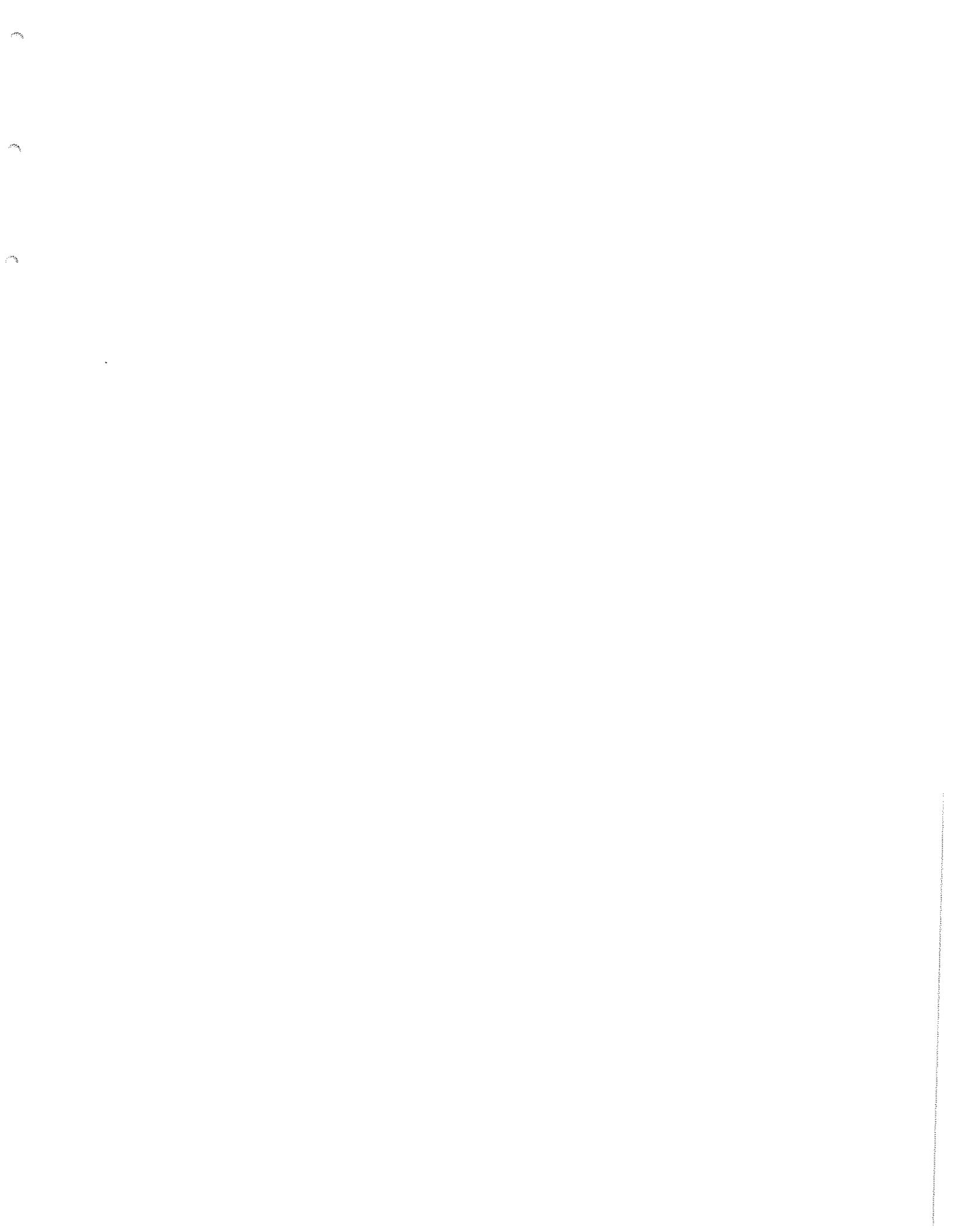
I hope the above is helpful in estimating your costs. Please let me know if you need anything further.

Sincerely,



Ray Tilley, P.E.  
General Manager

c: Mr. Ken Beard, Chairman, Bramwell Water Board  
Mr. Charles Sacre, Bramwell Water Board



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PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

Entered: November 24, 1999

CASE NO. 99-1467-PWD-W-PC

BLUEWELL PUBLIC SERVICE DISTRICT, a public utility; and THE TOWN OF BRAMWELL WATER DEPARTMENT, a municipal utility.

Petition for consent and approval of an intergovernmental agreement between Bluewell Public Service District and the Town of Bramwell Water Department.

RECOMMENDED DECISION

On October 6, 1999, Bluewell Public Service District (District) filed a letter/petition seeking Commission consent and approval of an intergovernmental agreement between the District and the Town of Bramwell (Town), West Virginia. The agreement relates to the Bramwell/Bluewell Community Water Line Project (Project) which will repair and replace the water system which currently serves the Town. Following completion of the Project, the District will operate the Town's water system, which will be supplied by the District's water treatment plant. The Project has received funding commitments in the form of a \$1,250,000 Small Cities Block Grant and a \$1,125,000 EPA Drinking Water Treatment Revolving Fund loan. According to the Agreement, the Town will sell the District its water system for \$225,000 at the time of the loan closing with the U.S. EPA Drinking Water Treatment Revolving Fund. The Town will not convey its impoundment and treatment plant building or the well and ground water plant formerly in use. However, the District will have the right to remove any or all equipment in either treatment plant. Any equipment not removed within sixty (60) days after the District assumes operation of the system will remain the property of the Town. The agreement will be in effect for a period of one (1) fiscal year, subject to annual renewal for any additional period of time needed to complete all phases of the Project, each annual renewal period being limited to one (1) fiscal year.

On November 10, 1999, Staff Attorney James V. Kelah filed an Initial Joint Staff Memorandum. A Utilities Division Final Staff Memorandum dated October 20, 1999, from Dixie Kellmeyer, Utilities Analyst III, Utilities Division, was attached thereto. Both of these memoranda noted that the District had not filed an application for a certificate of convenience and necessity related to the Project or obtained approval for borrowing. Further, it was noted that the District must obtain approval

of its engineering agreement with Pentree, Inc., if it had not already done so, and also needed to verify with the Commission that the Town was within the territory of the District or that the County Commission was undertaking the appropriate action to make the Town part of the District.

Also attached to Mr. Kelsh's November 9, 1999 Initial Joint Staff Memorandum was correspondence dated October 28, 1999, received from counsel for the District enclosing a copy of a Commission Order in Case No. 97-1485-PSWD-PC (Final February 12, 1998) approving the engineering agreement relative to the proposed project between the District and Pentree, Inc. The District, by counsel, acknowledged that its territory did not encompass the Town, and stated that it would seek an order from the Mercer County Commission expanding its territory, which would then become the subject of a separate case before the Commission. It was also stated that the District would shortly forward a copy of the election results regarding the Town's approval of the transactions as contemplated in the agreement.

Mr. Kelsh concluded by stating that, upon receipt of the election results, Staff would state its substantive recommendation. In the interim, referral of this matter to the Division of Administrative Law Judges was recommended.

On November 17, 1999, the District filed a certified copy of the Town's ordinance approving the sale of its water system to the District.

On November 19, 1999, Mr. Kelsh filed a Final Joint Staff Memorandum. Approval of the petition, without a hearing, was recommended. It was also recommended that the Mercer County Commission file a petition with the Commission for approval of a change in the District's territory to include the Town after it has issued an order to that effect. Should the Commission approve the petition sub judice and the District subsequently fail to obtain the necessary orders to enable it to include the Town within its territory, Staff would seek to reopen this proceeding so that the Commission could rescind its order.

By Order dated November 22, 1999, the Commission referred this matter to the Division of Administrative Law Judges for disposition and ordered that an Administrative Law Judge's decision be rendered on or before May 3, 2000.

#### FINDINGS OF FACT

1. On October 6, 1999, Bluewell Public Service District filed a letter/petition seeking Commission consent and approval of an intergovernmental agreement between the District and the Town of Bramwell, West Virginia, pertaining to the Bramwell/Bluewell Community Water Project. (See, October 6, 1999 filing).

2. Commission Staff recommended approval of the intergovernmental agreement. (See, Final Joint Staff Memorandum filed November 19, 1999).

CONCLUSION OF LAW

Upon consideration of all of the above, the undersigned Administrative Law Judge is of the opinion that the petition filed herein on October 6, 1999, by Bluewell Public Service District seeking Commission consent and approval of an intergovernmental agreement between the District and the Town of Bramwell, West Virginia, pertaining to the Bramwell/Bluewell Community Water Project, should be granted.

ORDER

IT IS, THEREFORE, ORDERED that the petition filed herein on October 6, 1999, by Bluewell Public Service District seeking Commission consent and approval of an intergovernmental agreement between the District and the Town of Bramwell, Mercer County, West Virginia, pertaining to the Bramwell/Bluewell Community Water Project, be, and hereby is, granted.

IT IS FURTHER ORDERED that the approval herein granted does not constitute a waiver of any other statutory requirements which may be applicable to this project such as pre-filing, certification, borrowing approval, etc.

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

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

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

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



Melissa K. Marland  
Chief Administrative Law Judge

MKM:JC:mal  
991467a.wpd



TOWN OF BRAMWELL

ORDINANCE APPROVING, CONFIRMING, RATIFYING AND RENEWING THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN AND BLUEWELL PUBLIC SERVICE DISTRICT, AUTHORIZING THE EXECUTION OF ALL DOCUMENTS NECESSARY TO ACCOMPLISH THE ACTIONS PROVIDED FOR IN THE INTERGOVERNMENTAL AGREEMENT AND ADOPTING OTHER PROVISIONS RELATING THERETO

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE TOWN OF BRAMWELL:

Section 1.0.            Authority for this Ordinance. This Ordinance is enacted pursuant the provisions of Chapter 8, Article 11 and Article 23, of the West Virginia Code of 1931, as amended (collectively, the "Act") and other applicable provisions of law.

Section 2.0.            Findings. It is hereby found, determined and declared that:

- A. The Town of Bramwell (the "Town") is a municipal corporation and political subdivision within the meaning of the Act, duly created by The Circuit Court of Mercer County.
- B. The Town entered into an Intergovernmental Agreement, dated as of August 30, 1999 (the "Agreement") with Bluewell Public Service District (the "District"), whereby the Town and the District agreed as follows:
- (i) The Town and the District will jointly develop and enable construction of a waterline project within the Town and its service area (the "Project");
  - (ii) The cost of the Project will be paid through a Small Cities Block Grant secured by the Town in the amount of \$1,250,000 (the "SCBG Grant") and a loan to the District from the United States EPA Drinking Water Treatment Revolving Loan Fund in the amount of \$1,125,000, (the "DWTRF Loan");
  - (iii) The District will purchase from the Town certain existing assets of the Town's public waterworks system (the "Assets"), the consideration for such purchase being \$225,000, to be paid by the District to the Town upon the District's closing on the DWTRF Loan;
  - (iv) The transfer of the Assets to the District from the Town will not occur until the completion of construction of the Project, which Assets shall be conveyed to the District free and clear of all liens, mortgages or other encumbrances;
  - (v) The consideration received by the Town for the purchase of the Assets shall be first applied to pay in full the entire outstanding principal of and interest on the Town's Waterworks

Revenue Bonds, Series 1970, held by the United States Department of Commerce, Economic Development Administration (the "Series 1970 Bonds"), which are secured by the revenues and assets of the Town's public waterworks system; and

(vi) The Agreement is effective for one fiscal year, subject to annual renewal for any additional period of time needed to complete all phases of the Project, each of which annual renewal period shall be limited to one fiscal year.

C. The Town held an election on October 19, 1999, at which time the residents of the Town approved the sale of the Assets to the District.

D. The Agreement was approved by the Attorney General of West Virginia on November 2, 1999, and by the Public Service Commission of West Virginia, by Final Order entered on December 14, 1999.

E. The Agreement expired on June 30, 2000.

F. The costs of the Project have increased and the District has acquired an additional commitment for the DWTRF Loan so that the total amount of such loan is \$1,275,000. The Project and the financing thereof have been approved by the Public Service Commission of West Virginia. The District has scheduled a closing for the DWTRF Loan to occur on August 29, 2000, and will begin construction of the Project shortly thereafter.

G. In order to effectuate the intentions of the parties set forth in the Agreement, the officers of the Town shall execute the documents necessary to transfer the assets, including, but not limited to, a deed, bill of sale and an assignment of rights of way and easements, on the date of receipt of the purchase price from District, and that such executed documents shall be held by an escrow agent, to be selected by the Mayor and the District, pursuant to an escrow agreement, until completion of the Project, as provided in the escrow agreement.

H. It is deemed necessary for the Town to:

(i) Confirm and ratify the Agreement and all actions taken to date related thereto;

(ii) Renew the Agreement for an additional fiscal year;

(iii) Confirm the Town's commitment of the SCBG grant to the Project; and

(iv) Authorize the execution by the Mayor and the Recorder of all documents related to the Agreement and the sale of the Assets, including, but not limited to, an escrow agreement, deed, bill of sale and assignment of rights of way and easements and the taking of all other actions by the Mayor and the Recorder necessary to accomplish the actions provided for in the Agreement.

Section 3.0. Confirmation and Ratification of Agreement. The Agreement, and all actions taken by the Town, its agents and assigns, related thereto, are hereby ratified and confirmed.

Section 4.0. Renewal of Agreement. Pursuant to Section 16 of the Agreement, the Agreement is hereby renewed for one fiscal year, beginning on July 1, 2000, and expiring on June 30, 2001.

Section 5.0. Confirmation of Commitment of SCBG Grant to Project. The commitment of the SCBG Grant monies to pay the costs of the Project is hereby restated and confirmed.

Section 6.0. Authorization of Execution of Documents and Selection of Escrow Agent. The Mayor and Recorder are hereby authorized to execute all documents necessary to accomplish the actions provided for in the Agreement, including, but not limited to, an escrow agreement, deed, bill of sale and assignment of rights of way and easements. The Mayor and Recorder are hereby authorized to take all other actions necessary to accomplish the actions provided for in the Agreement, including, but not limited to, the selection of an escrow agent, and all such actions are hereby ratified.

Section 7.0. Amendment or Modification of Ordinance. Prior to the transfer of the purchase price for the Assets from the District to the Town, this Ordinance may be amended or supplemented in any way by supplemental resolution. Following the transfer of the purchase price for the Assets from the District to the Town, this Ordinance may only be amended with the advance written consent of the District.

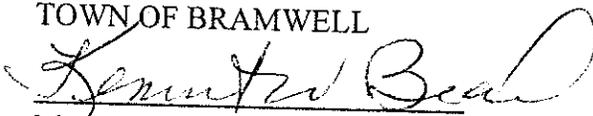
Section 8.0. Effective Date. This Ordinance shall take effect immediately following the enactment thereof.

Section 9.0. Schedule of Readings. Pursuant to the Act, this Ordinance shall be subject to the following schedule for reading and enactment:

Passed on First Reading: - August 14, 2000

Passed and Enacted on  
Second Reading - August 24, 2000

TOWN OF BRAMWELL

  
Mayor

08/14/00  
088390/00001

CH399641.1

**OFFICIAL BALLOT  
SPECIAL ELECTION  
Bramwell, West Virginia  
October 19, 1999**

Shall the Town of Bramwell, West Virginia sell its Waterworks System to the Bluewell Public Service District in consideration for:

(1) Bluewell Public Service District paying to the Town of Bramwell the sum of \$225,000 to be used to pay in full the bonded indebtedness of Bramwell Waterworks to U.S. EDA,

(2) The construction by the Bluewell Public Service District of certain additions, extensions, betterments and improvements to the waterworks system within the Town of Bramwell estimated to cost \$813,000 and the construction by Bluewell Public Service District of a Dulington Bramwell Transmission Line and booster station estimated to cost \$685,000, as described in the Ordinance enacted by the Town on the 4th day of October 1999.

YES

NO

**NOTICE TO VOTERS**

To vote **IN FAVOR OF** the sale of the Town of Bramwell's Waterworks System to Bluewell Public Service District, Place an 'X' in the square opposite the word "YES".

To vote **AGAINST** the sale of the Town of Bramwell's Waterworks System to Bluewell Public Service District, place an 'X' in the square opposite the word "NO".

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CERTIFICATION OF ELECTION RESULTS

The governing body of the Town of Bramwell, which serves as the Board of Canvassers, for the Special Municipal Election in the Town of Bramwell, WV having carefully and impartially examined the returns of the Bramwell Special Election held on October 19, 1999, does hereby certify the following vote total results in numbers and words.

Yes 129 One Hundred and Twenty Nine

No 11 Eleven

Kenneth B. [Signature] Mayor

Carolyn Clark [Signature] Recorder

Clive H. Miller [Signature] Councilmembers

Wilson [Signature]

Freda Shumate [Signature]

\_\_\_\_\_  
\_\_\_\_\_

This 27 day of October, 1999

03/24/00 FRI 11:35 FAX

002

**ORDINANCE ESTABLISHING A SPECIAL  
ELECTION SEEKING APPROVAL TO CONCLUDE  
SALE OF BRAMWELL WATERWORKS SYSTEM**

WHEREAS, the Town of Bramwell by and through the Bramwell Waterworks owns and operates a municipal waterworks system providing water services to residents of the Town of Bramwell; and

WHEREAS, the Town of Bramwell has determined that the cost to operate its municipal waterworks system has become prohibitive and that a sale of the municipal waterworks system is in the best interests of the users of the municipal waterworks systems; and

WHEREAS, the Town of Bramwell has received an offer to purchase its municipal waterworks system by Bluewell Public Service District upon certain terms and conditions deemed advisable to the Town of Bramwell; and

WHEREAS, the Town Council of the Town of Bramwell sitting in regular session on September 20, 1999 did direct that the Mayor and Recorder proceed with establishing an election seeking approval to conclude a sale of the municipal waterworks system pursuant to the provisions of West Virginia Code 8-12-17.

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Bramwell, pursuant to the provisions of West Virginia Code 8-12-17, that a special municipal election be held on the 19th day of October 1999 for the purpose of authorizing the sale of the municipal waterworks system of the Town of Bramwell hereinafter referred to as Town, to Bluewell Public Service District, hereinafter referred to as District, upon the following terms and conditions:

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003

I PURCHASE: District hereby agrees to purchase from Town and Town hereby agrees to sell to District, for the price and upon the terms and conditions hereinafter set forth, Town waterline facility, including storage tanks, mains, extensions, laterals, valves, connections, services, meters and other equipment useful in the rendition of water service, as well as all water franchises and an assignment of all easements, leases and rights of way, licenses, permits or agreements regarding Town's waterline system. Not included in the sale are the Town's backhoe and motor vehicles, and water impoundments and treatment plant building now in use or the well and ground water treatment plant formerly in use. District will have the option to remove any or all equipment in either plant. Any equipment not removed within sixty (60) days after District assumes operation of the system shall remain the property of the Town.

II CONSIDERATION FOR SALE OF TOWN SYSTEM: As consideration for the conveyance of Town system to District, District and Town agree as follows:

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003

I PURCHASE: District hereby agrees to purchase from Town and Town hereby agrees to sell to District, for the price and upon the terms and conditions hereinafter set forth, Town waterline facility, including storage tanks, mains, extensions, laterals, valves, connections, services, meters and other equipment useful in the rendition of water service, as well as all water franchises and an assignment of all easements, leases and rights of way, licenses, permits or agreements regarding Town's waterline system. Not included in the sale are the Town's backhoe and motor vehicles, and water impoundments and treatment plant building now in use or the well and ground water treatment plant formerly in use. District will have the option to remove any or all equipment in either plant. Any equipment not removed within sixty (60) days after District assumes operation of the system shall remain the property of the Town.

II. CONSIDERATION FOR SALE OF TOWN SYSTEM: As consideration for the conveyance of Town system to District, District and Town agree as follows:

(a) Payment by District: District will pay to Town the sum of \$225,000 for the Town's bonded indebtedness owed to the U.S. EDA.

(b) Construction of Certain Facilities: District will undertake the construction of such additional facilities as may be necessary to provide water to the current customers of Town from the District's Treatment Plant including the construction of a "Duhring-Bramwell Transmission Line Project" and booster station at an estimated construction cost of \$685,000. In addition, District will undertake the construction of certain "Town of Bramwell Water System Improvements Project" at an estimated cost of \$813,000 and which proposes replacement of all galvanized and all aged cast iron pipe, replacement of all meters with electronic read meters and

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004

some service line work. A more detailed list of proposed work and estimated costs is attached as Exhibit I.

Funding for these projects will be from a Small Cities Block Grant obtained and awarded to the Town of Branwell in the amount of \$ 1,250,000 and from other grants and loans obtained by the Bluewell Public Service District.

### III. OPERATION OF SYSTEM AND RATES

a. Operation of Town Water System: From and after the date of closing of the transaction contemplated by the Agreement, District shall own and operate Town water system acquired from Town as a part of District's general waterworks system and all customers

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some service line work. A more detailed list of proposed work and estimated costs is attached as Exhibit I.

Funding for these projects will be from a Small Cities Block Grant obtained and awarded to the Town of Branwell in the amount of \$ 1,250,000 and from other grants and loans obtained by the Bluewell Public Service District.

III. OPERATION OF SYSTEM AND RATES

a. Operation of Town Water System: From and after the date of closing of the transaction contemplated by the Agreement, District shall own and operate Town water system acquired from Town as a part of District's general waterworks system and all customers currently served by Town shall for all intents and purposes be customers of District.

b. Rate to be Charged: The current customers of Town shall, after the date of Closing, be charged those rates and charges as from time to time are approved for use by District by the Public Service Commission.

VI. NON-ASSUMPTION OF LIABILITIES: All debts and liabilities of Town relating to Bramwell Waterworks will be settled prior to or on the Closing Date, and any debts not settled at the Closing Date will remain solely the obligation of Town and will be paid by Town.

VII. ADMINISTRATIVE APPROVAL REQUIRED: Town and District will institute and prosecute with diligence a joint petition with the Public Service Commission seeking approval of the proposed sale and the other transactions contemplated within this ordinance on a timely basis.

VIII. EFFECTIVE DATE: Closing of the transaction contemplated by this ordinance

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shall take place as soon as possible, after obtaining all necessary approvals and completion of construction, on a date that District and Town agree upon.

IX. CONVEYANCE AND TRANSFERS: Town shall, at the time of Closing transfer and convey to District, its successors and assigns forever, the properties and assets used or useful in connection with providing water service to customers of Town as described in Section I of this Agreement.

X. REPRESENTATION AND WARRANTIES BY TOWN: Town represents and warrants as of the date of this ordinance that there are no judgements, decrees or orders presently outstanding and unsatisfied against Town nor is there any litigation nor any other proceedings before any court or government or administrative department, commission, bureau, board or agency which threatens or affects the water utility assets of Town or which may in any one case or in the aggregate result in any material decrease in the value of, or constitute a lien or claim against, the water utility assets of Town to be sold hereunder, except the monies to be paid to the U.S. EDA to satisfy the bonded indebtedness of Bramwell Waterworks referred to in Section II. (a).

BE IT FURTHER ORDAINED, that the special election established in this Ordinance shall be held in compliance with the provisions of West Virginia Code 3-1-1 et seq. so far as the same are applicable and reasonable and with the provisions of West Virginia Code 8-5-1 et seq.

BE IT FURTHER ORDAINED, that the ballot to be used in the special election established in this Ordinance shall be substantially the same form as follows:

OFFICIAL BALLOT, SPECIAL ELECTION

Bramwell, West Virginia

October 19, 1999

Shall the Town of Bramwell, West Virginia sell its Waterworks System to the Bluewell Public Service District in consideration for: (1) Bluewell Public Service District paying to the Town of Bramwell the sum of \$ 225,000 to be used to pay in full the bonded indebtedness of Bramwell Waterworks to U.S. EDA, (2) the construction by the Bluewell Public Service District of certain additions, extensions, betterments and improvements to the waterworks system within the Town of Bramwell estimated to cost \$ 813,000 and the construction by Bluewell Public Service District of a Duhring-Bramwell Transmission Line and booster station, estimated to cost \$ 685,000, as described in the Ordinance enacted by the Town on the 4th day of October 1999.

YES \_\_\_\_\_

NO \_\_\_\_\_

**NOTICE TO VOTERS:**

To vote IN FAVOR OF the sale of the Town of Bramwell's Waterworks System to Bluewell Public Service District, Place an 'X' In the square after the word "YES".

To Vote AGAINST the sale of the Town of Bramwell's Waterworks System to Bluewell Public Service District, place an 'X' in the square after the word "NO".

09/24/99 FRI 11:38 FAX

007

Presented for the First Reading this the

27th day of Sept 1999.

Passed upon Second Reading this the

4th day of Oct 1999.

Adopted this the 4th of

Oct 1999

Carolyn Clark  
Carolyn Clark  
Recorder

Kenneth W. Beard  
Kenneth W. Beard  
Mayor

09/24/99 FRI 11:38 FAX

007

Presented for the First Reading this the  
27th day of Sept 1999.

Passed upon Second Reading this the  
4th day of Oct 1999.

Adopted this the 4th of  
Oct 1999

Carolyn Clark  
Carolyn Clark  
Recorder

Kenneth W. Beard  
Kenneth W. Beard  
Mayor

02-24-99 FRI 11:39 FAX

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EXHIBIT I

Town of Bramwell Water System Improvement Project  
Estimated Construction Costs

Quantity/Unit	Item	Unit Price	Total Cost
11,000 L.F.	8" PVC Waterline	\$25.00	\$275,000
54 L.F.	8" DIP	30.00	1,620
300 L.F.	8" River Crossing	80.00	24,000
450 L.F.	8" Highway Crossing	100.00	45,000
200 L.F.	8" Railroad Crossing	120.00	24,000
3,200 L.F.	2" PVC Waterline	15.00	48,000
140 L.F.	2" Highway Crossing	60.00	8,400
50 L.F.	2" Railroad Crossing	80.00	4,000
20 EA	8" Valve & Box	600.00	12,000
7 EA	2" Valve & Box	300.00	2,100
15 EA	Fire Hydrants	2,000.00	30,000
6 EA	Blowoff Valves	500.00	3,000
8 EA	8" Connection or Plug	3,000.00	24,000
8 EA	2" Connection or Plug	1,500.00	12,000
110 EA	3/4" Service & Connection	600.00	66,000
750 L.F.	1" Service Line	10.00	7,500
1,500 L.F.	3/4" Service Line	9.00	13,500
570 L.F.	3/4" Highway Crossing	20.00	11,400
281 EA	Meters	125.00	35,125
12,000 SQ FT	Pavement Replacement	5.00	60,000
	<b>SUBTOTAL</b>		<b>\$706,645</b>
	Contingencies, Errors, and Omissions		\$106,355
	<b>ESTIMATED CONSTRUCTION COST</b>		<b>\$813,000</b>



BLUEWELL PUBLIC SERVICE DISTRICT  
Water Revenue Bonds, Series 2000

ESCROW AGREEMENT

This ESCROW AGREEMENT is made, entered into and effective as of August 29, 2000, by and among the TOWN OF BRAMWELL, a municipal corporation (hereinafter "Town"), BLUEWELL PUBLIC SERVICE DISTRICT (hereinafter "District"), and CHARLES W. PACE, ESQUIRE, as escrow agent (hereinafter "Escrow Agent").

WHEREAS, Town and District have entered into an Intergovernmental Agreement dated August 30, 1999 ("the Agreement"), whereby the Town and the District agree to jointly develop and undertake construction of a waterline project within the Town and its service area (the "Project"). As part of said Agreement the District will pay to the Town on the date hereof the sum of Two Hundred Twenty-Five Thousand Dollars (\$225,000) (the "Purchase Price"). As consideration for such payment, the District shall receive from the Town certain assets of the Town's existing public waterworks system (the "Assets"), which Assets shall be conveyed to the District free and clear of all liens, mortgages or other encumbrances. The Town and the District hereby agree and affirm that the transfer of the Assets to the District from the Town shall not occur until the completion of construction of the Project; and

WHEREAS, Town and District have determined that, in order to effectuate the intentions of the parties set forth in the Agreement and to provide consideration to the District upon the payment of the Purchase Price, the parties hereto shall execute the documents necessary to transfer the Assets, being a Deed of the Town of Bramwell, a Bill of Sale of the Town of Bramwell and an Assignment of Rights-of-way and Easements of the Town of Bramwell (collectively, the "Escrow Documents"), on the date of receipt of the Purchase Price from District, being the date hereof, and that the Escrow Documents shall be held by the Escrow Agent until substantial completion of construction of the Project as certified by the consulting engineer for the Project, or as otherwise provided, pursuant to the terms and provisions of this Escrow Agreement; and

WHEREAS, in the course of preparing the Deed of the Town of Bramwell to convey the real property of the Town of Bramwell public waterworks system (the "Real Property"), counsel for the Town and the District discovered that, while the Town holds record title to the Real Property, certain possible encroachments on the Real Property exist, and both parties agree and affirm that,

while the execution of this Escrow Agreement and the Escrow Documents on the date hereof is necessary and in the best interests of both the Town and the District, such possible encroachments must be clarified and resolved prior to the conveyance of the Assets so that the District takes clear title to, or an easement for, all real property which is necessary for the ownership, construction, operation and/or maintenance of the System.

NOW, THEREFORE, WITNESSETH, that the DISTRICT, the TOWN and the ESCROW AGENT hereby agree as follows:

1. Delivery of Escrow Documents.

(a) Town hereby delivers to Escrow Agent the following documents, all as provided in the Agreement:

- (i) the Deed of the Town of Bramwell;
- (ii) the Assignment of Rights-of-way and Easements of the Town of Bramwell; and
- (iii) the Bill of Sale of the Town of Bramwell.

(b) Escrow Agent acknowledges receipt of the Escrow Documents, and agrees to hold and safeguard the same in accordance with this Escrow Agreement.

(c) The parties hereto agree and confirm that the Deed of the Town of Bramwell does not currently contain a description of the Real Property. Prior to the conveyance of the Assets and the disbursement of the Escrow Documents, all as herein provided, the Deed of the Town of Bramwell will be amended to provide for the correct legal description for the Real Property.

2. Disbursement of Escrow Documents. Promptly after the Escrow Agent has received from the District the certification of the District's consulting engineer of the substantial completion of the Project (the "Certificate of Substantial Completion"), the Escrow Agent shall deliver the Escrow Documents to District. Provided, however, that if the Escrow Agent has not received the Certificate of Substantial Completion prior to August 29, 2002, the Escrow Agent shall deliver the Escrow Documents to the District on August 29, 2002. Until the disbursement of the Escrow Documents by the Escrow Agent to the District, the Town hereby agrees that it shall not take any action which would in any way adversely affect the title and ownership interests of the District that it will receive under the Escrow Documents.

3. Termination of Escrow. This Agreement shall terminate upon the disbursement of the Escrow Documents by the Escrow Agent in accordance with Section 2 hereof.

4. Covenants as to Real Property. The Town of Bramwell hereby covenants that, prior to the conveyance of the Assets and the disbursement of the Escrow Documents, it will clarify and resolve all possible encroachments on the Real Property to provide that the District shall have clear title to, or an easement for, all real property which is necessary for the ownership, construction, operation and/or maintenance of the System. Seven (7) days prior to the conveyance of the Assets and the disbursement of the Escrow Documents, the Town shall provide to the Escrow Agent a legal description for the Real Property which satisfies the covenants of this Section 4.

5. Escrow Agent. The Escrow Agent shall act as escrow agent and hold and disburse the Escrow Documents pursuant to the terms and conditions of this Escrow Agreement. His duties under this Escrow Agreement shall cease upon disbursement of the Escrow Documents as provided in Section 2.

(a) This Escrow Agreement expressly sets forth all the duties of the Escrow Agent with respect to any and all matters pertinent hereto. No implied duties or obligations shall be read into this Escrow Agreement against the Escrow Agent. The Escrow Agent, in his capacity as such, shall not be bound by the provisions of any other agreement among the parties to this Escrow Agreement and shall have no duty to inquire into, or to take into account its knowledge of, the terms and conditions of any agreement made or entered into in connection with this Escrow Agreement, including, but not limited to, the Agreement. The Escrow Agent shall incur no liability whatsoever to Town or District, except for his own bad faith or willful misconduct in his capacity as Escrow Agent.

(b) The Escrow Agent shall not be liable for any action taken by him in good faith and believed by him to be authorized or within the rights or powers conferred upon him by this Escrow Agreement, and may consult with counsel of his own choice (including, but not limited to, himself) and shall have full and complete authorization and protection for any action taken or suffered by him hereunder in good faith and in accordance with the opinion of such counsel.

(c) Town and District hereby jointly and severally agree to indemnify the Escrow Agent for, and to hold him harmless against, any loss, liability, damage or expense incurred without bad faith or willful misconduct on the part of the Escrow Agent arising out of or in connection with his entering into and/or performing under this Escrow Agreement, including the cost and expense (including, but not limited to, attorneys' fees) of defending himself against any claim or liability.

(d) Town acknowledges that it is aware that the Escrow Agent is acting as counsel to the District in connection with the Agreement, and agrees that the Escrow Agent's acting under this Escrow Agreement shall not affect his ability to act as counsel to the District in any

matter, including, but not limited to, any claim, action or proceeding with respect to the Agreement or the disposition of or entitlement to the Escrow Documents.

(e) Town and District hereby expressly acknowledge and consent to their respective anticipatory waivers of certain rights against the Escrow Agent as specifically provided in this Section 5 and as may otherwise be provided throughout this Escrow Agreement.

6. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given (a) when delivered personally, (b) when transmitted by telecopy (receipt confirmed), (c) on the third business day following mailing by registered or certified mail (return receipt requested), or (d) on the next business day following deposit with an overnight delivery service of national reputation, to the parties at the following addresses and telecopy numbers (or at such other address or telecopy number for a party as may be specified by like notice):

If to Town:

Town of Bramwell  
Post Office Box 338  
Bramwell, West Virginia 24715  
Telephone No. (304) 248-7114  
Fax No. (304) 248-8333  
Attention: Mayor

If to District:

Bluewell Public Service District  
Post Office Box 3066  
Bluewell Station, West Virginia 24701  
Telephone No. (304) 589-3470  
Fax No. (304) 589-6202  
Attention: Chairman

If to Escrow Agent:

Charles W. Pace, Esquire  
1608 West Main Street  
Princeton, West Virginia 24740  
Telephone No. (304) 487-2610  
Fax No. (304) 425-7340

7. Miscellaneous.

(a) The captions in this Escrow Agreement are for convenience of reference only and shall not be given any effect in the interpretation of this Escrow Agreement.

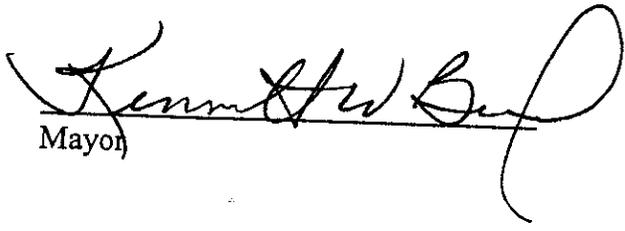
(b) The failure of a party to insist upon strict adherence to any term of this Escrow Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Escrow Agreement. Any waiver must be in writing, executed by the party granting such waiver.

(c) This Escrow Agreement and the waivers and consents hereunder shall be governed by, and all disputes arising hereunder shall be resolved in accordance with, the law of the State of West Virginia, without regard to the conflicts of law principles thereof, and the appropriate forum for any legal dispute arising hereunder shall be the Circuit Court of Mercer County, West Virginia.

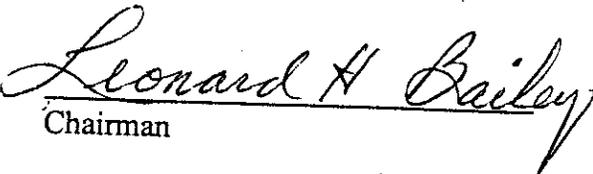
(REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

This ESCROW AGREEMENT duly executed and delivered as of the day and year first stated above.

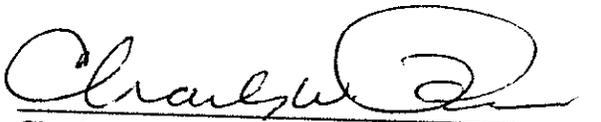
TOWN OF BRAMWELL

By:   
Its: Mayor

BLUEWELL PUBLIC SERVICE DISTRICT

By:   
Its: Chairman

ESCROW AGENT

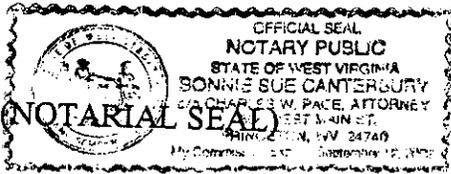
  
Charles W. Pace, Esquire

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

The foregoing instrument was acknowledged before me this 28th day of August, 2000, by Kenneth W. Beard, Mayor of THE TOWN OF BRAMWELL, a municipal corporation and political subdivision of the State of West Virginia, on behalf of said municipal corporation and political subdivision of the State of West Virginia.

Given under my hand this 28th day of August, 2000.

My commission expires: September 12, 2002



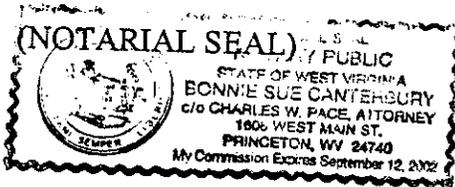
Bonnie Sue Canterbury  
Notary Public

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

The foregoing instrument was acknowledged before me this 28th day of August, 2000, by Leonard Bailey, Chairman of BLUEWELL PUBLIC SERVICE DISTRICT, a public service district and a public corporation and political subdivision of the State of West Virginia, on behalf of said public service district and a public corporation and political subdivision of the State of West Virginia.

Given under my hand this 28th day of August, 2000.

My commission expires: September 12, 2002



Bonnie Sue Canterbury  
Notary Public

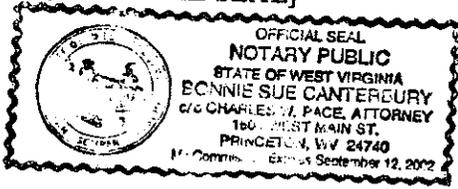
STATE OF WEST VIRGINIA,  
COUNTY OF MERCER, TO WIT:

The foregoing instrument was acknowledged before me this 24<sup>th</sup> day of August, 2000, by Charles W. Pace, Esquire, Escrow Agent.

Given under my hand this 24<sup>th</sup> day of August, 2000.

My commission expires September 12 2002.

[NOTARIAL SEAL]



Bonnie Sue Canterbury  
Notary Public

WEST VIRGINIA:  
IN MERCER COUNTY COMMISSION CLERK'S OFFICE

This AUG 30 2000 1:57 PM

the foregoing writing was presented in said office and duly admitted to record therein.

Teste: Rudolph W. Jaramila Clerk

08/22/00  
088390/00001



THIS QUITCLAIM DEED, made this 29th day of August, 2000, by and between the TOWN OF BRAMWELL, WEST VIRGINIA, a municipal corporation, Party of the First Part, (hereinafter sometimes referred to as "GRANTOR") and BLUEWELL PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia, Party of the Second Part (hereinafter sometimes referred to as "GRANTEE").

WHEREAS, on July 19, 1999 the Town Council of the Town of Bramwell passed a resolution authorizing the Mayor to sign an Intergovernmental Agreement between GRANTOR and GRANTEE to sell a portion of its municipal waterworks system to GRANTEE and to cease operation of the remainder of such system; and

WHEREAS, on September 7, 1999 the Commissioners of the Bluewell Public Service District during its regular bi-monthly meeting voted to authorize its Chairman to sign an Intergovernmental Agreement with the Town of Bramwell to acquire a portion of GRANTOR's municipal waterworks system; and

WHEREAS, GRANTOR and GRANTEE have entered into an Intergovernmental Agreement dated August 30, 1999 to jointly undertake a project to improve the water service to the residents of GRANTOR and GRANTOR will abandon its water operation and transfer its water line assets to GRANTEE for adequate consideration; and

WHEREAS, The County Commission of Mercer County, West Virginia, adopted a resolution on April 10, 2000, ordering the enlargement of GRANTEE's water service boundary lines to include the water service area of GRANTOR, subject to the approval of the Public Service Commission of West Virginia. The area reassigned to GRANTEE is shown on a map designated as "Proposed Water Service Boundary Expansion of Bluewell Public Service District January, 2000 Scale 1" = 2000'", said area hereinafter sometimes referred to as "Assigned Area", said map is of record in the

Office of the Clerk of the County Commission of Mercer County, West Virginia in Flat File Number 4-45 ; and

WHEREAS, the Public Service Commission of West Virginia, in Case No. 99-1467-PWD-W-PC, by Final Decision entered on December 14, 1999, approved the hereinbefore mentioned Intergovernmental Agreement of the parties; and

WHEREAS, in order to facilitate the assumption of the obligation to provide water services to users and customers in the Town of Bramwell area and in accordance with the terms of the Intergovernmental Agreement dated August 30, 1999, GRANTOR has agreed to convey to GRANTEE a portion of its waterworks system facilities in said water service area, specifically including but not limited to the real property described below.

NOW, THEREFORE, in consideration of said Intergovernmental Agreement and the premises herein and TEN (\$10.00) DOLLARS, cash in hand paid, the receipt of which is hereby acknowledged, the GRANTOR does hereby grant, sell, bargain and convey unto the GRANTEE all of its right, title and interest in and to the following described real estate, together with all improvements situate thereon and the appurtenances thereunto belonging, situate within the Town of Bramwell, in Mercer County, West Virginia, and more particularly bounded and described as follows:

BEGINNING at a stake in the Southern line of Pocahontas Street and running South  $32\frac{1}{2}$  45' W. 318.0 feet to a stake; thence South  $21^{\circ} 75'$  E. 393.1 feet to a stake; thence South  $73^{\circ} 24'$  W. 119.5 feet to a point in line of James Bell ( Now owned by J. G. Moore) and Isaac T. Mann's property; thence with line of same N.  $16^{\circ} 36'$  W. 454.5 feet a corner of J. G. Moore, Isaac T. Mann and A. I. Gross's properties; thence with the Mann-Gross line N.  $30^{\circ} 30'$  E. 328.9 feet to a corner on Pocahontas Street; thence with said Pocahontas Street S.  $64^{\circ} 29'$  E. 117.8 feet to the place of beginning.

And being the same property conveyed unto the GRANTOR by Deed dated July 30, 1928, from Burnett Goodson and Mae Goodson, his wife, and Greenbrier Coal and Coke Company, a corporation, of record in the Office of the Clerk of the County Commission of Mercer County, West Virginia, in Deed Book 191, at Page 351.

This conveyance is made subject to all exceptions, reservations, restrictions, easements, conditions and rights-of-way contained or mentioned in prior instruments of record affecting the subject property.

The undersigned GRANTOR hereby declares that pursuant to the provisions of West Virginia Code Section 11-22-1 this conveyance is not subject to the West Virginia Excise Tax on the privilege of transferring real property because it is a conveyance from a political subdivision of the State of West Virginia to another political subdivision of the State of West Virginia.

IN WITNESS WHEREOF, the parties hereto have caused their corporate names to be signed and corporate seals to be affixed hereto by their proper officers thereunto duly authorized, all as of the day and year first hereinabove written.

(SEAL)

TOWN OF BRAMWELL, WEST VIRGINIA

BY: Kenneth W Beard

ITS: Mayor

(SEAL)

BLUEWELL, PUBLIC SERVICE DISTRICT

BY: Leonard H Bailey

ITS: Chairman

This document was prepared by:

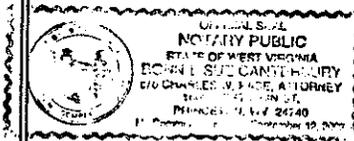
Charles W. Pace, Esquire  
1608 West Main Street  
Princeton, West Virginia 24740  
(304) 487-2610

STATE OF WEST VIRGINIA,  
COUNTY OF MERCER, to-wit:

I, the undersigned, a Notary Public within and for the County and State aforesaid, do hereby certify that Kenneth H. Bead, whose name is signed to the foregoing QUITCLAIM DEED bearing date the 29th day of August, 2000, for the TOWN OF BRAMWELL, WEST VIRGINIA, a municipal corporation, has this day in my said County, before me, acknowledged the said writing to be the act and deed of said corporation.

Given under my hand this 28th day of August, 2000.

My commission expires: September 12 2002.



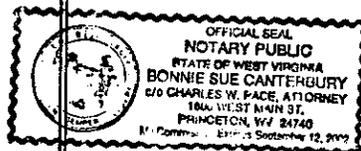
Bonnie Sue Canterbury  
NOTARY PUBLIC

STATE OF WEST VIRGINIA,  
COUNTY OF MERCER, to-wit:

I, the undersigned, a Notary Public within and for the County and State aforesaid, do hereby certify that Leonard H. Bailey, whose name is signed to the foregoing QUITCLAIM DEED bearing date the 29th day of August, 2000, for the BLUEWELL PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia, has this day in my said County, before me, acknowledged the said writing to be the act and deed of said corporation.

Given under my hand this 28th day of August, 2000.

My commission expires: September 12 2002.



Bonnie Sue Canterbury  
NOTARY PUBLIC

CHARLES W. PACE  
ATTORNEY AT LAW  
1808 WEST MAIN STREET  
PRINCETON, W. VA. 24740



BILL OF SALE OF  
THE TOWN OF BRAMWELL

THIS BILL OF SALE, made this 29th day of August, 2000, by and between the TOWN OF BRAMWELL, WEST VIRGINIA, a municipal corporation, Party of the First Part (hereinafter sometimes referred to as the "SELLER") and BLUEWELL PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia, Party of the Second Part (hereinafter sometimes referred to as the "PURCHASER");

WHEREAS, on July 19, 1999 the Town Council of the Town of Bramwell passed a resolution authorizing the Mayor to sign an Intergovernmental Agreement between SELLER and PURCHASER to sell a portion of its municipal waterworks system to ASSIGNEE; and

WHEREAS, on September 7, 1999 the Commissioners of the Bluewell Public Service District during its regular bi-monthly meeting voted to authorize its Chairman to sign an Intergovernmental Agreement with the Town of Bramwell to acquire a portion of the SELLER's municipal waterworks system; and

WHEREAS, SELLER and PURCHASER have entered into an Intergovernmental Agreement dated August 30, 1999 to jointly undertake a project to improve the water service to the residents of SELLER and SELLER will abandon its water operation and transfer a portion of its waterworks system assets to PURCHASER for adequate consideration; and

WHEREAS, The County Commission of Mercer County, West Virginia, adopted a resolution on April 10, 2000, ordering the enlargement of PURCHASER's water service boundary lines to include the water service area of SELLER, subject to the approval of the Public Service Commission of West Virginia. The area reassigned to PURCHASER is shown on a map designated as "Proposed Water Service Boundary Expansion of Bluewell Public Service District January, 2000 Scale 1" = 2000'", said area hereinafter sometimes referred to as "Assigned Area", said map is of record

7  
in the Office of the Clerk of the County Commission of Mercer County, West Virginia in Flat File Number 4-45 ; and

WHEREAS, the Public Service Commission of West Virginia, in Case No. 99-1467-PWD-W-PC, by Final Decision entered on December 14, 1999, approved the hereinbefore mentioned Intergovernmental Agreement of the parties; and

WHEREAS, in order to facilitate the assumption of the obligation to provide water services to users and customers in the Town of Bramwell area and in accordance with the terms of the Intergovernmental Agreement dated August 30, 1999, SELLER has agreed to convey to PURCHASER a portion of its waterworks system facilities in said water service area, specifically including but not limited to all of SELLER's personal property as defined below, except as excepted below.

WITNESSETH, that for the sum of TEN And no/100 (\$10.00) DOLLARS, cash in hand paid by the PURCHASER to the SELLER, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the SELLER does hereby sell, assign, transfer, set over and deliver to PURCHASER all personal property owned by SELLER and used by SELLER in its waterworks operation except that SELLER is not selling to PURCHASER its water treatment plants and improvements or well(s) nor is SELLER selling any motor vehicles or backhoes or accounts receivable for services provided by SELLER prior to PURCHASER's assuming the waterworks system operations of TOWN, but does include certain equipment in the water treatment plants including but not limited to chemical feed equipment, testing equipment, treatment chemicals and such other plant equipment as PURCHASER may deem useful to its further operations of providing water service, and further including but not limited to all water meters, fire hydrants, valves, water lines, water storage tanks, inventory, causes of action by SELLER against others in its

-2-

CHARLES W. PACE  
ATTORNEY AT LAW  
1808 WEST MAIN STREET  
PRINCETON, W. VA. 24740

waterworks operation, supplies and tangible personal property used in SELLER's waterworks operation as PURCHASER may deem useful to its further operation of providing water service. PURCHASER has the right to remove any or all equipment in either treatment plant of SELLER. Any equipment not removed by PURCHASER within sixty (60) days after PURCHASER records this BILL OF SALE in the Office of the Clerk of the County Commission of Mercer County, West Virginia shall remain the property of SELLER.

IN WITNESS WHEREOF, the parties hereto have caused their corporate names to be signed and their corporate seals to be affixed hereto by their proper officers thereunto duly authorized, all as of the day and year first hereinabove written.

(SEAL)

TOWN OF BRAMWELL, WEST VIRGINIA

BY:

*Kenneth Wool*  
ITS: Mayor

(SEAL)

BLUEWELL PUBLIC SERVICE DISTRICT

BY:

*Leonard H Bailey*  
ITS: Chairman

This instrument prepared by:

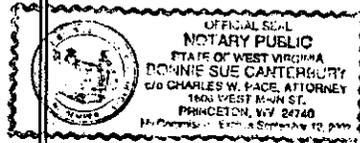
Charles W. Pace, Esquire  
1608 West Main Street  
Princeton, West Virginia 24740  
(304) 487-2610

STATE OF WEST VIRGINIA,  
COUNTY OF MERCER, to-wit:

I, the undersigned, a Notary Public within and for the County and State aforesaid, do hereby certify that Kenneth H. Beard, whose name is signed to the foregoing BILL OF SALE OF THE TOWN OF BRAMWELL bearing date the 29th day of August, 2000, for the TOWN OF BRAMWELL, WEST VIRGINIA, a municipal corporation, has this day in my said County, before me, acknowledged the said writing to be the act and deed of said corporation.

Given under my hand this 29th day of August, 2000.

My commission expires: September 12, 2002.



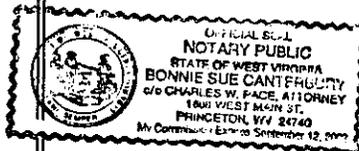
Bonnie Sue Canterbury  
NOTARY PUBLIC

STATE OF WEST VIRGINIA,  
COUNTY OF MERCER, to-wit:

I, the undersigned, a Notary Public within and for the County and State aforesaid, do hereby certify that Leonard H. Bailey, whose name is signed to the foregoing BILL OF SALE OF THE TOWN OF BRAMWELL bearing date the 29th day of August, 2000, for the BLUEWELL PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia, has this day in my said County, before me, acknowledged the said writing to be the act and deed of said corporation.

Given under my hand this 29th day of August, 2000.

My commission expires: September 12, 2002.



Bonnie Sue Canterbury  
NOTARY PUBLIC

CHARLES W. PACE  
ATTORNEY AT LAW  
1808 WEST MAIN STREET  
PRINCETON, W. VA. 24740



ASSIGNMENT OF RIGHTS-OF-WAY AND EASEMENTS  
OF THE TOWN OF BRAMWELL

THIS ASSIGNMENT OF RIGHTS-OF-WAY AND EASEMENTS, made this 29th day of August, 2000, by and between the TOWN OF BRAMWELL, WEST VIRGINIA, a municipal corporation, Party of the First Part (hereinafter sometimes referred to as the "ASSIGNOR") and BLUEWELL PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia, Party of the Second Part (hereinafter sometimes referred to as the "ASSIGNEE.")

WHEREAS, on July 19, 1999 the Town Council of the Town of Bramwell passed a resolution authorizing the Mayor to sign an Intergovernmental Agreement between ASSIGNOR and ASSIGNEE to sell a portion of its municipal waterworks system to ASSIGNEE and to cease operation of the remainder of such system; and

WHEREAS, on September 7, 1999 the Commissioners of the Bluewell Public Service District during its regular bi-monthly meeting voted to authorize its Chairman to sign an Intergovernmental Agreement with the Town of Bramwell to acquire a portion of the ASSIGNOR's municipal waterworks system; and

WHEREAS, ASSIGNOR and ASSIGNEE have entered into an Intergovernmental Agreement dated August 30, 1999 to jointly undertake a project to improve the water service to the residents of ASSIGNOR and ASSIGNOR will abandon its water operation and transfer a portion of its waterworks system assets to ASSIGNEE for adequate consideration; and

WHEREAS, The County Commission of Mercer County, West Virginia, adopted a resolution on April 10, 2000, ordering the enlargement of ASSIGNEE's water service boundary lines to include the water service area of ASSIGNOR, subject to the approval of the Public Service Commission of West Virginia. The area reassigned to ASSIGNEE is shown on a map designated as "Proposed Water Service Boundary Expansion of Bluewell Public Service

District January, 2000 Scale 1" = 2000'", said area hereinafter sometimes referred to as "Assigned Area", said map is of record in the Office of the Clerk of the County Commission of Mercer County, West Virginia in Flat File Number 4-45 ; and

WHEREAS, the Public Service Commission of West Virginia, in Case No. 99-1467-PWD-W-PC, by Final Decision entered on December 14, 1999, approved the hereinbefore mentioned Intergovernmental Agreement of the parties; and

WHEREAS, in order to facilitate the assumption of the obligation to provide water services to the residents of the Town of Bramwell area and in accordance with the terms of the Intergovernmental Agreement dated August 30, 1999, ASSIGNOR has agreed to convey to ASSIGNEE a portion of its waterworks system facilities, specifically including but not limited to all of ASSIGNOR's water line easements and rights-of-way, together with all appurtenant appliances, rights and privileges located in the Assigned Area.

WITNESSETH, that for the sum of TEN And no/100 (\$10.00) DOLLARS, cash in hand paid by the ASSIGNEE to the ASSIGNOR, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the ASSIGNOR does hereby grant, sell, bargain, assign, transfer, set over, deliver and convey to ASSIGNEE all of its right, title and interest in and to any and all water line easements and rights-of-way, together with all appurtenant appliances, rights, and privileges, located in the Assigned Area to the extent said easements and rights-of-way are assignable and to whatever extent the Town of Bramwell has an interest in said easements and rights-of-way. The intent of this conveyance is to convey to ASSIGNEE any and all water line easements and rights-of-way which ASSIGNOR has in the Assigned Area, whether or not documents conveying same to ASSIGNOR have been recorded in the Office of the Clerk of the

County Commission of Mercer County, West Virginia, to which ASSIGNOR has an interest and has the right to assign to the ASSIGNEE.

Pursuant to the provisions of West Virginia Code Section 11-22-1, ASSIGNOR declares that this conveyance is not subject to the excise tax on the privilege of transferring real property as the transfer is from a political subdivision of the State of West Virginia.

IN WITNESS WHEREOF, the parties hereto have caused their corporate names to be signed and their corporate seals to be affixed hereto by their proper officers thereunto duly authorized, all as of the day and year first hereinabove written.

(SEAL)

TOWN OF BRAMWELL, WEST VIRGINIA

BY: Kenneth W Beard

ITS: Mayor

(SEAL)

BLUEWELL PUBLIC SERVICE DISTRICT

BY: Leonard H Bailey

ITS: Chairman

This instrument prepared by:

Charles W. Pace, Esquire  
1608 West Main Street  
Princeton, West Virginia 24740  
(304) 487-2610

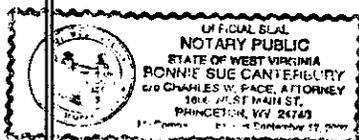
STATE OF WEST VIRGINIA,

COUNTY OF MERCER, to-wit:

I, the undersigned, a Notary Public within and for the County and State aforesaid, do hereby certify that Kenneth H. Beard, whose name is signed to the foregoing ASSIGNMENT OF RIGHTS-OF-WAY AND EASEMENTS OF THE TOWN OF BRAMWELL bearing date the 29th day of August, 2000, for the TOWN OF BRAMWELL, WEST VIRGINIA, a municipal corporation, has this day in my said County, before me, acknowledged the said writing to be the act and deed of said corporation.

Given under my hand this 28th day of August, 2000.,

My commission expires: September 12 2002.



Bonnie Sue Canterbury  
NOTARY PUBLIC

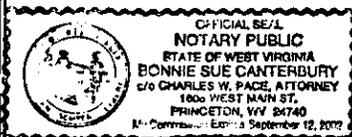
STATE OF WEST VIRGINIA,

COUNTY OF MERCER, to-wit:

I, the undersigned, a Notary Public within and for the County and State aforesaid, do hereby certify that Leonard H. Bailey, whose name is signed to the foregoing ASSIGNMENT OF RIGHTS-OF-WAY AND EASEMENTS OF THE TOWN OF BRAMWELL bearing date the 29th day of August, 2000, for the BLUEWELL PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia, has this day in my said County, before me, acknowledged the said writing to be the act and deed of said corporation.

Given under my hand this 28th day of August, 2000.

My commission expires: September 12 2002.



Bonnie Sue Canterbury  
NOTARY PUBLIC

CHARLES W. PACE  
ATTORNEY AT LAW  
1808 WEST MAIN STREET  
PRINCETON, W. VA 24740



**BLUEWELL PUBLIC SERVICE DISTRICT**

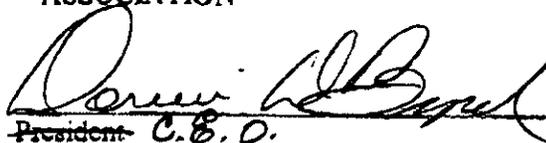
Water Revenue Bonds, Series 2000  
(West Virginia DWTRF Program)

**ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK**

First Community Bank, National Association, Bluewell, West Virginia, hereby accepts appointment as Depository Bank in connection with the Bond Resolution of Bluewell Public Service District (the "Issuer") adopted August 15, 2000, and the Supplemental Resolution of the Issuer adopted August 15, 2000 (the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 2000 (West Virginia DWTRF Program), dated August 29, 2000, issued in the principal amount of \$1,275,00 (the "Bonds"), and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 29th day of August, 2000.

FIRST COMMUNITY BANK, NATIONAL  
ASSOCIATION

  
President C.E.O.

08/11/00  
088390/00001



BLUEWELL PUBLIC SERVICE DISTRICT

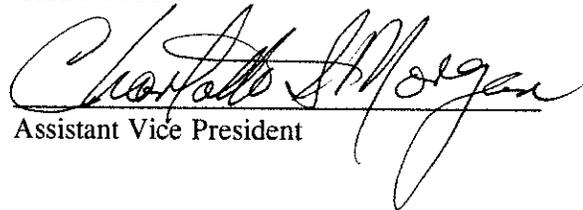
Water Revenue Bonds, Series 2000  
(West Virginia DWTRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

ONE VALLEY BANK, NATIONAL ASSOCIATION, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the Bluewell Public Service District Water Revenue Bonds, Series 2000 (West Virginia DWTRF Program), dated August 29, 2000, issued in the principal amount of \$1,275,000 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 29th day of August, 2000.

ONE VALLEY BANK, NATIONAL  
ASSOCIATION

  
Assistant Vice President

08/11/00  
088390/00001



BLUEWELL PUBLIC SERVICE DISTRICT

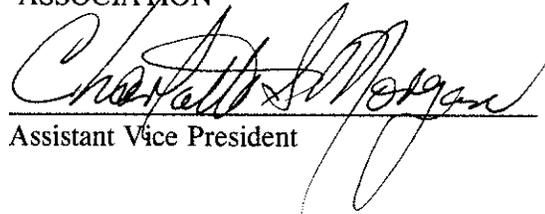
Water Revenue Bonds, Series 2000  
(West Virginia DWTRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

ONE VALLEY BANK, NATIONAL ASSOCIATION, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of Bluewell Public Service District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Water Revenue Bond, Series 2000 (West Virginia DWTRF Program), of the Issuer, dated August 29, 2000, in the principal amount of \$1,275,000, numbered AR-1, was registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of One Valley Bank, National Association, as Registrar.

WITNESS my signature on this 29th day of August, 2000.

ONE VALLEY BANK, NATIONAL  
ASSOCIATION

  
Assistant Vice President

08/11/00  
088390/00001



BLUEWELL PUBLIC SERVICE DISTRICT

Water Revenue Bonds, Series 2000  
(West Virginia DWTRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 29th day of August, 2000, by and between BLUEWELL PUBLIC SERVICE DISTRICT, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and ONE VALLEY BANK, NATIONAL ASSOCIATION, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$1,275,000 Water Revenue Bonds, Series 2000 (West Virginia DWTRF Program), in fully registered form (the "Bonds"), pursuant to the Bond Resolution of the Issuer duly adopted August 15, 2000, and the Supplemental Resolution of the Issuer duly adopted August 15, 2000 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.
2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.
3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.
4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.
5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.
6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.
7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

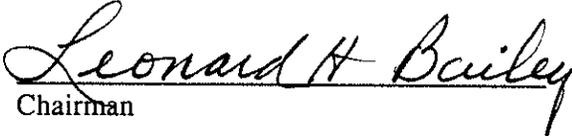
ISSUER: Bluewell Public Service District  
Post Office Box 3066  
Bluewell Station, West Virginia 24701  
Attention: Chairman

REGISTRAR: One Valley Bank, National Association  
Post Office Box 1793  
One Valley Square  
Charleston, West Virginia 25326  
Attention: Corporate Trust Department

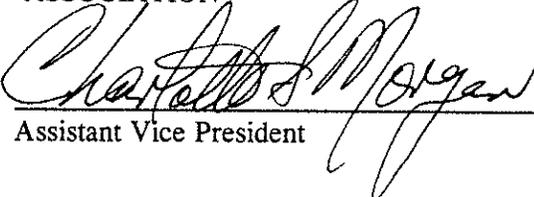
8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

BLUEWELL PUBLIC SERVICE DISTRICT

  
Chairman

ONE VALLEY BANK, NATIONAL  
ASSOCIATION

  
Assistant Vice President

08/11/00  
088390/00001

EXHIBIT A

Bond Legislation included in bond transcript as Documents Nos. 1 and 2.

SCHEDULE OF COMPENSATION

# Invoice

**ONE VALLEY  
BANK**

BLUEWELL PUBLIC SERVICE DISTRICT  
 ATTN: CHAIRMAN  
 P O BOX 3066  
 BLUEWELL STATION, WV 24701

DATE AUGUST 29, 2000

UNITS	ITEM DESCRIPTION	TOTAL
	BLUEWELL PUBLIC SERVICE DISTRICT WATER REVENUE BONDS, SERIES 2000 (WV DWTRF PROGRAM)	
	ONE TIME FEE FOR SERVICES AS REGISTRAR AND AUTHENTICATING AGENT.....	\$250.00

SEND REMITTANCE TO: One Valley Bank  
 TRUST DEPT. ~~One Financial Place~~ - 6th Floor  
 ATTN: CHARLOTTE MORGAN One Valley Square  
 P.O. Box 1793  
 Charleston, WV 25326





STATE OF WEST VIRGINIA  
OFFICE OF THE GOVERNOR  
CHARLESTON 25305

CECIL H. UNDERWOOD  
GOVERNOR

February 25, 1999

The Honorable Kenneth Beard  
Mayor  
Town of Bramwell  
Box 338  
Bramwell, West Virginia 24715

Dear Mayor Beard:

Thank you for your application to the Small Cities Block Grant program.

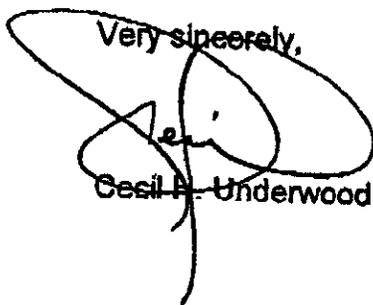
Your request has been approved in the amount of \$1,250,000. These funds will enable you to upgrade the town of Bramwell's water system and extend water service to the community of Bluewell.

In order to most effectively use the limited dollars available, I hereby commit \$500,000 from our fiscal year 1998 allocation, which will be immediately available to you. The remaining \$750,000 will be evaluated and committed in the coming fiscal year.

The West Virginia Development Office, Community Development staff, will contact you to complete the necessary contract in order to proceed with your project.

I am pleased to assist with these improvements for the citizens of Bramwell.

Very sincerely,

  
Cecil H. Underwood

CHU:jba



STATE OF WEST VIRGINIA  
OFFICE OF THE GOVERNOR  
CHARLESTON 25305

CECIL H. UNDERWOOD  
GOVERNOR

September 15, 1999

RECEIVED

SEP 17 1999

REGION I PDC

The Honorable Kenneth Beard  
Mayor  
Town of Bramwell  
Post Office Box 338  
Bramwell, West Virginia 24715-0338

Dear Mayor Beard:

On February 25, 1999, the town of Bramwell received a commitment of \$1,250,000 in Small Cities Block Grant funds for a water project which will regionalize the existing water distribution system and serve 404 customers in Bramwell and the Bluewell area of Mercer County.

The SCBG award was based upon your immediate need for funds; and, therefore, only \$500,000 was made available from the FY1998 allocation, with a commitment to evaluate your progress and provide the remaining funding from future allocations.

Based upon the town's ability to proceed with this worthwhile community development project, I am committing the remaining \$750,000 from the FY1999 Small Cities allocation. Your existing SCBG contract will be amended to include the additional funds.

The West Virginia Development Office reserves the ability to withdraw these funds if your project does not proceed on schedule. These funds would be replaced with a letter of intent for consideration from future allocations.

I am pleased to work with you to make this improvement a reality for the citizens of Bramwell.

Very sincerely,

Cecil H. Underwood

CHU:tra

cc: i Region I





United States  
Department of  
Agriculture

Rural Development

Federal Building, Room 320  
75 High Street  
Morgantown, WV 26505  
Telephone: (304) 284-4888  
Fax: (304) 284-4892  
TTY/TDD: (304) 284-4836

August 29, 2000

Bluewell Public Service District  
Water Revenue Bonds, Series 2000  
(West Virginia DWTRF Program)

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present holder of the entire outstanding aggregate principal amounts of the Prior Bonds, hereinafter defined and described, hereby (i) consents to the issuance of the Water Revenue Bonds, Series 2000 (West Virginia DWTRF Program) (the "Bonds"), in the original aggregate principal amount of not to exceed \$1,275,000, by Bluewell Public Service District (the "Issuer"), under the terms of the bond resolution authorizing the issuance of the Bonds (the "Resolution"), on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Waterworks Revenue Bond, Series A, dated September 2, 1964, the Water Revenue Bond, Series 1982, dated April 20, 1982, the Water Revenue Bond, Series 1993, dated July 15, 1993, the Water Revenue Bonds, Series 1998 A, dated January 26, 1998 and the Water Revenue Bonds, Series 1998 B, dated January 26, 1998 (collectively, the "Prior Bonds"); (ii) waives any requirements imposed by the Prior Bonds or the resolution authorizing the Prior Bonds (the "Prior Resolution"), regarding the issuance of parity bonds which are not met by the Bonds or the Resolution; and (iii) consents to any amendments made to the Prior Resolution by the Resolution.

  
\_\_\_\_\_  
Robert D. Lewis  
State Director





UNITED STATES DEPARTMENT OF COMMERCE  
Economic Development Administration  
Washington, D.C. 20230

Bluewell Public Service District  
Water Revenue Bonds, Series 2000  
(West Virginia DWTRF Program)

Receipt of Payment

The undersigned duly authorized representative of the United States Department of Commerce- Economic Development Administration, the registered owner of the Waterworks Revenue Bonds, Series 1970, the "Prior Bonds") of the Town of Bramwell (the "Town") dated December 1, 1970, issued in the original aggregate principal amount of \$229,000, bearing interest at the rate of 4 3/4% per annum, hereby certifies that he has received on behalf of the United States Department of Commerce - Economic Development Administration, the sum of \$190,734.33 from the Town and such sum is sufficient to pay the outstanding principal amount of the prior Bonds and all interest accrued on the Prior Bonds to the date thereof and discharge the liens, pledges and encumbrances securing the Prior Bonds.

Dated this 29<sup>th</sup> day of August, 2000

United States Department of  
Commerce - Economic Development  
Administration

Authorized Representative



# MEMORANDUM

**To:** Financing Team  
**From:** John C. Stump, Esquire  
**Date:** August 29, 2000  
**Re:** Closing Memo - Bluewell Public Service District Water Revenue Bonds, Series 2000 (West Virginia DWTRF Program)

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## 1. DISBURSEMENTS TO BLUEWELL PUBLIC SERVICE DISTRICT

Payor: West Virginia Bureau for Public Health (West Virginia DWTRF Program)  
Amount: \$260,750  
Form: Wire Transfer  
Payee: Bluewell Public Service District  
Bank: First Community Bank, Inc.  
Routing #: 051501299  
Account #: 33 07926  
Contact: Mr. Dorwin Byrd, CEO (304-589-3301)  
Account: Series 2000 Bonds Construction Account

## 2. DISBURSEMENTS BY BLUEWELL PUBLIC SERVICE DISTRICT FROM BOND PROCEEDS

Source: Series 2000 Bond Proceeds (West Virginia DWTRF Program)  
Amount: \$225,000  
Form: Wire Transfer  
Payee: Town of Bramwell  
Bank: First Century Bank, National Association  
Routing #: 051500601  
Account #: 619447  
Contact: Kenneth W. Beard, Mayor (304-324-3305)  
Account: Town of Bramwell Clearing Account

3. **DISBURSEMENTS BY TOWN OF BRAMWELL TO UNITED STATES  
DEPARTMENT OF COMMERCE, ECONOMIC DEVELOPMENT  
ADMINISTRATION**

Source: Town of Bramwell  
Amount: \$190,734.33  
Form: Wire Transfer  
Payee: United States Department of Commerce - Economic  
Development Administration  
Bank: United States Treasury  
ABA No.: 021030004  
Tele Abbreviation: TREAS NYC/CTR  
Project Number: BNF=AC-132000010BI  
Contact: Andrew Knight (202) 482-5431

08/25/00  
088390/00001

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