

**THE ENLARGED HEPZIBAH  
PUBLIC SERVICE WATER DISTRICT**

**Sewer Revenue Bonds, Series 2003 A  
(West Virginia SRF Program)**

**DATE OF CLOSING:**

**September 23, 2003**

**BOND TRANSCRIPT**

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**Sewer Revenue Bonds, Series 2003 A  
(West Virginia SRF Program)**

**BOND TRANSCRIPT**

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**THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT**

**SEWER REVENUE BONDS, SERIES 2003 A  
(WEST VIRGINIA SRF PROGRAM)**

**BOND RESOLUTION**

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THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$1,900,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT RESOLVED BY THE PUBLIC SERVICE BOARD OF THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER 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 22C, Article 2 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. The Enlarged Hepzibah Public Service Water District (the "Issuer") is a public service district and a public corporation and political subdivision of the State of West Virginia in Harrison County of said State.

B. The Issuer presently owns and operates a public sewerage system. 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 improvements and extensions to the existing public sewerage facilities of the Issuer, consisting of the expansion of the Issuer's sewerage system in order to serve an additional 49 customers along Farnum Road, the upgrading of two existing wastewater treatment plants located in the Erie and Spelter areas of Harrison County, and the purchase of a 1,500 gallon vacuum sludge truck, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection, transportation, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes (the existing public sewerage system of the Issuer, the Project and any further additions, betterments and improvements thereto or extensions thereof are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineer, 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"), in connection with the West Virginia Water Pollution Control Revolving Fund Program which the Authority administers pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), in the total aggregate principal amount of not more than \$1,900,000 (the "Series 2003 A Bonds"), to permanently finance a portion of the costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the SRF Program; interest, if any, upon the Series 2003 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding six (6) months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2003 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the SRF 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 2003 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition and construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2003 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after the completion of the Project is not less than 30 years.

F. It is in the best interests of the Issuer that the Series 2003 A Bonds be sold to the Authority pursuant to the terms and provisions of the Bond Purchase Agreement (hereinafter defined), by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the parties thereunder, 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 2003 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's Sewer Revenue Note, Series 2002, dated January 10, 2003, issued in the original aggregate principal amount of \$70,000 to Bank One, NA (the "Prior Bonds").

The Series 2003 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2003 A Bonds, the Issuer will obtain a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and the written consent of the Holders of the Prior Bonds to the issuance of the Series 2003 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no Outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Resolutions.

H. The estimated revenues to be derived in each year following completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, to pay the principal of and interest on the Series 2003 A Bonds and the Prior Bonds, and to make payments into all funds and accounts and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law and the Bond Purchase Agreement relating to authorization of the acquisition and construction of the Project and operation of the System and issuance of the Series 2003 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2003 A Bonds or such final order will not be subject to appeal or rehearing.

J. The Project has been reviewed and determined to be technically and financially feasible by the West Virginia Infrastructure and Jobs Development Council (the

"Council") pursuant to 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 2003 A Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2003 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of adoption hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2003 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP 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.

"Bank One" shall mean Bank One, NA, with Columbus, Ohio as its main office, formerly known as Bank One, West Virginia, N.A., who is the holder of the Prior Bonds.

"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 2003 A Bonds, the Prior Bonds and any bonds on a parity therewith subsequently authorized to be issued hereunder or by another resolution of the Issuer.

"Bond Purchase Agreement" means the Bond Purchase Agreement heretofore entered into, or to be entered into, by and among the Authority, the DEP and the Issuer, providing for the purchase of the Series 2003 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2003 A Bonds for all or a portion of the proceeds of the Series 2003 A Bonds from the Authority.

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

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

"Consulting Engineers" means Thrasher Engineering, Inc., Clarksburg, 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.

"DEP" means the West Virginia Department of Environmental Protection or any other agency, board or department of the State that succeeds to the functions of the DEP.

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

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

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

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

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

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

"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 The Enlarged Hepzibah Public Service Water District, a public service district, public corporation and political subdivision of the State of West Virginia in Harrison County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

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

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

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

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

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds or Prior Bonds theretofore and thereupon being authenticated and delivered, except (i) any Bond or Prior Bonds cancelled by the Bond Registrar or registrar for the Prior Bonds at or prior to said date; (ii) any Bond or Prior Bonds for the payment of which monies, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; (iv) any Prior Bonds deemed to have been paid in accordance with the resolution authorizing the issuance thereof; and (v) for purposes of consents or other action by a specified percentage of Bondholders, or holders of Prior Bonds, any Bonds or Prior 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 2003 A Bonds in the Supplemental Resolution.

"Prior Bonds" means the Issuer's Sewer Revenue Note, Series 2002, dated January 10, 2003, issued in the original aggregate principal amount of \$70,000, described in Section 1.02G hereof.

"Prior Resolutions" means the resolution of the Issuer duly adopted December 23, 2002, authorizing the Prior Bonds.

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

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

"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.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by section 5.01 hereof.

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Series 2003 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts of the Series 2003 A Bonds and the Prior Bonds.

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

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

"Series 2003 A Bonds" means the Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), of the Issuer, authorized by this Resolution.

"Series 2003 A Bonds Construction Trust Fund" means the Series 2003 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2003 A Bonds Reserve Account" means the Series 2003 A Bonds Reserve Account established in the Series 2003 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2003 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2003 A Bonds in the then current or any succeeding year.

"Series 2003 A Bonds Sinking Fund" means the Series 2003 A Bonds Sinking Fund established by Section 5.02 hereof.

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

"SRF Administrative Fee" means any administrative fee required to be paid under the Bond Purchase Agreement for the Series 2003 A Bonds.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution or order of the Issuer supplementing or amending this Resolution and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of the Series 2003 A Bonds; provided, that any matter intended by this Resolution to be included in the Supplemental Resolution with respect to the Series 2003 A Bonds, and not so included, may be included in another Supplemental Resolution.

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

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

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

Additional terms and phrases are defined in this Resolution as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender; and any requirement for execution or attestation of the 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 not to exceed \$2,054,213, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, hereto filed in the office of the Governing Body. The proceeds of the Series 2003 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, in an amount and otherwise compatible with the financing plan submitted to the Authority and the DEP.

The total cost of the Project is estimated not to exceed \$2,054,213, of which an amount not to exceed \$1,900,000 will be obtained from proceeds of the Series 2003 A Bonds and \$154,213 will be obtained pursuant to a grant from the West Virginia Infrastructure and Jobs Development Council.

### ARTICLE III

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

Section 3.01.      Authorization of Bonds. For the purposes of capitalizing interest on the Series 2003 A Bonds, funding a reserve account for the Series 2003 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2003 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2003 A Bonds of the Issuer. The Series 2003 A Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program)," in the principal amount of not more than \$1,900,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2003 A Bonds remaining after funding of the Series 2003 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2003 A Bonds, if any, shall be deposited in or credited to the Series 2003 A Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02.      Terms of Bonds. The Series 2003 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Bond Purchase Agreement. The Series 2003 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2003 A Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2003 A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2003 A Bonds. The Series 2003 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2003 A Bonds shall be executed in the name of the Issuer by the Chairman, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Secretary. In case any one or more of the officers who shall have signed or sealed the Series 2003 A Bonds shall cease to be such officer of the Issuer before the Series 2003 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2003 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2003 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 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 2003 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2003 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2003 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that such Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2003 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Series 2003 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging the Series 2003 A Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

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

Section 3.07.      Bonds not to be Indebtedness of the Issuer. The Series 2003 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2003 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2003 A Bonds or the interest, if any, thereon.

Section 3.08.      Bonds Secured by Pledge of Net Revenues: Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2003 A Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2003 A Bonds and the Prior Bonds and to make all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09.      Delivery of Bonds. The Issuer shall execute and deliver the Series 2003 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2003 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2003 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2003 A Bonds to the original purchasers;

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

D. An executed copy of the Bond Purchase Agreement;  
and

E. The unqualified approving opinion of bond counsel on the Series 2003 A Bonds.

Section 3.10.      Form of Bonds. The text of the Series 2003 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 2003 A BOND)

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT  
SEWER REVENUE BOND, SERIES 2003 A  
(WEST VIRGINIA SRF PROGRAM)

No. AR-1

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

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

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated \_\_\_\_\_, 2003.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage facilities of the Issuer, the Project and any further improvements and extensions thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on \_\_\_\_\_, 2003, and a Supplemental Resolution duly adopted by the Issuer on \_\_\_\_\_, 2003 (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 SEWER REVENUE NOTE, SERIES 2002, DATED JANUARY 10, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$70,000 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2003 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act, and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2003 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2003 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding

on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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, THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER 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 \_\_\_\_\_, 2003.

[SEAL]

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2003 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: \_\_\_\_\_, 2003.

THE HUNTINGTON NATIONAL BANK,  
as Registrar

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

(Form of)

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL \$ \_\_\_\_\_

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

\_\_\_\_\_

In the presence of:

\_\_\_\_\_

Section 3.11.      Sale of Bonds: Approval and Ratification of Execution of Bond Purchase Agreement. The Series 2003 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous resolution, the Chairman is specifically authorized and directed to execute the Bond Purchase 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 Bond Purchase Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Bond Purchase Agreement, including all schedules and exhibits attached hereto, are hereby approved and incorporated into this Bond Legislation.

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

ARTICLE IV

[RESERVED]

## ARTICLE V

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

Section 5.01. Establishment of Funds and Accounts with Depository Bank.

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

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund; and
- (3) Series 2003 A Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission.

The following special funds or accounts are hereby created with and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

- (1) Series 2003 A Bonds Sinking Fund; and
- (2) Series 2003 A Bonds Reserve Account.

Section 5.03. System Revenues: Flow of Funds. A. The entire Gross

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

- (1) The Issuer shall first, each month, pay from the Revenue Fund the Operating Expenses of the System.
- (2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to Bank One, the amount required by the Prior Resolutions to pay interest on the Prior Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit (i) to Bank One, the amount required by the Prior Resolutions to pay principal of the Prior Bonds; and (ii) to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2003 A Bonds, for deposit in the Series 2003 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2003 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2003 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2003 A Bonds, if not fully funded upon issuance of the Series 2003 A Bonds, for deposit in the Series 2003 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2003 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2003 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2003 A Bonds Reserve Requirement.

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

determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2003 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2003 A Bonds, as the same shall become due. Monies in the Series 2003 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2003 A Bonds, as the same shall come due, when other monies in the Series 2003 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2003 A Bonds Sinking Fund and the Series 2003 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2003 A Bonds Construction Trust Fund, and following completion of the 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 2003 A Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2003 A Bonds Reserve Account which result in a reduction in the balance of the Series 2003 A Bonds Reserve Account to below the Series 2003 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

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

The Issuer shall not be required to make any further payments into the Series 2003 A Bonds Sinking Fund or the Series 2003 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2003 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2003 A Bonds and the Prior Bonds, all in accordance with the respective principal amounts then outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2003 A Bonds Sinking Fund and the Series 2003 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into the Series 2003 A Bonds Sinking Fund and the Series 2003 A Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2003 A Bonds Sinking Fund and the Series 2003 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2003 A Bonds Sinking Fund, and the Series 2003 A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2003 A Bonds under the conditions and restrictions herein set forth.

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

C. The Issuer shall 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 2003 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. 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 SRF Administrative Fee as set forth in Schedule Y attached to the Bond Purchase Agreement.

D. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Bond Purchase 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.

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

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

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

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the Series 2003 A Bonds Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2003 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2003 A Bonds, there shall first be deposited with the Commission in the Series 2003 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2003 A Bonds, there shall be deposited with the Commission in the Series 2003 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2003 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2003 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2003 A Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2003 A Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2003 A Bonds shall be applied as directed by the DEP.

Section 6.02. Disbursements From the Bond Construction Trust Fund.

A. On or before the Closing Date, the Issuer shall have delivered to the DEP and the Authority a report listing the specific purposes for which the proceeds of the Series 2003 A Bonds will be expended and the disbursement procedures for such proceeds, including, if applicable, an estimated monthly draw schedule. Payments of all Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2003 A Bond Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP, of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Bond Purchase Agreement, 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 due and owing.

B. Pending such application, monies in the Series 2003 A Bond 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 2003 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2003 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2003 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2003 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2003 A Bonds, shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2003 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2003 A 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 such 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 Series 2003 A Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Bond Purchase Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the Commission Order of the Public Service Commission of West Virginia entered June 6, 2003, as modified by that certain Commission Order entered July 3, 2003, in Case No. 03-0174-PSD-CN, and such rates are hereby adopted.

So long as the Series 2003 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Bond Purchase Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2003 A Bonds shall prove to be insufficient to produce the amounts required by this Bond Legislation and the Bond Purchase 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 amounts required by this Bond Legislation and the Bond Purchase 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, or any part thereof, except as provided in the Prior Resolutions. Additionally, so long as the Series 2003 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, 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 2003 A Bonds, immediately be remitted to the Commission for deposit in the Series 2003 A Bonds Sinking Fund, and, with the written permission of the DEP and the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2003 A Bonds. Any balance remaining after the payment of the Series 2003 A Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said fund by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of \$50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2003 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2003 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2003 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2003 A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2003 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and the DEP 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. Additionally, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2003 A Bonds pursuant to this Bond Legislation, except with the prior written consent of the DEP and the Authority under the conditions and

in the manner herein provided (unless less restrictive than the provisions of the Prior Resolutions).

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

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

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

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

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

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the

System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on revenues of the System is subject to the prior and superior liens of the Series 2003 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2003 A 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 DEP, 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 DEP such documents and information as they may reasonably require in connection with the acquisition and construction 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 DEP, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and

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

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

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

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2003 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2003 A Bonds, requesting the same, an annual report containing the following:

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation, and the status of all said funds and accounts.

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2003 A Bonds, and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 2003 A Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the

Issuer is in compliance with the terms and provisions of the Bond Purchase Agreement, the Act 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 Bond Purchase 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 DEP 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 and commencement of operation of the Project, the Issuer shall also provide the Authority and the DEP, or their agents and representatives, access to the System site and facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the DEP with respect to the System pursuant to the Act.

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in EXHIBIT E of the Bond Purchase Agreement or as promulgated from time to time.

Section 7.09.      Rates. Prior to the issuance of the Series 2003 A Bonds equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Secretary, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2003 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2003 A Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2003 A Bonds Reserve Account and the Reserve Accounts for obligations on a parity

with the Series 2003 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2003 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2003 A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the DEP 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 DEP 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 Bond Purchase Agreement as Exhibit B, and forward a copy of such report to the Authority and the DEP 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 Bond Purchase 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 DEP and the Authority, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the DEP and the Authority 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 DEP and the Authority covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the DEP and the Authority and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Bond Purchase Agreement as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP 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 Bond Purchase Agreement. The Issuer shall notify the DEP 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 20 days after the same shall become due and payable, the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and

other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of 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 2003 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. 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 Bond Purchase 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 no 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 DEP and the Issuer shall verify such insurance prior to commencement of construction. In the event the Bond Purchase Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 7.17. Completion and Operation of Project: Permits and Orders.

The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2003 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Tax Covenants. The Issuer hereby further covenants and

agrees as follows:

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

proceeds used for the governmental use of the portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

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

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

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

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2003 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.19. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2003 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2003 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

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

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

Section 7.21.      Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.22.      Contracts: Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2003 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2003 A Bonds held in "contingency" as set forth in the Schedule attached to the Certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2003 A Bonds made available due to bid or construction or project underruns.

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

## ARTICLE VIII

### INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Series 2003 A Bonds from gross income for federal income tax purposes.

Section 8.02.      Certificate as to Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2003 A Bonds as a condition to issuance of the Series 2003 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2003 A Bonds as may be necessary in order

to maintain the status of the Series 2003 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2003 A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, the Council or the DEP, as the case may be, from which the proceeds of the Series 2003 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, the Council or the DEP, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Resolution.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2003 A Bonds and any additional information requested by the Authority.

## ARTICLE IX

### DEFAULT AND REMEDIES

Section 9.01.      Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2003 A Bonds:

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

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2003 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2003 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; 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 Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holder of the Series 2003 A Bonds shall be on a parity with the Holders of the Prior Bonds.

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

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

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

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

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

ARTICLE X

PAYMENT OF BONDS

Section 10.01.      Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2003 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2003 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2003 A Bonds from gross income for federal income tax purposes.

## ARTICLE XI

### MISCELLANEOUS

Section 11.01.     Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2003 A Bonds, this Resolution may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2003 A Bonds, no material modification or amendment of this Resolution, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2003 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2003 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds, required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2003 A Bonds from gross income of the holders thereof.

Section 11.02.     Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2003 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03.     Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Resolution should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution, the Supplemental Resolution, or the Series 2003 A Bonds.

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

Section 11.05.      Notices. All notices to be sent to the Issuer, the Authority or the DEP 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:

The Enlarged Hepzibah Public Service Water District  
Drawer H  
Hepzibah, West Virginia 26369  
Attention: Howard Mall, Manager

AUTHORITY:

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

DEP:

West Virginia Department of Environmental Protection  
1560 Kanawha Boulevard, East  
Charleston, West Virginia 25301

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

Section 11.06.      Conflicting Provisions Repealed; Prior Resolutions. Except for the Prior Resolutions, 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 The Enlarged Hepzibah Public Service Water District and within the boundaries of the District, a Class II legal advertisement stating:

(a) The maximum amount of the Series 2003 A Bonds to be issued;

(b) The maximum interest rate and terms of the Series 2003 A Bonds authorized hereby;

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

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

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

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

Adopted this 22nd day of September, 2003.

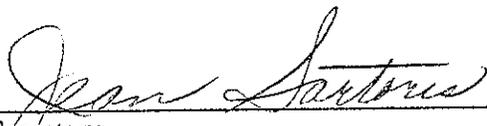
  
Chairman

CERTIFICATION

Certified a true copy of a Resolution duly adopted by the Public Service Board of THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT on the 22nd day of September, 2003.

Dated: September 23, 2003.

[SEAL]

  
Secretary

09/08/03  
406790/00002

EXHIBIT A

Bond Purchase Agreement included in bond transcript as Document 3.



THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT

Sewer Revenue Bonds, Series 2003 A  
(West Virginia SRF 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 SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM), OF THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT; RATIFYING AND APPROVING THE BOND PURCHASE 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 The Enlarged Hepzibah Public Service Water District (the "Issuer") has duly and officially adopted a bond resolution on September 22, 2003 (the "Bond Resolution" or the "Resolution"), entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$1,900,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS;

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

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

WHEREAS, the Bond Resolution provides for the issuance of Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), of the Issuer (the "Bonds" or the "Series 2003 A Bonds"), in the aggregate principal amount not to exceed \$1,900,000, and has authorized the execution and delivery of a bond purchase agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") (the "Bond Purchase Agreement"), all in accordance with Chapter 16, Article 13A and Chapter 22C, Article 2 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 Bond Purchase Agreement and the exact principal amount, date, maturity date, redemption provisions, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT:

Section 1. Pursuant to the Bond Resolution and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of \$1,900,000. The Series 2003 A Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2035, and shall bear no interest. The principal of the Series 2003 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2005, and maturing March 1, 2035, and in the amounts as set forth in the "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Series 2003 A Bonds. The Series 2003 A Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the Bond Purchase Agreement, so long as the Authority shall be the registered owner of the Series 2003 A Bonds. The Issuer does hereby approve and shall pay the SRF administrative fee equal to 1/2% of the principal amount of the Series 2003 A Bonds set forth in the "Schedule Y" attached to the Bond Purchase 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 Bond Purchase Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Bond Purchase 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 Bond Purchase Agreement and in the applications to the DEP 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 The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Bond Resolution and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Chairman, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed.

Section 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 Branch Banking and Trust Company, Fairmont, West Virginia, to serve as Depository Bank under the Bond Resolution.

Section 7. Series 2003 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2003 A Bonds Sinking Fund as capitalized interest.

Section 8. Series 2003 A Bonds proceeds in the amount of \$-0- shall be deposited in the Series 2003 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2003 A Bonds shall be deposited or credited to the Series 2003 A Bonds Construction Trust Fund for payment of the costs of the Project, including costs of issuance of the Series 2003 A Bonds.

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 Series 2003 A Bonds to be issued hereby and by the Bond Resolution approved and provided for, to the end that the Series 2003 A Bonds may be delivered to the Authority pursuant to the Bond Purchase Agreement on or about September 23, 2003.

Section 11. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 2003 A 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.

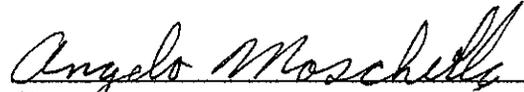
Section 12. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Resolution held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, 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 2003 A Bonds Sinking Fund and the Series 2003 A Bonds Reserve Account shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 14. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 22nd day of September, 2003.

THE ENLARGED HEPZIBAH PUBLIC  
SERVICE WATER DISTRICT

  
Chairman

CERTIFICATION

Certified a true copy of a Supplemental Bond Resolution duly adopted by the Public Service Board of THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT on the 22nd day of September, 2003.

Dated: September 23, 2003.

[SEAL]

  
Secretary

SRF-BPA-1  
(02/03/03)

BOND PURCHASE AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND BOND PURCHASE AGREEMENT (the "Bond Purchase Agreement"), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), the WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION (the "DEP"), and the local government designated below (the "Local Government").

THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT  
(Local Government)

WITNESSETH:

WHEREAS, the United States Congress under Title VI of the federal Clean Water Act, as amended (the "Clean Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining state water pollution control revolving funds for the planning, design, construction, acquisition and/or improvement of wastewater treatment facilities;

WHEREAS, pursuant to the provisions of Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a state water pollution control revolving fund program (the "Program") to acquire bonds of particular local governments pursuant to the Clean Water Act;

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

WHEREAS, under the Act and under the direction of DEP, the Authority has established a permanent perpetual fund known as the "West Virginia Water Pollution Control Revolving Fund" (hereinafter the "Fund");

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to utilize moneys from the Fund to purchase the bonds of local governments to provide the financing for the acquisition or construction of wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

WHEREAS, the Local Government constitutes a local government as defined by the Act;

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

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

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

WHEREAS, the Local Government has completed and filed with the Authority and DEP an Application for Purchase of Bonds with attachments and exhibits and an Amended Application for Purchase of Bonds also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference;

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

WHEREAS, the Local Government meets the "disadvantaged community" provisions of the SRF Regulations.

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

## ARTICLE I

### Definitions

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

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

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

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

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

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

1.7 "Program" means the wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by DEP.

1.8 "Project" means the wastewater treatment facility project hereinabove referred to, to be constructed or being constructed by the Local Government in whole or in

part with the net proceeds of the Local Bonds or being or having been constructed by the Local Government in whole or in part with the proceeds of bond anticipation notes or other interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

1.9 "SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations, as amended.

1.10 "System" means the wastewater treatment facility owned by the Local Government, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

1.11 Additional terms and phrases are defined in this Bond Purchase Agreement as they are used.

## ARTICLE II

### The Project and the System

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

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

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

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

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

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

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

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

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

2.9 The Local Government shall provide and maintain competent and adequate engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, DEP and the Local Government at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Government shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

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

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

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

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

### ARTICLE III

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

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

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

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

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

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

otherwise compatible with the plan of financing described in the Application; and, in either case, the Authority and DEP shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit D;

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

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

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

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

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

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

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

3.3 The Local Bonds shall be secured and shall be repaid in the manner hereinafter provided in this Bond Purchase Agreement.

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

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for financing of wastewater treatment projects and that the obligation of the Authority to purchase the Local

Bonds is subject to the Local Government's fulfilling all of the terms and conditions of this Bond Purchase Agreement on or prior to the Date of Closing and to the requirements of the Program. The Local Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority may purchase the bonds of other local governments set out in the State Project Priority List, as defined in the SRF Regulations. The Local Government further specifically recognizes that all bonds will be purchased in conjunction with the SRF Regulations and with the prior approval of DEP.

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

#### ARTICLE IV

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

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to purchase the Local Bonds, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Government in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows:

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

- (i) to pay Operating Expenses of the System;
- (ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or

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

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

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

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

(b) Covenants substantially as follows:

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

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

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

(iv) That, except as otherwise required by State law or the SRF Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole or substantially as a whole, provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

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

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

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

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

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

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

(xi) That the Local Government shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and DEP, which report shall include a statement that the Local Government is in compliance with the terms and provisions of the Local Act and this Bond Purchase Agreement and that the Local Government's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE V

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

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

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

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to this Bond Purchase Agreement, the amount of such default shall bear interest at the interest rate of the installment of the Local Bonds next due, from the date of the default until the date of the payment thereof.

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

## ARTICLE VI

### Other Agreements of the Local Government

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

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

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

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

6.5 Notwithstanding Section 6.4, the Authority and DEP may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local

Government to be monitored or cause the rebate calculations for the Local Government to be prepared, in either case at the expense of the Local Government.

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

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

## ARTICLE VII

### Miscellaneous

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

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

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

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

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

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

7.7 This Bond Purchase Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Government from either the Authority or DEP;

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

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

(iv) payment in full of the principal of and interest on the Local Bonds and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Local Bonds purchased under this Bond Purchase Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the State legislature or otherwise being available to purchase the Local Bonds. In the event funds are not appropriated or otherwise available to purchase all of the Local Bonds, the responsibility of the Authority and DEP to purchase the Local Bonds is terminated; provided further that the obligation of the Local Government to repay the outstanding amount of the Local Bonds is not terminated due to such non-funding on any balance of the Local Bonds. The DEP agrees to use its best efforts to have the amount contemplated under this Bond Purchase Agreement included in its budget. Non-appropriation or non-funding of the Loan shall not be considered an event of default under this Bond Purchase Agreement.

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

THE ENLARGED HEPZIBAH PSWD  
[Name of Local Government]

(SEAL)

By: Angelo Muschella  
Its: Chairman  
Date: Sept 22-03

Attest:

Jean Sartorius  
Its: Secretary

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, DIVISION OF WATER AND WASTE MANAGEMENT

By: \_\_\_\_\_  
Its: Director  
Date: \_\_\_\_\_

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: Samuel B. Lyubish  
Its: Director  
Date: August 29, 2003

Attest:

Barbara B. Meadows  
Its: Secretary-Treasurer

000832/00372  
02/03/03

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

ENLARGED HEPZIBAH PSD  
[Name of Local Government]

(SEAL)

By: Angelo Moschella  
Its: Chairman  
Date: September 8, 2003

Attest:

Jean Sartoris  
Its: Secretary

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, DIVISION OF WATER AND WASTE MANAGEMENT

By: Allyn B. Turner by ast  
Its: Director  
Date: 9-10-03

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: David B. Zupkash  
Its: Director  
Date: August 29, 2003

Attest:

Barbara B. Meadows  
Its: Secretary-Treasurer

000832/00372  
02/03/03

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

7.7 This Bond Purchase Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Government from either the Authority or DEP;

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

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

(iv) payment in full of the principal of and interest on the Local Bonds and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Local Bonds purchased under this Bond Purchase Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the State legislature or otherwise being available to purchase the Local Bonds. In the event funds are not appropriated or otherwise available to purchase all of the Local Bonds, the responsibility of the Authority and DEP to purchase the Local Bonds is terminated; provided further that the obligation of the Local Government to repay the outstanding amount of the Local Bonds is not terminated due to such non-funding on any balance of the Local Bonds. The DEP agrees to use its best efforts to have the amount contemplated under this Bond Purchase Agreement included in its budget. Non-appropriation or non-funding of the Loan shall not be considered an event of default under this Bond Purchase Agreement.

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

Name of Local Government \_\_\_\_\_  
 Name of Bond Issue(s) \_\_\_\_\_  
 Type of Project \_\_\_\_\_ Water \_\_\_\_\_ Wastewater \_\_\_\_\_  
 Fiscal Year \_\_\_\_\_ Report Month \_\_\_\_\_

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

\_\_\_\_\_  
 Name of Person Completing Form

\_\_\_\_\_  
 Address

\_\_\_\_\_  
 Telephone

## INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

EXHIBIT C

PAYMENT REQUISITION FORM

(All Copies to Be Provided by DEP for Each Project)

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

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

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

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

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

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

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

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

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

\_\_\_\_\_

By \_\_\_\_\_

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

[SEAL]

\_\_\_\_\_

<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".

<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 E

SPECIAL CONDITIONS

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

B. AUDIT REQUIREMENT (Supplement to Article IV 4.1 (b) (xi)) - The Local Government that receives \$300,000 or more (in federal funds) in a fiscal year must obtain audits in accordance with the Single Audit Act and the applicable OMB Circular or any successor thereto. Financial statement audits are required once all funds have been received by the Local Government.

EXHIBIT F

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

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

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

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

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

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

[Name of Local Government]

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

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Closing]

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

West Virginia Department of Environmental Protection  
1560 Kanawha Boulevard, East  
Charleston, WV 25311

Ladies and Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a bond purchase agreement dated \_\_\_\_, \_\_\_\_, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), among the Local Government, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the issue of a series of revenue bonds of the Local Government, dated \_\_\_\_\_, \_\_\_\_ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Local Bonds are issued in the principal amount of \$ \_\_\_\_\_, in the form of one bond, registered as to principal only to the Authority, with principal payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning \_\_\_\_ 1, \_\_\_\_, and ending \_\_\_\_ 1, \_\_\_\_, all as set forth in the "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Local Bonds.

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

We have also examined the applicable provisions of \_\_\_\_\_ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond \_\_\_\_\_ duly adopted or enacted by the Local Government on \_\_\_\_\_, as supplemented by the supplemental resolution duly adopted by the Local Government on \_\_\_\_\_

(collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Bond Purchase Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Bond Purchase Agreement.

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

1. The Bond Purchase Agreement has been duly authorized by and executed on behalf of the Local Government and is a valid and binding special obligation of the Local Government, enforceable in accordance with the terms thereof.
2. The Bond Purchase Agreement inures to the benefit of the Authority and the DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Local Government without the consent of the Authority and the DEP.
3. The Local Government is a duly organized and validly existing \_\_\_\_\_, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Local Act and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.
4. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Local Government and constitute valid and binding obligations of the Local Government, enforceable against the Local Government in accordance with their terms. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Bond Purchase Agreement.
5. The Local Bonds have been duly authorized, issued, executed and delivered by the Local Government to the Authority and are valid, legally enforceable and binding special obligations of the Local Government, payable from the net or gross revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the net or gross revenues of the System, all in accordance with the terms of the Local Bonds and the Local Act.
6. The Local Bonds are, by statute, exempt \_\_\_\_\_, and under existing statutes and court decisions of the United States of America, as presently written and applied, the interest on the Local Bonds is excludable from the gross income of the recipients thereof for federal income tax purposes.

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds \$1,900,000

Purchase Price of Local Bonds \$1,900,000

The Local Bonds shall bear no interest. Commencing June 1, 2005, principal of the Local Bonds is payable quarterly, with an administrative fee of 0.5%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

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

Sewer Revenue Note, Series 2002, dated January 10, 2003, issued in the original principal amount of \$70,000 to Bank One, West Virginia, National Association.

SCHEDULE Y

The Enlarged Hepzibah Public Service Water District

Loan of \$1,900,000

30 Years, 0% Interest Rate, 0.5% Administrative Fee

Closing Date: September 23, 2003

DEBT SERVICE SCHEDULE

| Date       | Principal | Coupon | Total P+I |
|------------|-----------|--------|-----------|
| 12/01/2003 | -         | -      | -         |
| 3/01/2004  | -         | -      | -         |
| 6/01/2004  | -         | -      | -         |
| 9/01/2004  | -         | -      | -         |
| 12/01/2004 | -         | -      | -         |
| 3/01/2005  | -         | -      | -         |
| 6/01/2005  | 15,834.00 | -      | 15,834.00 |
| 9/01/2005  | 15,834.00 | -      | 15,834.00 |
| 12/01/2005 | 15,834.00 | -      | 15,834.00 |
| 3/01/2006  | 15,834.00 | -      | 15,834.00 |
| 6/01/2006  | 15,834.00 | -      | 15,834.00 |
| 9/01/2006  | 15,834.00 | -      | 15,834.00 |
| 12/01/2006 | 15,834.00 | -      | 15,834.00 |
| 3/01/2007  | 15,834.00 | -      | 15,834.00 |
| 6/01/2007  | 15,834.00 | -      | 15,834.00 |
| 9/01/2007  | 15,834.00 | -      | 15,834.00 |
| 12/01/2007 | 15,834.00 | -      | 15,834.00 |
| 3/01/2008  | 15,834.00 | -      | 15,834.00 |
| 6/01/2008  | 15,834.00 | -      | 15,834.00 |
| 9/01/2008  | 15,834.00 | -      | 15,834.00 |
| 12/01/2008 | 15,834.00 | -      | 15,834.00 |
| 3/01/2009  | 15,834.00 | -      | 15,834.00 |
| 6/01/2009  | 15,834.00 | -      | 15,834.00 |
| 9/01/2009  | 15,834.00 | -      | 15,834.00 |
| 12/01/2009 | 15,834.00 | -      | 15,834.00 |
| 3/01/2010  | 15,834.00 | -      | 15,834.00 |
| 6/01/2010  | 15,834.00 | -      | 15,834.00 |
| 9/01/2010  | 15,834.00 | -      | 15,834.00 |
| 12/01/2010 | 15,834.00 | -      | 15,834.00 |
| 3/01/2011  | 15,834.00 | -      | 15,834.00 |
| 6/01/2011  | 15,834.00 | -      | 15,834.00 |
| 9/01/2011  | 15,834.00 | -      | 15,834.00 |
| 12/01/2011 | 15,834.00 | -      | 15,834.00 |
| 3/01/2012  | 15,834.00 | -      | 15,834.00 |
| 6/01/2012  | 15,834.00 | -      | 15,834.00 |
| 9/01/2012  | 15,834.00 | -      | 15,834.00 |
| 12/01/2012 | 15,834.00 | -      | 15,834.00 |
| 3/01/2013  | 15,834.00 | -      | 15,834.00 |
| 6/01/2013  | 15,834.00 | -      | 15,834.00 |
| 9/01/2013  | 15,834.00 | -      | 15,834.00 |
| 12/01/2013 | 15,834.00 | -      | 15,834.00 |
| 3/01/2014  | 15,834.00 | -      | 15,834.00 |
| 6/01/2014  | 15,834.00 | -      | 15,834.00 |
| 9/01/2014  | 15,834.00 | -      | 15,834.00 |
| 12/01/2014 | 15,834.00 | -      | 15,834.00 |
| 3/01/2015  | 15,834.00 | -      | 15,834.00 |
| 6/01/2015  | 15,833.00 | -      | 15,833.00 |

The Enlarged Hepzibah Public Service Water District

Loan of \$1,900,000

30 Years, 0% Interest Rate, 0.5% Administrative Fee

Closing Date: September 23, 2003

DEBT SERVICE SCHEDULE

| Date       | Principal | Coupon | Total P+I |
|------------|-----------|--------|-----------|
| 9/01/2015  | 15,833.00 | -      | 15,833.00 |
| 12/01/2015 | 15,833.00 | -      | 15,833.00 |
| 3/01/2016  | 15,833.00 | -      | 15,833.00 |
| 6/01/2016  | 15,833.00 | -      | 15,833.00 |
| 9/01/2016  | 15,833.00 | -      | 15,833.00 |
| 12/01/2016 | 15,833.00 | -      | 15,833.00 |
| 3/01/2017  | 15,833.00 | -      | 15,833.00 |
| 6/01/2017  | 15,833.00 | -      | 15,833.00 |
| 9/01/2017  | 15,833.00 | -      | 15,833.00 |
| 12/01/2017 | 15,833.00 | -      | 15,833.00 |
| 3/01/2018  | 15,833.00 | -      | 15,833.00 |
| 6/01/2018  | 15,833.00 | -      | 15,833.00 |
| 9/01/2018  | 15,833.00 | -      | 15,833.00 |
| 12/01/2018 | 15,833.00 | -      | 15,833.00 |
| 3/01/2019  | 15,833.00 | -      | 15,833.00 |
| 6/01/2019  | 15,833.00 | -      | 15,833.00 |
| 9/01/2019  | 15,833.00 | -      | 15,833.00 |
| 12/01/2019 | 15,833.00 | -      | 15,833.00 |
| 3/01/2020  | 15,833.00 | -      | 15,833.00 |
| 6/01/2020  | 15,833.00 | -      | 15,833.00 |
| 9/01/2020  | 15,833.00 | -      | 15,833.00 |
| 12/01/2020 | 15,833.00 | -      | 15,833.00 |
| 3/01/2021  | 15,833.00 | -      | 15,833.00 |
| 6/01/2021  | 15,833.00 | -      | 15,833.00 |
| 9/01/2021  | 15,833.00 | -      | 15,833.00 |
| 12/01/2021 | 15,833.00 | -      | 15,833.00 |
| 3/01/2022  | 15,833.00 | -      | 15,833.00 |
| 6/01/2022  | 15,833.00 | -      | 15,833.00 |
| 9/01/2022  | 15,833.00 | -      | 15,833.00 |
| 12/01/2022 | 15,833.00 | -      | 15,833.00 |
| 3/01/2023  | 15,833.00 | -      | 15,833.00 |
| 6/01/2023  | 15,833.00 | -      | 15,833.00 |
| 9/01/2023  | 15,833.00 | -      | 15,833.00 |
| 12/01/2023 | 15,833.00 | -      | 15,833.00 |
| 3/01/2024  | 15,833.00 | -      | 15,833.00 |
| 6/01/2024  | 15,833.00 | -      | 15,833.00 |
| 9/01/2024  | 15,833.00 | -      | 15,833.00 |
| 12/01/2024 | 15,833.00 | -      | 15,833.00 |
| 3/01/2025  | 15,833.00 | -      | 15,833.00 |
| 6/01/2025  | 15,833.00 | -      | 15,833.00 |
| 9/01/2025  | 15,833.00 | -      | 15,833.00 |
| 12/01/2025 | 15,833.00 | -      | 15,833.00 |
| 3/01/2026  | 15,833.00 | -      | 15,833.00 |
| 6/01/2026  | 15,833.00 | -      | 15,833.00 |
| 9/01/2026  | 15,833.00 | -      | 15,833.00 |
| 12/01/2026 | 15,833.00 | -      | 15,833.00 |
| 3/01/2027  | 15,833.00 | -      | 15,833.00 |

The Enlarged Hepzibah Public Service Water District

Loan of \$1,900,000

30 Years, 0% Interest Rate, 0.5% Administrative Fee

Closing Date: September 23, 2003

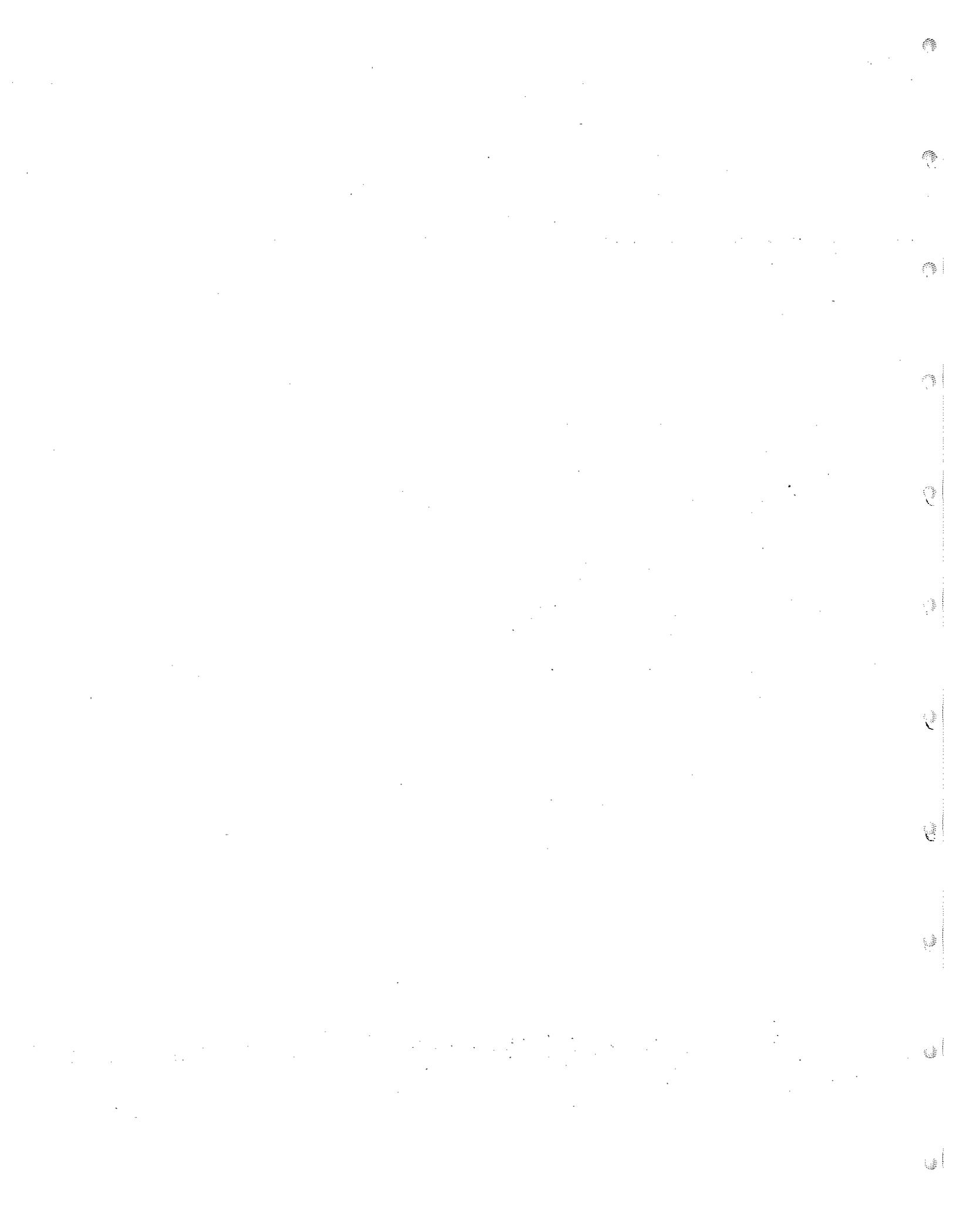
DEBT SERVICE SCHEDULE

| Date         | Principal           | Coupon   | Total P+I             |
|--------------|---------------------|----------|-----------------------|
| 6/01/2027    | 15,833.00           | -        | 15,833.00             |
| 9/01/2027    | 15,833.00           | -        | 15,833.00             |
| 12/01/2027   | 15,833.00           | -        | 15,833.00             |
| 3/01/2028    | 15,833.00           | -        | 15,833.00             |
| 6/01/2028    | 15,833.00           | -        | 15,833.00             |
| 9/01/2028    | 15,833.00           | -        | 15,833.00             |
| 12/01/2028   | 15,833.00           | -        | 15,833.00             |
| 3/01/2029    | 15,833.00           | -        | 15,833.00             |
| 6/01/2029    | 15,833.00           | -        | 15,833.00             |
| 9/01/2029    | 15,833.00           | -        | 15,833.00             |
| 12/01/2029   | 15,833.00           | -        | 15,833.00             |
| 3/01/2030    | 15,833.00           | -        | 15,833.00             |
| 6/01/2030    | 15,833.00           | -        | 15,833.00             |
| 9/01/2030    | 15,833.00           | -        | 15,833.00             |
| 12/01/2030   | 15,833.00           | -        | 15,833.00             |
| 3/01/2031    | 15,833.00           | -        | 15,833.00             |
| 6/01/2031    | 15,833.00           | -        | 15,833.00             |
| 9/01/2031    | 15,833.00           | -        | 15,833.00             |
| 12/01/2031   | 15,833.00           | -        | 15,833.00             |
| 3/01/2032    | 15,833.00           | -        | 15,833.00             |
| 6/01/2032    | 15,833.00           | -        | 15,833.00             |
| 9/01/2032    | 15,833.00           | -        | 15,833.00             |
| 12/01/2032   | 15,833.00           | -        | 15,833.00             |
| 3/01/2033    | 15,833.00           | -        | 15,833.00             |
| 6/01/2033    | 15,833.00           | -        | 15,833.00             |
| 9/01/2033    | 15,833.00           | -        | 15,833.00             |
| 12/01/2033   | 15,833.00           | -        | 15,833.00             |
| 3/01/2034    | 15,833.00           | -        | 15,833.00             |
| 6/01/2034    | 15,833.00           | -        | 15,833.00             |
| 9/01/2034    | 15,833.00           | -        | 15,833.00             |
| 12/01/2034   | 15,833.00           | -        | 15,833.00             |
| 3/01/2035    | 15,833.00           | -        | 15,833.00             |
| <b>Total</b> | <b>1,900,000.00</b> | <b>-</b> | <b>1,900,000.00 *</b> |

\*Plus \$1,197.38 one-half percent administrative fee paid quarterly. Total fee over life of loan is \$143,685.60.

Ferris, Baker Watts  
West Virginia Public Finance Office

File = Hepzibah PSD Loans.sf-SRF 8-27-03- SINGLE PURPOSE  
8/27/2003 4:05 PM



**PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 3<sup>rd</sup> day of July, 2003.

CASE NO. 03-0174-PSD-CN

ENLARGED HEPZIBAH PUBLIC SERVICE DISTRICT, a public utility,  
Drawer H, Hepzibah, Harrison County.

Application for a certificate of convenience and necessity to construct an expansion of the District's existing sewage system in Harrison County.

**COMMISSION ORDER**

On February 14, 2003, the Enlarged Hepzibah Public Service District ("District") filed an application for a certificate of convenience and necessity to construct an expansion of its existing sewage system in Harrison County, at a cost estimated to be \$1,900,000. The project would be totally financed by a State Revolving Fund loan. In its application, the District requested a rate increase of 33.15%.

On March 6, 2003, the District filed an affidavit stating that it had published the Notice of Filing on February 21, 2003. This Notice included the 33.15% increase.

By Commission Order entered on March 27, 2003, this matter was referred to the Division of Administrative Law Judges ("ALJ").

On April 22, 2003, Staff's Final Joint Staff Memorandum was filed. As explained, Technical Staff determined the proposed increase would not provide sufficient revenue to pay for the additional operation and maintenance expenses of the project and to cover the District's debt service and debt reserve. Because Staff recommended rates in excess of those proposed by the District, Staff recommended that the District be required to publish a further notice advising of the Staff recommended rate increases.

Pursuant to the May 8, 2003, Procedural Order, the ALJ concluded that further publication of a notice was not necessary because the Notice of Filing included language which stated that "the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing." However, as the record did not reflect the District provided its customers with the Notice of Filing, the Order directed the District to provide an affidavit verifying it complied with Rule 10.3.d. of the Commission's Rules of Practice and Procedure, if it did so comply.

On May 19, 2003, the District filed an affidavit that its January 2003 billings included the language "PSD applying for sewage increase."

In the Recommended Decision, issued on June 6, 2003, the ALJ found that the notation on the bill did not fulfill the requirements of Procedural Rule 10.3.d, having failed to advise the customers that the details were available in the newspaper publications or at its office. However, as the bill included the District's telephone number, the ALJ concluded that the District will be deemed to have substantially complied with Procedural Rule 10.3.d. in this matter. Nonetheless, the ALJ directed that the District will be expected to fully comply with the requirements of Procedural Rule 10.3.d., and all other notification requirements, in the future. Concluding the District substantially complied with the rule, the ALJ approved the application (contingent upon receipt of all necessary outstanding permits), funding and rates.

On June 12, 2003, Staff filed exceptions to the Recommended Decision for three reasons: (1) Staff did not recommend the rate increase of 33.15% as stated in Finding of Fact No. 10 (rather it was 42%); (2) Staff recommended the District be required to publish the Staff recommended increase of 42% since it was considerably higher than indicated in the Notice of Filing it published; (3) Staff did not agree that the District substantially complied with Procedural Rule 10.3.d as stated in Conclusion of Law No. 1. Staff explained that it did not wish to hold up the project, but wanted to ensure adequate notice to the customers. Staff further acknowledged that the District needs to be able to move along with the project soon, so as to take advantage of the funding it obtained.

### DISCUSSION

The Commission agrees with the ALJ that further publication and notice should not be required in this instance. Further publication is not necessary as the Notice of Filing included language which stated that "the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service

Commission in its review of this filing.” The District’s customers were therefore put on notice as to a potential increase in the rates as proposed.

Furthermore, with respect to separate notices to the District’s customers, it is the Commission’s belief that the District attempted to comply with the new rules and requirements thereunder. Now that the District is cognizant of the specific requirements under Procedural Rule 10.3.d., and as directed by the ALJ, the District will be required from this date forward to fully comply with all of the requirements of such rule and all other notification requirements.

### FINDINGS OF FACT

1. The District, in its application, estimated a rate increase of 33.15%.
2. The Notice of Filing was published on February 21, 2003, and included the District’s proposed 33.15% increase.
3. In its Final Joint Staff Memo, Staff recommended an increase of 42%.
4. The ALJ, in the Procedural History of the Recommended Decision, addressed the fact that Staff’s recommended rates exceed those proposed by the District. Nevertheless, Finding of Fact No. 10 states Staff’s recommended rate to be 33.15%. This was an inadvertent mistake.
5. In the Recommended Decision, the ALJ determined that the District substantially complied with Procedural Rule 10.3.d. in this matter but nevertheless directed that the District will be expected to fully comply with the requirements of Procedural Rule 10.3.d., and all other notification requirements, in the future.
6. The ALJ approved the application (contingent upon receipt of all necessary outstanding permits), funding and rates.
7. Staff filed exceptions requesting the District be required to further publish and provide notice as to the Staff recommended increase of 42%.

### CONCLUSIONS OF LAW

1. An error was made in Finding of Fact No. 10 with respect to the rate recommended by Staff. Finding of Fact No. 10 should state: “Staff recommended that the District’s sewage rates be increased by 42%.”

2. Further publication is not necessary as the Notice of Filing included language which stated that "the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing." The District's customers were therefore put on notice as to a potential increase in the rates as proposed.

3. The District attempted to comply with the requirements of the new rules and will be required from this date forward to fully comply with all of the requirements of such rule and all other notification requirements.

**ORDER**

IT IS, THEREFORE, ORDERED that Staff's Exceptions are hereby granted to the extent they request modification of Finding of Fact No. 10. The Recommended Decision is hereby modified so that Finding of Fact No. 10 states that "Staff recommended that the District's sewage rates be increased by 42%." As modified, the Recommended Decision is hereby adopted.

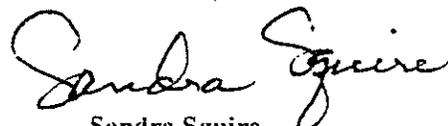
IT IS FURTHER ORDERED that Staff's remaining exceptions are hereby denied.

IT IS FURTHER ORDERED that, upon entry hereof, this proceeding shall be removed from the Commission's active docket of cases.

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

TBS/ljm  
030174ca.wpd

A True Copy, Teste:

  
Sandra Squire  
Executive Secretary

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

Issued: June 6, 2003

CASE NO. 03-0174-PSD-CN

ENLARGED HEPZIBAH PUBLIC  
SERVICE DISTRICT, a public utility,  
Drawer H, Hepzibah, Harrison County.

Application for a certificate of convenience and necessity  
to construct an expansion of the District's existing sewage  
system in Harrison County.

RECOMMENDED DECISION

On February 14, 2003, Enlarged Hepzibah Public Service District ("District"), by counsel Harold S. Yost, filed with the Public Service Commission ("Commission"), pursuant to W.Va. Code §§ 16-13A-25 and 24-2-11, an application for a certificate of convenience and necessity to construct an expansion of its existing sewage system in Harrison County, West Virginia. The project is estimated to cost \$1,900,000, and would be totally financed by a State Revolving Fund ("SRF") loan. The District requested that its rates be increased by 33.15%. A number of documents were attached to the application, including a commitment letter from the West Virginia Department of Environmental Protection ("DEP") that it would provide a \$1,900,000 SRF loan, payable over thirty years at 0% interest, with an administrative fee of .5%. Also included was WV/NPDES Permit No. WV0115100, issued by DEP on June 18, 2002.

Also on February 14, 2003, the Commission directed the District to publish a Notice of Filing, and, on March 6, 2003, the District filed an affidavit establishing that the Notice of Filing had been published on February 21, 2003, in The Exponent-Telegram, published in Harrison County.

On March 12, 2003, Staff Attorney Leslie J. Anderson filed an Initial Joint Staff Memorandum, with an attached memorandum from Joseph A. Marakovits, of the Engineering Division, and Scott McNeely, of the Water and Wastewater Division, stating that Staff was beginning its review.

On March 27, 2003, the Commission referred this matter to the Division of Administrative Law Judges (ALJ Division) for decision on or before September 12, 2003.

On April 22, 2003, Ms. Anderson filed a Final Joint Staff Memorandum, with an attached memorandum from Mr. Marakovits and Mr. McNeely. Technical Staff's memorandum was detailed, including clarification that the project would consist of expanding the District's sewer system to serve an additional 49 customers along Farnum Road and upgrading two existing wastewater treatment plants (Erie and Spelter). Also included in the project would be purchasing a 1,500 gallon vacuum sludge truck. Mr. Marakovits found the project to be reasonable, but noted that, although the West Virginia Division of Environmental Project had approved the original plans and specifications in 2002, it had not yet issued a permit modification to allow construction of the project. Mr. McNeely had determined that the District's proposed increases would provide insufficient revenue to pay for the additional operation and maintenance expenses that the project would create and to cover the District's debt service and debt reserve. He emphasized that the District had not included debt service for a \$70,000 loan that had been approved in Enlarged Hepzibah PSD, Case No. 02-0893-PSD-19A (2002). Because Staff's recommended rates exceeded the rates proposed by the District, Ms. Anderson recommended that the District be required to publish a further notice advising its customers of the recommended increases.

On May 8, 2003, the undersigned ALJ issued a Procedural Order that included the following discussion:

In that the District did not respond to Staff's Final Joint Staff Memorandum, it must accept the Staff-recommended rates.

Further publication of a notice is not necessary because the Notice of Filing included the statement that "the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing."

There may be a problem, however, because the record does not reflect that the District provided to its customers copies of the Notice of Filing. The February 14, 2003 cover letter to the Notice of Filing, from the Executive Secretary of the Commission, notified the District of the new requirements of Rule 10.3.d. of the Commission's Rules of Practice and Procedure:

[W]henver a utility seeks a rate increase in a certificate application, the utility shall, within thirty days of the date the Commission issues its Notice of Filing order, have completed the mailing of separate notice to each of its customers by one or a combination of the following methods: (1) inclusion of the Notice of Filing order as a bill insert; (2) separately

mailing the Notice of Filing order; or (3) only for utilities that bill by postcard instead of in an envelope, and who elect not to separately mail the Notice of Filing order, inclusion of a statement on a postcard billing as follows: "This utility is seeking a rate increase. Detail available in newspaper publications or at the utility office after [utility to insert date application filed with this Commission] by calling [utility to insert utility office telephone number]."

If the District did in fact comply with Rule 10.3.d., it must provide an affidavit verifying that action no later than May 19, 2003.<sup>1</sup>

An order consistent with that discussion was entered.

On May 19, 2003, the District filed an affidavit from its manager stating that, in its January 2003 billings, the following language was included on each bill: "PSD applying for sewage increase."

#### DISCUSSION

Mr. Marakovits has informed the undersigned ALJ that the District does bill by postcard. Even so, the notation on the bill did not fulfill the requirements of Rule 10.3.d., having failed to advise the customers that the details were available in newspapers publications or at its office. The bill did include the District's telephone number. **Because the District apparently was not required by regulation to provide personal notification prior to this matter and because the billing notation provided some critical information, the District will not be required to provide additional personal notification to its customers. That is, it will be deemed to have substantially complied with Rule 10.3.d. in this matter. However, the District will be expected to fully comply with the requirements of Rule 10.3.d., and all other notification requirements, in the future. That is, if the District cannot include all of the information required by Rule 10.3.d. on its postcard bills, it will have to provide notice by separate mailings.**

#### FINDINGS OF FACT

1. On February 14, 2003, Enlarged Hepzibah Public Service District filed with the Public Service Commission an application for a certificate of convenience and necessity to construct an expansion of its existing sewage system in Harrison County, West Virginia. The District requested that its sewer rates be increased by 33.15%. (See application).

---

<sup>1</sup>The order included an instructional order if the District had not complied with Rule 10.3.d.

2. The District published the Notice of Filing on February 21, 2003, in The Exponent-Telegram, published in Harrison County. The Notice of Filing included the statement that "the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing." (See March 6, 2003 filing).

3. The following notation was on the January 2003 postcard billing of the District's customers: "PSD applying for sewage increase." (See May 19, 2003 filing).

4. No protest was filed to the District's increasing its sewage rates. (See case file generally).

5. The project would consist of expanding the District's sewer system to serve an additional 49 customers along Farnum Road and upgrading two existing wastewater treatment plants (Erie and Spelter). Also included in the project would be purchasing a 1,500 gallon vacuum sludge truck. (See Final Joint Staff Memorandum filed April 22, 2003).

6. The estimated total cost of the project is \$1,900,000, including \$1,550,000 in estimated total construction costs. (See application; Final Joint Staff Memorandum).

7. The project will be financed by a \$1,900,000 State Revolving Fund loan from the West Virginia Department of Environmental Protection, payable over thirty years at 0% interest, with an administrative fee of .5%. (See application; commitment letter filed with the application).

8. On June 18, 2002, DEP issued WV/NPDES Permit No. WV0115100, applicable to the original plans and specifications, but has not yet issued a permit modification to allow construction of the project. (See permit filed with application; Final Joint Staff Memorandum).

9. Commission Staff recommended that the application be granted. (See Final Joint Staff Memorandum).

10. Commission Staff determined that the rate increases requested by the District would provide insufficient revenue to pay for the additional operation and maintenance expenses that the project would create and to cover the District's debt service and reserve. Staff recommended that the District's rates be increased to provide a 33.15% increase in revenue, as provided in Appendix A hereto. (See Final Joint Staff Memorandum).

11. The District did not object to Staff's recommendations. (See May 8, 2003 Procedural Order; case file generally).

## CONCLUSIONS OF LAW

1. The District substantially complied with the requirements of Rule 10.3.d. of the Commission's Rules of Practice and Procedure.

2. It is appropriate to grant the application and approve the project, contingent upon receipt by the District of all necessary outstanding permits from regulatory agencies; to approve its funding; and to approve the Staff-recommended rates because they provide revenue sufficient, but not more than sufficient, to cover the District's expenses and debt service; because the District has no objection to them; and because no protest was filed.

## ORDER

IT IS, THEREFORE, ORDERED that the application for a certificate of convenience and necessity filed by Enlarged Hepzibah Public Service District on February 14, 2003, to expand the District's sewer system and to upgrade two treatment plants, is granted and the project is approved, contingent upon receipt by the District of all necessary outstanding permits from regulatory agencies.

IT IS FURTHER ORDERED that the funding for the project, a State Revolving Fund loan of \$1,900,000, is approved.

IT IS FURTHER ORDERED that, if there is any change in any of the terms, conditions, scheduling or financing of the project, estimated at \$1,900,000, Enlarged Hepzibah Public Service District notify the Public Service Commission and file for Commission approval of any such revision.

IT IS FURTHER ORDERED that the rates and charges, as provided at Appendix A, are approved, to become effective at completion of the project.

IT IS FURTHER ORDERED that Enlarged Hepzibah Public Service District file with the Commission's Tariff Office an original and five (5) copies of its tariff showing the approved tariff changes no later than thirty (30) days after the date that this decision becomes final.

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

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this order upon Commission Staff by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

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

A handwritten signature in black ink, appearing to read 'Sunya Anderson', with a long horizontal flourish extending to the right.

Sunya Anderson  
Administrative Law Judge

SA:s  
030174aa.wpd

ENLARGED HEPZIBAH PUBLIC SERVICE DISTRICT  
CASE NO. 03-0174-PSD-CN

APPROVED TARIFF

APPLICABILITY

Applicable rates for the Enlarged Hepzibah Public Service District..

AVAILABILITY

Available for general domestic, commercial and industrial service.

RATES

\$6.90 per thousand gallons used per month

\$5.175 per hundred cubic feet used per month

MINIMUM CHARGE

No bill will be rendered for less than \$20.70 (Based upon 3,000 gallons usage)  
(Based upon 400 cubic feet usage)

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

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

A tap fee of \$200.00 will be charged to customers applying for service outside of a certificate proceeding before the Commission for each new tap to the system.

RETURNED CHECK CHARGE

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

INCREMENTAL COST OF WASTEWATER TREATMENT

\$1.03 per M gallons OR per 133 Cubic Feet. To be used when the bill reflects unusual consumption which can be attributed to eligible water leakage on the customer's side of the meter. This rate is to be used to calculate consumption above the customer's historical average usage.

SURCHARGE FORMULA FOR ROOF DRAINS, DOWNSPOUTS, STORM SEWERS OR SIMILAR FACILITIES CONNECTED TO THE ENLARGED HEPZIBAH PUBLIC SERVICE DISTRICT

SANITARY SEWER SYSTEM

Applicable to all owner of property served by the Enlarged Hepzibah Public Service District sewer system.

Wherever the Enlarged Hepzibah Public Service District has determined by smoke testing, dye testing or on-site inspection that surface or storm runoff is being introduced into the sanitary sewer system through customer service lines, it will provide notice to the owner of the property by certified mail, return receipt requested, or by hand delivery that the owner has thirty (30) days to divert the water from the sanitary sewer. After thirty days, the District will add a surcharge to the customer's bill, where the customer of record is the property owner, or will commence billing the property owner, where the customer of record is a tenant. This surcharge will continue until the property owner diverts the water from the sanitary sewer. The surcharge will be calculated on the basis of the following formula and will not be cumulative upon any metered or flat rate sewer service charge:

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

S - The surcharge in dollars.

A - The area under roof in square feet.

R - The measured monthly rainfall, in inches

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

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

# West Virginia Infrastructure & Jobs Development Council

**Public Members:**

Russell L. Isaacs, Chairman  
Cottageville  
Henry Harmon, Vice Chairman  
Hurricane  
Dwight Calhoun  
Petersburg  
C. R. "Rennie" Hill, III  
Beckley

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

Katy Mallory, PE  
Executive Secretary

KMallory@verizon.com

September 4, 2002

Marty DeFazio, Chairman  
Enlarged Hepzibah Public Service District  
Drawer H  
Hepzibah, West Virginia 26302-1532

Re: Enlarged Hepzibah Public Service District  
Sewer Project 2000S-540

Dear Mr. DeFazio:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the Enlarged Hepzibah Public Service District's (the "District") revised preliminary application regarding its proposed project to extend the sewer system into the Farnum area and upgrade two existing wastewater treatment plants (the "Project").

Based on the findings of the Sewer Technical Review Committee, the Infrastructure Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The District should carefully review the enclosed comments of the Sewer Technical Review Committee as the District may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of the revised preliminary application, the Infrastructure Council recommends that the District utilize a Clean Water State Revolving Fund loan of \$1,900,000 to finance this Project. The District may be eligible for loan terms greater than 30 years. Please contact the WV Department of Environmental Protection office at 558-0641.

As an alternative funding scenario the Infrastructure Council recommends that the District utilize a Clean Water State Revolving Fund loan of \$1,200,000 to finance this \$1,900,000 project. The Infrastructure Council also determined the District may be eligible for Infrastructure Fund assistance of \$700,000. However, the Infrastructure Council's final decision regarding specific funding of the Project is deferred pending the District's readiness to proceed and availability of funds in the Infrastructure Fund. Currently the funds are not available in the Infrastructure Fund. This letter is not a commitment letter of Infrastructure Funds. The Project will be placed on the Infrastructure Council's pending list of projects.

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

Sincerely,



Russell L. Isaacs

RLI/km

cc: Mike Johnson, DEP (w/o enclosure)  
Region VI Planning & Development Council  
Ken Moran, P.E., Thrasher Engineering, Inc.

# West Virginia Infrastructure & Jobs Development Council

## Public Members

James D. Williams, Chairman  
St. Albans  
William J. Harman, PE, Vice Chairman  
Grafton  
Dwight Calhoun  
Petersburg  
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@citynet.net

June 7, 2000

Marty DeFazio, Chairman  
Enlarged Hepzibah Public Service District  
Drawer H  
Hepzibah, WV 26369

Re: Enlarged Hepzibah Public Service District  
Wastewater extension project 2000S-540

Dear Mr. DeFazio:

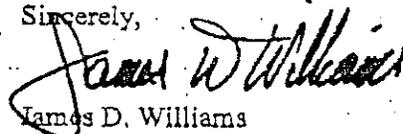
The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the Enlarged Hepzibah Public Service District's (the "District") preliminary application regarding its proposed project to extend the wastewater system to 334 new customers in Farnum, Hughs and Gypsy areas of Harrison County (the "Project").

Based on the findings of the Sewer Technical Review Committee, the Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The District should carefully review the enclosed comments of the Sewer Technical Review Committee as the District may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of the preliminary application, the Council recommends that the District pursue a Clean Water State Revolving Fund (CWSRF) loan of \$1,750,000 to finance Phase I of the Project. The Council also recommends the District pursue a CWSRF loan of \$1,760,000 and a Small Cities Block Grant of \$1,500,000 to finance Phase II of this Project. Please contact the Division of Environmental Protection at 558-0641 and the West Virginia Development Office at 558-4010 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 these agencies.**

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

Sincerely,



James D. Williams

Enclosure  
JDW/km

cc: Mike Johnson, PE, DEP (w/o enclosure)  
Debbie Legg, WVDO (w/o enclosure)  
Ken Moran, PE, Thrasher Engineering  
Region VI Planning & Development Council



THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT

Sewer Revenue Bonds, Series 2003 A  
(West Virginia SRF Program)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this 23rd day of September, 2003, 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 The Enlarged Hepzibah Public Service Water District (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

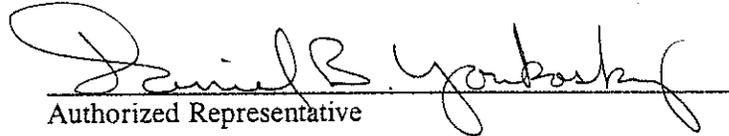
1. On the date hereof, the Authority received the Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), of the Issuer, in the principal amount of \$1,900,000, numbered AR-1 (the "Bonds"), issued as a single, fully registered Bond, and dated September 23, 2003.

2. At the time of such receipt, the 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.

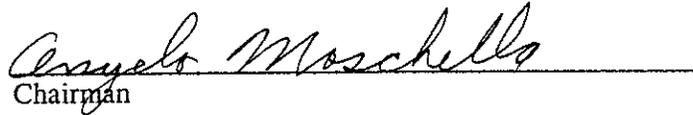
3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of \$183,537, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced by the Authority and the West Virginia Department of Environmental Protection 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

  
Authorized Representative

THE ENLARGED HEPZIBAH  
PUBLIC SERVICE WATER DISTRICT

  
Chairman

09/16/03  
406790/00002



THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT

Sewer Revenue Bonds, Series 2003 A  
(West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Huntington National Bank, as Registrar  
Charleston, West Virginia

Ladies and Gentlemen:

On this 23rd day of September, 2003, there are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of The Enlarged Hepzibah Public Service Water District Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), in the principal amount of \$1,900,000, dated September 23, 2003 (the "Bonds"), executed by the Chairman and Secretary of The Enlarged Hepzibah Public Service Water 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 September 22, 2003, and a Supplemental Resolution duly adopted by the Issuer on September 22, 2003 (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 bond purchase agreement for the Bonds, dated August 29, 2003, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") (the "Bond Purchase Agreement"); and

(4) An executed opinion of nationally recognized bond counsel regarding the validity of the Bond Purchase Agreement and the Bonds.

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of \$183,537, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

THE ENLARGED HEPZIBAH  
PUBLIC SERVICE WATER DISTRICT

  
Chairman

09/16/03  
406790/00002



# SPECIMEN

UNITED STATES OF AMERICA  
STATE OF WEST VIRGINIA  
THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT  
SEWER REVENUE BOND, SERIES 2003 A  
(WEST VIRGINIA SRF PROGRAM)

No. AR-1

\$1,900,000

KNOW ALL MEN BY THESE PRESENTS: That THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT, a public service district, public corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE MILLION NINE HUNDRED THOUSAND DOLLARS (\$1,900,000), 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 June 1, 2005, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2005, as set forth on said EXHIBIT B.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement by and among the Issuer, the Authority and the DEP, dated August 29, 2003.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage facilities of the Issuer, the Project and any further improvements and extensions thereto are herein called the

"System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13A and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Resolution duly adopted by the Issuer on September 22, 2003, and a Supplemental Resolution duly adopted by the Issuer on September 22, 2003 (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 SEWER REVENUE NOTE, SERIES 2002, DATED JANUARY 10, 2003, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$70,000 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from monies in the reserve account created under the Bond Legislation for the Bonds (the "Series 2003 A Bonds Reserve Account") and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest, if any, on all bonds which may be issued pursuant to the Act, and shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2003 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2003 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the

Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

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, THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER 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 September 23, 2003.

[SEAL]

ATTEST:

  
Secretary

**SPECIMEN**   
Chairman

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2003 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: September 23, 2003.

THE HUNTINGTON NATIONAL BANK,  
as Registrar

**SPECIMEN**

*Margaret D. [Signature]*  
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

| <u>AMOUNT</u> | <u>DATE</u> | <u>AMOUNT</u> | <u>DATE</u> |
|---------------|-------------|---------------|-------------|
| (1) \$183.537 | 09/23/03    | (19) \$       |             |
| (2) \$        |             | (20) \$       |             |
| (3) \$        |             | (21) \$       |             |
| (4) \$        |             | (22) \$       |             |
| (5) \$        |             | (23) \$       |             |
| (6) \$        |             | (24) \$       |             |
| (7) \$        |             | (25) \$       |             |
| (8) \$        |             | (26) \$       |             |
| (9) \$        |             | (27) \$       |             |
| (10) \$       |             | (28) \$       |             |
| (11) \$       |             | (29) \$       |             |
| (12) \$       |             | (30) \$       |             |
| (13) \$       |             | (31) \$       |             |
| (14) \$       |             | (32) \$       |             |
| (15) \$       |             | (33) \$       |             |
| (16) \$       |             | (34) \$       |             |
| (17) \$       |             | (35) \$       |             |
| (18) \$       |             | (36) \$       |             |
| TOTAL         |             | \$            |             |

**EXHIBIT B  
DEBT SERVICE SCHEDULE**

| <b>The Enlarged Hepzibah Public Service Water District</b><br>Loan of \$1,900,000<br>30 Years, 0% Interest Rate, 0.5% Administrative Fee<br>Closing Date: September 23, 2003<br><b>DEBT SERVICE SCHEDULE</b> |           |        |           |
|--|-----------|--------|-----------|
| Date   | Principal | Coupon | Total P+I |
| 12/01/2003   | -         | -      | -         |
| 3/01/2004  | -         | -      | -         |
| 6/01/2004  | -         | -      | -         |
| 9/01/2004  | -         | -      | -         |
| 12/01/2004   | -         | -      | -         |
| 3/01/2005  | -         | -      | -         |
| 6/01/2005  | 15,834.00 | -      | 15,834.00 |
| 9/01/2005  | 15,834.00 | -      | 15,834.00 |
| 12/01/2005   | 15,834.00 | -      | 15,834.00 |
| 3/01/2006  | 15,834.00 | -      | 15,834.00 |
| 6/01/2006  | 15,834.00 | -      | 15,834.00 |
| 9/01/2006  | 15,834.00 | -      | 15,834.00 |
| 12/01/2006   | 15,834.00 | -      | 15,834.00 |
| 3/01/2007  | 15,834.00 | -      | 15,834.00 |
| 6/01/2007  | 15,834.00 | -      | 15,834.00 |
| 9/01/2007  | 15,834.00 | -      | 15,834.00 |
| 12/01/2007   | 15,834.00 | -      | 15,834.00 |
| 3/01/2008  | 15,834.00 | -      | 15,834.00 |
| 6/01/2008  | 15,834.00 | -      | 15,834.00 |
| 9/01/2008  | 15,834.00 | -      | 15,834.00 |
| 12/01/2008   | 15,834.00 | -      | 15,834.00 |
| 3/01/2009  | 15,834.00 | -      | 15,834.00 |
| 6/01/2009  | 15,834.00 | -      | 15,834.00 |
| 9/01/2009  | 15,834.00 | -      | 15,834.00 |
| 12/01/2009   | 15,834.00 | -      | 15,834.00 |
| 3/01/2010  | 15,834.00 | -      | 15,834.00 |
| 6/01/2010  | 15,834.00 | -      | 15,834.00 |
| 9/01/2010  | 15,834.00 | -      | 15,834.00 |
| 12/01/2010   | 15,834.00 | -      | 15,834.00 |
| 3/01/2011  | 15,834.00 | -      | 15,834.00 |
| 6/01/2011  | 15,834.00 | -      | 15,834.00 |
| 9/01/2011  | 15,834.00 | -      | 15,834.00 |
| 12/01/2011   | 15,834.00 | -      | 15,834.00 |
| 3/01/2012  | 15,834.00 | -      | 15,834.00 |
| 6/01/2012  | 15,834.00 | -      | 15,834.00 |
| 9/01/2012  | 15,834.00 | -      | 15,834.00 |
| 12/01/2012   | 15,834.00 | -      | 15,834.00 |
| 3/01/2013  | 15,834.00 | -      | 15,834.00 |
| 6/01/2013  | 15,834.00 | -      | 15,834.00 |
| 9/01/2013  | 15,834.00 | -      | 15,834.00 |
| 12/01/2013   | 15,834.00 | -      | 15,834.00 |
| 3/01/2014  | 15,834.00 | -      | 15,834.00 |
| 6/01/2014  | 15,834.00 | -      | 15,834.00 |
| 9/01/2014  | 15,834.00 | -      | 15,834.00 |
| 12/01/2014   | 15,834.00 | -      | 15,834.00 |
| 3/01/2015  | 15,834.00 | -      | 15,834.00 |
| 6/01/2015  | 15,833.00 | -      | 15,833.00 |

The Enlarged Hepzibah Public Service Water District

Loan of \$1,900,000

30 Years, 0% Interest Rate, 0.5% Administrative Fee

Closing Date: September 23, 2003

DEBT SERVICE SCHEDULE

| Date       | Principal | Coupon | Total P+I |
|------------|-----------|--------|-----------|
| 9/01/2015  | 15,833.00 | -      | 15,833.00 |
| 12/01/2015 | 15,833.00 | -      | 15,833.00 |
| 3/01/2016  | 15,833.00 | -      | 15,833.00 |
| 6/01/2016  | 15,833.00 | -      | 15,833.00 |
| 9/01/2016  | 15,833.00 | -      | 15,833.00 |
| 12/01/2016 | 15,833.00 | -      | 15,833.00 |
| 3/01/2017  | 15,833.00 | -      | 15,833.00 |
| 6/01/2017  | 15,833.00 | -      | 15,833.00 |
| 9/01/2017  | 15,833.00 | -      | 15,833.00 |
| 12/01/2017 | 15,833.00 | -      | 15,833.00 |
| 3/01/2018  | 15,833.00 | -      | 15,833.00 |
| 6/01/2018  | 15,833.00 | -      | 15,833.00 |
| 9/01/2018  | 15,833.00 | -      | 15,833.00 |
| 12/01/2018 | 15,833.00 | -      | 15,833.00 |
| 3/01/2019  | 15,833.00 | -      | 15,833.00 |
| 6/01/2019  | 15,833.00 | -      | 15,833.00 |
| 9/01/2019  | 15,833.00 | -      | 15,833.00 |
| 12/01/2019 | 15,833.00 | -      | 15,833.00 |
| 3/01/2020  | 15,833.00 | -      | 15,833.00 |
| 6/01/2020  | 15,833.00 | -      | 15,833.00 |
| 9/01/2020  | 15,833.00 | -      | 15,833.00 |
| 12/01/2020 | 15,833.00 | -      | 15,833.00 |
| 3/01/2021  | 15,833.00 | -      | 15,833.00 |
| 6/01/2021  | 15,833.00 | -      | 15,833.00 |
| 9/01/2021  | 15,833.00 | -      | 15,833.00 |
| 12/01/2021 | 15,833.00 | -      | 15,833.00 |
| 3/01/2022  | 15,833.00 | -      | 15,833.00 |
| 6/01/2022  | 15,833.00 | -      | 15,833.00 |
| 9/01/2022  | 15,833.00 | -      | 15,833.00 |
| 12/01/2022 | 15,833.00 | -      | 15,833.00 |
| 3/01/2023  | 15,833.00 | -      | 15,833.00 |
| 6/01/2023  | 15,833.00 | -      | 15,833.00 |
| 9/01/2023  | 15,833.00 | -      | 15,833.00 |
| 12/01/2023 | 15,833.00 | -      | 15,833.00 |
| 3/01/2024  | 15,833.00 | -      | 15,833.00 |
| 6/01/2024  | 15,833.00 | -      | 15,833.00 |
| 9/01/2024  | 15,833.00 | -      | 15,833.00 |
| 12/01/2024 | 15,833.00 | -      | 15,833.00 |
| 3/01/2025  | 15,833.00 | -      | 15,833.00 |
| 6/01/2025  | 15,833.00 | -      | 15,833.00 |
| 9/01/2025  | 15,833.00 | -      | 15,833.00 |
| 12/01/2025 | 15,833.00 | -      | 15,833.00 |
| 3/01/2026  | 15,833.00 | -      | 15,833.00 |
| 6/01/2026  | 15,833.00 | -      | 15,833.00 |
| 9/01/2026  | 15,833.00 | -      | 15,833.00 |
| 12/01/2026 | 15,833.00 | -      | 15,833.00 |
| 3/01/2027  | 15,833.00 | -      | 15,833.00 |

The Enlarged Hepzibah Public Service Water District

Loan of \$1,900,000

30 Years, 0% Interest Rate, 0.5% Administrative Fee

Closing Date: September 23, 2003

DEBT SERVICE SCHEDULE

| Date         | Principal           | Coupon   | Total P+I             |
|--------------|---------------------|----------|-----------------------|
| 6/01/2027    | 15,833.00           | -        | 15,833.00             |
| 9/01/2027    | 15,833.00           | -        | 15,833.00             |
| 12/01/2027   | 15,833.00           | -        | 15,833.00             |
| 3/01/2028    | 15,833.00           | -        | 15,833.00             |
| 6/01/2028    | 15,833.00           | -        | 15,833.00             |
| 9/01/2028    | 15,833.00           | -        | 15,833.00             |
| 12/01/2028   | 15,833.00           | -        | 15,833.00             |
| 3/01/2029    | 15,833.00           | -        | 15,833.00             |
| 6/01/2029    | 15,833.00           | -        | 15,833.00             |
| 9/01/2029    | 15,833.00           | -        | 15,833.00             |
| 12/01/2029   | 15,833.00           | -        | 15,833.00             |
| 3/01/2030    | 15,833.00           | -        | 15,833.00             |
| 6/01/2030    | 15,833.00           | -        | 15,833.00             |
| 9/01/2030    | 15,833.00           | -        | 15,833.00             |
| 12/01/2030   | 15,833.00           | -        | 15,833.00             |
| 3/01/2031    | 15,833.00           | -        | 15,833.00             |
| 6/01/2031    | 15,833.00           | -        | 15,833.00             |
| 9/01/2031    | 15,833.00           | -        | 15,833.00             |
| 12/01/2031   | 15,833.00           | -        | 15,833.00             |
| 3/01/2032    | 15,833.00           | -        | 15,833.00             |
| 6/01/2032    | 15,833.00           | -        | 15,833.00             |
| 9/01/2032    | 15,833.00           | -        | 15,833.00             |
| 12/01/2032   | 15,833.00           | -        | 15,833.00             |
| 3/01/2033    | 15,833.00           | -        | 15,833.00             |
| 6/01/2033    | 15,833.00           | -        | 15,833.00             |
| 9/01/2033    | 15,833.00           | -        | 15,833.00             |
| 12/01/2033   | 15,833.00           | -        | 15,833.00             |
| 3/01/2034    | 15,833.00           | -        | 15,833.00             |
| 6/01/2034    | 15,833.00           | -        | 15,833.00             |
| 9/01/2034    | 15,833.00           | -        | 15,833.00             |
| 12/01/2034   | 15,833.00           | -        | 15,833.00             |
| 3/01/2035    | 15,833.00           | -        | 15,833.00             |
| <b>Total</b> | <b>1,900,000.00</b> | <b>-</b> | <b>1,900,000.00 *</b> |

\*Plus \$1,197.38 one-half percent administrative fee paid quarterly. Total fee over life of loan is \$143,685.60.

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:

\_\_\_\_\_  
\_\_\_\_\_  
**SPECIMEN**

09/16/03  
946610.00001



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

Writer's Contact Information

September 23, 2003

The Enlarged Hepzibah Public Service Water District  
Sewer Revenue Bonds, Series 2003 A  
(West Virginia SRF Program)

The Enlarged Hepzibah Public Service Water District  
Hepzibah, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Department of  
Environmental Protection  
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by The Enlarged Hepzibah Public Service Water 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 \$1,900,000 Sewer Revenue Bonds, Series 2003 A (West Virginia SRF 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 bond purchase agreement, dated August 29, 2003, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2005, and maturing March 1, 2035, all as set forth in the "Schedule Y," attached to the Bond Purchase Agreement and incorporated in and made a part of the Bonds. The Bonds are subject to an Administrative Fee of 0.5% of the principal amount 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 22C, Article 2 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 sewerage facilities of the Issuer (the "Project") and (ii) paying certain costs of issuance and related costs.



We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on September 22, 2003, as supplemented by a Supplemental Resolution duly adopted by the Issuer on September 22, 2003 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Bond Purchase 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 Bond Purchase Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Bond Purchase Agreement when used herein.

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

1. The Issuer is a duly created and validly existing public service district, 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 Bond Purchase 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 DEP and cannot be amended by the Issuer so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Issuer without the written consent of the Authority and the DEP.

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 Bond Purchase Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Sewer Revenue Note, Series 2002 (the "Prior Bonds"), all in accordance with the terms of the Bonds and the Bond Legislation. Based upon the certificate of the certified public accountant dated the date hereof, the Issuer has met the coverage requirements for issuance of parity bonds of the parity and Prior Bonds and the resolution authorizing the Prior Bonds.

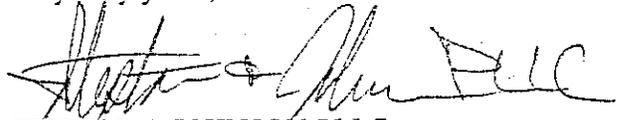
5. The Bonds are, under the Act, exempt from taxation by the State of West Virginia, and the other taxing bodies of the State, and the interest on the Bonds, if any, is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

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

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Bond Purchase 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 AR-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,



STEPTOE & JOHNSON PLLC





Clarksburg Charleston Morgantown Martinsburg Wheeling Parkersburg

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Writer's Contact Information

September 23, 2003

The Enlarged Hepzibah Public Service Water District  
Sewer Revenue Bonds, Series 2003 A  
(West Virginia SRF Program)

The Enlarged Hepzibah Public Service Water District  
Hepzibah, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Department of  
Environmental Protection  
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by The Enlarged Hepzibah Public Service Water 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 \$1,900,000 Sewer Revenue Bonds, Series 2003 A (West Virginia SRF 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 bond purchase agreement, dated August 29, 2003, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2005, and maturing March 1, 2035, all as set forth in the "Schedule Y," attached to the Bond Purchase Agreement and incorporated in and made a part of the Bonds. The Bonds are subject to an Administrative Fee of 0.5% of the principal amount 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 22C, Article 2 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 sewerage facilities of the Issuer (the "Project") and (ii) paying certain costs of issuance and related costs.



We have also examined the applicable provisions of the Act, the Bond Resolution duly adopted by the Issuer on September 22, 2003, as supplemented by a Supplemental Resolution duly adopted by the Issuer on September 22, 2003 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Bond Purchase 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 Bond Purchase Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Bond Purchase Agreement when used herein.

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

1. The Issuer is a duly created and validly existing public service district, 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 Bond Purchase 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 DEP and cannot be amended by the Issuer so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Issuer without the written consent of the Authority and the DEP.

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 Bond Purchase Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Sewer Revenue Note, Series 2002 (the "Prior Bonds"), all in accordance with the terms of the Bonds and the Bond Legislation. Based upon the certificate of the certified public accountant dated the date hereof, the Issuer has met the coverage requirements for issuance of parity bonds of the parity and Prior Bonds and the resolution authorizing the Prior Bonds.

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

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

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Bond Purchase 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 AR-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,



STEPTOE & JOHNSON PLLC



Harold S. Yost  
Attorney at Law  
126 Main Street  
Bridgeport, West Virginia 26330

Tele: (304) 622-4550

September 23, 2003

Fax: (304) 842-6259

**The Enlarged Hepzibah Pubic Service Water District  
Sewer Revenue Bonds, Series 2003 A  
(West Virginia SRF Program)**

The Enlarged Hepzibah Pubic Service Water District  
Hepzibah, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Department of Environmental  
Protection  
Charleston, West Virginia

Steptoe & Johnson PLLC  
Clarksburg, West Virginia

I am counsel to The Enlarged Hepzibah Pubic Service Water District, a public service district in Harrison County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a bond purchase agreement dated August 29, 2003, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") (the "Bond Purchase Agreement"), the Bond Resolution duly adopted by the Issuer on September 22, 2003, the Supplemental Resolution duly adopted by the Issuer on September 22, 2003 (collectively, the "Bond Legislation"), and other documents, papers, agreements, instruments and certificates relating to the above-captioned Bonds of the Issuer (the "Bonds") and orders of the County Commission of Harrison County relating to the Issuer and the appointment of members of the Public Service Board of the Issuer. All capitalized terms used herein and not otherwise defined

herein shall have the same meanings set forth in the Bond Legislation and the Bond Purchase Agreement when used herein.

I am of the opinion that:

1. The Insurer 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, with full power and authority to acquire and construct the Project, to operate and maintain the System and to adopt the Bond Legislation, all under the Act and other applicable provisions of law.

2. 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.

3. The Bond Purchase Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.

4. The Bond Legislation has been duly adopted by the Issuer and is in full force and effect.

5. The execution and delivery of the Bonds and the Bond Purchase Agreement and the consummation of the transactions contemplated by the Bonds, the Bond Purchase Agreement and the Bond Legislation, and the carrying out of the terms thereof, do not and will not, in any way material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any ordinance, order, resolution, agreement or other instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, court order or consent decree to which the Issuer is subject.

6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders,

certificates and approvals from The County Commission of Harrison County, the DEP and the West Virginia Infrastructure and Jobs Development Council, 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 all requisite orders and approvals from the Public Service Commission of West Virginia, including the Orders entered on June 6, 2003, July 3, 2003, and August 28, 2003, in Case No. 03-0174-PSD-CN, which granted the Issuer a certificate of public convenience and necessity for the Project, approved the financing for the Project, and established increased rates and charges for the services rendered by the System. The time for appeal of the Orders entered June 6, 2003, and July 3, 2003, have expired prior to the date hereof without any appeal. The time for appeal of the Order entered August 28, 2003, has not expired on the date hereof. However, the only parties to such Order are the Public Service Commission Staff and the Issuer. Both parties have stated that they do not intend to appeal such Order. All such Orders remain in full force and effect.

7. The Issuer has duly published a notice of the acquisition and construction of the Project, the issuance of the Bonds and related matters, as required under Chapter 16, Article 13A, Section 25 of the West Virginia Code of 1931, as amended, and has duly complied with the provisions thereof.

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

The issuer has been sued by Donald Menendez, Charmaine Bramer and Christopher Price, who assert that a retirement plan was promised to each of them and Donald Menendez also asserts that he was promised a raise. Issuer's management and Counsel to the Issuer, however, believe that the result of any reasonable verdict rendered by a court, or settlement between the parties, in such a civil action would not impair the ability of the

District to satisfy its financial obligations under the Resolution.

9. I have ascertained that all successful bidders have made the required provisions for all insurance and payment and performance bonds and verified such insurance policies and bonds for accuracy. Based upon my review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, I am of the opinion that such surety bonds and policies (1) are in compliance with the contracts; (2)

The Enlarged Hepzibah Pubic Service Water District, et al.  
Page 4

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 Bond Purchase 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,



Harold S. Yost, Esquire



Harold S. Yost  
Attorney at Law  
126 Main Street  
Bridgeport, West Virginia 26330

Tele: (304) 622-4550  
6259

September 12, 2003

Fax: (304) 842-

The Enlarged Hepzibah Public Service Water District

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West Virginia Department of Environmental Protection  
Charleston, West Virginia, 25301

West Virginia Water Development Authority  
Charleston, West Virginia, 25311

Steptoe & Johnson PLLC  
Charleston, West Virginia, 25322

RE: Final Title Opinion for The Enlarged  
Hepzibah Public Service Water District

Ladies and Gentlemen:

I am counsel to The Enlarged Hepzibah Public Service Water District (the "Issuer") in connection with a proposed project to construct sewer lines (the "Project"). I am providing this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Department of Environmental Protection (the "DEP") for the Project. Please be advised of the following:

1. I am of the opinion that the Issuer is a duly created and validly existing public service district possessed with all the powers and authority granted to public service districts under the laws of the State of West Virginia to construct, operate and maintain the Project as approved by the DEP.

2. The Issuer has obtained all necessary permits and approvals for the construction of the Project.

3. I have investigated and ascertained the location of, and am familiar with the legal description of, the necessary sites, including easements and/or rights-of-way, required for the

Project as set forth in the plans for the project prepared by The Enlarged Hepzibah Public Service Water District West Virginia Department of Environmental Protection West Virginia Water Development Authority Thrasher Engineering, the consulting engineers for the Project.

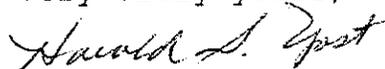
4. I have examined the records in the Office of the Clerk of the County Commission of Harrison County, West Virginia, the county in which the Project is to be located, and, in my opinion, the Issuer has acquired legal title or such other estate or interest in all of the necessary site components for the Project, including all easements and/or rights-of-way, with the exception of those listed in Paragraph 5, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

5. The following listed properties are to be acquired by eminent domain and the necessary filings have been made in the Office of the Clerk of the Circuit Court of Harrison County, West Virginia, to permit the Issuer a right-of-way for the purpose of construction, operation and maintenance of the Project on the subject properties. The Issuer's title thereto is defeasible in the event the Issuer does not satisfy and resulting judgment and/or award in the proceedings for acquisition of said properties, and my certification is subject to the following pending litigation:

| NAME                | TAX MAP | PARCEL |
|---------------------|---------|--------|
| Robert W Armbruster | 247     | 57     |

6. All deeds, easements and right-of-way which have been acquired to date by the Issuer have been duly recorded in the Office of the Clerk of the County Commission of Harrison County to protect the legal title to and interest of the Issuer.

Very truly yours,



Harold S. Yost  
WWSB#4168



THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT

Sewer Revenue Bonds, Series 2003 A  
(West Virginia SRF 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. BOND PURCHASE 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 BONDS
17. CONFLICT OF INTEREST
18. CLEAN WATER ACT
19. PROCUREMENT OF ENGINEERING SERVICES
20. EXECUTION OF COUNTERPARTS

We, the undersigned CHAIRMAN and the undersigned SECRETARY of the Public Service Board of The Enlarged Hepzibah Public Service Water District in Harrison County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify in connection with the Issuer's Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated the date hereof (the "Bonds" or the "Series 2003 A 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 September 22, 2003, and a Supplemental Resolution

of the Issuer duly adopted September 22, 2003 (collectively, the "Bond Legislation"), when used herein.

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 and 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 Net Revenues as security for the Bonds.

The Issuer has been sued by Donald Menendez, Charmaine Bramer and Christopher Price, who assert that a retirement plan was promised to each of them and Donald Menendez also asserts that he was promised a raise. The Issuer's management and Counsel to the Issuer, however, believe that the result of any reasonable verdict rendered by a court, or settlement between the parties, in such a civil action would not impair the ability of the Issuer to satisfy its financial obligations under the Resolution.

3. **GOVERNMENTAL APPROVALS AND BIDDING:** All applicable and necessary approvals, permits, exemptions, consents, authorizations, registrations, licenses, orders 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 5G, 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 Bond Purchase Agreement, and the Issuer has met all conditions prescribed in the Bond Purchase 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 2003 A Bonds as to liens, pledge and source of and security for payment, being the Issuer's Sewer Revenue Note, Series 2002, dated January 10, 2003, issued in the original aggregate principal amount of \$70,000 (the "Prior Bonds").

The Issuer has obtained a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met and the written consent of the Holders of the Prior Bonds to the issuance of the Series 2003 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no Outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the covenants of the Prior Bonds and the Prior Resolutions.

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

Bond Purchase Agreement

Public Service Commission Order

Infrastructure and Jobs Development Council Approval

County Commission Orders Creating and Enlarging District and PSC Orders Relating Thereto

County Commission Orders Appointing Current Boardmembers

Oaths of Office of Current Boardmembers

Rules of Procedure

Affidavit of Publication on Borrowing

Minutes on Election of Officers, Rules of Procedure, Adoption of Bond Resolution and Supplemental Resolution

NPDES Permit

2002 Note Resolution

Consent of Bank One, NA

Evidence of Insurance

Infrastructure Council Grant Agreement

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "The Enlarged Hepzibah Public Service Water District." The Issuer is a public service district and public corporation duly created by The County Commission of Harrison County and presently existing under the laws of, and a political subdivision of, the State of West Virginia. 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> |
|------------------|---------------------------------------|--------------------------------------|
| Angelo Moschella | August 12, 2002                       | August 12, 2008                      |
| Jean Sartoris    | September 12, 1997                    | September 12, 2003*                  |
| Minta Kyle       | August 12, 2002                       | August 12, 2003*                     |

\* The County Commission of Harrison County has the re-appointments of Jean Sartoris and Minta Kyle on the agenda for its meeting on September 25, 2003. Section 16-13A-3 provides that ". . . the terms of office shall continue until successors have been appointed and qualified."

The names of the duly elected and/or appointed, qualified and acting officers of the Public Service Board of the Issuer for the calendar year 2003 are as follows:

|                     |   |                  |
|---------------------|---|------------------|
| Chairman            | - | Angelo Moschella |
| Secretary/Treasurer | - | Jean Sartoris    |

The duly appointed and acting counsel to Issuer is Harold S. Yost, Esquire, of Bridgeport, West Virginia.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition and construction of the Project and the operation and maintenance of the System have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such

purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds.

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

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

10. BOND PURCHASE AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Bond Purchase Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Bond Purchase 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 Bond Purchase 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 Bond Purchase Agreement not misleading; and (iv) the Issuer is in compliance with all covenants, terms and representations in the Bond Purchase Agreement.

11. RATES: The Issuer has received the Commission Order of the Public Service Commission of West Virginia entered on June 6, 2003, in Case No. 03-0174-PSD-CN, as amended by the Commission Order entered on July 3, 2003, in said Case, among other things, 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 Orders have expired prior to the date hereof without successful appeal. Such rates and charges will become effective upon completion of the Project.

12. PUBLIC SERVICE COMMISSION ORDERS: The Issuer has received the Commission Order entered June 6, 2003, as amended by those two certain Commission Orders entered on July 3, 2003, and August 28, 2003, of the Public Service Commission of West Virginia, in Case No. 03-0174-PSD-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 Commission Order entered August 28, 2003, has not expired prior to the date hereof. However, the only parties to such Order are the PSC Staff and the Issuer. The Issuer hereby states that it will not appeal such Order and the PSC Staff has confirmed that they do not intend to appeal such Order. All Orders remain in full force and effect.

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

14. BOND PROCEEDS: On the date hereof, the Issuer received \$183,537 from the DEP and the Authority, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

15. PUBLICATION OF NOTICE OF BORROWING AND PSC FILING: The Issuer has published the 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 West Virginia Code of 1931, as amended.

16. SPECIMEN BONDS: Delivered concurrently herewith is a true and accurate specimen of the Bonds.

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. CLEAN WATER ACT: The Project as described in the Bond Legislation complies with Sections 208 and 303(e) of the Clean Water Act.

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

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 THE ENLARGED HEPZIBAH  
PUBLIC SERVICE WATER DISTRICT on this 23rd day of September, 2003.

[CORPORATE SEAL]

SIGNATURE

OFFICIAL TITLE

Angelo Moschella

Chairman

Jean Sartorius

Secretary

Harold A. Zest

Counsel to Issuer

09/16/03  
406790/00002



THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT

Sewer Revenue Bonds, Series 2003 A  
(West Virginia SRF Program)

CERTIFICATE OF ENGINEER

I, H. Wood Thrasher, P.E., Registered Professional Engineer, West Virginia License No. 9478, of Thrasher Engineering, Inc., Consulting Engineers, in Clarksburg, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain improvement and extensions (the "Project") to the existing public sewerage facilities (the "System") of The Enlarged Hepzibah Public Service Water District (the "Issuer"), to be constructed primarily in Harrison 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, as supplemented, adopted by the Issuer on September 22, 2003, and the Bond Purchase Agreement, dated August 29, 2003 (the "Bond Purchase Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP").

2. The Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project, and (ii) paying costs of issuance and related costs.

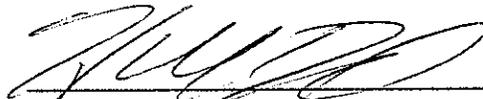
3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and any change orders approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 30 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule A attached hereto as Exhibit A and in reliance upon the opinion of the Issuer's counsel, Harold S. Yost, Esquire, of even date herewith, all successful bidders have made required provisions for all insurance and payment and performance bonds

and such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (ix) in reliance upon the certificate of the Issuer's certified public accountant, Tetrick, Bartlett PLLC, as of the effective date thereof, the rates and charges for the System as adopted by the Issuer and approved by the Public Service Commission of West Virginia will be sufficient to comply with the provisions of the Bond Purchase Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto, and the proceeds of the grants irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this 23rd day of September, 2003.

[SEAL]

THRASHER ENGINEERING, INC.



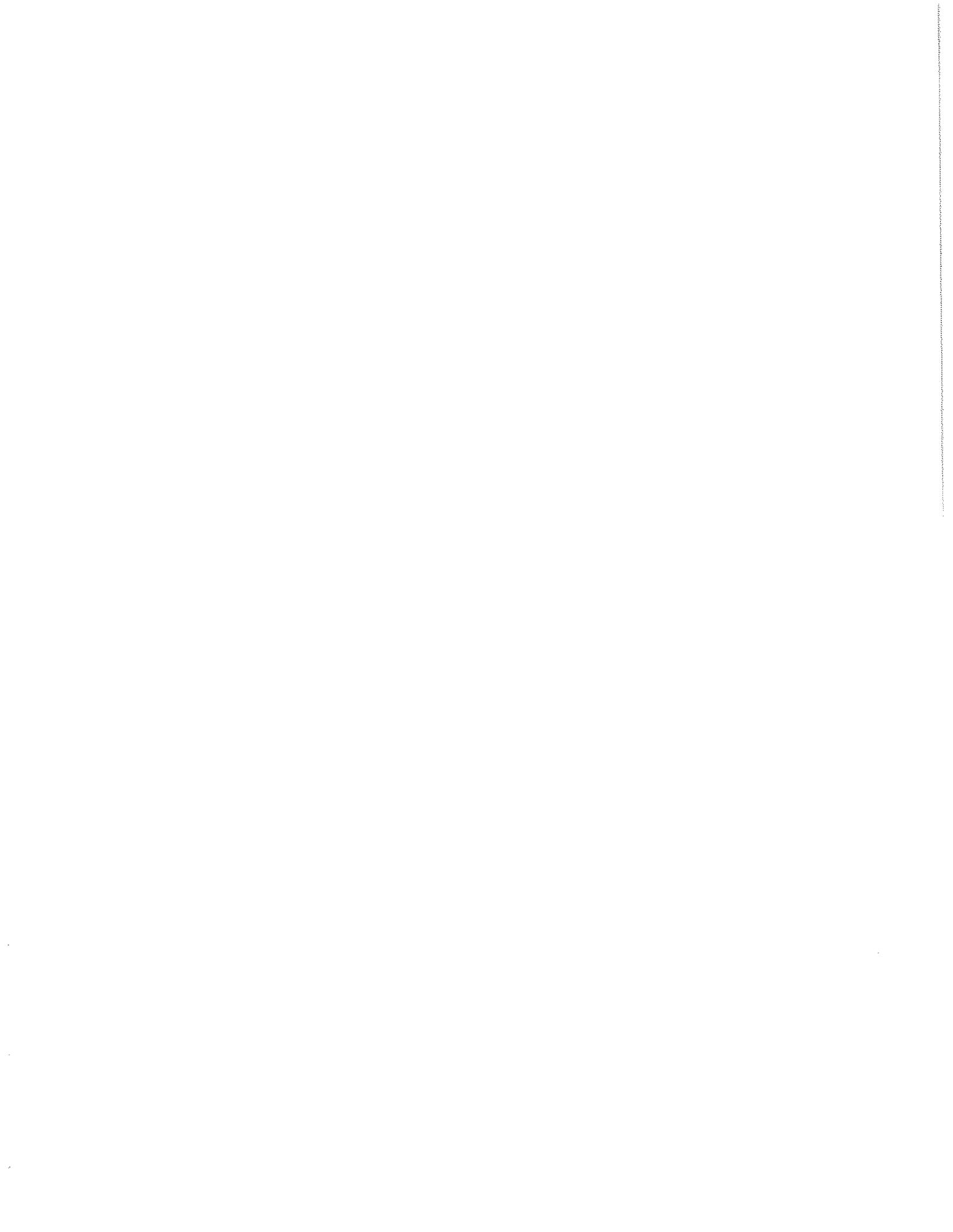
H. Wood Thrasher, P.E.

West Virginia License No. 9478

09/16/03  
406790/00002

EXHIBIT A

(See attached)





**Tetrick & Bartlett, PLLC**  
Certified Public Accountants  
Consultants

122 N. Oak St. • PO Box 1916 • Clarksburg, WV 26302-1916 • (304) 624-5564 • Fax: (304) 624-5582 • E-mail: TBCPA@tetrickbartlett.com

September 23, 2003

The Enlarged Hepzibah Public Service Water District  
Sewer Revenue Bonds, Series 2003A  
(West Virginia SRF Program)

The Enlarged Hepzibah Public Service Water District  
Hepzibah, West Virginia

West Virginia Water Development Authority  
Charleston, West Virginia

West Virginia Department of Environmental Protection  
Charleston, West Virginia

Ladies and Gentlemen:

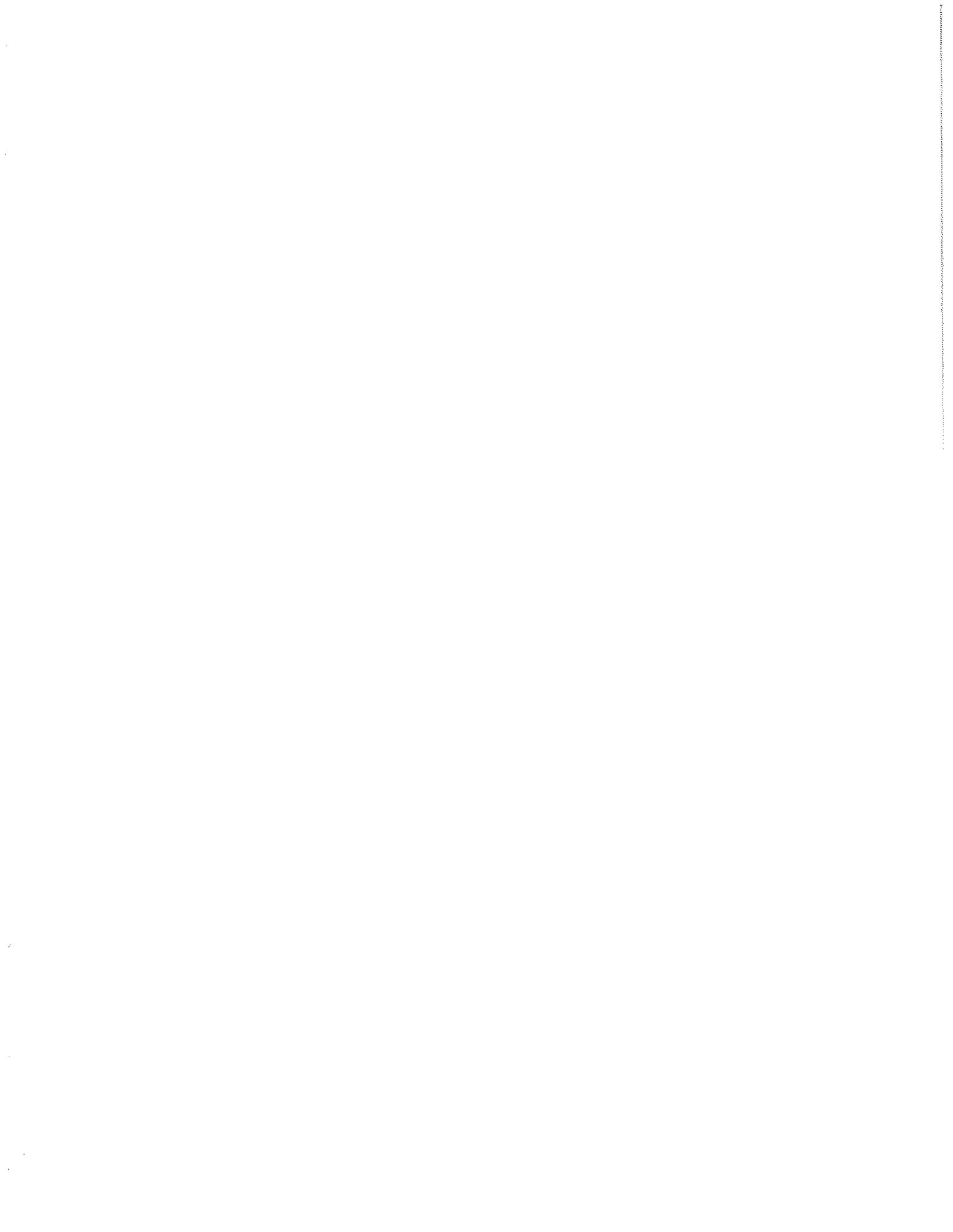
Based upon the sewer rates and charges set forth in the Commission Order of the Public Service Commission of West Virginia, entered June 6, 2003, in Case No. 03-0174-PSD-CN, as amended by that certain Commission Order entered July 3, 2003, in said Case, and the projected operation and maintenance expenses and customer usage as furnished to us by Thrasher Engineering, Inc., it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system (the "System") of The Enlarged Hepzibah Public Service Water District (the "Issuer"), will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Issuer's Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program) (the "Bonds"), to be issued in the aggregate principal amount of \$1,900,000 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 Bond, including the Prior Bonds of the Issuer as defined and described in the Bond Resolution of the Issuer adopted September 22, 2003, authorizing the Bonds.

Very truly yours,

**TETRICK & BARTLETT, PLLC**

*David A. Shriver*

David A. Shriver, CPA  
Member



THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT

Sewer Revenue Bonds, Series 2003 A  
(West Virginia SRF Program)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Chairman of the Public Service Board of The Enlarged Hepzibah Public Service Water District in Harrison County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of \$1,900,000 Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), of the Issuer, dated September 23, 2003 (the "Bonds" or the "Series 2003 A 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 September 22, 2003 (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 September 23, 2003, the date on which the Bonds are being physically delivered in exchange for an initial advance of the principal amount of the Series 2003 A Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Series 2003 A Bonds, bearing no interest, were sold on September 23, 2003, to the Authority, pursuant to a bond purchase agreement dated August 29, 2003, by and among the Issuer, the Authority and the DEP, for an aggregate purchase price of \$1,900,000 (100% of par), at which time, the Issuer received \$183,537 from the Authority and the DEP, being the first advance of the principal amount of the Series 2003 A Bonds. The balance of the principal amount of the Series 2003 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2003 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage 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 at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Reserve Account 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 September 29, 2004. The acquisition and construction of the Project is expected to be completed by June 29, 2004.

8. The total cost of the Project financed from the proceeds of the Bonds described below is estimated at \$2,054,213. Sources and uses of funds for the Project are as follows:

SOURCES

|  |                    |
|--|--------------------|
| Proceeds of the Series 2003 A Bonds                                | \$1,900,000        |
| West Virginia Infrastructure and Jobs<br>Development Council Grant | <u>\$ 154,213</u>  |
| Total Sources  | <u>\$2,054,213</u> |

USES

|  |                    |
|--|--------------------|
| Cost of Acquisition and Construction<br>of the Project | \$2,034,713        |
| Cost of Issuance of Series 2003 A Bonds                | <u>19,500</u>      |
| Total Uses   | <u>\$2,054,213</u> |

9. Pursuant to Article V of the Bond Resolution, the following special funds or accounts have been created or continued relative to the Series 2003 A Bonds:

- (1) Revenue Fund;
- (2) Renewal and Replacement Fund;
- (3) Series 2003 A Bonds Construction Trust Fund;
- (4) Series 2003 A Bonds Sinking Fund; and
- (5) Series 2003 A Bonds Reserve Account.

10. Pursuant to Article VI of the Bond Resolution, the proceeds of the Bonds will be deposited in the Series 2003 A Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2003 A Bonds and related costs.

11. Monies held in the Series 2003 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 2003 A Bonds and will not be available

to meet costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2003 A Bonds Sinking Fund and Series 2003 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2003 A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Resolution.

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 2003 A Bonds Sinking Fund for payment of interest, if any, on the Bonds and the amount deposited in the Series 2003 A 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 governmental bonds.

23. The Issuer has either (a) funded the Series 2003 A Bonds Reserve Account at the maximum amount of principal and interest, if any, 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 2003 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2003 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest, if any, which will mature and become due on the Bonds in the then current or any succeeding year. Monies in the Series 2003 A Bonds Reserve Account and the Series 2003 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Bonds and will not be available to 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 23rd day of September, 2003.

THE ENLARGED HEPZIBAH PUBLIC SERVICE  
WATER DISTRICT

  
Chairman

09/16/03  
406790/00002



General Order  
Book 41-381

101

Friday, November 2nd, 1962.

The Court sat pursuant to its adjournment on yesterday.

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

The Enlarged Hepzibah Public Service Water District:

At a regular term of the County Court of Harrison County, continued and held at the Courthouse of said County, Commissioners Brent Rittenhouse and Benjamin B. Stout being present thereat, on the 2nd day of November, 1962, after a public hearing held on the 20th day of October, 1962, being the date fixed by prior action of the County Court for conducting the public hearing on the creation of the proposed The Enlarged Hepzibah Public Service Water District, as contemplated and provided for in a resolution and order adopted by the County Court on September 17th, 1962, the President announced that due publication of notice of such public hearing, in accordance with said order, had been made in the Clarksburg Exponent on Tuesday, September 25, 1962, as appears from a certificate of publication tendered to the County Court and now filed herein, such notice stating that all persons residing in or owning or having any interest in property in such proposed The Enlarged Hepzibah Public Service Water District desiring to be heard for or against the creation of said District would be heard. All such interested persons desiring to be heard were given full opportunity at the hearing held on the 20th day of October, 1962, and a number of such persons testified in favor of such creation, and none in opposition thereto.

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

ORDER AND RESOLUTION creating  
The Enlarged Hepzibah Public  
Service Water District in  
Harrison County, West Virginia.

WHEREAS, the County Court of Harrison County, West Virginia, did heretofore, by a resolution and order adopted September 17, 1962, fix a date for a public hearing on the creation of the proposed The Enlarged Hepzibah Public Service Water District for supplying water and sewerage services and in and by said resolution and order provide that all persons residing in or owning or having any interest in property in the proposed The Enlarged Hepzibah Public Service Water District might appear before the County Court at this meeting and have the opportunity to be heard for and against the creation of said District; and,

WHEREAS, notice of this hearing was duly given in the manner provided and required by said resolution and order and by Article 13A of Chapter 16 of the West Virginia Code, and all interested persons having been afforded an opportunity to be heard for and against the creation of said District, and upon the need for water and sewerage services described generally at the hearing, and no written protest having been filed by the requisite number of qualified voters registered and residing in said proposed Public Service Water District or otherwise, and said County Court having given due consideration to all matters for which such hearing was had; and,

WHEREAS, said County Court is of opinion and hereby determines that the creation of the proposed Public Service Water District is feasible, and that the water and sewerage services proposed for said District will be conducive to the preservation of public health,

comfort and convenience in said District, and that a resolution and order creating said District should be adopted;

NOW, THEREFORE, Be It, and It Is Hereby, Ordered and Resolved by the County Court of Harrison County, West Virginia, as follows:

I.

A Public Service Water District within Harrison County, West Virginia, is hereby created, and said District shall have the following boundaries:

BEGINNING at the Corporate limits of the City of Clarksburg at a point on said U. S. Route No. 19; thence in a northerly direction along said U. S. Route No. 19 to the intersection of the Crooked Run Road designated as being State Route No. 19/10; thence in a westerly direction along said Crooked Run Road, State Route No. 19/10, to the Harrison County Coal Magisterial District Line; thence in a northerly direction along said Coal Magisterial District line to its point of intersection with the Baltimore and Ohio Railroad Company Tracks; thence in a northerly direction along said Railroad tracks to a point which is due West from the southern limits of the Town of Gypsy (to include all of the Town of Hughes); thence due East to the West Fork River; thence in a southerly direction along said West Fork River to the intersection of said River and the Harrison County, Simpson Magisterial District line; thence in an easterly direction along said district line to its point of intersection with a telephone cable line; thence in a southerly direction along said telephone line to an angle point in said telephone line, said angle point being due East from the Northern limits of the Town of Hepzibah; thence due West to a point in the West Fork River; thence in a southerly direction along the meanderings of said West Fork River to the Corporate line of the City of Clarksburg, West Virginia; thence in a westerly direction along said Corporate line to the point of beginning.

II.

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

III.

There being no city, incorporated town or other municipal corporation included within said District, the County Court hereby appoints the following three persons residing within said District as members of the Public Service Board of said District for the terms shown after their names:

|                   |             |
|-------------------|-------------|
| ANGELO CAPOZZI    | Six Years,  |
| FAY FORTNEY       | Four Years, |
| DOMINICK SALENTRO | Two Years,  |

such terms to run from the 2nd day of November, 1962, all in accordance with the provisions of West Virginia Code, Chapter 16, Article 13A, Section 3. Said members shall qualify by meeting in the Office of the Clerk of the County Court as soon as practicable and taking an oath of office, and shall thereafter meet as said Board and organize, pursuant to the provisions of said statute.

Enlarged Hepzibah Public Service District

Enlargement // Approved

IN THE COUNTY COURT OF HARRISON COUNTY, WEST VIRGINIA

ENLARGED HEPZIBAH PUBLIC SERVICE  
DISTRICT - ENLARGEMENT

At a regular Term of the County Court of Harrison County, West Virginia, held at the Courthouse of said County, Commissioners Daniel L. McCarthy and James E. Boyce being present thereat, on the 18th day of April, 1975, being the date fixed by prior acts of the County Court for conducting the public hearing on the proposed enlargement of Enlarged Hepzibah Public Service Water District, as contemplated and provided for in an order entered by the County Court on March 17, 1975, the President announced that due publication of notice of such public hearing in accordance with said order, had been made in the Clarksburg Telegram on Friday, March 21, 1975, as appears on the certificate of publication tendered to the Court and now filed herein, such notice stating that a public hearing would be held and announced that posting of said notice had been made in five conspicuous places in said Public Service District as appears from an affidavit of Angelo Capozzi, Chairman, dated April 18, 1975, which affidavit was tendered to the Court and now is filed herein. Any person interested in the proposed enlargement was given full opportunity at the Hearing held on this date and the Chairman of said Public Service District

Session Held

Thursday, May 15th,

1975

testified in favor of the enlargement of said District. No opposition appeared to the proposed enlargement.

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

ORDER AND RESOLUTION enlarging  
Enlarged Hepzibah Public Service  
Water District.

WHEREAS, the County Court of Harrison County, West Virginia, did heretofore, by an order entered March 17, 1975, fix a date for a public hearing on the enlargement of said Enlarged Hepzibah Public Service Water District and by said order provide that notice of said hearing be published and posted; and

WHEREAS, notice of this hearing was duly given in the manner provided and required by said order and by Chapter 16, Article 13A of the Code of West Virginia, and all interested persons having been afforded an opportunity to be heard for and against the enlargement of said District, and no protests having been filed, and said County Court having given due consideration to all matters for which such hearing was held; and,

WHEREAS, copies of the petition filed and order entered herein were delivered to the Harrison County Planning Commission and no objection to the proposed enlargement has been raised by said Commission; and

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Session Held

Thursday, May 15th,

19 75

WHEREAS, said County Court is of opinion and hereby determines that the enlargement of said Public Service District is necessary, feasible and proper; that it will be conducive to the preservation of public health, comfort and conducive to the preservation of public health, comfort and convenience and does not encroach upon the territory of any other Public Service District, and will not serve any customers located within the boundaries of any other Public Service District, and that an order enlarging said District;

NOW, THEREFORE, It Is Hereby, Ordered by the County Court of Harrison County, as follows:

Enlarged Hepzibah Public Service Water District is hereby modified and enlarged to encompass the boundaries indicated within the following description:

Beginning at the common intersection of Eagle, Clay and Simpson Districts in West Fork River; thence in an easterly direction along Simpson District northerly boundary to the centerline intersection of said boundary and State route 24/11; thence south 10 degrees E. 14,780 ft. plus or minus to northern right-of-way line of Federal route I 79; thence along said right-of-way in a westerly direction 3,300 ft. plus or minus to centerline of Simpson Creek; thence along centerline of Simpson Creek and 1,000 ft. distant south thereof meandering in a general north westerly direction to the intersection of telephone right-of-way serving as the easterly boundary of the current Enlarged Hepzibah Public Service District; thence north north east along telephone right-of-way to the northerly boundary of Simpson District the point of beginning.

It appearing to the Court that there are presently three members of the Public Service Board of said District, it

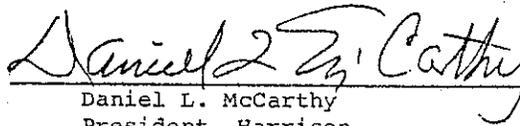
Session Held

Thursday, May 15th,

19 75

is further ordered that said members continue to constitute the Public Service Board of the Enlarged Hepzibah Public Service Water District for the term to which they were appointed by this Court and at no additional oath of office shall be required.

ENTER:



Daniel L. McCarthy  
President, Harrison  
County Court

4.

It appearing to the Commission that the foregoing order was made and entered as of the 18th day of April, 1975, but inadvertently omitted from the records, it is therefore ordered that the same be entered nunc pro tunc.

CAIRO & HARRIS INC., PRINTERS, W. VA. ST. CHARLES NO. 51820-A

Enlarged Hepzibah Public Service District  
to  
Short Line Public Service District

Transfer of Area  
Approved

IN THE COUNTY COURT OF HARRISON COUNTY, WEST VIRGINIA

Enlarged Hepzibah Public Service District  
to Short Line Public Service District

The Court, all of its members being present and voting,  
does hereby unanimously adopt the following order on its own motion  
on good cause being shown therefor:

WHEREAS, a petition was heretofore filed requesting  
transfer of a part of Enlarged Hepzibah Public Service District to  
Short Line Public Service District; and

WHEREAS, an order heretofore entered by this Court on  
November 8, 1973, directing publication of a notice appearing and  
setting a hearing on said petition on November 27, 1973, at 10:00  
o'clock a.m.; and

WHEREAS, publication of a notice of said hearing was  
duly had in The Clarksburg Exponent and The Clarksburg Telegram  
on November 13, 1973,

And it appearing to the Court that said petition should  
be granted,

BE IT RESOLVED AND ORDERED that the hereinafter  
described parcel of land is hereby transferred from the Enlarged  
Hepzibah Public Service District to the Short Line Public Service  
District, said tract or parcel of land being bounded and described  
as follows:

Beginning at the intersection of the Crooked Run Road  
(W. Va. Secondary Route 19/2) and W. Va. Secondary Route 19/10; thence  
with the line of Crooked Run Road 1.99 miles to the point where the  
Coal-Sardis Magisterial District Line crosses the road; thence with  
that line 0.47 miles in a northerly direction to a point of

intersection of the Coal-Sardis-Eagle Magisterial District Lines; thence 1.88 miles in an easterly direction with the Coal-Eagle Magisterial District line to a point 300 feet East of W. Va. Secondary Route 19/10; thence leaving the Coal-Eagle Magisterial District Line and running parallel with and 300 feet East of W. Va. Secondary Route 19/10 0.70 miles in a southerly direction to a point; thence with the northern boundary of property owned by the Harrison County Board of Education N. 63° 02' W. 315 ± feet to a point in line of W. Va. Secondary Route 19/10; thence with W. Va. Secondary Route 19/10 in a southerly direction 443 ± feet to the beginning, containing 1.01 square miles. \* there is specifically excepted and reserved unto the Enlarged Hepzibah Public Service District the area on which there is located Gore J.H. and all other school buildings.

and facilities situate on or near the intersection of Crooked Run Road and U.S. Route # 19.

BE IT FURTHER RESOLVED AND ORDERED that the hereinafter described tract or parcel of land should be deemed additional area acquired by the Short Line Public Service District, and said land is hereby made a part of said District:

Beginning at the intersection of the Crooked Run Road (W. Va. Secondary Route 19/2) and W. Va. Secondary Route 19/10; thence with the line of Crooked Run Road 1.99 miles to the point where the Coal-Sardis Magisterial District Line crosses the road; thence with that line 0.47 miles in a northerly direction to the point of intersection of the Coal-Sardis-Eagle Magisterial District line; thence with the Eagle-Sardis Magisterial District Line 2.61 miles in a northerly direction to a point in Ten Mile Creek; thence down stream with the creek 0.57 miles to a point; thence N. 57° E. 0.57 miles to a point; thence S. 49° E. 1.98 miles to a point where the Coal-Eagle Magisterial District Line crosses W. Va. Route 18; thence with the Coal-Eagle Magisterial District Line 1.33 miles in a southwesterly direction to a point; which point is 300 feet East of W. Va. Route 19/10; thence leaving the Coal-Eagle Magisterial District Line and running parallel with and 300 feet east of W. Va. Secondary Route 19/10 0.70 miles in a southerly direction to a

point; thence with the northern boundary of property owned by the Harrison County Board of Education N. 63° 02' W. 315 ± feet to a point in line of W. Va. Secondary Route 19/10; thence with Route 19/10 in a southerly direction 443 ± feet to the beginning, containing 4.49 square miles.

*Entered:*  
*November 27, 1973*  
*Daniel F. Mc Carthy*

Session Held

Wednesday, December 12th,

19 73

CASTO & HARRIS INC., SPRINGS, W. VA. TELEPHONE NO. 51820-4

HORNOR BROTHERS ENGINEERS  
 CIVIL, MINING AND CONSULTING  
 SURVEYING AND PHOTOGRAMMETRY  
 P. O. BOX 380 TELEPHONE 622-0211 AND 622-0212  
 COMMERCIAL SAVINGS & LOAN BUILDING  
 CLARKSBURG, WEST VIRGINIA  
 26301

PAUL ALLEN HORNOR  
 PRESIDENT

HENRY A. THRAMMER  
 CHIEF ENGINEER

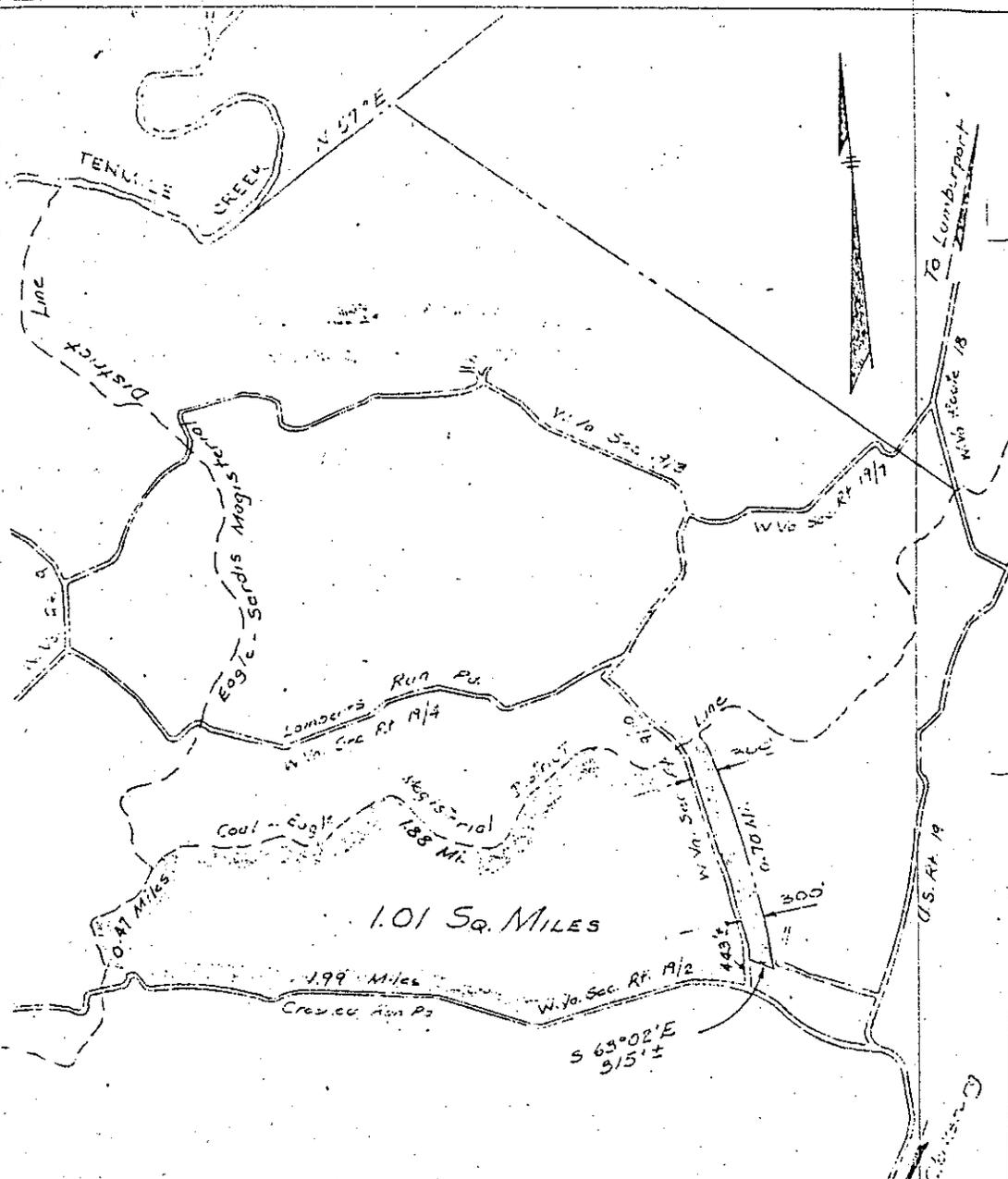
December 6, 1973

X

DESCRIPTION OF AREA TO BE RELEASED BY THE ENLARGED HEPZIBAH PUBLIC SERVICE DISTRICT

Beginning at the intersection of the Crooked Run Road (W. Va. Secondary Route 19/2) and W. Va. Secondary Route 19/10; thence with the <sup>2 of</sup> Crooked Run Road 1.99 miles to the point where the Coal-Sardis Magisterial District Line crosses the road; thence with that line 0.47 miles in a northerly direction to a point of intersection of the Coal-Sardis-Eagle Magisterial District Lines; thence 1.88 miles in an easterly direction with the Coal-Eagle Magisterial District Line to a point 300 feet East of W. Va. Secondary Route 19/10; thence leaving the Coal-Eagle Magisterial District Line and running parallel with <sup>and 300' East of</sup> W. Va. Secondary Route 19/10 0.70 miles <sup>in a southerly direction</sup> to a point; thence with the northern boundary of property owned by the Harrison County Board of Education N 63° 02' W 315 ± feet to a point in <sup>2 of</sup> W. Va. Secondary Route 19/10; thence with W. Va. Secondary Route 19/10 in a southerly direction 443 ± feet to the beginning containing ~~4.43~~ <sup>1.01</sup> square miles.

CASO & HARRIS INC., SPENCER, W. VA., RE-ORDER NO. 51020-A



PLAT  
SHOWING AREA  
TO BE RELEASED BY

ENLARGED HEPLIBAH PUBLIC SERVICE DIST.

LOCATED  
WADLEY IN COAL INDUSTRIAL DISTRICT  
HARRISON COUNTY, WEST VIRGINIA  
ROAD RECORD DEC. 1913  
LOCAL PUBLIC PLATS.

Session Held

Wednesday, December 12th,

19 73

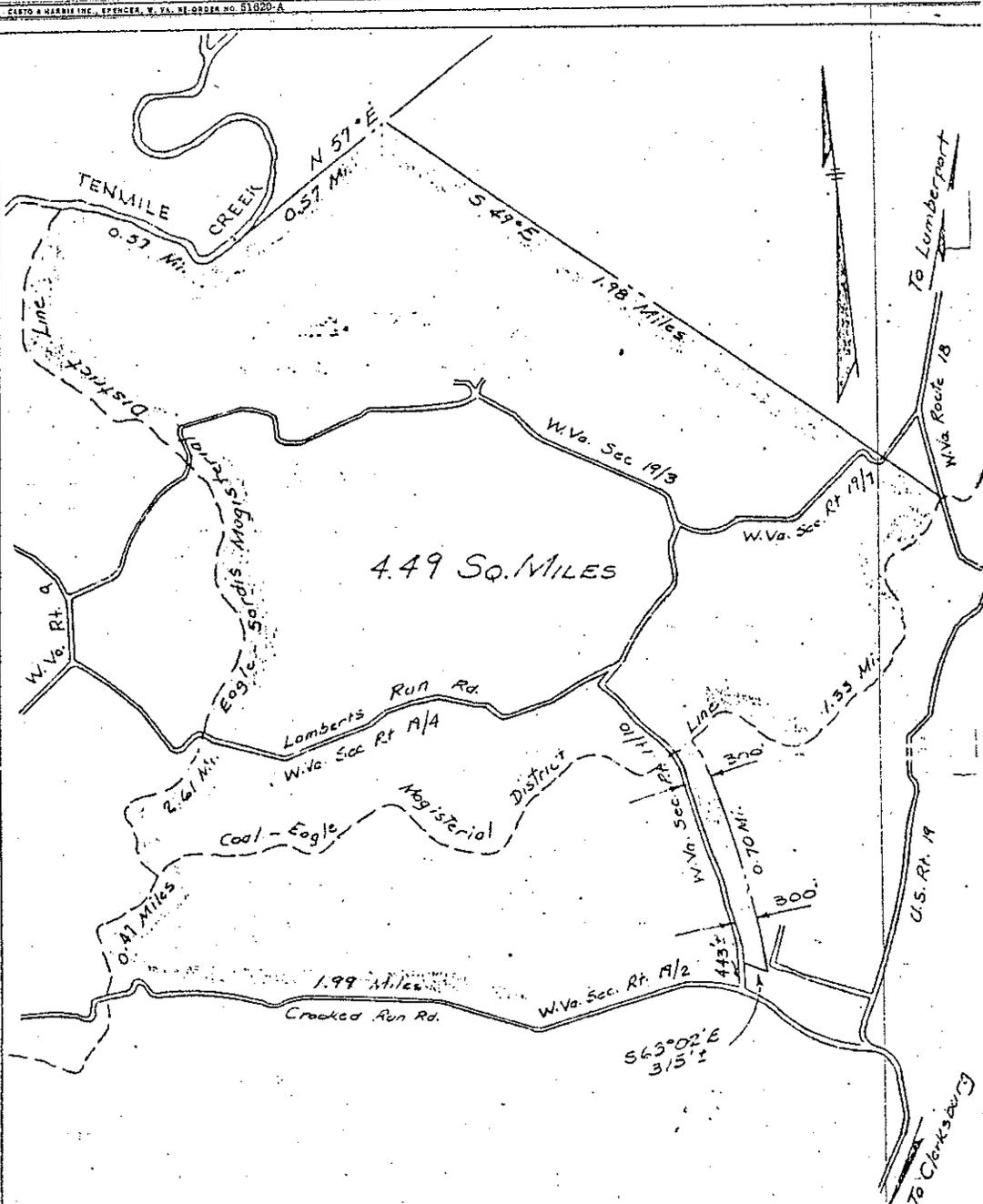
HORNOR BROTHERS ENGINEERS  
 CIVIL, MINING AND CONSULTING  
 BLUEPRINTS AND PHOTOGRAPHY  
 P. O. BOX 288 TELEPHONE 822-2241 AND 822-2242  
 COMMUNITY BAYVIEW & LEAN BUILDING  
 CLARKSBURG, WEST VIRGINIA  
 26301

HENRY A. THRASHER  
 CIVIL ENGINEER

December 6, 1973

DESCRIPTION OF ADDITIONAL AREA ACQUIRED BY THE SHORT LINE PUBLIC SERVICE DISTRICT

Beginning at the intersection of the Crooked Run Road (W. Va. Secondary Route 19/2) and W. Va. Secondary Route 19/10; thence with the <sup>E of</sup> Crooked Run Road 1.99 miles to the point where the Coal-Sardis Magisterial District Line crosses the road; thence with that line 0.47 miles in a northerly direction to the point of intersection of the Coal-Sardis-Eagle Magisterial District line; thence <sup>with the Eagle-Sardis Mag. Dist. Line</sup> 2.61 miles in a northerly direction to a point in Ten Mile Creek; thence down stream with the creek 0.57 miles to a point; thence N 57° E 0.57 miles to a point; thence S 49° E 1.98 miles to a point where the Coal-Eagle Magisterial District Line crosses W. Va. Route 10, thence with the Coal-Eagle Magisterial District Line 1.33 miles in a southwesterly direction to a point, which point is 300 feet East of W. Va. Route 19/10; thence leaving the Coal-Eagle Magisterial District Line and running parallel <sup>and 300' East of</sup> with W. Va. Secondary Route ~~19~~<sup>19</sup>/10 0.70 miles <sup>in a southerly direction</sup> to a point; thence with the northern boundary of property owned by the Harrison County Board of Education N 63° 02' W 315 <sup>E of</sup> feet to a point in W. Va. Secondary Route 19/10; thence with Route 19/10 in a southerly direction 443 <sup>E of</sup> feet to the beginning containing 4.49 square miles.



PLAT  
 SHOWING ADDITIONAL AREA  
 TO BE ACQUIRED BY  
**SHORT LINE PUBLIC SERVICE DISTRICT**  
 LOCATED  
 IN COAL & EAGLE MAGISTERIAL DISTRICTS  
 HARRISON COUNTY, WEST VIRGINIA  
 SCALE 1" = 2000' DEC. 1973  
 HORNIG BROS. ENGRS.

Session Held Wednesday, December 12th,

19 73

And it appearing to the Court that the foregoing order was made and entered of record on the 27th day of November, 1973, but due to the need to have a more definite description of the land to be involved and the need to have a plat made showing such metes and bounds description and the time involved the said order was not entered at that time and the Court now orders that the same be entered nunc pro tunc.

Samuel B. Urso, Jr. Qualified as Notary Public

This day came Samuel B. Urso, Jr. who was appointed and commissioned a Notary Public for Harrison County on the 15th day of November, 1973 by the Governor of this State, and this day accepted said office or trust and together with Mary C. Marshall who qualified as to her sufficiency, as his surety, entered into and acknowledged a bond in the penalty of Two hundred fifty (\$250.00) dollars, conditioned according to law and the said Samuel B. Urso, Jr. took the oath prescribed by law.

It is ordered that the Court be adjourned until Thursday, December 13th, 1973 at 10:00 o'clock

Daniel L. McCarthy, President

Thursday, December 13th, 1973

The Court sat pursuant to its adjournment on

Wednesday, December 12th, 1973

Present: Daniel L. McCarthy, President  
James E. Boyce, and  
John Scott, Commissioners

County Court Orders Corrected

Through inadvertence all of the orders that were made on this date, Thursday, December 13th, 1973 have been entered on the General Order Book, as of the 12th day of December, 1973. Since there was

public hearing on the creation of the proposed The Enlarged Hepzibah Public Service Water District, as contemplated and provided for in a resolution and order adopted by the County Court on September 17th, 1962, the President announced that due publication of notice of such public hearing, in accordance with said order, had been made in the Clarksburg Exponent on Tuesday, September 25, 1962, as appears from a certificate of publication tendered to the County Court and now filed herein, such notice stating that all persons residing in or owning or having any interest in property in such proposed The Enlarged Hepzibah Public Service Water District desiring to be heard for or against the creation of said District would be heard. All such interested persons desiring to be heard were given full opportunity at the hearing held on the 20th day of October, 1962, and a number of such persons testified in favor of such creation, and none in opposition thereto.

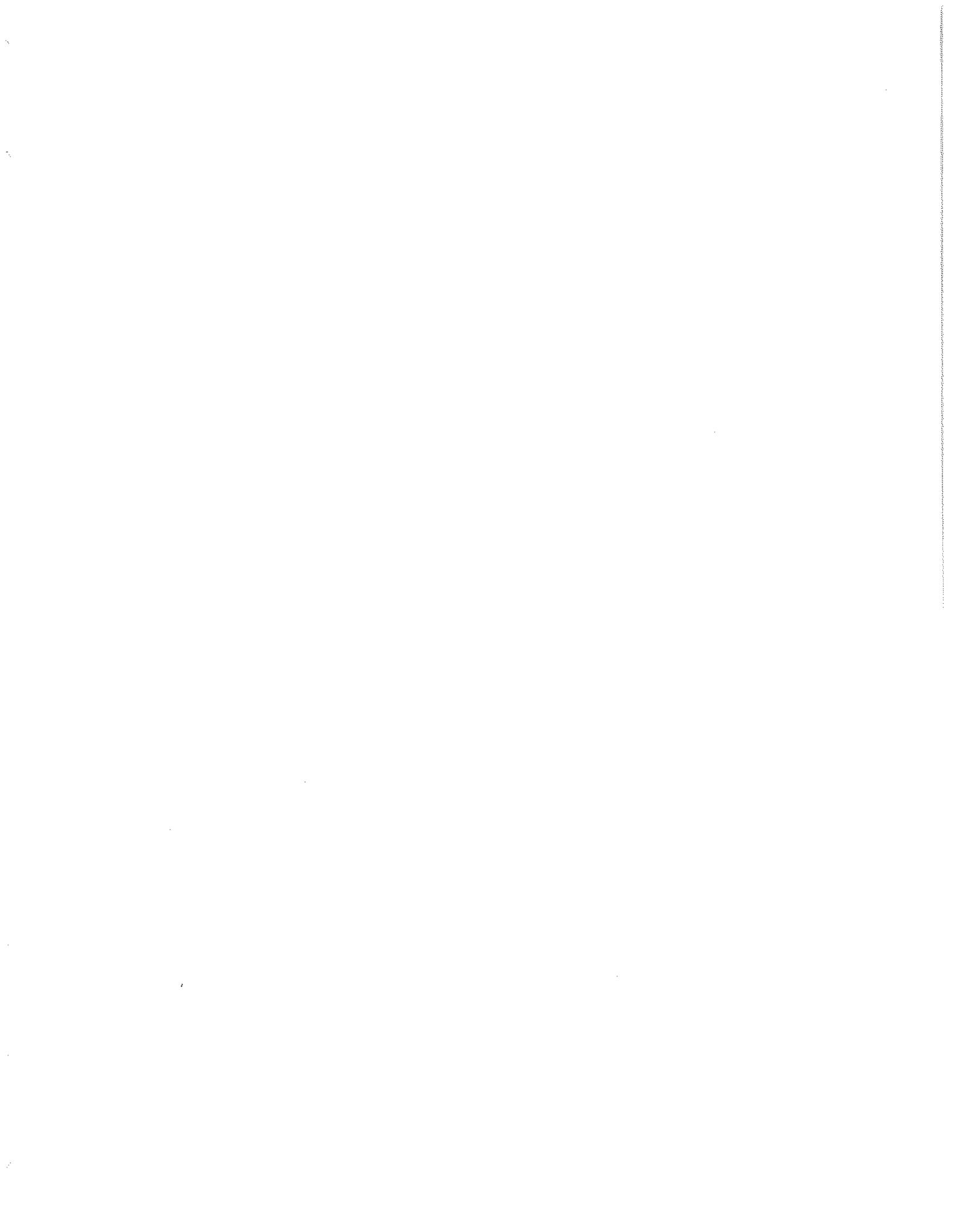
The County Court then further discussed the creation of said Public Service Water District, whereupon, on unanimous vote of all the Commissioners, the following order and resolution was adopted, effective immediately:

ORDER AND RESOLUTION creating  
The Enlarged Hepzibah Public  
Service Water District in  
Harrison County, West Virginia.

WHEREAS, the County Court of Harrison County, West Virginia, did heretofore, by a resolution and order adopted September 17, 1962, fix a date for a public hearing on the creation of the proposed The Enlarged Hepzibah Public Service Water District for supplying water and sewerage services and in and by said resolution and order provide that all persons residing in or owning or having any interest in property in the proposed The Enlarged Hepzibah Public Service Water District might appear before the County Court at this meeting and have the opportunity to be heard for and against the creation of said District; and,

WHEREAS, notice of this hearing was duly given in the manner provided and required by said resolution and order and by Article 13A of Chapter 16 of the West Virginia Code, and all interested persons having been afforded an opportunity to be heard for and against the creation of said District, and upon the need for water and sewerage services described generally at the hearing, and no written protest having been filed by the requisite number of qualified voters registered and residing in said proposed Public Service Water District or otherwise, and said County Court having given due consideration to all matters for which such hearing was had; and,

WHEREAS, said County Court is of opinion and hereby determines that the creation of the proposed Public Service Water District is feasible, and that the water and sewerage services proposed for said District will be conducive to the preservation of public health,



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*Gen Order Bk 65.***ORDERS—Commissioners Harrison County, W. Va.**

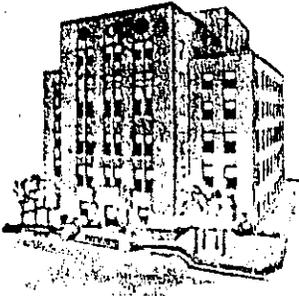
Session Held

Tuesday, September 16,

19 97

CASTO &amp; HARRIS INC., SPENCER, W. VA. RE-ORDER NO. 2048-X-95

County Commission

Minutes of September 11 Meeting  
Approved

HARRISON COUNTY COURT HOUSE

**Harrison County Commission**

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

COMMISSIONERS  
THOMAS A. KEELEY  
ROGER DIAZ  
BETH TAYLOR

At a regular meeting of the County Commission of Harrison County held on Thursday, September 11, 1997, President Thomas A. Keeley, Commissioner Roger Diaz and Commissioner Beth Taylor were present. Also present were James A. Harris, Administrative Assistant, Sylvia Basile, County Clerk and Dorothy A. McCord, Deputy County Clerk.

President Keeley called the meeting to order at 10:10 a.m.

President Keeley administered the oath of office to John DeMary as a member of the CENTRA Board.

James Harris reported that there were no exonerations for consideration.

Keeley called for a motion on the purchase orders. Commissioner Taylor moved that the purchase orders be approved. Commissioner Diaz seconded the motion, with Keeley making the vote unanimous in the affirmative.

The Commission signed a Workers' Compensation Claim form.

Harris presented a letter from James Matish, Attorney, advising the Commission that the term of Pauline Sandora as a member of the Lumberport PSD has expired. After a brief discussion, Keeley called for a motion to table. Diaz moved this matter be tabled. Taylor seconded the motion, with Keeley making the vote unanimous in the affirmative.

Harris presented the request of the Purchasing Director for authorization to replace a laptop computer. Prices from three vendors was presented. After a discussion, Diaz moved that the Commission authorize the Purchasing Director to purchase a laptop computer at a cost of \$4679.37 from Computer Discount Warehouse. Taylor seconded the motion, with Keeley making the vote unanimous in the affirmative.

Harris brought up from the table for discussion the request received from the Family Resource Network for funding consideration. After a discussion, Diaz moved that the Commission

minutes brought up from the table for discussion the request received from the Family Resource Network for funding consideration. After a discussion, Diaz moved that the Commission provide \$500 to the Family Resource Network, plus a \$500 challenge grant if FRN raises \$500 from other government sources, i.e. Clarksburg and Bridgeport. There was a further discussion after which Taylor seconded the motion, with Keeley making the vote unanimous in the affirmative.



# ORDERS—Commissioners Harrison County, W. Va.

021

Session Held

19

CASO & HARRIS INC., SPENCER, W. VA. RE-ORDER NO. 2048-X-95

Page 2

Harris brought up from the table for discussion the YMCA/City of Clarksburg program. After a discussion of the information presented, Diaz moved that the Commission try the program for one year. Taylor seconded the motion, with Keeley making the vote unanimous in the affirmative.

Harris brought up for discussion the appointments to the Harrison County Emergency Squad Board. After a discussion, Diaz moved that Dr. Smith be appointed to the Board. Taylor seconded the motion, with Keeley making the vote unanimous in the affirmative. There was a further discussion and Herman Kesling was suggested as an appointee. Diaz moved that Herman Kesling be appointed as a member, subject to the receipt of an Appointment Data Sheet. Taylor seconded the motion, with Keeley making the vote unanimous in the affirmative.

Harris brought up for discussion the appointment of Marty DeFazio as a member of the Enlarged Hepzibah PSD Board, which is due to expire and there being another vacancy on the Board. After a discussion, Diaz moved that Jean Sartoris be appointed as a member, subject to receipt of an Appointment Data Sheet, and further that Marty DeFazio be re-appointed to a full term as a member of the PSD Board. Taylor seconded the motion, with Keeley making the vote unanimous in the affirmative.

Harris brought up for discussion the appointment of the Parks and Recreation Commission members. He reported that Appointment Data Sheets had been received from all of the members up for re-appointment except Robert Fulton and that a Data Sheet had been received from another party who expressed interest on serving on the Board. After a discussion, Diaz moved that Jeannie Kalaycioglu, Jeff Keister and Mike Queen be reappointed to full terms as members of the Harrison County Parks and Recreation Commission as of August 31, 1997. Taylor seconded the motion, with Keeley making the vote unanimous in the affirmative. Harris was directed to contact Mr. Fulton as discussed.

Keeley called for a motion on the minutes. Diaz moved that the minutes of the meeting of September 4, 1997 be approved. Keeley seconded the motion. Taylor abstained from voting as she was not present for that meeting. Taylor moved that the minutes of September 9, 1997 be approved. Diaz seconded the motion. Keeley abstained from voting as he was not present for that meeting.

An invitation was received to attend an MDTV event to be held at the Louis A. Johnson Veterans' Administration Hospital on Friday, September 19, 1997 sponsored by Marshall University. The Commission appointed Commissioner Taylor to attend this event.

University. The Commission appointed Commissioner Taylor to attend this event.

Harris presented a letter received from Sheriff Godwin requesting consideration for a new employee to receive 22 months previously earned credit toward the required 2-year employee contribution for single insurance coverage. After a brief discussion, Diaz moved that the Commission authorize the employee to pay the required contribution for only two (2) months. Taylor seconded the motion, with Keeley making the vote unanimous in the affirmative.

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# ORDERS—Commissioners Harrison County, W. Va.

Session Held

Tuesday, September 16,

19 97

CASTO & HARRIS INC., SPENCER, W. VA. RE-ORDER NO. 2049-X-95

Page 3

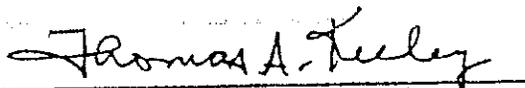
An invitation was received from Steptoe & Johnson to attend a free workshop/seminar in Fairmont on October 7, 1997 from 8:45 a.m. to 4:00 p.m. After a discussion, Commissioner Taylor was authorized to attend this seminar.

There was a discussion regarding the meeting of Tuesday, October 7, 1997, after which the Commission cancelled the meeting for that day.

Commissioner Taylor brought up for discussion an article in the current issue of the NACo newsletter.

Diaz brought up for discussion from the Information Agenda the letter from Sheriff Godwin to Bank One regarding the Sheriff's Visa card. After a discussion, Diaz moved that the Commission authorize Bank One to increase the limit on the Sheriff's Visa card from \$1,500 to \$2,000. Taylor seconded the motion, with Keeley making the vote unanimous in the affirmative. Harris was directed to notify the Bank of the Commission's authorization.

There being no further business, Commissioner Diaz moved that the meeting be adjourned. Commissioner Taylor seconded the motion, with President Keeley making the vote unanimous in the affirmative.



Thomas A. Keeley, President

9/14/97  
Date

It is ordered that the Commission be adjourned until Thursday, September 18, 1997 at 10:00 o'clock a.m.

consider this. No action taken and Mr. Griffin was thanked for his presentation.

#25. Application for Annexation: City of Bridgeport, Mr. Norm Farley, Attorney: This item was moved up on the Agenda at the request of Mr. Farley. Copies of the plat were handed out to the Commissioners and an explanation of same was forthcoming. The City of Bridgeport is requesting that at least



\*\* MOTION to correct made  
8/26/2002 --- page 1  
8/26/2002 Minutes approved  
9/9/2002

today to file the Order for application and hearing date to the Commission for the public hearing on the annexation. Proposed hearing date is August the 19th, 2002, time to be set for 9:30 a.m.

MOTION: Diaz moved that the Order that's been presented be approved and that the date for the Public Hearing for the annexation request from the City of Bridgeport be set on August 19th at 9:30 a.m.

SECOND: Smith

VOTE: Taylor making it unanimous.

2. Purchase Orders/Payroll Changes/Consolidations of Land: Mr. Harris presented Purchase Orders.

MOTION: Commissioner Diaz moved to approve Purchase Orders as presented.

SECOND: Commissioner Smith

VOTE: Commissioner Taylor making it unanimous

Mr. Harris presented Consolidations of Land.

MOTION: Diaz moved that the consolidation of land as presented today with all the names and all the consolidations be approved.

SECOND: Smith

VOTE: Taylor making it unanimous

Mr. Harris presented from the table a request from the Chief Deputy Circuit Clerk requests to get Commission's approval on the number of ballot samples that we want for the Fall General. She has to fax that out today. The number that you used for the Spring Primary was 5,500 and she is proposing that you do at least that many and that would be split over Republican, Democrat and Independent ballots. This did not need formal approval or any type Motion, Mr. Harris was instructed to handle the request.

9:30 AM, Bid Opening for Office Furniture for the Assessor's Office. The following bids were entertained:

| NAME                       | BID         | INFO PROVIDED        |
|----------------------------|-------------|----------------------|
| Champion Industries:       | \$10,763.79 | (detail & breakdown) |
| H. L. Heaster:             | \$ 8,123.98 | (detail)             |
| Parkersburg Office Supply: | \$ 9,330.61 | (detail)             |

MOTION: Commissioner Diaz moved that the bid accepted by H. L. Heaster provided that the bid specifications are met and that the total amount of the cost of new equipment will be \$9,123.98.

SECOND: Commissioner Smith

VOTE: Commissioner Taylor making it unanimous

9:35: AGENDA ITEM: Lou Clark, Re: surrender lease/Airport property: Mr. Clark gave brief background of this lease and stated he was also asking Marion County Commission to approve same.

MOTION: Smith moved that subject to Marion County Commission also approving that we approve this surrender lease between the County Commission of Harrison County and Benedum Airport Authority.

SECOND: Diaz

VOTE: Taylor making the vote unanimous

MOTION: Smith moved to authorize the President to execute the document and that the attorney will hold it until Marion County Commission also signs.

SECOND: Diaz

VOTE: Taylor making it unanimous

3. Nuisance Forms for referral to Planning Commission: Mr. Harris presented forms for referral.

MOTION: Mr. Diaz moved that the Nuisance Form be referred.

SECOND: Mr. Smith

VOTE: Ms. Taylor making the vote unanimous

4. Minutes of previous meeting(s): Harris presented for consideration.

MOTION: Commissioner Diaz moved that the Minutes be approved for June 24th.

SECOND: Commissioner Smith

VOTE: Motion passed with Commissioner Taylor abstaining

5. WVACO letter re: Amendment #1 (tabled). Harris presented the letter for approval.

MOTION: Diaz moved that we approve the resolution that has been presented to us and that we provide a resolution that is a mirror to the one that has been presented by the West Virginia Association of Counties, just changing the names of the people who are involved.

SECOND: Smith

VOTE: Taylor making it unanimous

DISCUSSION: Mr. Harris to get with Terry Schulte to see if there is anything in there that she thinks we shouldn't support, any part of the verbiage, etc.

anything in case that she thinks worthwhile support, any part of the  
verbiage, etc.

(2)

6. CCA of WV letter, Re: Amendment 1 & 2: Mr. Harris presented this to  
the Commission for action.

MOTION: Commissioner Diaz moved to support this.  
SECOND: Commissioner Smith

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VOTE: Commissioner Taylor making it unanimous

7. WV Div of Labor, Wage & Hr., re: Rail Trails: Mr. Harris presented to Commission for action.

MOTION: Diaz moved that number 7 be tabled.  
SECOND: Smith  
VOTE: Taylor making it unanimous

8. County Clerk memo regarding salary increase:

MOTION: Mr. Diaz moved that this item again be tabled due to lack of information.  
SECOND: Mr. Smith  
VOTE: Ms. Taylor making it unanimous  
DISCUSSION: County Clerk to get with Commissioners and let them know what intent is and why.

9. SIGN QUOTE FOR 4-H CENTER. Mr. Harris presented for approval and explained new information on sign.

MOTION: Roger Diaz moved that we authorize the undertaking the signage proposal from Hickman Signs who is the lower at \$6800.00 to order and erect the sign as presented in the bid packet.  
SECOND: Jim Smith  
VOTE: Beth Taylor making it unanimous

10. Fund #100, FEMA Disaster Fund Order: Mr. Harris presented for consideration of the Commission

MOTION: Commissioner Diaz moved the resolution be accepted and passed as presented.  
SECOND: Commissioner Smith  
VOTE: Commissioner Taylor making it unanimous

Mr. Harris then informed the Commission that there is a need for a Motion to suspend the meeting August the 5th due to attendance at Commission Training.

MOTION: Diaz moved that the meeting of the Harrison County Commission be suspended for August the 5th, 2002, for required training by the State Auditors Office, which will be held in Hancock County.  
SECOND: Smith

SECOND: Smith  
VOTE: Taylor making it unanimous

(2)

11. Draft letter to City of Stonewood: Jim Harris presented letter to the Commission for possible action.

MOTION: Roger Diaz moved the letter be sent to Mayor Nutter.  
SECOND: Jim Smith  
VOTE: Beth Taylor making it unanimous

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The County Commission of Harrison County

Gen Order Bk 70

CASTO & HARRIS INC., SPENCER, W. VA. RE-ORDER NO. 10357-C-01

County Commission

Minutes of August 19, 2002  
Approved



HARRISON COUNTY COURT HOUSE

Harrison County Commission

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

COMMISSIONERS  
THOMAS A. KEELEY  
ROGER DIAZ  
BETH TAYLOR

At the regular meeting of the County Commission of Harrison County held on Monday, August 19, 2002, Commissioners Beth Taylor and Roger Diaz were present. Also present were Sylvia Basile, Harrison County Clerk, Regina Seamon, Executive Secretary and Kathy Oliverio, Deputy County Clerk. Absent were: Commissioner Jim Smith and Jim Harris, County Administrator

A sign-up sheet was available beginning at 8:45 a.m. for anyone who wished to speak during the public comment period at the end of the meeting.

Commission President, Beth Taylor, declared the regular meeting of the Harrison County Commission open.

Action taken on Agenda Items:

- 1. Exonerations/Corrective Tickets/Joint Property Apps: None presented. No Action taken.

9:00 AM: AGENDA ITEM: Mickey Petitto, re: Buffalo Lake Project: Ms. Petitto presented the Commission with information regarding the Clarksburg Water Board's decision to dispose of the Buffalo Lake Property. They have sent out letters to different agencies to explore alternative uses and request that the Commission send a response in writing indicating their reaction to the public sale of same.

- 2. Purchase Orders/Payroll Changes/Consolidations of Land: Ms. Seamon presented.

MOTION: Commissioner Diaz moved to approve Purchase Orders.  
SECOND: Commissioner Taylor  
VOTE: Unanimous

MOTION: Diaz moved that payroll changes as submitted be approved.  
SECOND: Taylor  
VOTE: Unanimous

- 3. Nuisance Forms for referral to Planning Commission: Regina Seamon presented to Commission for possible action.

MOTION: Roger Diaz moved that all three forms be submitted to the Commission.  
SECOND: Beth Taylor  
VOTE: Unanimous

- 4. Minutes of the previous meeting(s): Ms. Seamon presented for approval.

MOTION: Commissioner Diaz moved to table minutes of previous meeting.  
SECOND: Commissioner Taylor

DISCUSSION: Commissioner Taylor offered that the minutes should be tabled, as she was absent for the

RECORDED Commission No. 1

DISCUSSION: Commissioner Taylor offered that the minutes should be tabled, as she was absent for the last meeting. 121

VOTE: Unanimous

5. County Clerk memo re: salary increase (tabled): Regina Seamon presented.

MOTION: Diaz moved to table until we have a full Commission.

SECOND: Taylor

VOTE: Unanimous



6. Enlarged Hepzibah PSD Board vacancy (tabled): Ms. Seamon presented and Commissioner Diaz gave a brief background of vacancy and that there is one (1) application on file for position.
- MOTION: Roger Diaz moved that Minta Kyle be appointed to serve the unexpired term of Mr. DeFazio.  
SECOND: Beth Taylor  
VOTE: Unanimous
- Ms. Kyle was asked to present herself to the Commission on the 29<sup>th</sup> to be sworn in.
7. Program Income Revenue Report/SCBG (tabled): Regina Seamon presented.
- MOTION: Diaz moved to continue to be tabled.  
SECOND: Taylor  
VOTE: Unanimous
8. Lease Agreement with Dominion Hope Gas Inc. (tabled): Ms. Seamon presented to Commission.
- MOTION: Commissioner Diaz moved to table.  
SECOND: Commissioner Taylor  
VOTE: Unanimous
9. County Clerk's memo re: poll workers salaries (tabled): Regina presented.
- MOTION: Diaz moved to table until we have a full Commission to discuss that.  
SECOND: Taylor  
VOTE: Unanimous
10. Draft letter to Enlarged Hepzibah PSD re: TV: Regina Seamon presented for Commission approval.
- MOTION: Commissioner Diaz moved that the letter be sent to Mr. Mall, General Manager, and that the signature of the President and Roger Diaz be affixed to it.  
SECOND: Commissioner Taylor  
VOTE: Unanimous
11. Draft letter to Harrison County Bar Association re: Security: Ms. Seamon presented for Commission approval.
- MOTION: Diaz moved that this letter be placed on letterhead and sent to Scott Wilson.  
SECOND: Taylor  
VOTE: Unanimous
12. Draft letter to Jody Stirewalt, re: Hope Street: Regina Seamon presented for approval and Mr. Diaz explained what this letter was regarding.
- MOTION: Roger Diaz moved that the letter be approved and sent.  
SECOND: Beth Taylor  
VOTE: Unanimous
13. Letter from Barbara Allen re: Worthless Check Fund: Ms. Seamon presented and Mr. Diaz explained.
- MOTION: Diaz moved that this be made a part of today's record.  
SECOND: Taylor  
VOTE: Unanimous
14. Letter from Bingamon PSD re: re-appointments: Regina Seamon presented.

14. Letter from Blagannon PSD re: re-appointments: Regina Seamon presented. [2]  
MOTION: Commissioner Diaz moved that this be tabled until we have a full Commission because of the fact that we are reappointing three people at one time.  
SECOND: Commissioner Taylor  
VOTE: Unanimous
15. Letter of thanks to Mario DeFazio: Ms. Seamon presented for approval and Commission signatures.  
MOTION: Diaz moved that this letter be sent to Mr. DeFazio in thanks for the work he did on the Board.  
SECOND: Taylor  
VOTE: Unanimous

## The County Commission of Harrison County

CASTO &amp; HARRIS INC., SPENCER, W. VA. RE-ORDER NO 10357-C-01

3

16. Letters from PA to Assistant re: termination & final pay. Regina Seamon presented to Commission and Diaz brought Commissioner Taylor up to date with regard to what transpired at previous meeting regarding this.  
 MOTION: Roger Diaz moved that all 3 letters from the Prosecutor be made a part of today's record.  
 SECOND: Beth Taylor  
 VOTE: Unanimous
17. WV Criminal Justice Grant Award executed copies: Ms. Seamon presented.  
 MOTION: Diaz moved that this be put in Grant file and that the President be authorized to sign.  
 SECOND: Taylor  
 VOTE: Unanimous
18. Deed of Trust release for J. Belcastro from County Commission: Regina Seamon presented for Commission approval and signature.  
 MOTION: Diaz moved that the President be authorized to sign the Deed of Trust release that's been presented.  
 SECOND: Taylor  
 VOTE: Unanimous
19. General County Taxes receivable for July 2002: Ms. Seamon presented  
 MOTION: Commissioner Diaz moved that this be made a part of today's record.  
 SECOND: Commissioner Taylor  
 DISCUSSION: Commissioner Diaz explained that there are two reports, General County and Vital Services to be incorporated into today's record.  
 VOTE: Unanimous
20. Enlarged Hepzibah PSD monthly meeting minutes: Regina Seamon presented.  
 MOTION: Diaz moved that the minutes be made a part of today's record.  
 SECOND: Taylor  
 VOTE: Unanimous
21. Lumberport Area PSD monthly meeting minutes: Ms. Seamon presented to Commission.  
 MOTION: Roger Diaz moved that the minutes be made a part of today's record.  
 SECOND: Beth Taylor  
 VOTE: Unanimous
22. Attorney Client Correspondence re: Mero Case: Regina Seamon presented.  
 MOTION: Commissioner Diaz moved that this be made a part of today's record and placed in the client file.  
 SECOND: Commissioner Taylor  
 VOTE: Unanimous
23. Attorney Client Correspondence re: King Case: Ms. Seamon presented.  
 MOTION: Commissioner Diaz moved that this be made a part of today's record and placed in the client file.  
 SECOND: Commissioner Taylor  
 VOTE: Unanimous

24. CCA of WV invitation to meeting 8/26/02 in Flatwoods: Regina Seamon presented invitation. Some discussion ensued as to whether either of the two Commissioners present would be able to attend and resulted in the following.

MOTION: Diaz moved that this be tabled until next meeting.  
SECOND: Taylor  
VOTE: Unanimous

25. Clarksburg CVB invitation to meeting 8/21/2002: Ms. Seamon presented.  
No formal motion as Mr. Diaz stated that he would attend and Ms. Taylor agreed.

26. Steptoe & Johnson letter requesting updated data: Regina Seamon presented letter for possible Commission action.
- MOTION: Roger Diaz moved that this be placed on Jim Harris' desk to update any information that they require.
- SECOND: Beth Taylor
- VOTE: Unanimous
27. Worker's Compensation reports/correspondence: Ms. Seamon presented for review.
- MOTION: Diaz moved that the claim being presented be placed in the Compensation file.
- SECOND: Taylor
- VOTE: Unanimous
28. Appointment Data Sheet, George Gerrard (Hepzibah PSD): Regina Seamon presented for possible action.
- MOTION: Commissioner Diaz moved that the Appointment Data Sheet be placed in the Hepzibah PSD file for future use along with the other letters received this morning.
- SECOND: Commissioner Taylor
- VOTE: Unanimous
29. Memo from P & R Director, re: funds & membership: Ms. Seamon presented for approval. Mr. Diaz chose to deal with each request in the memo separately.
- MOTION: Diaz moved that request #1 of the memorandum be approved and that is that the budget surplus from 2002 be allowed to be encumbered, and utilized for 4-H Center renovation.
- SECOND: Taylor
- VOTE: Unanimous
- MOTION: Diaz moved that #2 that the funds from the sinking fund, which were earmarked for the 4-H Center renovations be also made available, it's about \$30,000.00 set aside over the year.
- SECOND: Taylor
- VOTE: Unanimous
- MOTION: Diaz moved that #3 be tabled until there is a full Commission to make the determination as to what the Commission's responsibility and also involvement will be in the 4-H Center renovations.
- SECOND: Taylor
- VOTE: Unanimous

At this time, Ms. Seamon brought to the attention of the Commission that they need to deal with the final issue within the memorandum that informs the Commission that the terms of office for three members will expire on August 31, 2002.

- MOTION: Commissioner Diaz moved to reappoint Chad Biller, Vicki Huffman, and Michael Romano to full terms on the Board as they were filling unexpired terms.
- SECOND: Commissioner Taylor
- Discussion: Need to schedule for swearing in.
- VOTE: Unanimous

30. Letter from PA requesting ID pass deactivation: Regina Seamon presented to the Commission for possible action.

MOTION: Diaz moved that we make letter a part of today's record, indicating that we received a letter from John Scott indicating that Mr. Reynold's ID, swipe card, be removed from the security system.

SECOND: Taylor

VOTE: Unanimous

31. Letter of request from Salem Fire Department, re: surplus: Ms. Seamon presented for possible Commission action.

## The County Commission of Harrison County

CASTO &amp; HARRIS INC., SPENCER, W. VA. RE-ORDER NO. 10357-C-01

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- MOTION: Diaz moved that we assist the Salem Volunteer Fire Department in obtaining any type of surplus equipment that they can as long as it does not create a cost to the Harrison County Commission.
- SECOND: Taylor
- VOTE: Unanimous
32. WVDO letter re: Budget Digest Grant CASA \$7,500.00: Regina Seamon presented for Commission Signature and approval.
- MOTION: Roger Diaz moved that this be placed in CASA Grant file and further moved for President's signature to be affixed.
- SECOND: Beth Taylor
- VOTE: Unanimous
33. WVDO letter re: Budget Digest Grant YMCA \$9,700.00: Ms. Seamon presented for Commission Signature and Approval.
- MOTION: Commissioner Diaz moved that the President be authorized to sign the Grant forms for LEDA in the amount of \$9,700.00.
- SECOND: Commissioner Taylor
- VOTE: Unanimous
34. WVDO letter re: Budget Digest Grant YWCA \$50,000.00: Regina Seamon presented for Commission Signature & Approval.
- MOTION: Diaz moved the President be authorized to sign the LEDA application for the Harrison County YWCA in the amount of \$50,000.00.
- SECOND: Taylor
- VOTE: Unanimous
35. Planning Director memo re: Amendment #1: Regina Seamon informed the Commission that this item has been cancelled. No Action Taken
36. Planning Director memo, re: Rail Trail issues: Ms. Seamon presented to Commission for action.
- MOTION: Roger Diaz moved to table the process of allowing Right of Way over the Rail Trails until we have a full Commission.
- SECOND: Beth Taylor
- VOTE: Unanimous
37. Planning Commission report re: Nuisance Complaints: No Action taken at this time.
38. Consideration of modification of Courthouse hours on 9/11: Regina Seamon presented and Roger Diaz explained that there will be a memorial ceremony on the Courthouse plaza from 8:30 a.m. thru 11:00 a.m.
- MOTION: Diaz moved that on September 11<sup>th</sup>, 2002, that the regular hours of the Courthouse begin at 11:00 a.m. and continue through the usual quitting time of 4:30.
- SECOND: Taylor
- VOTE: Unanimous
39. Consideration of closing at noon August 30<sup>th</sup> for Festival: Ms. Seamon presented for Commission consideration.
- MOTION: Commissioner Diaz moved to close Courthouse on August 30<sup>th</sup>.
- SECOND: Commissioner Taylor

MOTION: Commissioner Blum moved to close the hearing at 9:30 A.M.  
SECOND: Commissioner Taylor  
VOTE: Unanimous

(2)

At this time, Commission President Taylor called for Public Comments: Ms. Mildred Menendez of Spelter, West Virginia took this time to speak before the Commission. She was inquiring about the letter to Mr. Mall, General Manager, Enlarged Hepzibah PSD regarding a TV. This being addressed previously, the Public Comment section was closed.

9:30 A.M. AGENDA ITEM: City of Bridgeport Annexation Hearing: Attorney Norm Farley spoke with regard to annexing tracts of land (14.85 acres) in Simpson District, running along the Lodgeville Road. After some discussion as to the boundaries, etc., Mr. Farley asked if there was anyone present at the hearing who wished to speak either in favor of or in

opposition to the annexation. Mr. Farley presented letters from the Bridgeport Police Department and the Bridgeport Fire Department expressing their affirmation of the annexation.

MOTION: Commissioner Diaz moved that the two letters, one from Bridgeport Police Department and the other from Bridgeport Fire Department, be made a part of today's record.  
SECOND: Commissioner Taylor  
VOTE: Unanimous

Further discussion ensued regarding DOH involvement with surfacing, properties involved, etc.

MOTION: Diaz moved that the annexation as prayed for by the City of Bridgeport be allowed.  
SECOND: Taylor  
VOTE: Unanimous

MOTION: Diaz made a motion that the President be authorized to sign the Order as presented.  
SECOND: Taylor  
VOTE: Unanimous

MOTION: Roger Diaz moved that the Public Hearing be adjourned.  
SECOND: Beth Taylor  
VOTE: Unanimous

MOTION: Diaz moved to recess until 10 AM -- Withdrawn

MOTION: Diaz moved to go back to Item 7: Program Income Revenue Report, SCBG, and further move that the President be authorized to sign the Program Income Revenue Report that deals with the Arlington, Dawmont, Gore, Glen Falls Sewer Project.

SECOND: Taylor  
VOTE: Unanimous

MOTION: Roger Diaz moved to recess until 10:00.  
SECOND: Beth Taylor  
VOTE: Unanimous

MOTION: Roger Diaz moved to return to Regular Session  
SECOND: Beth Taylor  
VOTE: Unanimous

10:00 A.M.: AGENDA ITEM: Attorney J. Harris, re: Resolution Harrison Aviation J. Smith out today. Attorney J. Harris spoke with regard to need for co-lateral assignment and to get signature on the same. There will be no liability regarding County Commission. This request is for the co-lateral assignment to occur with the Commission backing of same. Mr. Diaz added that the Airport Authority received the same document at their last meeting and they signed it.

MOTION: Commissioner Diaz moved that the President sign the necessary documents to allow assignment to occur.  
SECOND: Commissioner Taylor  
VOTE: Unanimous

10:05 A.M.: At this time, the Commission was presented with Exonerations for appropriate action.

MOTION: Diaz moved to return to Item #1  
SECOND: Taylor  
VOTE: Unanimous

VOTE: Unanimous

[2]

MOTION: Commissioner Diaz moved that the Exonerations be approved and the President be authorized to sign the Exonerations.

SECOND: Commissioner Taylor

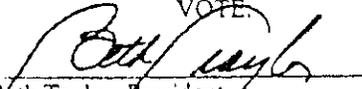
VOTE: Unanimous

With no further business ...

MOTION: Commissioner Diaz moved to adjourn

SECOND: Commissioner Taylor

VOTE: Unanimous

  
Beth Taylor, President

8/26/02  
Date

630

Gen Order Bk 70 =

The County Commission of Harrison County

CASFO & HARRIS INC., SPENCER, W. VA. RE-ORDER NO 10357-C-01

County Commission

Minutes of July <sup>29</sup>27, 2002  
Approved

RECORDED

AUG 12 11 25 AM '02

Harrison County Commission

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

COMMISSIONERS  
THOMAS A. KEELEY  
ROGER DIAZ  
BETH TAYLOR



HARRISON COUNTY COURT HOUSE

At the regular meeting of the County Commission of Harrison County held on  
\*\* Monday, July <sup>29</sup>27, 2002, President Beth Taylor, Commissioners Roger Diaz and  
James D. Smith, Jr., were present. Also present were James A. Harris, County  
Administrator, Sylvia Basile, County Clerk and Kathy Oliverio, Deputy County  
Clerk.

A sign-up sheet was available beginning at 8:45 a.m. for anyone who wished to  
speak during the public comment period.  
As no persons signed to speak before the Commission, President Taylor declared  
the Public Comment Period closed and opened the regular meeting of the  
Harrison County Commission.

Action taken on Agenda Items:

1. Exonerations/Corrective Tickets/Joint Property Apps: Mr. Harris  
presented Exonerations for approval.

MOTION: Commissioner Diaz moved to approve Exonerations as  
presented.

SECOND: Commissioner Smith

VOTE: Commissioner Taylor making it unanimous

MOTION: Diaz moved to approve Joint Property Applications  
as presented.

SECOND: Smith

VOTE: Taylor making it unanimous

9:00 A.M. Agenda Item:

Dick Griffin, RE: Telecommunications: Mr. Griffin handed to the  
Commission a portfolio describing what he was presenting to the Commission  
this date, specifically 9-1-1 system. Some discussion ensued regarding our  
9-1-1 system and Courthouse telephone system. It was suggested by the  
Commission that Mr. Griffin get with Fred Smart regarding this and if Smart  
comes to the Commission with a report and recommendation, the Commission will  
consider this. No action taken and Mr. Griffin was thanked for his  
presentation

12. Enlarged Hepzibah PSD Board Seat: Harris presented to Commission for action.

MOTION: Diaz moved that Mr. Mascella be appointed to the Public Service District Board seat that's at the Enlarged Hepzibah Public Service District upon confirmation of his retirement from the Department of Highways.

SECOND: Smith

VOTE: Taylor making it unanimous

13. County Commission appointment to the LEO Board:

Commission Taylor addressed this issue as she is the outgoing Board member due to her resignation. Roger Diaz is appointed to the LEO Board. A letter will be sent to chairman of the Board.

MOTION: Smith moved to appoint Roger Diaz to fill that seat recently vacated by Commissioner Taylor.

SECOND: Taylor

VOTE: Unanimous - Diaz accepting the appointment

14. Commission meeting agenda format changes. Commissioner Taylor addressed this issue with background on public comment period, which is to be scheduled at some time during the meeting. Discussion ensued regarding inconvenience to the general public because we don't know when the meeting will be over and the sign up sheet being at 8:45 a.m. Possibility of the sign up sheet being available at any time during the meeting explored. Discussion continued with Mr. Harris pointed out from the table that the public can address the Commission without signing the sign up sheet. Commissioners agreed. Mr. Smith clarified that in the Statute that there's not a specific time that has to be set aside, just a time slot for public comment.

MOTION: Diaz moved that we move the public comment period for addressing the Commission to the end of the meeting and that a public sign up sheet will be available throughout our entire meeting and that anyone that comes in at any time will be able to sign the sign-up sheet and then be able to address the Commission relative to their concerns.

SECOND: Smith

VOTE: Taylor making it unanimous.

15. City of Shinnston reimbursement for publication fees. Harris presented request for consideration.

MOTION: Diaz moved that the Commission reimburses them for that amount of money for publication fees in light of the fact that it was our fault that they had to expend those additional funds.

SECOND: Smith

VOTE: Taylor making it unanimous

16. Letter of Request for Street Naming/Jody Stirewalt: Mr. Harris presented letter for possible action.

MOTION: Commissioner Diaz moved to table this at this point until we hear from Sharon DiMaria, property owner, and if she has no problem with the street being named, then we can address it at that time.

SECOND: Commissioner Smith

VOTE: Commissioner Taylor making it unanimous

17. HCDA Letter Requesting Resolution for LED Grant: Letter presented by Mr. Harris for resolution. He explained request is same as last year, with dates changed.

MOTION: Diaz moved to prepare resolution as requested.

SECOND: Smith

VOTE: Taylor making it unanimous

18. WV Emergency Response Comm. letter Re: SERC Grant: Jim Harris presented notice to the Commission.

MOTION: Diaz moved to accept SERC Grant as presented.

SECOND: Smith

VOTE: Taylor making it unanimous

10:04 AM: Robert Harold, HCDA member sworn in:

At this time, Commissioner Beth Taylor, President of the Harrison County Commission swore Mr. Robert Harold in as a member of the Harrison County Development Authority.

19. FOI letter of request from Richard Fowler II: Mr. Harris presented letter for possible action. Discussion followed concerning the need to address another request from Mr. Fowler. Jim Harris explained that all FOI letters must come to the Commission.

MOTION: Smith moved that the Commission authorize the County Administrator to respond to the request for information and then refer him to the County Clerk for release of the requested information.

SECOND: Diaz

VOTE: Taylor making it unanimous

20. Workers' Compensation correspondence: Harris presented correspondence.

MOTION: Commissioner Diaz moved that this notification from the Bureau of Employment be placed in the proper work file.

SECOND: Commissioner Smith

VOTE: Commissioner Taylor making it unanimous

## The County Commission of Harrison County

CASTO &amp; HARRIS INC., SPENCER, W. VA. RE-ORDER NO 10357-C-01

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MOTION: Smith moved that we re-open #8. It seems to be a more simple process than we thought, where the County Clerk regarding the salary increase. The amount requested is not a pay increase on a per/hour basis. The individual is a part time worker who now legally can make up to \$15,000.00 and the request is that we authorize that the amount would go from \$10,000.00 to \$15,000.00, but the employee would still be paid at the current hourly rate, just allow more hours to be worked.

SECOND: Diaz

DISCUSSION: Employee will be allowed to work more hours at the same hourly rate.

MOTION and SECOND WITHDRAWN - #8 IS STILL TABLED.

10:00 AM Agenda Item: Stacy Martin: Parks & Recreation member to be sworn in.

At this time, Commissioner Beth Taylor, President of the Harrison County Commission swore Ms. Stacy Martin in as a member of the Harrison County Parks & Recreation.

21. WV Italian Heritage invitation to parade: Mr. Harris presented invitation for response.

President Taylor stated that there will be three (3) separate vehicles in the parade, each Commissioner providing their own transportation.

22. St. Paul Insurance Co. reservation of rights letter: Mr. Harris presented letter to Commission.

MOTION: Commissioner Diaz moved that this letter be placed in the appropriate file that deals with the action that was brought by Mr. Mero.

SECOND: Commissioner Smith

VOTE: Commissioner Taylor making it unanimous

23. Summit Park PSD monthly meeting minutes: Mr. Harris offered to Commission for possible action.

MOTION: Diaz moved that these be placed in the PSD file folder.

SECOND: Smith

VOTE: Taylor making it unanimous

24. Notice of HCDA meeting 8/1/02 at 3:00 PM: Mr. Harris presented notice and explained that HCDA asked that it be placed on your calendar of meetings.

and explained that HODA asked that it be placed on your calendar of meetings.

(2)

NO ACTION TAKEN -- should have been under Information Items.

25. APPLICATION FOR ANNEXATION: City of Bridgeport: Handled previously during meeting.

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26. Discussion of Pyramid Group: Commissioner Taylor spoke with Jerry Berardi with regard to Commission being placed on their application as co-applicant and how this was not addressed previously. Discussion ensued regarding wording and the requirement of a government entity as the applicant. Also was discussed the role of the County in this procedure with regard to endorsing a project versus being the applicant or co-applicant of that project.

MOTION: Commissioner Diaz moved that the Harrison County Commission signs as a co-applicant for the Pyramid Group Project that's being submitted to the Development Grant Committee, similar to how we signed on to the application for Golf & Fairways LLC.

SECOND: Commissioner Taylor

VOTE: Passed with Commissioner Smith abstaining

DISCUSSION: Need for a copy for the County.

10:05 DAVE ROSS RE: PERSONNEL MATTER:

Mr. Ross spoke regarding hiring a counselor, Julie Ketterman, to be paid for a grant and 25% by the County. Discussion about 25% coming from Home Confinement.

MOTION: Diaz moved that the Commission approve the hiring of the individual contingent upon the 25% match coming from the Home Confinement Fund.

SECOND: Smith

VOTE: Taylor making it unanimous

27. Performance Guarantee - Bel Meadows Estates: Harris presented for consideration.

MOTION: Roger Diaz moved the President be authorized to sign the performance guarantee relative to Bel Meadows Estates.

SECOND: Jim Smith

VOTE: Beth Taylor making it unanimous

28. Invitation-Supreme Court of Appeals regarding Bailiff Training: Mr. Harris presented invitation for referral.

MOTION: Diaz moved that this invitation be referred to the Sheriff.

SECOND: Smith

VOTE: Taylor making it unanimous

29. Letter from CJS RE: Asset Forfeiture Distribution: Jim Harris presented this letter to the Commission.

(2)

MOTION: Diaz moved that we allow the application for the Grant be completed and further direct that Jim Harris make contact with Lt. McGahan to make certain he's received the Grant Application letter so that this will be on the front runner.

## The County Commission of Harrison County

CASTO &amp; HARRIS INC., SPENCER, W. VA. RE ORDER NO 10357-C-01

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SECOND: Smith  
 VOTE: Taylor making it unanimous

30. Memo from HCDA regarding 2001-2002 Audit questionnaire: Harris presented to Commission. Commissioner Smith felt that this should be an Information Item to those on the Commission who are on the Harrison County Development Authority. It goes individually to Commissioners because they are Board members of HCDA, not because they're Commissioners.

31. Memo from Region VI regarding 2002-2003 dues: Harris presented memo for possible action.

MOTION: Commissioner Diaz moved the dues be paid to Region VI for our yearly assessment.  
 SECOND: Commissioner Smith  
 VOTE: Taylor making it unanimous

32. Senator Oliverio letter regarding Election Laws-feedback: Mr. Harris presented letter to the Commission. Commissioner Diaz felt that this letter could possibly be best answered by the Clerk and asked County Clerk, Sylvia Basile, if she received this letter. Ms. Basile stated she did receive this letter and responded forthwith.

MOTION: Smith moved that no further action be taken other than what the Clerk has done.  
 SECOND: Diaz  
 VOTE: Taylor making it unanimous

33. Invitation to Environmental Training Institute, Aug 5-9: Mr. Harris presented to Commission and reminded same that this was a conflict with another conference.

MOTION: Commissioner Smith made a motion to send this to all the PSDs that have a waste water treatment facility.  
 SECOND: Commissioner Diaz  
 VOTE: Commissioner Taylor making it unanimous

34. Letter from the West Virginia Development Office regarding Syn Fuel Non-Producing Co. Fund: Mr. Harris presented item.

MOTION: Diaz moved to table and asked Jim Harris to review it to find out whether or not we are receiving Syn Fuel funds.

Motion died for lack of second.

MOTION: Smith moved that the Commission ask Jim Harris to review it and if we receive such funds that we use them in conformity with the directions of the West Virginia Development Office.

SECOND: Diaz

VOTE: Taylor making it unanimous

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35. Invitation-WVU Local Government Academy, Sept 21-22,2002: Mr. Harris presented invitation for response.

MOTION: Roger Diaz moved that Jim Harris attend  
SECOND: Jim Smith  
VOTE: Beth Taylor making it unanimous

36. Memo from Purchasing regarding prices for new fax machine: Harris presented memo for approval.

MOTION: Diaz moved to purchase the FAX from H.L. Heaster, which is a Toshiba DP80F. They are the low bidder. The bids were: MCM \$895.00, Centennial Office Machines \$792.00, and Heaster \$762.00.  
SECOND: Smith  
VOTE: Taylor making it unanimous

37. Attorney Client correspondence Mero Case: Mr. Harris presented correspondence for referral to case file.

MOTION: Diaz moved that this be put into case file, Mero file.  
SECOND: Smith  
VOTE: Taylor making it unanimous

38. Plat from City of Shinnston regarding annexations: Jim Harris presented to Commission. Discussion ensued that resulted in this being an Information Item and NO ACTION NECESSARY

39. Memo from County Clerk regarding additional scanner from ACS: Mr. Harris presented. Further explanation was forthcoming from County Clerk on the need for additional scanner. It was decided to move to #40 until Tom Fishbaugh could be present for further discussion.

40. Letter to HCDA for support of grant application: Mr. Harris presented for approval.

MOTION: Smith moved for approval.  
SECOND: Diaz  
VOTE: Taylor making it unanimous

10:30 am: Tom Fishbaugh regarding County Clerks computer issues: Discussion ensued regarding the request of County Clerk for additional scanner. Commissioner Smith asked Tom about the additional scanner and his understanding that the cost is based on usage, therefore, an additional

understanding that the cost is based on usage, therefore, an additional scanner would not cost more. Mr. Fishbaugh confirmed this. It was also confirmed that the Commission was not being asked to approve purchase of the scanner as the cost is based on usage.

(2)

MOTION: Diaz moved that the request of the County Clerk be approved.  
SECOND: Smith  
VOTE: Taylor making it unanimous

## The County Commission of Harrison County

CASTO &amp; HARRIS INC., SPENCER, W. VA. RE-ORDER NO. 10357-C-01

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The other issue that Tom Fishbaugh addressed was that the Clerk's Office used to have Microsoft Office and it is not on the new computers and the cost to put this on would be roughly approximately \$520.00 per machine. He also discussed the fact that we can put this on if we want to, but if we are paying ACS to do this, why should the County work on it. Mr. Smith stated that this really shouldn't be a network issue, this would be an off-line unit.

MOTION: Commissioner Smith moved to authorize Tom Fishbaugh to identify and place in service with the applicable software and printer in order to record and maintain the minute files for the Commission.

SECOND: Commissioner Diaz

VOTE: Commissioner Taylor making it unanimous

41. Minutes - June 3, 2002 and July 22, 2002:

MOTION: Diaz moved to approve the minutes from June 3rd

SECOND: Taylor

VOTE: Motion passed with Smith abstaining

MOTION: Diaz moved to approve the minutes of July 22nd.

SECOND: Smith

VOTE: Taylor making it unanimous

10:02 Agenda Item: Dan Wheeler Housing Authority member sworn in

MOTION: Commissioner Smith moved to table appointment of Dan Wheeler until the next meeting.

SECOND: Commissioner Diaz

VOTE: Taylor making it unanimous

With no further business, the Commission entertained a Motion to go into Executive Session.

MOTION: Diaz moved to go into Executive Session to hear personnel matters, those to be present in Executive Session were the three (3) Commissioners and Jim Harris.

SECOND: Smith

VOTE: Taylor making it unanimous

EXECUTIVE SESSION:

MOTION: Commissioner Diaz moved to go from Executive Session to Regular Session.

SECOND: Commissioner Smith

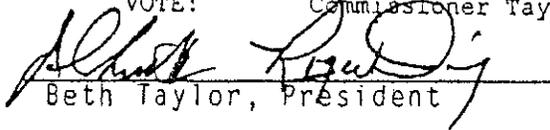
VOTE:

SECOND: Commissioner Smith  
VOTE: Commissioner Taylor making it unanimous

[2]

OPEN SESSION:

MOTION: Commissioner Diaz moved to adjourn  
SECOND: Commissioner Smith  
VOTE: Commissioner Taylor making it unanimous

  
Beth Taylor, President

8/12/02  
Date

It is ordered that the Commission be adjourned until Monday, August 12, 2002 at 9:00 o'clock a.m.

Instrument Book Page  
200200019187 35 77

**OATH OF OFFICE AND CERTIFICATE**  
=====

STATE of WEST VIRGINIA     )  
  )  
Harrison County, to-wit     )

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Member, Enlarged Hepzibah Public Service District

\_\_\_\_\_

\_\_\_\_\_

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

Signature of Affiant *Minta Kyle*  
Minta Kyle

Subscribed and sworn to before me, in said County and State, this 20th  
                   day of August 2002.

*Quintin A. McLeod*  
Rec'd.

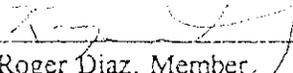
*Beth Taylor*  
Beth Taylor, President

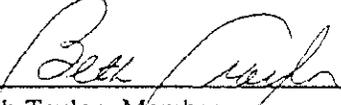
*Roger Dizz*  
Roger Dizz, Member

*James D. Smith, Jr.*  
James D. Smith, Jr., Member





  
\_\_\_\_\_  
Roger Diaz, Member,

  
\_\_\_\_\_  
Beth Taylor, Member



RULES OF PROCEDURE

THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT

ARTICLE I

NAME AND PLACE OF BUSINESS

Section 1. Name: THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT.

Section 2. The principal office of this Public Service District is located at Drawer H, Hepzibah, Harrison County, West Virginia 26369.

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

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

ARTICLE II

PURPOSE

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

## ARTICLE III

### MEMBERSHIP

Section 1. The members of the Public Service Board of this District shall be those persons appointed by The County Commission of Harrison County, West Virginia, or otherwise appointed pursuant to the Act, who shall serve for such terms as may be specified in the order of the County Commission or otherwise.

Section 2. Should any member of the Public Service Board resign or otherwise become legally disqualified to serve as a member of the Public Service Board, the Secretary shall immediately notify the County Commission or other entity provided under the Act and request the appointment of a qualified person to fill such vacancy. Prior to the end of the term of any member of the Public Service Board, the Secretary shall notify the County Commission or other entity provided under the Act of the pending termination and request the County Commission or other entity provided under the Act to enter an order of appointment or re-appointment to maintain a fully qualified membership of the Public Service Board.

## ARTICLE IV

### MEETINGS OF THE PUBLIC SERVICE BOARD

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

Section 2. At any meeting of the Public Service Board of the District, 2 members shall constitute a quorum. Each member of the Public Service Board shall have one vote at any membership meeting and if a quorum is not present, those present may adjourn the meeting to a later date.

Section 3. Unless otherwise agreed, notice to members of regular meetings shall not be required. Unless otherwise waived, notice of each special meeting of the membership shall be given to all members by the Secretary by fax, telephone, mail or other satisfactory means at least 3 days before the date fixed for such special meeting. The notice of any special meeting shall state briefly the purposes of such meeting and the nature of the business to be transacted thereat, and no business other than that stated in the notice or incidental thereto shall be transacted at any such special meeting.

## PUBLIC NOTICE OF MEETINGS

Section 4. Pursuant to Section 3, Article 9A, Chapter 6 of the West Virginia Code of 1931, as amended (1999 Revision), notice of the date, time, place and agenda of all regularly scheduled meetings of such Public Service Board, and the date, time, place and purpose of all special meetings of such Public Service Board, shall be made available, in advance, to the public and news media (except in the event of an emergency requiring immediate action) as follows:

A. Regular Meetings. A notice shall be posted and maintained by the Secretary of the Public Service Board of the Public Service District at the front door or bulletin board of the Harrison County Courthouse and at the front door or bulletin board of the place fixed for regular meetings of the Public Service Board of the date, time and place fixed and entered of record by the Public Service Board for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same locations by the Secretary of the Public Service Board not less than 72 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is cancelled or postponed, a notice of such cancellation or postponement shall be posted at the same locations as soon as feasible after such cancellation or postponement has been determined.

B. Special Meetings. A notice shall be posted by the Secretary of the Public Service Board at the front door or bulletin board of the Harrison County Courthouse and at the front door or bulletin board of the place fixed for the regular meetings of the Public Service Board not less than 72 hours before a 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 as 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 22nd day of September, 2003.



DW

20-699

**COPY**

PUBLISHER'S CERTIFICATE

STATE OF WEST VIRGINIA,  
COUNTY OF HARRISON

I, SARA V. SHINGLETON

Classified Manager of THE EXPONENT-TELEGRAM, a newspaper  
of general circulation published in the City of Clarksburg, County  
and State aforesaid, do hereby certify that the annexed

NOTICE OF FILING

was published in said THE EXPONENT-TELEGRAM one time on  
the 21 day of February 20 03

The publisher's fee for said publication is \$ 87.40

Given under my hand this 24 day of February  
2003

Sara V. Shingleton  
Classified Manager of The Exponent Telegram

Subscribed and sworn to before me this 24 day of  
February 20 03

Shelley F. Riffle  
Notary Public in and for Harrison County, WV

My commission expires on the 21 day of July 2009.

Form CA-14 E

**SEAL**

NOTICE FILING

WHEREAS, on February 14, 2003, the Enlarged Hepzibah Public Service District, a public utility, filed an application, duly verified, for a Certificate to construct certain additions and improvements to the District's existing sewage system in Harrison County. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

WHEREAS, the District estimates that construction will cost approximately \$1,900,000.00. It is proposed that the construction will be financed as follows: a State Revolving Fund Loan in the amount of \$1,900,000.00.

WHEREAS, the utility anticipates charging the following sewage rates for its customers:

4.8525 per hundred cubic feet used per month  
\$6.47 per thousand gallons used per month  
MINIMUM MONTHLY BILL for 3,000 gallons \$19.41 per month

DELAYED PAYMENT PENALTY  
The above tariff is net. On all accounts not paid in full within twenty (20) days of date of latest pay date, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

CONNECTION CHARGE (if applicable)  
Prior to construction- \$200.00  
After construction passes the premises to be served, charge for connection to system- \$200.00

These rates represent the following project-related increases:

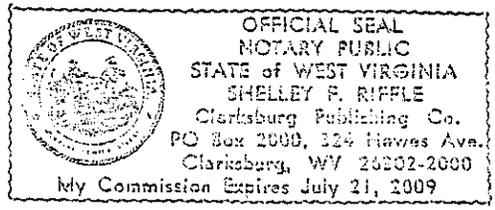
|             | (\$) INCREASE | (%) INCREASE |
|-------------|---------------|--------------|
| Residential | \$7.25        | 33.15%       |
| Commercial  | \$7.25        | 33.15%       |
| Industrial  | \$7.25        | 33.15%       |

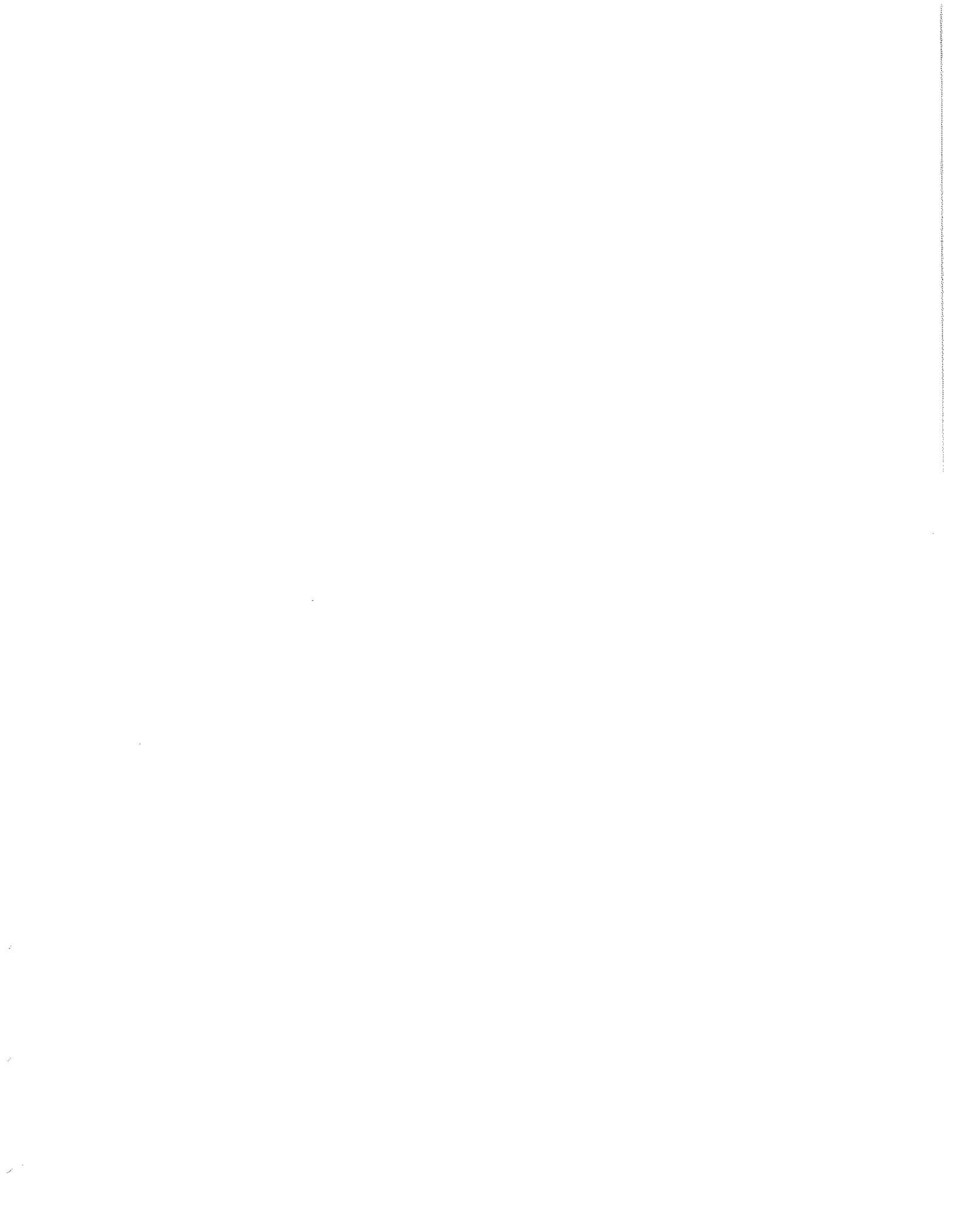
The District does not have any resale customers. The proposed increased rates and charges will produce approximately \$71,500.00 annually in additional revenue, an increase of 43%.

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing.

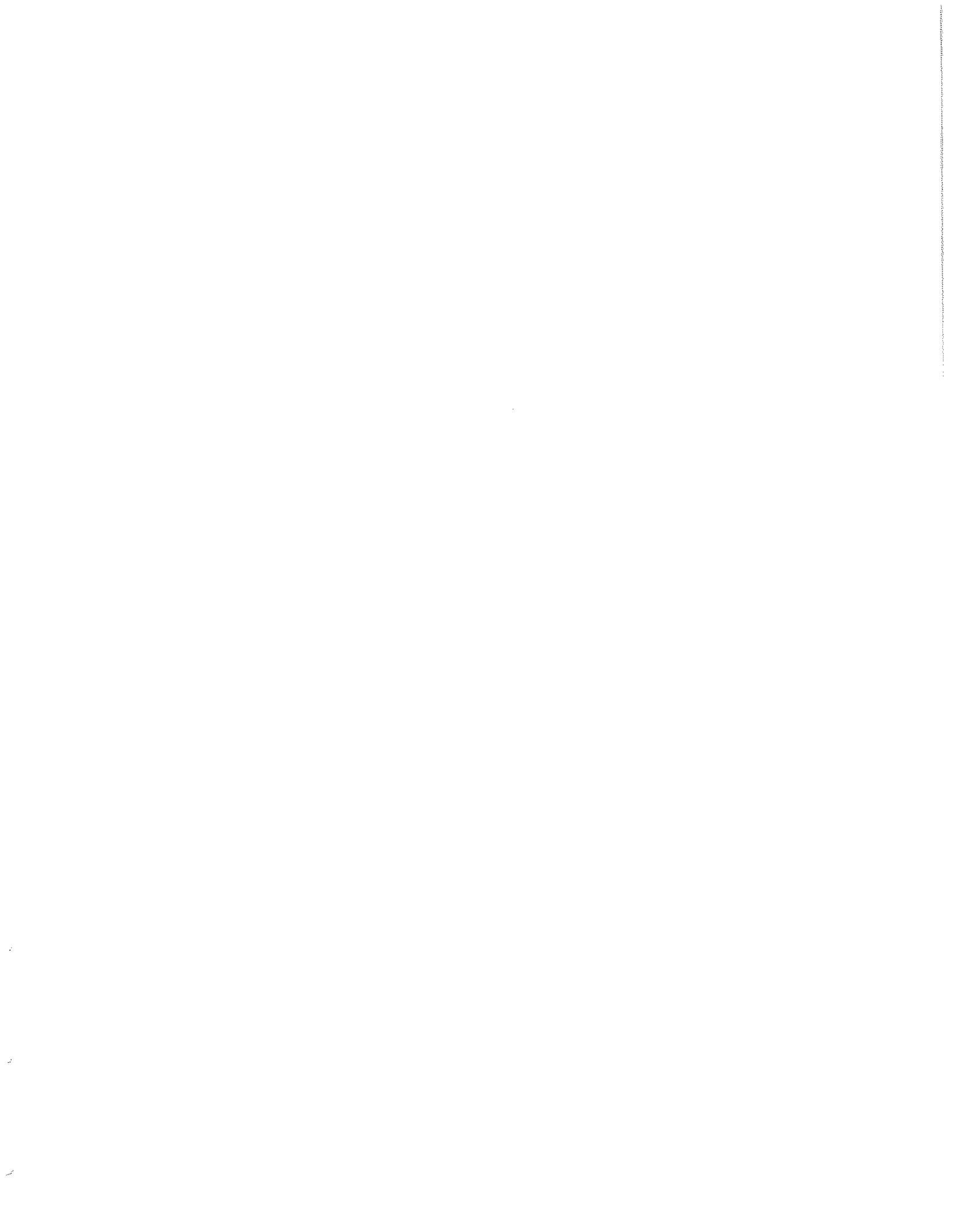
Pursuant to §24-2-11, West Virginia Code, IT IS ORDERED, that the Enlarged Hepzibah Public Service District give notice of the filing of said application, by publishing a copy of this order once in a newspaper duly qualified by the Secretary of State, published and of general circulation in Harrison County, making due return to this Commission of proper certification of publication immediately after publication. Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication unless otherwise modified by Commission Order. Failure to timely protest or intervene can affect your rights to protest aspects of the certificate case, including any associated rate increases or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or intervention. Requests to intervene must comply with the Commission's rules on intervention set forth in the Commission's Rules and Practice and Procedure. All protests and interventions should be addressed to Sandra Squire, Executive Secretary, P.O. Box 812, Charleston, West Virginia 25323.

IT IS FURTHER ORDERED that if no protests are received within said thirty (30) day period, the Commission may waive formal hearing and grant the application based on the evident submitted with said application and it review thereof.





**RESERVED**



THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT

Sewer Revenue Bonds, Series 2003 A  
(West Virginia SRF Program)

MINUTES ON ELECTION OF OFFICERS,  
RULES OF PROCEDURE,  
BOND RESOLUTION AND SUPPLEMENTAL RESOLUTION

The undersigned, SECRETARY of the Public Service Board of The Enlarged Hepzibah Public Service Water District, hereby certifies that the following is a true and correct excerpt of the minutes of a special meeting of the said Public Service Board:

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The Public Service Board of The Enlarged Hepzibah Public Service Water District met in special session, pursuant to notice duly posted, on the 22nd day of September, 2003, at the District's offices, Hepzibah, Harrison County, West Virginia, at the hour of 1:00 p.m.

PRESENT: Angelo Moschella, Chairman  
Jean Sartoris, Secretary/Treasurer  
Minta Kyle, Member

ABSENT: NONE

Angelo Moschella, Chairman, presided, and Jean Sartoris 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 Board held its organizational meeting for the calendar year of 2003. The officers are as follows:

|                     |   |                  |
|---------------------|---|------------------|
| Chairman            | - | Angelo Moschella |
| Treasurer/Secretary | - | Jean Sartoris    |

Thereupon, the Chairman presented proposed 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 IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$1,900,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

and caused the same to be read and there was discussion. Thereupon, on motion duly made by Ms. Sartoris and seconded by Mr. Moschella, 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 SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM), OF THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT; RATIFYING AND APPROVING THE BOND PURCHASE 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 by Ms. Sartoris and seconded by Mr. Moschella, it was unanimously ordered that the said Supplemental 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.

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 23rd day of September, 2003.

  
Secretary

09/16/03  
406790.00002

NOTICE OF  
PUBLIC HEARING OF THE  
PUBLIC SERVICE BOARD  
OF ENLARGED HEPZIBAH  
PUBLIC SERVICE  
DISTRICT TO ADOPT  
BOND RESOLUTION

A special meeting of the Public Service Board of the Enlarged Hepzibah Public Service District (the "PSD") will be held to consider and adopt the following-entitled Resolution, and to take such other action as necessary in relation thereto, on Monday, September 22, 2003, at 1:00 p.m., prevailing time, at the District's offices at Maple Street Extension, Hepzibah, West Virginia, and at such meeting the Board shall consider and adopt such Resolution entitled:

RESOLUTION AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS AND EXTENSIONS TO THE EXISTING PUBLIC SEWERAGE FACILITIES OF ENLARGED HEPZIBAH PUBLIC SERVICE DISTRICT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE DISTRICT OF NOT MORE THAN \$2,200,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BOND, SERIES 2003 A (WEST VIRGINIA SRP 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 BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-quoted title of the Resolution describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The proceeds of the Bonds will be used to provide permanent financing of a portion of the cost of (i) acquisition and construction of certain additions, betterments, improvements and extensions of the existing public sewerage system of the District and (ii) paying costs of issuance of the Bonds and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the sewerage system of the District.

At the meeting, the Board intends to adopt the Resolution and take such other actions as may be necessary in furtherance of the Project and the financing contemplated by the Resolution. Such meeting is open to the public. Dated: September 10, 2003.  
/s/ Jean Sartoris  
Secretary/Treasurer

## PUBLISHER'S CERTIFICATE

STATE OF WEST VIRGINIA,  
COUNTY OF HARRISON

I, SARA V. SHINGLETON

Classified Manager of THE EXPONENT-TELEGRAM, a newspaper of general circulation published in the City of Clarksburg, County and State aforesaid, do hereby certify that the annexed

PUBLIC HEARING

was published in said THE EXPONENT-TELEGRAM one time on the 10 day of September 2003

The publisher's fee for said publication is \$ 38.28

Given under my hand this 10 day of September 2003

Sara V. Shingleton

Classified Manager of The Exponent-Telegram

Subscribed and sworn to before me this 10 day of September 2003

Shelley F. Riffle  
Notary Public in and for Harrison County, WV

My commission expires on the 21 day of July 2009.

Form CA-14 E

SEAL

OFFICIAL SEAL  
NOTARY PUBLIC  
STATE of WEST VIRGINIA  
SHELLEY F. RIFFLE  
Clarksburg Publishing Co.  
Box 2000, 324 Hewitt Ave.  
Clarksburg, WV 26302-2000  
Expires July 21, 2009



WV MUNICIPAL BOND COMMISSION  
#8 Capitol Street, Suite 500  
Terminal Building  
Charleston, WV 25301  
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: September 23, 2003

ISSUE: The Enlarged Hepzibah Public Service Water District Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program)

ADDRESS: Drawer H. Hepzibah, WV 26369 COUNTY: Harrison

PURPOSE OF ISSUE: New Money: X  
Refunding: \_\_\_\_\_ REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: September 23, 2003 CLOSING DATE: September 23, 2003

ISSUE AMOUNT: \$1,900,000 RATE: 0%; Administration Fee .5%

1ST DEBT SERVICE DUE: June 1, 2005 1ST PRINCIPAL DUE: June 1, 2005

1ST DEBT SERVICE AMOUNT: \$15,834 PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Step toe & Johnson PLLC  
Contact Person: John C. Stump, Esquire  
Phone: 304.353.8196

UNDERWRITERS COUNSEL: Jackson Kelly, PLLC  
Contact Person: Samme L. Gee, Esquire  
Phone: 304.340.1318

CLOSING BANK: Branch Banking & Trust Company  
Contact Person: Carl Jefferis  
Phone: 304.363.2290

ESCROW TRUSTEE: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Phone: \_\_\_\_\_

KNOWLEDGEABLE ISSUER CONTACT  
Contact Person: Howard Mall  
Position: Manager  
Phone: 304.623.2217

OTHER: WV Department of Environmental Protection  
Contact Person: Rosalie Brodersen  
Function: Program Manager  
Phone: 304.558.0637

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.



THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT

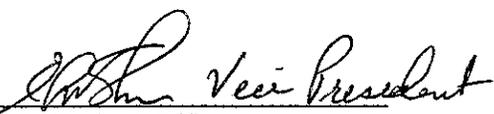
Sewer Revenue Bonds, Series 2003 A  
(West Virginia SRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

Branch Banking and Trust Company, Fairmont, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Resolution and a Supplemental Resolution of The Enlarged Hepzibah Public Service Water District (the "Issuer"), both adopted September 22, 2003 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated September 23, 2003, in the principal amount of \$1,900,000 (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 23rd day of September, 2003.

BRANCH BANKING AND TRUST COMPANY

By:   
Its: Authorized Officer

09/16/03  
406790.00002



THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT

Sewer Revenue Bonds, Series 2003 A  
(West Virginia SRF Program)

ACCEPTANCE OF DUTIES OF REGISTRAR

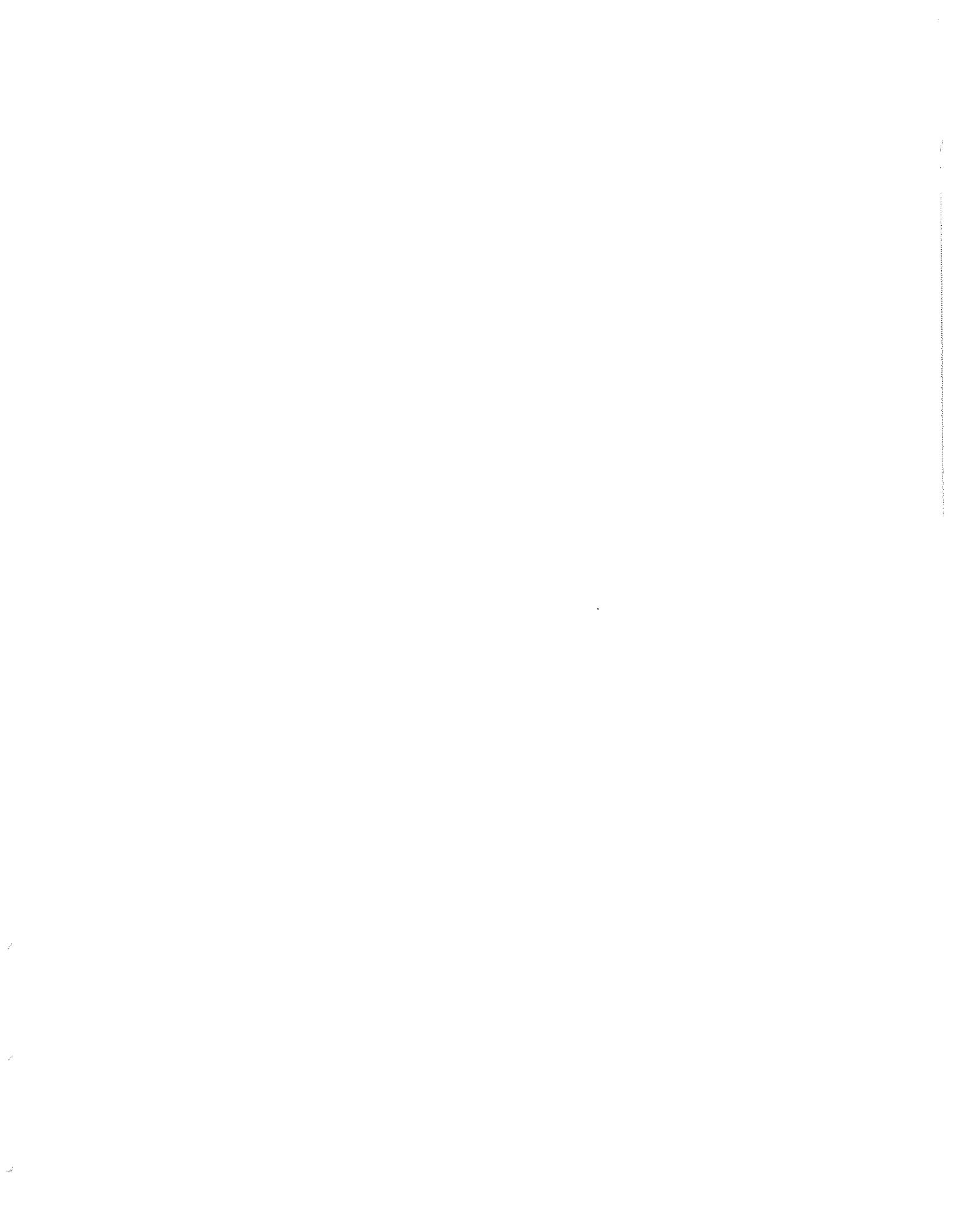
THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with The Enlarged Hepzibah Public Service Water District Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated September 23, 2003, in the principal amount of \$1,900,000 and agrees to perform all duties of Registrar in connection with such Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 23rd day of September, 2003.

THE HUNTINGTON NATIONAL BANK

By:   
Its: Authorized Officer

09/16/03  
406790/00002



THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT

Sewer Revenue Bonds, Series 2003 A  
(West Virginia SRF Program)

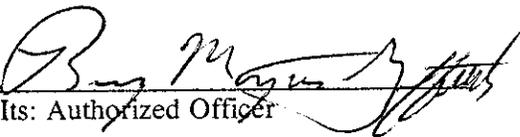
CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of The Enlarged Hepzibah Public Service Water District (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered The Enlarged Hepzibah Public Service Water District Sewer Revenue Bond, Series 2003 A (West Virginia SRF Program), of the Issuer, dated September 23, 2003, in the principal amount of \$1,900,000, numbered AR-1, is registered as to principal in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

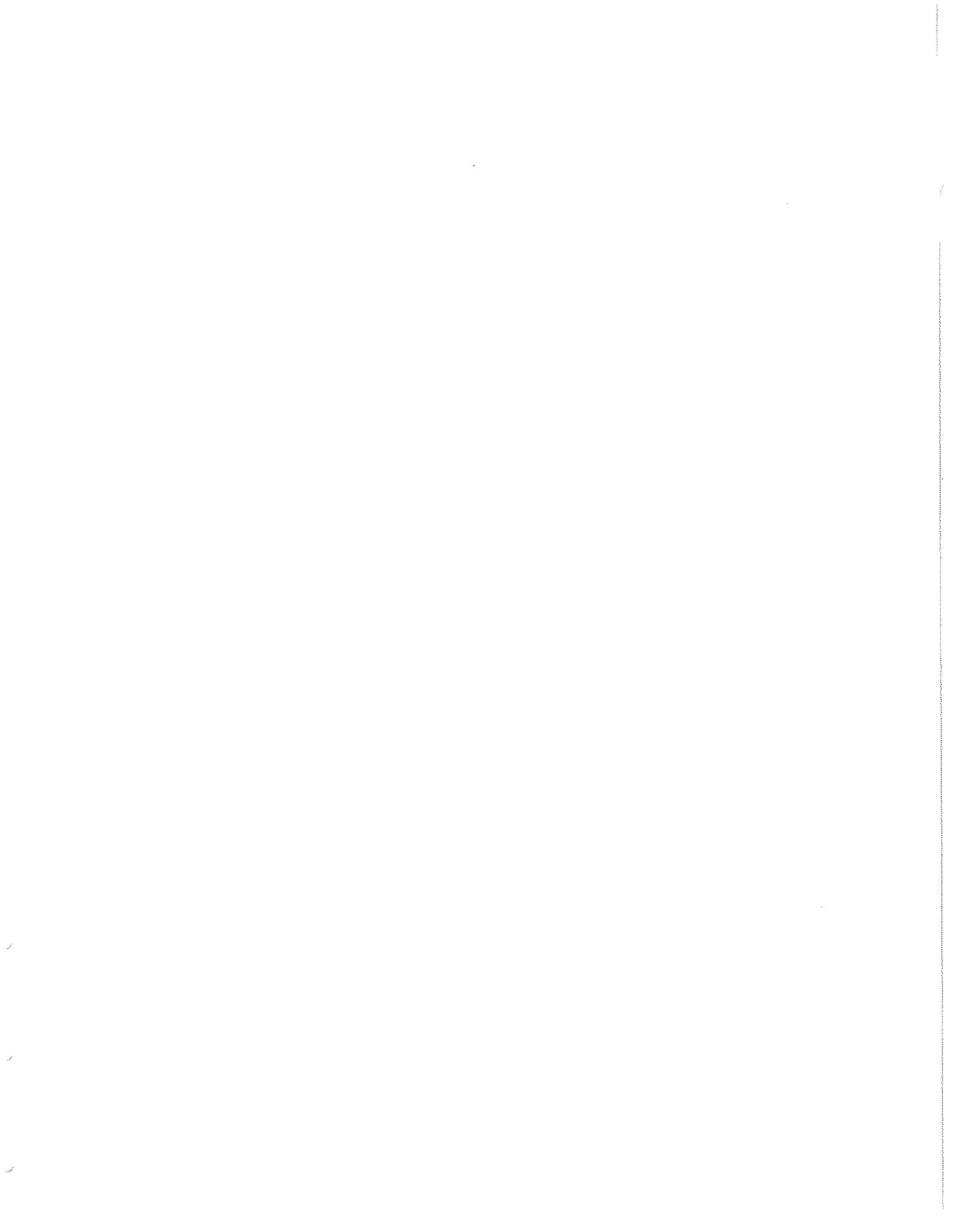
WITNESS my signature on this 23rd day of September, 2003.

THE HUNTINGTON NATIONAL BANK

By:

  
Its: Authorized Officer

09/16/03  
406790.00002



THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT

Sewer Revenue Bonds, Series 2003 A  
(West Virginia SRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 23rd day of September, 2003, by and between THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT, a public corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its \$1,900,000 Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), in fully registered form (the "Bonds"), pursuant to a Bond Resolution adopted September 22, 2003, and a Supplemental Resolution adopted September 22, 2003 (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: The Enlarged Hepzibah Public Service Water District  
Drawer H  
Hepzibah, West Virginia 26369  
Attention: Manager

REGISTRAR: The Huntington National Bank  
One Huntington Square  
Charleston, West Virginia 25301  
Attention: Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

9. 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.

EXHIBIT A

[Included in transcript as Document Nos. 1 and 2]

Private Financial Group  
900 Lee Street, 11th Floor  
P. O. Box 3985  
Charleston, West Virginia 25339-3985



STATEMENT OF TRUSTEE'S FEES  
Invoice Date September 23, 2003

Enlarged Hepzibah Public Service District  
Account Number 6089001809

The Enlarged Hepzibah Public Service Water District  
Sewer Revenue Bonds, Series 2003 A  
C/O John C. Stump  
Steptoe & Johnson, PLLC  
P.O. Box 1588  
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

FEE CALCULATION FOR September, 2003

|              |    |               |
|--------------|----|---------------|
| TOTAL AMOUNT | \$ | 500.00        |
| TOTAL DUE    | \$ | <u>500.00</u> |

- \* FEE INVOICES ARE PAYABLE WITHIN 30 DAYS. IF PAYMENT \*
- \* IS NOT RECEIVED, FEES WILL BE DEDUCTED FROM THE PLAN \*
- \* .. MAIL CHECK TO: HUNTINGTON NATIONAL BANK, ATTN: DEBRA ... \*
- \* .. BOWDEN, PO BOX 633, CHARLESTON, WV 25322-0633 .....

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT  
Barry Morgan Griffith at (304)348-5035

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.

THE ENLARGED HEPZIBAH PUBLIC  
SERVICE WATER DISTRICT

By: *Angelo Moschella*  
Its: Chairman

THE HUNTINGTON NATIONAL BANK

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

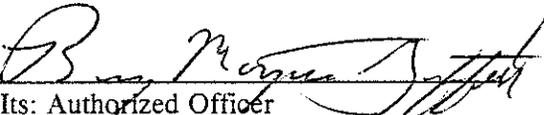
09/16/03  
406790/00002

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.

THE ENLARGED HEPZIBAH PUBLIC  
SERVICE WATER DISTRICT

By: \_\_\_\_\_  
Its: Chairman

THE HUNTINGTON NATIONAL BANK

By:   
Its: Authorized Officer

09/16/03  
406790/00002



20-6999

KM  
DW



Division of Water and Waste Management  
414 Summers Street, Second Floor  
Charleston, WV 25301  
Telephone Number: (304) 558-4086  
Fax Number: (304) 558-3023

**COPY**

## West Virginia Department of Environmental Protection

Bob Wise  
Governor

Stephanie R. Timmermeyer  
Cabinet Secretary

August 20, 2003

Howard Mall  
Enlarged Hepzibah PSD  
Drawer H  
Hepzibah, WV 26369

Re: WV/NPDES Permit No. WV0081001  
Modification No. 4

Dear Mr. Mall:

This serves as Modification No. 4 of your WV/NPDES Permit No. WV0081001, issued the 25<sup>th</sup> day of October 2001.

After review of all information submitted by Permit Modification Application No. WV0081001-D dated the 15<sup>th</sup> day of April 2003, the subject permit is hereby modified as follows:

1. To acquire, construct, install, operate, and maintain improvements to an existing wastewater collection system and extend the collection system to 54 customers in the Farnum area. The improvements and extension shall be comprised of approximately 4,560 linear feet of eight (8) inch diameter PVC gravity sewer pipe; 3,580 linear feet of six (6) inch diameter PVC gravity sewer pipe; 1,000 linear feet of six (6) inch diameter ductile iron gravity sewer pipe; 1,500 linear feet of four (4) inch PVC service line; 1,400 linear feet of two (2) inch PVC SDR-21 force main; 680 linear feet of one and one-half (1½) inch PVC SDR-11 force main; 825 linear feet of one and one-quarter (1¼) inch PVC SDR-11 force main; 56 manholes; 15 cleanouts; two (2) force main clean outs; two (2) sewer air/vacuum release valves; four (4) simplex package grinder pump stations; two (2) duplex package grinder pump stations; and once (1) duplex grinder station; and other appurtenances necessary to complete the project.
2. Also to acquire, construct, install, operate, and maintain improvements to each existing wastewater treatment plant (Erie Plant and Spelter Plant) comprised of one (1) ultraviolet disinfection system; installation of inlet magnetic flow metering; installation of mechanical bar screens; rework existing rotor systems; install variable speed drives on existing sludge pumps; convert existing chlorination contact chambers to dissolved oxygen basins; replace two (2) existing sludge pumps; install aeration system to sludge holding system at the Erie plant; install a second sludge holding basin at the Spelter plant; install aeration system to sludge holding at both plants; replace and relocate electrical control system; and install new generators; and other appurtenances necessary to complete the project.
3. The wastewater collection system and wastewater treatment plant project shall be constructed in accordance with the plans and specifications, approved the 11<sup>th</sup> day of June 2002, and any approved addenda, thereto, prepared by Thrasher Engineering, Inc.; 30 Columbia Blvd.; Clarksburg, WV 26301; and entitled "Enlarged Hepzibah Public Service District Sanitary Sewer System Improvements"; SRF Project No. C-544320.



West Virginia Department  
of Environmental Protection

"Promoting a healthy environment."

**B. SCHEDULE OF COMPLIANCE**

1. The permittee shall achieve compliance with the provisions for waste treatment and the monitoring requirements specified in this permit in accordance with the following schedule:

ON OR BEFORE APRIL 29, 2004:

Complete construction of ultraviolet disinfection systems at the Erie and Spelter plants.

2. Reports of compliance or non-compliance with, and progress reports on interim and final requirements contained in the above compliance schedule, shall be postmarked no later than 14 days following each schedule date.



Resolution

ENLARGED HEPZIBAH PUBLIC SERVICE DISTRICT

Sewer Revenue Note, Series 2002

RESOLUTION

RESOLUTION AUTHORIZING THE ISSUANCE BY ENLARGED HEPZIBAH PUBLIC SERVICE DISTRICT OF ITS \$70,000 PRINCIPAL AMOUNT SEWER REVENUE NOTE, SERIES 2002; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH NOTE AND ADOPTING OTHER PROVISIONS RELATING THERETO.

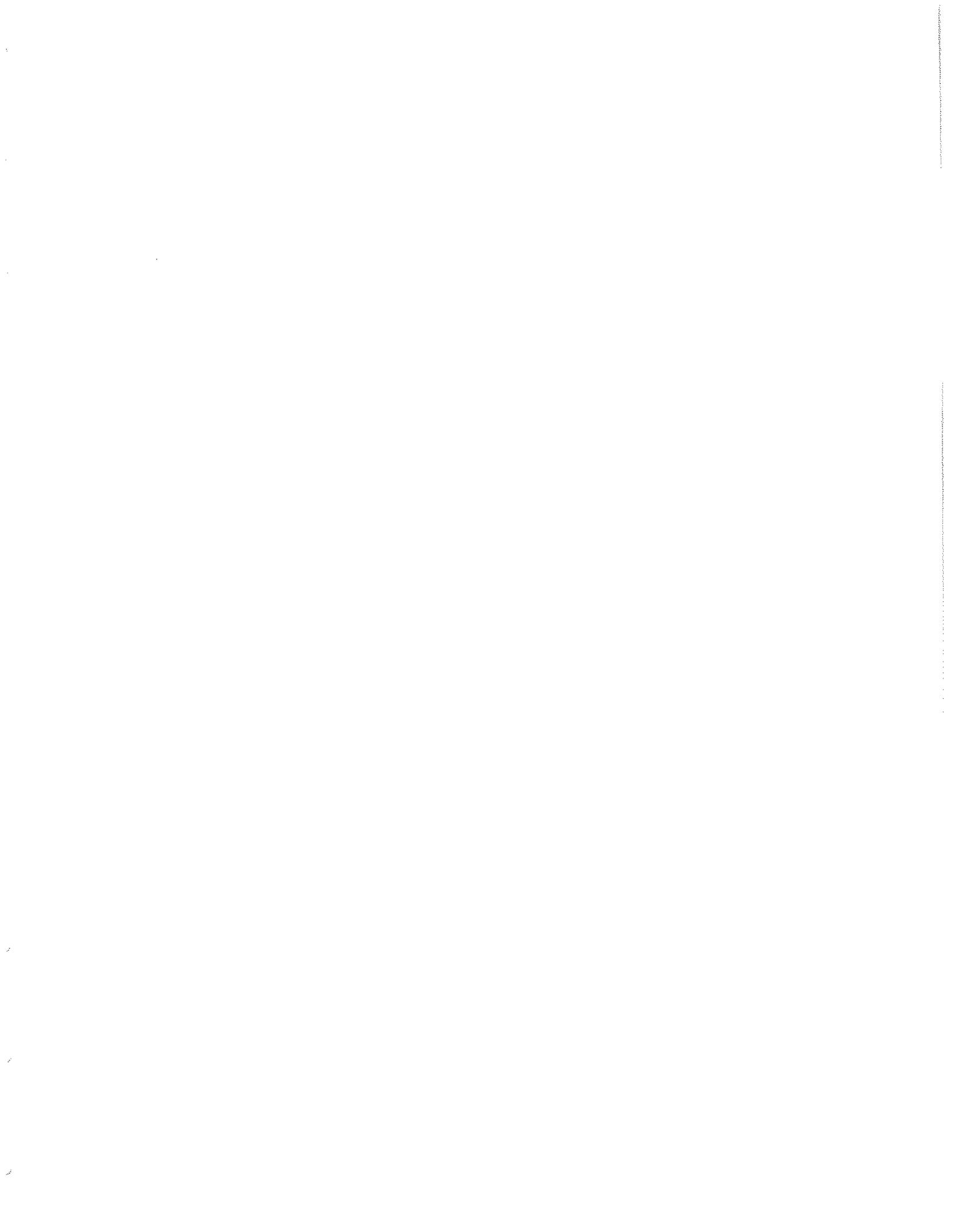
BE IT RESOLVED BY THE GOVERNING BODY OF ENLARGED HEPZIBAH PUBLIC SERVICE DISTRICT:

Section 1. Pursuant to Chapter 16, Article 13A of the West Virginia Code of 1931, as amended (the "Act"), this Resolution is adopted and there is hereby authorized and ordered to be issued the Sewer Revenue Note, Series 2002, of Enlarged Hepzibah Public Service District (the "Issuer"), originally represented by a single Note, in the principal amount of \$70,000 (the "Note"). The Note shall be dated the date of delivery thereof and shall bear interest at the rate of 6.5% per annum. The interest on and principal of the Note shall be payable monthly, amortized equally over five years (60 months). The Note shall be payable solely from net revenues derived from the operation of the sewerage facilities of the Issuer, and such net revenues are hereby pledged for such payment, subject to any pledge of such net revenues heretofore made in connection with any prior bonds, notes or other obligations of the Issuer. The granting of a security interest in the facilities to be purchased with proceeds of the Note is hereby approved.

Section 2. The proceeds of the Note shall be used to pay costs of acquisition and installation of certain vehicular and other equipment.

Section 3. The Note shall be sold to Bank One, West Virginia, NA, Clarksburg, West Virginia.

Section 4. This Resolution shall be effective immediately following adoption hereof.



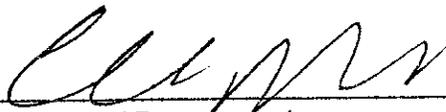
September 23, 2003

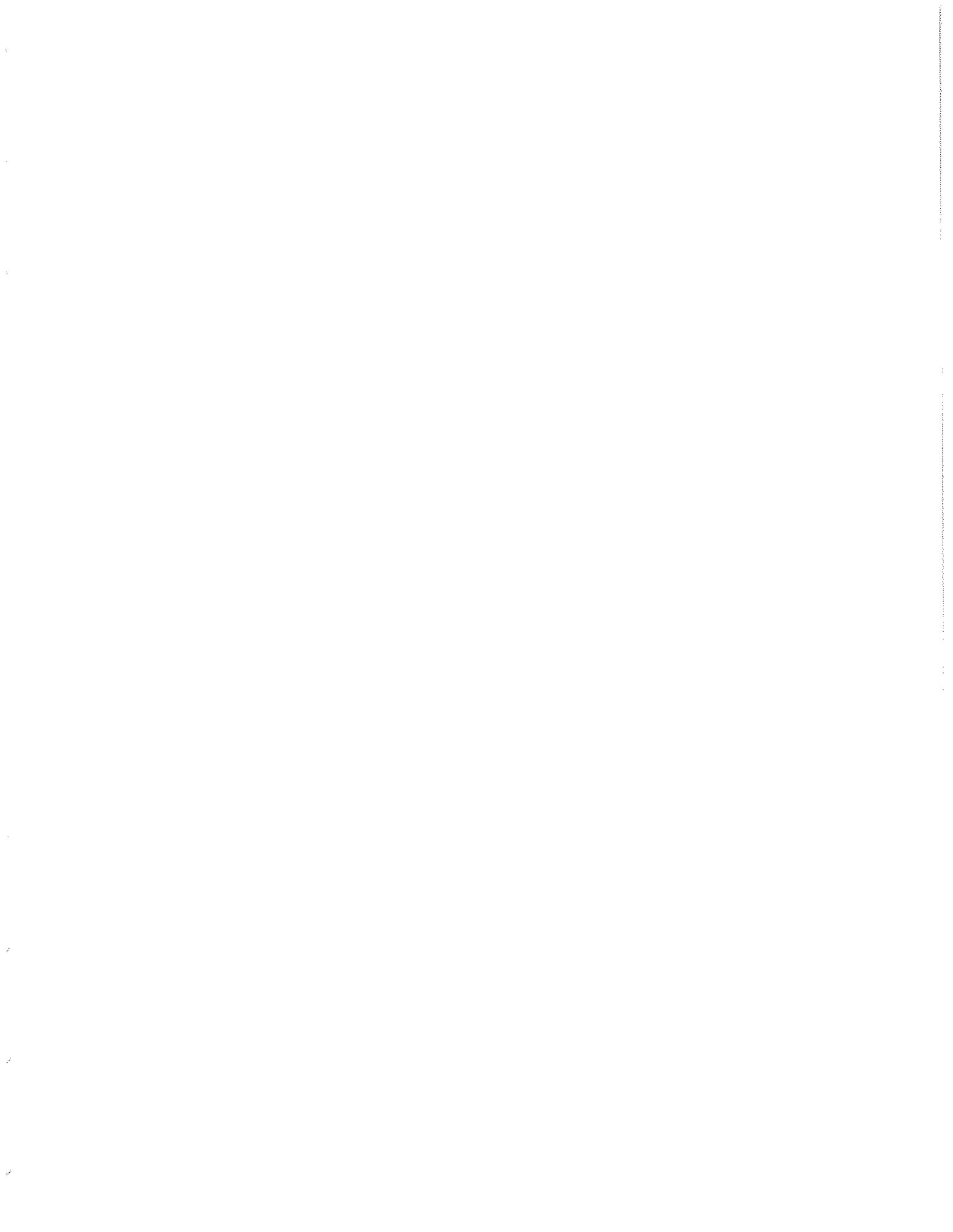
The Enlarged Hepzibah Public Service Water District  
Sewer Revenue Bonds, Series 2003 A  
(West Virginia SRF Program)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of the certified public accountant of the Issuer, the undersigned duly authorized representative for Bank One, NA, with Columbus, Ohio as its main office, the registered owner of the entire outstanding aggregate principal amount of the Sewer Revenue Note, Series 2002 (the "Series 2002 Note"), of The Enlarged Hepzibah, Public Service Water District, (the "Issuer"), hereby consents to the issuance of the Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), in the original aggregate principal amount of \$1,900,000 (the "Bonds"), by the Issuer, under the terms of the resolution authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Series 2002 Note.

BANK ONE, NA, with  
Columbus, Ohio as its main office

  
\_\_\_\_\_  
Authorized Representative



# CLOSING MEMORANDUM

**To:** Financing Team  
**From:** John C. Stump, Esquire  
**Date:** September 23, 2003  
**Re:** The Enlarged Hepzibah Public Service Water District Sewer Revenue Bonds,  
Series 2003 A (West Virginia SRF Program)

---

1. DISBURSEMENTS TO THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT

Payor: West Virginia Department of Environmental Protection  
Amount: \$183,537  
Form: Check  
Payee: The Enlarged Hepzibah Public Service Water District  
Account: Series 2003 A Bonds Construction Trust Fund  
Contact: Rosalie Brodersen - (304) 558-0637

09/16/03  
406790/00002

CH621726.1

State of West Virginia  
**WATER DEVELOPMENT AUTHORITY**  
 180 Association Drive, Charleston, WV 25311-1217  
 (304) 558-3612 - (304) 558-0299 (Fax)  
 Internet: www.wvwda.org - Email: contact@wvwda.org

**BOND CLOSING ATTENDANCE LIST**

Date September 23, 2003 Time 9:30 a.m. LGA The Enlarged Hepzibah Public Service Water District Program CWSRF

| NAME             | COMPANY, AGENCY, OR ORGANIZATION | TELEPHONE | FAX      | E-MAIL                   |
|------------------|----------------------------------|-----------|----------|--------------------------|
| Doug Olds        | West Virginia Water Development  | 558-3612  | 558-0299 | dolds@wvwda.org          |
| Shirley Lee      | Jackson Kelly PLLC               | 370-1318  | 370-1080 | syee@jacksonkelly.com    |
| BEBBIE YAKOVSKY  | WV WDA                           | 558-3612  | 558-0299 | dyanlesky@wvwda.org      |
| KARIE MATTHEW    | Septe & Johnson PLLC             | 550-8257  | 353-8181 | matthkm@septejohnson.com |
| ROSALIE BRODESEN | WV DEP                           | 558-0637  | 558-3778 | rbrodesen@wvdep.org      |
| John Stump       | Septe & Johnson PLLC             | 353-8196  | 353-8181 | stumpj@septejohnson.com  |
|                  |                                  |           |          |                          |
|                  |                                  |           |          |                          |
|                  |                                  |           |          |                          |

The Authority requests that the following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Howard Mall, Manager Telephone (304) 623-2217 E-Mail \_\_\_\_\_  
 Address Drauer H, Hepzibah, WV 26369

REMINDER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the NonArbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code, 1986, as amended.

AGENCY: ENVIRONMENTAL PROTECTION

WARRANT #: 1-1827764

TOTAL: \$183,537.00

DATE: 09/19/03

TRANSACTION INVOICE  
ID NUMBER

PAYEE  
REFERENCE

PURCHASE  
ORDER

AMOUNT  
\$183,537.00

I006059034 1, C544320

If you have questions concerning the above, please call 304-759-0507.

REMOVE DOCUMENT ALONG THIS PERFORATION

CTL# 13084797

THIS WARRANT HAS MULTIPLE SECURITY FEATURES TO DETECT FRAUD AND COUNTERFEITING  
VOID UNLESS PRESENTED FOR PAYMENT WITHIN SIX MONTHS

# State of West Virginia

Important remittance information on top panel  
Remitter: ENVIRONMENTAL PROTECTION  
Questions? Contact: MARK DOYLE at 304-759-0507

STATE WARRANT # 1-1827764

SEPTEMBER 19, 2003

PAYEE

ENLARGED HEPZIBAH PSD

\*\*\*\*\*\$183,537.00\*\*

1-1827764

WEST VIRGINIA TREASURY

*John D. Perdue*  
STATE TREASURER

*Glen B. Haines III*  
AUDITOR

⑈ 1 18 2 7 7 6 4 ⑈ ⑆ 0 5 1 9 0 2 3 2 2 ⑆ 5 2 7 0 5 3 7 8 2 2 ⑈



STATE OF WEST VIRGINIA

NATIONAL UNION FIRE INSURANCE CO.  
OF PITTSBURGH, PA. 70 PINE STREET  
NEW YORK, NY 10270

## ADDITIONAL INSURED:

HEPZIBAH PUBLIC SERVICE DISTRICT  
ENLARGED  
DRAWER H  
HEPZIBAH, WV 26369

CERTIFICATE NO: L 2713 - Mar 29, 1989

This certifies that the insured named above is an Additional Insured for the Coverage indicated below under General Liability Policy GL 6124043 and Automobile Policy CA 6612133 issued to the State of West Virginia by NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURGH, PA.

This certificate presents a summary of coverage. The policies may be inspected at the office of the Board of Risk and Insurance Management, 90 MacCorkle Avenue SW, Suite 203 South Charleston, WV 25303 during its regular business hours. Reproduction of the policies shall be at cost.

## COVERAGE PERIOD

From: Jul 1, 2003 To: Jul 1, 2004 12:01 Eastern Standard Time.

## COVERAGE AFFORDED

The Additional Insured is Insured for the following Coverages:

- Comprehensive General Liability Insurance
- Personal Injury Liability Insurance
- Professional Liability Insurance
- Stop Gap Liability Insurance
- Wrongful Act Liability Insurance
- Comprehensive Auto Liability Insurance
- Auto Physical Damage Insurance, including comprehensive and collision, and
- Garagekeepers Insurance

## LIMITS OF LIABILITY

EACH OCCURRENCE.

\$1,000,000 each occurrence for all coverage combined. This limit is not increased if a claim is insured under more than one coverage or if claim is made against more than one insured.

JUL 08 2003

-----  
CERTIFICATE No: L 2713 - Mar 29, 1989  
HEPZIBAH PUBLIC SERVICE DISTRICT  
ENLARGED  
-----

PAGE 2 OF 3

**SPECIAL LIMITS.**

The auto physical damage limit is the actual cash value of each vehicle, including mobile equipment, subject to a \$1,000 deductible.

**DEFENSE COSTS.**

Defense costs are in addition to the each occurrence limit of liability.

**NOTICE OF CLAIM**

All notice of claim should be sent to:

Claim Manager  
West Virginia Board of Risk and Insurance Management  
90 MacCorkle Avenue S.W.  
Suite 203  
South Charleston, West Virginia 25303  
(304) 766-2646, (800) 345-4669 FAX: (304) 766-2653

**OTHER PROVISIONS**

**SUBJECT TO POLICY TERMS.**

The insurance evidenced by this Certificate is subject to all of the terms, conditions, exclusions and definitions in the policies.

**OTHER INSURED.**

The members of the governing body of the Additional Insured named above, its elected or appointed officials, executive officers, directors, commissioners, board members, volunteer workers, student teachers, and employees are also insureds under the policies while acting within the scope of their duties as such.

**STATUTORY IMMUNITIES.**

It is a condition precedent of coverage under the policies that the Additional Insured does not waive any statutory or common law immunity conferred upon it.

**EXCESS COVERAGE.**

If the Additional Insured has other primary insurance for the hazards covered by the above policies, the coverage afforded by this certificate does not apply to losses occurring before the expiration or termination date of the other insurance except to the extent that the amount of loss exceeds the limit of liability of the other insurance, but then only for an amount not exceeding the difference between \$1,000,000 and the limit of liability of the other insurance.

-----  
CERTIFICATE NO: L 2713 - Mar 29, 1989  
HEPZIBAH PUBLIC SERVICE DISTRICT  
ENLARGED  
-----

PAGE 3 OF 3

PRIOR CLAIMS MADE COVERAGE.

As the insurance under this Certificate renews certain liability coverages previously insured on a claims made policy form, the insurance under this Certificate shall apply to a claim or loss reported during the Certificate Coverage Period that occurred prior to the effective date of the Certificate if the claim or loss would have been covered by the prior claims made policy provided that the claim or loss is also within the scope of coverage afforded by the policy issued to the State of West Virginia and not excluded therein. However, in no event shall coverage apply to a claim or loss occurring prior to the RETRO DATE, if any, stated below.

RETRO DATE: Mar 29, 1989

AGENT OF RECORD: P.M. LONG & SON INC./DBA  
DYER INSURANCE AGENCY  
P. O. BOX 607  
CLARKSBURG, WV 26301

BY: \_\_\_\_\_

*Bob A. Miller*  
AUTHORIZED REPRESENTATIVE

DATED: June 23, 2003



IC-2  
(7/30/01)

## GRANT AGREEMENT

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council") and THE ENLARGED HEPZIBAH PUBLIC SERVICE WATER DISTRICT (the "Governmental Agency").

### RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed \$154,213 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit A attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

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

### TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

4. The Governmental Agency will use the proceeds of the Grant only for the purposes specifically set forth in Exhibit A.

5. The Governmental Agency shall comply with and is bound by the Council's rules set forth as Title 167, Series 1 and more particularly Section 5.9 with respect to the sale of the Project.

6. The Governmental Agency acknowledges that the Grant may be reduced, from time to time, to reflect actual Project costs and availability of other funding.

7. The Governmental Agency shall list the Grant provided by the Authority and the Council in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

8. This Grant Agreement shall be governed by the laws of the State of West Virginia.

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

THE ENLARGED HEPZIBAH PUBLIC  
SERVICE WATER DISTRICT

By: *Angela Maschella*  
Its: Chairperson  
Date: September 23, 2003

Attest:

*Jean Sartorius*  
Its: Secretary

WEST VIRGINIA WATER  
DEVELOPMENT AUTHORITY

By: *Samuel B. Zank*  
Its: Director  
Date: September 23, 2003

(SEAL)

Attest:

*Barbara B Meadows*  
Its: Secretary-Treasurer

000832/00466  
08/13/03

## Exhibit A

### Project Description

The Project consists of expanding the Governmental Agency's sewer system to serve an additional 49 customers along Farnum Road and upgrading 2 existing wastewater treatment plants and purchasing a 1,500 gallon vacuum sludge truck, together with all appurtenant facilities.